



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING

AGENDA

MONDAY, JANUARY 23, 2017
4:00 P.M.

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

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 728-1125, ext. 1130 for assistance so the necessary arrangements can be made.

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

PUBLIC COMMENT

Members of the public are invited to address the Board of Directors on any item that is within the subject matter jurisdiction of the legislative body. The Board President may limit comments to three (3) minutes.

A. RESOLUTIONS OF COMMENDATION AND APPRECIATION

- 1. Bob Anderson
- 2. Robert James

B. RESOLUTION OF COMMENDATION: 2016 EMPLOYEE OF THE YEAR

- 1. Austin Wendt

II. CONSENT CALENDAR----- (ITEMS C – D)

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.

- C. APPROVAL OF MINUTES
1. Special Board Meeting of November 21, 2016
 2. Special Board Meeting of December 12, 2016
 3. Regular Board Meeting of December 12, 2016

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

D. ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: The Board authorize and approve in advance Directors' attendance and participation in the following events: (1) CSDA General Manager Evaluations webinar, (2) CSDA Prop 26, Prop 218 & Rate Setting, (3) CSDA 2017 Special District Leadership Academy Conference, (4) CSDA Financial Management for Special Districts, (5) Water Authority & MWD Tours, and (6) Agricultural Water Summit.

III. **ACTION / DISCUSSION CALENDAR** ----- (ITEMS E – G)

E. DONNIL PUMP STATION EMERGENCY GENERATOR PROJECT AWARD

Recommendation: That the Board authorize award of the Donnil Pump Station Emergency Generator Project to the apparent lowest responsible bidder of NEWest Construction, Inc. at an amount of \$139,900 if they are able to meet all District requirements.

F. JANUARY 1, 2017 UPDATED SAN DIEGO COUNTY WATER AUTHORITY CAPACITY FEES

Recommendation: That the Board adopt Resolution No. 4898 to amend Article 19 of the Administrative Code to reflect the capacity fee increases made by San Diego County Water Authority effective January 1, 2017.

G. INITIAL STATE REVOLVING FUND (SRF) RESOLUTIONS FOR THE SANTA MARGARITA CONJUNCTIVE USE PROJECT (RESOLUTION NOS. 4899, 4900, AND 4901)

Recommendation: That the Board approve the Resolution Nos. 4899, 4900, and 4901 for submission to the State Water Resources Control Board to secure potential SRF funding.

IV. **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

V. **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.

January 18, 2017
Dated / Fallbrook, CA

Mary Lou Boultinghouse
Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *MLB*
DATE: January 23, 2017
SUBJECT: Resolutions of Commendation and Appreciation
Resolution Nos. 4895 and 4896

Purpose

To present Robert Anderson and Robert H. James with resolutions of commendation and appreciation for their service to the District.

Summary

Robert Anderson was appointed to the Board of Directors, Seat No. 2, following the resignation of Bert Hayden for the period of May to December 2016.

Robert H. James filled the role of General Counsel for the District for over 30 years, retired in 2016, and currently holds the position "Of Counsel" to the District.

Recommended Action

Staff recommends the Board adopt Resolution Nos. 4895 and 4896 in commendation and appreciation of Robert Anderson and Robert H. James, respectively, for their dedication and service to the District.

RESOLUTION NO. 4895

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT OF COMMENDATION AND
APPRECIATION TO ROBERT ANDERSON FOR SERVING ON THE
BOARD OF DIRECTORS**

* * * * *

WHEREAS, ROBERT ANDERSON was appointed to Seat No. 2 on the Board of Directors of the Fallbrook Public Utility District (District) in May 2016, filling the vacancy left by the resignation of Bert Hayden; and

WHEREAS, during his term in office, **ROBERT ANDERSON** served on the ad hoc Conservation Committee, which he was instrumental in forming; thus, exemplifying his dedication to conserving water and staying well-versed and up-to-date on the challenges facing the State of California; and, the District's efforts to provide a reliable water supply for residential, agricultural, and industrial use ratepayers during the state's longest running drought.

WHEREAS, while serving on the Board of Directors, **ROBERT ANDERSON** was known to always extend a warm greeting, treat others with respect and dignity, and provide a proactive voice on behalf of the ratepayers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby commend **ROBERT ANDERSON** for faithfully serving on the Board of Directors and expresses its deep appreciation for his dedicated service to the ratepayers of the District.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 23rd day of January, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

RESOLUTION NO. 4896

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT OF COMMENDATION AND
APPRECIATION TO ROBERT H. JAMES FOR SERVING AS GENERAL
COUNSEL TO THE DISTRICT**

* * * * *

WHEREAS, ROBERT H. JAMES represented the Fallbrook Public Utility District (District) in the capacity of General Counsel for over 30 years; and

WHEREAS, during his tenure as General Counsel, **ROBERT H. JAMES** provided sound and prudent legal advice, support, and assistance to the Board of Directors, the General Manager, and staff; and

WHEREAS, ROBERT H. JAMES handled legal matters for the District, both large and small; and, was instrumental in preserving the water rights to the Santa Margarita River, resulting in the Santa Margarita Conjunctive Use Project, which will provide a local water supply to the District and its ratepayers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Fallbrook Public Utility District does hereby commend **ROBERT H. JAMES** for acting as General Counsel to the District for over 30 years and expresses its deep appreciation for his dedicated service.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 23rd day of January, 2017, by the following vote:


AYES:
NOES:
ABSTAIN:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Brian J. Brady, General Manager 
DATE: January 23, 2017
SUBJECT: 2016 Employee of the Year – Austin Wendt
Presentation of Resolution No. 4897

The Employee of the Quarter for May 2016, Mark April, chose Austin Wendt as the Employee of the Quarter for August 2016 because of the following:

"Austin was hired July 20, 2009 and is a Utility Worker II in the Construction and Maintenance Department. This award is presented for your consistent professional demeanor to customers and fellow employees. You always provide a can do attitude and are a team player. You show a tremendous amount of dedication to your job and the district. You are always willing to step up and ensure the work gets done."

In December, Austin was selected as the 2016 Employee of the Year by a vote of the employees and was presented with a Certificate of Appreciation and a \$500 award. Attached is Resolution No. 4897 commending Austin for being selected 2016 Employee of the Year.

Congratulations, Austin!

RESOLUTION NO. 4897

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT OF COMMENDATION
AND APPRECIATION TO AUSTIN WENDT, 2016 EMPLOYEE OF
THE YEAR**

* * * * *

WHEREAS, the Fallbrook Public Utility District Recognition Program was authorized by the Board of Directors on November 28, 1988, and provides that an Employee of the Year be selected by employees' ballots from the Employee of the Quarter winners during the past year; and

WHEREAS, Austin Wendt was hired on July 20, 2009, works in the Construction/Maintenance Department as a Utility Worker II, and holds Treatment 1, Distribution 2, and Crane Operator certifications; and

WHEREAS, Austin Wendt was chosen as the Employee of the Quarter for August 2016 by Mark April; and

WHEREAS, Austin Wendt was voted by his peers as the 2016 Employee of the Year for his consistent professional demeanor to customers and fellow employees, for his "can do" attitude, and for being a team player.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Fallbrook Public Utility District does hereby commend Austin Wendt for being voted as the 2016 Employee of the Year and expresses its deep appreciation to Austin for his dedicated service to the District.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 23rd day of January, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *MLB*
DATE: January 23, 2017
SUBJECT: Approval of Minutes

Recommendation

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

1. Special Board Meeting of November 21, 2016
2. Special Board Meeting of December 12, 2016
3. Regular Board Meeting of December 12, 2016

Minutes of the
Special Board Meeting
of November 21, 2016

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

MINUTES

MONDAY, NOVEMBER 21, 2016
4:00 P.M.

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER

President Davies called the Special Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. The following statement was read into the record by President Davies:

"Prior to roll call, I would like to make clear for the record of this meeting, and it should be reflected in the minutes, that at least a portion of this meeting of the Fallbrook Public Utility District is being conducted pursuant to California Government Code Section 54953, in that Director Wolk is participating by teleconference from 11679 River Bend Drive, Leavenworth, Washington 98826. Director Wolk is participating by speaker phone. In accordance with the Ralph M. Brown Act, the teleconference location was identified in the notice and agenda for this meeting."

ROLL CALL / ESTABLISH A QUORUM

Secretary Boultinghouse conducted attendance by roll call. Directors Anderson, Davies, Gebhart, and McDougal were present at the meeting, and Director Wolk was present by speaker phone at the teleconference location identified on the notice and agenda.

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

Board of Directors

Present: Bob Anderson, Member
Milt Davies, Member / President
Al Gebhart, Member
Don McDougal, Member
Charley Wolk, Member / Vice-President (*via teleconference*)

Absent: None

District Staff

Present: Arlene Prater, General Counsel
Brian J. Brady, General Manager
Jack Bebee, Assistant General Manager
Mary Lou Boultinghouse, Secretary
Jason Cavender, System Operations Manager
Noelle Denke, Public Affairs Specialist
Marcie Eilers, Administrative Services Manager / Treasurer
Jeff Marchand, Engineering Supervisor
Larry Ragsdale, Safety & Risk Administrator

Also present were others, including, but not limited to: Kirk Dulin, Donna Gebhart, Patricia McPhee, Jiri Nemecek, and Vera Nemecek.

PLEDGE OF ALLEGIANCE

President Davies led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

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

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

NOES: None

ABSTAIN: None

ABSENT: None

PUBLIC COMMENT

Members of the public are invited to address the Board of Directors on any item that is within the subject matter jurisdiction of the legislative body. The Board President may limit comments to three (3) minutes.

There were no members of the public who wished to speak during the Public Comment portion of the meeting.

II. CONSENT CALENDAR----- (ITEMS A – B)

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

A. APPROVAL OF MINUTES

1. Regular Board Meeting of October 24, 2016

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

Item B was pulled from the Consent Calendar for discussion.

MOTION: Director McDougal moved to approve the Consent Calendar as revised with the removal of Item B for discussion; Director Anderson seconded. Motion carried; **ROLL CALL VOTE:**

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

NOES: None

ABSTAIN: None

ABSENT: None

B. CLAIM FOR DAMAGES BY JIRI NEMECEK

Recommendation: Staff recommends denying the Claim and forwarding to the ACWA/JPIA for resolution.

Dr. Brady reported that Mr. Nemecek filed a Claim for Damages to repair the private road that services his home allegedly damaged by District staff during the course of repair work on Lindy Lane. Dr. Brady further reported that Mr. and Mrs. Nemecek were present and submitted a Request to Speak form in order to present testimony in support of their Claim.

President Davies invited Mr. and Mrs. Nemecek to the podium. Mr. Nemecek stepped to the podium and claimed the District damaged the pavement on his private road by releasing water from a fire hydrant that flowed for seven hours while District crews worked on a nearby construction project and stated an estimate for repairs to the road was submitted with his Claim. Mrs. Nemecek asserted his road was in better condition prior to the damages caused by the water released by District staff.

President Davies stated that in order for the insurance carrier to make a determination on the Claim, the Board must deny the Claim and forward the Claim to

the insurance carrier for resolution. President Davies asked if any Director had a question of Mr. and Mrs. Nemecek and hearing none, called for the motion.

MOTION: Director Wolk moved to deny the Claim for Damages and forward the Claim to the District's insurance carrier for resolution; Director Anderson seconded. Motion carried; ROLL CALL VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

III. INFORMATION------(ITEM C)

C. RECYCLED WATER MASTER PLAN

Presented by: Jack Bebee, Assistant General Manager

Mr. Bebee presented a slide show with an overview of the District's Recycled Water Master Plan and pointed out that recycled water service was recently expanded to reach four additional nurseries in the Green Canyon Road area through the construction of a pipeline extension. Mr. Bebee described other potential uses for recycled water that have been discussed, as follows: (1) further expansion of service, (2) potable recharge with aquifer storage and recovery, and (3) direct potable reuse. Mr. Bebee emphasized that the current focus is to expand recycled water service to nurseries in the area of Burma Road; and stated if that were to occur, the District would utilize most of its available recycled water.

IV. ACTION CALENDAR----- (ITEMS D – I)

D. SANTA MARGARITA RIVER CONJUNCTIVE USE PROJECT

Status Update.

Dr. Brady announced the purpose of agenda Item D was to provide an update on the Santa Margarita River Conjunctive Use Project (SMRCUP) and did not concern the trails or pending sale of the property.

Mr. Bebee provided an update on the SMRCUP with discussion of environmental permitting, water rights permitting, the settlement agreement, the design and construction of the project facilities, and project funding.

Mr. Bebee reported the updated water rights permits were submitted to the State Water Resources Control Board, to conform those permits to the SMRCUP, and those permits are expected to be finalized in four-to-six months. The settlement agreement is

going through the federal process and once the EIS is certified, the process will move quickly through the Department of the Navy and the Department of Justice. In January or February the settlement agreement will be submitted to the Board for adoption. Following adoption of the settlement agreement, the construction of the facilities can take place. The final design phase is expected to be finished by the end of January, when the set of plans will be complete. Currently, Camp Pendleton is in the process of awarding construction of their facilities, pending the Record of Decision on the EIS, and funding has been set aside for their project. Following completion of the final design, the District will explore funding options and evaluate the impact to the District's rates and finances.

Mr. Bebee pointed out that the District is in the process of applying for an SRF loan, which has a 2% interest rate, and the head of the program assured him they were committed to funding the project.

President Davies asked what the consequences would be if the project were not built. Mr. Bebee remarked the State Water Resources Control Board would revoke the water rights permits, which could potentially jeopardize the physical solution required by US vs. FPUD. Most likely, Camp Pendleton would build its facilities and the District would be without a physical solution to US vs. FPUD.

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

Status Update.

Dr. Brady reported a meeting was held on September 15, 2016, with Brian Albright, the Executive Director of the County of San Diego Parks and Recreation Department. At that time, Mr. Albright stated his office would be scheduling a workshop in Fallbrook relative to public discussion of a Lighting and Maintenance District. To date, the workshop has not been scheduled.

F. AWARD OF 1 MG RESERVOIR RECOATING

Recommendation: That the Board authorize award of the 1 MG Reservoir Recoating Project to the lowest responsible bidder of Simpson Sandblasting and Specialty Coatings at an amount of \$332,285.

Mr. Bebee explained the District is in the process of recoating its tanks to extend their service life and to retain structural integrity in accordance with a maintenance schedule, and the process is currently 50% complete. A Notice Inviting Bids was released for recoating the 1 MG Reservoir, which is located in De Luz, and the apparent low bidder was Simpson Sandblasting who has performed work in the past for the District. The award amount is slightly more than budgeted due to structural issues that

were encountered, but the capital budget will be adjusted to accommodate the cost difference. Staff is recommending the project be awarded to Simpson Sandblasting and Specialty Coatings in the sum of \$332,285.

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

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

NOES: None

ABSTAIN: None

ABSENT: None

G. AWARD OF REPLACEMENT WASHER/COMPACTOR FOR WRP

Recommendation: That the Board authorize award of a contract to JBI Water and Wastewater Equipment for the sole source procurement of a Duperon Washer/Compactor for \$40,000 to replace the Washer/Compactor at the WRP to protect downstream equipment at the Water Reclamation Plant.

Mr. Bebee reported the existing washer/compactor at the Wastewater Reclamation Plant, which was purchased as part of a Duperon flex rake and washer/compactor system in 2008, requires replacement due to reliability issues experienced over the past few years. Because the system was purchased less than 10 years ago and the washer/compactor is a component of the existing system, the manufacturer has reduced the price of the replacement washer/compactor. In addition, JBI Water and Wastewater Equipment is the sole source provider of replacement equipment that is compatible with the existing Duperon flex rake and washer/compactor system. Accordingly, staff was unable to utilize a competitive bidding process for the purchase.

Mr. Bebee further reported the project was budgeted in this year's Wastewater Capital Budget.

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

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

NOES: None

ABSTAIN: None

ABSENT: None

H. PAVING OF PORTION OF BEAVER CREEK LANE FOR BEAVER CREEK PIPELINE REPLACEMENT PROJECT

Recommendation: That staff follow the no-cut policy for construction in private roads. Staff will verify the extent of sealing that was completed within the last three (3) years and seal these sections with an approximate additional cost of \$15,000. The finalized additional amount will be included in a subsequent change order to the project for Board approval.

Mr. Marchand reported the Beavercreek Homeowners Association (HOA) has requested the District fog seal Beavercreek Lane, which is a private road maintained by the HOA, in conjunction with the Beavercreek Pipeline Replacement Project. As part of the project, the road was trenched and subsequently repaired with an asphalt patch. The HOA has expressed their dissatisfaction with the appearance of the asphalt patch and in order to restore the road to its former appearance, the HOA has requested the application of a fog seal that will cost approximately \$15,000.

Mr. Marchand described the County of San Diego's policy, which is to fog seal a road following construction if the road had been paved or sealed within the past three years. Director Gebhart asked if Beavercreek Lane had been paved or sealed within the past three years, and Mr. Marchand responded the HOA represented it seals the road regularly and the last fog seal was done two years ago.

Discussion ensued relative to requiring the HOA to submit proof the road had been sealed two years ago by producing a receipt. Discussion also included potential future liability issues for the District.

Mr. Bebee suggested adopting a policy of sealing roads following construction if the road had been paved or sealed within the past three years--like the County of San Diego's.

MOTION: Director McDougal moved to approve staff's recommendation; Director Anderson seconded.

Director Gebhart expressed concern with establishing a policy that potentially has a "trickle-down" effect negatively impacting the budget.

Director McDougal expressed support of restoring roads to their former condition and that road repairs, whether done on public or private roads, should be done to set standards.

Director Wolk pointed out the District has an obligation to restore a road to its former condition, but cautioned repairs should be done in the context of rules.

President Davies supported fog sealing Beavercreek Lane, but felt a waiver should be obtained from the HOA.

Director Gebhart discussed amending the motion to require from the HOA (1) a release from future liability and (2) a receipt proving the road had been paved or sealed within the past three years.

Discussion ensued relative to the ability of the District to require a party to sign a release. Mr. Bebee suggested limiting the release to the fog seal.

AMENDED

MOTION: Director McDougal moved to approve staff's recommendation, to include (1) verification the road had been sealed or paved within the past three years and (2) agreement by the HOA that the District has completed the project and is not liable for any future sealing or minor surface repairs; Director Anderson seconded. Motion carried; ROLL CALL VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

I. CONTRACT FOR EXECUTIVE SEARCH SERVICES

Recommendation: It is recommended that the Board of Directors authorize a contract between the Fallbrook Public Utility District (FPUD) and a selected Executive Recruitment firm to be named not to exceed \$30,000 total. This level of recruitment should be handled by an outside recruiter and coordinated by FPUD's Human Resources Manager to ensure national exposure and build a strong candidate pool.

President Davies reported that due to Dr. Brady's potential resignation to accept another position, this item is to discuss recruitment options for the position of General Manager.

Dr. Brady suggested the Board may wish to consider authorizing a contract for executive search services as a result of his potential resignation and the cost would be approximately \$22,000 to \$30,000. The search would be coordinated through the Human Resources Manager and the Personnel Committee. Although an executive recruitment firm has not been named, Bob Murray & Associates has been used in the past, and the Board may wish to consider Bob Murray & Associates as well as three or four other highly qualified firms.

MOTION: Director Gebhart moved to approve staff's recommendation, to include the Personnel Committee as the governing body for the process; Director Wolk seconded.

Director McDougal suggested prior to hiring an executive recruitment firm, an internal search be conducted to review the top five candidates from the last General

Manager recruitment and consult with the General Manager for recommendations of other potential candidates. If those persons were not interested or qualified, the District could then spend \$30,000 for a search firm.

Director Wolk supported exploring other alternatives before hiring an executive recruitment firm.

Mrs. Prater suggested the Personnel Committee meet in January, following the informal work discussed that will be done in December.

Director McDougal suggested postponing selection of an executive recruitment firm until January pending review in December of the previous candidates for General Manager. Brief discussion followed.

AMENDED

MOTION: Director Gebhart moved to consult with the General Manager concerning potential candidates for the position, conduct a review of the top five candidates from the previous recruitment for General Manager, and obtain quotes for various services from Bob Murray & Associates; Director Wolk seconded. Motion carried; ROLL CALL VOTE:

AYES: Directors Anderson, Davies, McDougal, and Wolk

NOES: Director Gebhart

ABSTAIN: None

ABSENT: None

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

1. General Legal Counsel

- Mrs. Prater announced that BB&K will be holding a webinar on new employment law and cases on December 8, 2016, and registration can be done online.
- There is no change to employment law from the legalization of marijuana and employees cannot report to work under the influence of marijuana even if it has been prescribed.
- There has been some expansion of discrimination and retaliation laws, and the equal pay provisions in California will expand in 2017 to include gender, race, and ethnicity.
- Effective January 1, 2017, elected officials are required to have mandatory sexual harassment avoidance training.
- Single use bathrooms cannot be made gender specific.
- BB&K will provide an update of new laws that will take effect in 2017.

2. SDCWA Representative / General Manager

- The District has received a letter from the SDCWA acknowledging the District has passed its agricultural water rate analysis and use figures.
- 3. Administrative Services Manager / Treasurer
- 4. Assistant General Manager
 - Recently, it has been found by crews working on emergency repairs that valves installed in the 1980s are not working, which impairs staff's ability to repair leaks in a timely manner and negatively impacts the valve replacement program.
- 5. Public Affairs Specialist
- 6. Director Comments/Reports on Meetings Attended
 - Director Anderson thanked the Board and staff for their help and assistance during his time serving on the Board of Directors.
 - President Davies suggested paving the property adjacent to Santa Margarita Road, installing a drop box for customers, and fencing the parking lot for increased security.
 - President Davies met with a battalion chief from the North County Fire Protection District (NCFPD) relative to fire hydrant maintenance. NCFPD is currently responsible for the maintenance of fire hydrants pursuant to an agreement that was made in the 1960s. Mr. Bebee remarked that he has been in discussions with NCFPD relative to fire hydrant maintenance.

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 5:50 p.m.

VI. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2):
 - ONE (1) POTENTIAL CASE
2. PUBLIC EMPLOYEE APPOINTMENT PER GC § 54957:
 - TITLE: GENERAL MANAGER

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:34 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

The Board met in Closed Session regarding an item of potential litigation under Agenda Item VI. (1), and rejected a Government Claim related to a motorcycle

accident. There was no reportable action taken by the Board of Directors for Agenda Item VI. (2).

MOTION: Director Anderson moved to reject a Government Claim related to a motorcycle accident; Director McDougal seconded. Motion carried; ROLL CALL VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, President Davies adjourned the Special Meeting of the Board of Directors of the Fallbrook Public Utility District at 6:35 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

Minutes of the
Special Board Meeting
of December 12, 2016

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

MINUTES

MONDAY, DECEMBER 12, 2016
2:30 P.M.

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

Director McDougal, Acting Chair, called the Special Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 2:35 p.m. A quorum was established with attendance as follows:

Board of Directors

Present: Jennifer DeMeo, Member
Al Gebhart, Member
Don McDougal, Member / Acting Chair
Charley Wolk, Member / Vice President (*arrived at 3:35 p.m.*)

Absent: Milt Davies, Member / President

District Staff

Present: Paula de Sousa Mills, General Legal Counsel
Jack Bebee, Assistant General Manager

Also present were others, including, but not limited to: There were no others in attendance or present.

PLEDGE OF ALLEGIANCE

Director McDougal led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

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

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

PUBLIC COMMENT

Members of the public are invited to address the Board of Directors on any item that is within the subject matter jurisdiction of the legislative body. The Board President may limit comments to three (3) minutes.

There were no comments from members of the public.

II. INFORMATION------(ITEM A)

A. ORIENTATION FOR NEW AND NEWLY ELECTED DIRECTORS PRESENTED BY THE DISTRICT GENERAL COUNSEL AND DISTRICT STAFF

Recommendation: That Board Members present participate in the orientation presented by District General Counsel and District Staff. This is an informational item and no action is requested.

Mrs. de Sousa Mills provided a "New Board Member Orientation" with discussion of the following topics:

1. Role of General Counsel
2. Public Ethics
3. Financial Conflicts of Interest
 - a. Political Reform Act
 - b. Contracts-Government Code section 1090
4. Public Records Act

Director Wolk arrived at 3:35 p.m.

There was no action taken by the Board of Directors.

III. ADJOURNMENT OF MEETING

There being no further business to discuss, Director McDougal adjourned the Special Meeting of the Board of Directors of the Fallbrook Public Utility District at 3:42 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

Minutes of the
Regular Board Meeting
of December 12, 2016

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

MINUTES

MONDAY, DECEMBER 12, 2016
4:00 P.M.

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER

Director Wolk, acting Chair, called the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. The following statement was read into the record by Director Wolk:

"Prior to roll call, I would like to make clear for the record of this meeting, and it should be reflected in the minutes, that at least a portion of this meeting of the Fallbrook Public Utility District is being conducted pursuant to California Government Code Section 54953, in that Director Davies is participating by teleconference from the University of Utah, Patient and Family Housing, Conference Room, 2080 W. North Temple, Salt Lake City, Utah 84116. Director Davies is participating by speaker phone. In accordance with the Ralph M. Brown Act, the teleconference location was identified in the notice and agenda for this meeting."

ROLL CALL / ESTABLISH A QUORUM

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

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

Board of Directors

Present: Milt Davies, Member (*via teleconference*)
Jennifer DeMeo, Member
Al Gebhart, Member
Don McDougal, Member
Charley Wolk, Member

Absent: None

District Staff

Present: Paula De Sousa Mills, General Counsel
Brian J. Brady, General Manager
Jack Bebee, Assistant General Manager
Mary Lou Boultinghouse, Secretary
Mick Cothran, Drought Management Coordinator
Noelle Denke, Public Affairs Specialist
Kyle Drake, Collections Supervisor
Marcie Eilers, Administrative Services Manager / Treasurer
Joshua Hargrove, Utility Worker I
Todd Jester, GIS Specialist
Jeff Marchand, Engineering Supervisor
Matt Perez, Utility Worker II
Larry Ragsdale, Safety & Risk Administrator
Steve Stone, Construction / Maintenance Supervisor

Also present were others, including, but not limited to: Peter Colby, Aimee Coughlin, Donna Gebhart, Tiena Hidalgo, Zachary Kantor-Anaya, Steve Lopardo, Patricia McPhee, Paul Melzer, Julie Murray, Deanne Sanderson, and Roy Wilson.

PLEDGE OF ALLEGIANCE

Director Wolk led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

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

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

PUBLIC COMMENT

Members of the public are invited to address the Board of Directors on any item that is within the subject matter jurisdiction of the legislative body. The Board President may limit comments to three (3) minutes.

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

A. SEATING OF DIRECTORS

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

Director Wolk announced that Directors Gebhart, DeMeo, and McDougal were elected to Subdistricts 1, 3, and 4, respectively, and have taken their Oaths of Office.

B. ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS

1. President
2. Vice President

Director Wolk turned the gavel over to Dr. Brady to conduct the Election of Officers.

MOTION: Director Davies nominated Director Wolk for President and Director Gebhart for Vice President. Motions carried; ROLL CALL VOTE:

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

The Election of Officers was closed, and Dr. Brady turned the gavel over to Director Wolk as Board President to preside over the remainder of the meeting.

C. APPOINTMENTS TO BOARD STANDING COMMITTEES

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

President Wolk made the following appointments to the Board Standing Committees:

1. Fiscal Policy & Insurance: *Directors Gebhart and Wolk*
2. Personnel: *Directors Davies and DeMeo*
3. Water Resources: *Directors McDougal and Wolk*

D. EMPLOYEE OF THE QUARTER FOR NOVEMBER 2016

1. Todd Jester

President Wolk congratulated Mr. Jester for being chosen Employee of the Quarter for November 2016.

E. MANAGER'S AWARDS

1. Noelle Denke

2. Larry Ragsdale
3. Jeff Marchand

President Wolk congratulated Mrs. Denke, Mr. Ragsdale, and Mr. Marchand for receiving Manager's Awards.

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

President Wolk presented the outgoing Recognition Committee members who were in attendance with Certificates of Appreciation for their service on the Recognition Committee throughout 2016.

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.

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

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

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

H. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK

Presented by: Noelle Denke, Public Affairs Specialist

The top 14 fourth grade student artists who submitted artwork for the 2017 "Be Water Smart" calendar were honored and presented with gifts and prizes for their outstanding artwork that will be featured in the calendar.

President Wolk announced a recess at 4:35 p.m.

The Board returned from recess and reconvened to Open Session at 4:43 p.m.

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.

Dr. Brady reported a meeting has been scheduled for Wednesday, January 4, 2017, with Brian Albright, Director of Parks and Recreation for the County of San Diego, to discuss formation of a Landscape and Maintenance District by the County of San Diego in the Fallbrook area.

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

"Because I have a conflict of interest under the Political Reform Act (Government Code section 87100) and under Government Code section 1090 with respect to Item J, Santa Margarita Property Update, I am recusing myself from participating in any way, or any action, taken on this agenda item because of my real property interest and my primary residence, and/or real property interests, and the access easement to the trails system."

Following his statement of recusal, Director Gebhart left the room at 4:47 p.m.

J. SANTA MARGARITA PROPERTY UPDATE

Recommendation: No action is requested at this time.

Mr. Bebee provided an overview of the history of the Santa Margarita property (Property). Mr. Bebee stated the Property was acquired in the 1950s in order to build a dam on the Santa Margarita River, but due to financial and environmental concerns, the dam was never built. As an alternative to the dam project, the Santa Margarita Conjunctive Use Project (CUP) was developed with Camp Pendleton. The original plan

would have transferred the Property to the Bureau of Reclamation to offset the cost of construction; however, the plan was abandoned due to federal funding constraints and other concerns.

Subsequently, the District and Camp Pendleton began working together on the CUP. Camp Pendleton notified the District it had funds available for the preservation of land that could be used towards purchasing the Property and suggested Western Rivers Conservancy as a potential source of additional funding. As a result, the District entered into a Purchase and Sale Agreement (PSA) with Western Rivers Conservancy (WRC). As part of the PSA, WRC must identify a long term steward and put in order a Long Term Steward Agreement. WRC identified the long term steward as The Wildlands Conservancy (Wildlands) that will own the Property and grant a trail easement to the Fallbrook Trails Council (Trails Council).

President Wolk invited Peter Colby of WRC to the podium. Mr. Colby stepped to the podium and stated WRC is responsible for funding and developing the long term stewardship approach of the Property. An Integrated Resource Management Plan (Plan) has been developed to (1) protect the natural resources and (2) protect and enhance recreational resources. Mr. Colby further stated those two goals were consistent with Wildlands' mission and the Plan was drafted in conjunction with the Trails Council and Wildlands. Mr. Colby noted the draft Plan was reviewed and approved by WRC, the District, Wildlands, and Camp Pendleton and is pending approval by state and federal resource agencies and any changes required by the resource agencies must be incorporated into the Plan. Mr. Colby added that the changes to the Restricted Use Easement (RUE) are currently being reviewed by the Department of the Navy.

Mr. Colby outlined the steps for finalization of the transaction:

- Title will transfer from the District to WRC.
- WRC will grant the RUE to the Department of the Navy; partial funding to the District will occur.
- Wildlands will collect monies; remaining funding to the District will occur.
- Title will transfer to Wildlands.
- Wildlands will grant a trails easement to the Trails Council.

Mr. Colby emphasized that all transactions would occur simultaneously, including recordation of the documents with the County Recorder. At the conclusion of the transaction, Wildlands will own and manage the Property, and the Trails Council will have a trails easement on the Property and have assistance from Wildlands with managing the trails.

Mr. Colby stated remaining tasks are as follows: (1) preparation of a trails easement between Wildlands and the Trails Council and (2) calculation of the amount the Navy will provide (in addition to the purchase price) for long term management of

the Property. Mr. Colby explained the Navy will create an endowment on behalf of Wildlands to hold and manage the Property.

Mr. Colby further stated remaining key issues are as follows: (1) approval by resource agencies of the Plan and finalization of the Plan and the RUE and (2) finalization and board approval of the Long Term Steward Agreement.

President Wolk invited Zach Kantor-Anaya of Wildlands to the podium. Mr. Kantor-Anaya stepped to the podium and introduced himself as the future manager of the Property. Mr. Kantor-Anaya reported he has been working with Donna Gebhart and the Trails Council to make the trails the best possible for the community.

President Wolk invited Donna Gebhart of the Trails Council to the podium. Mrs. Gebhart stepped to the podium and reported that 18 miles of trails were mapped, including bypasses. Mrs. Gebhart further reported that Director Davies suggested the Trails Council establish three refuge areas at Sandia Creek, the sand pit, and at Willow Glen.

President Wolk invited Aimee Coughlin to the podium. Mrs. Coughlin stepped to the podium and expressed her opposition to establishing a staging/access area near her home at the end of Stage Coach Lane due to safety concerns.

President Wolk invited Tiena Hidalgo to the podium. Mrs. Hidalgo stepped to the podium and expressed her opposition to establishing a staging/access area near her home at the end of Willow Glen and Stage Coach due to safety concerns and excessive traffic by horse trailers and others.

President Wolk invited Roy Wilson to the podium. Mr. Wilson stepped to the podium and expressed his opposition to establishing a staging/access area near his home off Willow Glen due to excessive traffic by horse trailers and others.

President Wolk invited Deanne Sanderson to the podium. Mrs. Sanderson, who stated she lives in Escondido and keeps her horses in Valley Center, stepped to the podium and expressed her support of public access to the trails system, especially for those who live in urban areas.

President Wolk invited Julie Murray to the podium. Mrs. Murray stepped to the podium and expressed her opposition to establishing a staging/access area near her home off Willow Glen due to safety concerns and excessive traffic by horse trailers and others.

President Wolk requested that a future workshop be scheduled to provide sufficient time for a thorough discussion of the Property.

Mr. Bebee suggested holding the workshop after the resource agencies make comments on the draft Integrated Resource Management Plan.

Director Gebhart returned to the meeting at 5:32 p.m.

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.

Mr. Bebee stated the agenda item was to provide an update concerning the District's purchasing policy relative to utilizing local vendors. Mr. Bebee reported that Legal Counsel reviewed the District's current policy and found that due to language in the Public Utility District Act, requiring the use of local vendors for larger contracts in the Administrative Code would place the District at risk for a legal challenge. Mr. Bebee stated the District utilizes local vendors when possible and suggested there could be improvement in notifying local vendors of services needed or revising the Administrative Code to formalize a policy for local vendors.

Mrs. De Sousa Mills stated the legislature has determined statutory procurement requirements for purchasing and contracts for public utility districts. Mrs. De Sousa Mills explained there is a bid threshold where the District is obligated to award to the lowest responsive, responsible bidder for public works construction and is required to award to the best qualified bidder for professional services; and when there is no statutory threshold, the Board cannot adopt a local preference policy for local entities. In order to reach out to local vendors, Mrs. De Sousa Mills suggested augmenting the list of local vendors with additional vendors and formalizing a local preference policy for those purchases below bid thresholds.

Director Gebhart expressed his preference of using local businesses.

President Wolk suggested announcing services the District may need to the community.

Director McDougal suggested revising the administrative code relative to reaching out to local businesses.

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.

Mr. Bebee reported that in accordance with the Public Utility District Act, this purchase requires board approval. The request is for five (5) air vacuum valves for

replacement in the outfall and in forced mains. The current valves are old and not functioning correctly, which could potentially result in spills. Staff is recommending award to Pacific Pipeline in the sum of \$25,082.78.

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

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

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.

Mr. Bebee reported that due to the expanded recycled service area, there is an increase in demand and delivery of water; and in order to meet those needs, a pump and a variable frequency drive that controls the speed of the pump is required at the water reclamation plant. This request is for equipment, and staff will perform the installation and electrical work. Mr. Bebee noted the item was included in the Wastewater Capital Budget for fiscal year 2016-17. Staff received two bids, and the lowest bid was from Cortech Engineering, Inc.

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

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

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.

Mrs. Eilers reported that the 2017 water rates were board approved in July 2016, and customers were notified of the January 1, 2017 rate increase in their October and November bills. Ratepayers will receive bills that include the new rates in February.

Mrs. Eilers pointed out that Tier 2 rates were increased by 12% compared to the wholesale cost of water that increased by 9.6%. The difference will be placed in the PARS 115 Trust to prefund OPEB and CalPERS expenses.

Mrs. De Sousa Mills reiterated the rates have already been approved by the Board and this item is to memorialize the rates in the Administrative Code.

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

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

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

1. General Legal Counsel

- Mrs. De Sousa Mills reported that SWRCB Board Members Tam M. Doduc and Frances Spivy-Weber's terms will expire in January 2017, and their replacements will be appointed by the Governor and confirmed by the Senate.
- As a result of AB 685 and AB 401, the SWRCB and relevant stakeholders will be required to move forward in developing a plan for low-income water assistance.
- Last week the California Supreme Court ruled that private emails used for business may be subject to disclosure under the California Public Records Act. BB&K is expected to formulate an opinion by March and outline a protocol for agencies to follow.

2. SDCWA Representative/General Manager

- Dr. Brady reported a number of MWD tours are being offered through the SDCWA between January and March that Directors may be interested in attending.
- The District's new website should be operational within 8 to 10 weeks.
- ACWA/JPIA has presented the District with a President's Special Recognition Award for safety, liability, property, and workers compensation.
- Senator Dianne Feinstein's "drought bill" passed the House and the Senate and is on the President's desk for approval. The District and other state water agencies have written letters to the President in support of the bill.

- The SDCWA is in favor of keeping the stress test in place that requires water supplies for a period of three years. Because of desalination, the San Vicente Dam, and IID water, the region has a supply of water for the next five to six years.
 - The SDCWA is opposing mandatory installation of dedicated irrigation meters for businesses (commercial, industrial, and institutional).
 - A study demonstrated the cost/benefit ratio for the Delta tunnels is in the .3 to .5 range, reflecting a negative benefit overall.
3. Administrative Services Manager/Treasurer
 4. Assistant General Manager
 - Mr. Bebee explained the County of San Diego has required the District to do a micro grind on South Mission Road repair that will be followed by a chip seal. The County has stated the chip seal must be delayed until the weather warms up.
 - Camp Pendleton issued a Notice to Proceed for construction of their facilities as part of the CUP. The award is \$54 million and includes the dam, weir, pump station, and pipeline to the Naval Weapons station at the District boundary.
 5. Public Affairs Specialist
 6. Director Comments/Reports on Meetings Attended
 - Director Gebhart reported he attended a CSDA workshop titled, "How to be an Effective New Board Member," on December 6, 2016.

VI. ADJOURNMENT OF MEETING

There being no further business to discuss, President Wolk adjourned the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District at 6:19 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *mlb*
DATE: January 23, 2017
SUBJECT: Consider Advance Approval to Attend Meetings

Purpose/Summary

To request Board approval in advance for attendance by Directors to the following events:

1. CSDA *General Manager Evaluations*, on-demand webinar.

Registration Fee: \$55

2. CSDA *Prop 26, Prop 218 & Rate Setting*; February 23, 2017, Vista.

Registration Fee: \$225.00

3. CSDA *2017 Special District Leadership Academy Conference*, February 26-March 1, 2017, La Jolla.

Registration Fee: *Early*--\$600 first attendee, \$400 additional from same district;
after January 27--\$650 first attendee, \$450 additional from same district

4. CSDA *Financial Management for Special Districts*, March 8, 2017, Rancho Cucamonga.

Registration Fee: \$225.00

5. Water Authority & MWD Tours: *Colorado River Aqueduct System*, February 3-4, 2017; *State Water Project/Bay Delta*, February 24-25, 2017; *State Water Project/Bay Delta*, March 4-5, 2017; *Colorado River Aqueduct System*, March 17-18, 2017.

Registration Fee: None

6. *Agricultural Water Summit* hosted by Rancho California Water District, February 2-3, 2017, Temecula.

Registration Fee: None

Recommended Action

The Board authorize and approve in advance Directors' attendance and participation in the following events: (1) CSDA General Manager Evaluations webinar, (2) CSDA Prop 26, Prop 218 & Rate Setting, (3) CSDA 2017 Special District Leadership Academy Conference, (4) CSDA Financial Management for Special Districts, (5) Water Authority & MWD Tours, and (6) Agricultural Water Summit.

MEMO

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, JAB
DATE: January 23, 2017
SUBJECT: Donnil Pump Station Emergency Generator Project Award

Purpose

To present to the Board for approval of award to NEWest Construction, Inc for construction of the Donnil Pump Station Emergency Generator Project for \$139,900.

Summary

The District currently has no emergency generators at the Pump Stations in Deluz. This results in the potential for water supply outages and reduced fire flow in the higher pressure zones in Deluz during power outages. As part of the evaluation of the reliability of the Deluz system, it was determined that an emergency generator at Donnil Pump Station will greatly improve the system operation and maintain reliable water and fire flow service to areas in Deluz.

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


Company	Bid Amount
NeWest Construction, Inc	139,900
Cora Constructors	148,000
Baker Electric	209,570
Fordyce Construction	275,021
CA Bldg/Excavation	297,800

NEWest Construction Inc. was the apparent lowest bidder at \$139,900. Staff had budgeted \$350,000 for the Project.

Recommended Action

That the Board authorize award of the Donnil Pump Station Emergency Generator Project to the apparent lowest responsible bidder of NEWest Construction, Inc. at an amount of \$139,900 if they are able to meet all District requirements.

M E M O

TO: Board of Directors
FROM: Marcie Eilers, Administrative Services Manager 
DATE: January 23, 2017
SUBJECT: January 1, 2017 updated San Diego County Water Authority capacity fees

Purpose

To update the Administrative Code with San Diego County Water Authority capacity fees as of January 1, 2017.

Summary

San Diego County Water Authority increased its capacity fees as of January 1, 2017 and those changes are reflected in the Administrative Code, Article 19.

Recommended Action

That the Board adopt Resolution No. 4898 to amend Article 19 of the Administrative Code to reflect the capacity fee increases made by San Diego County Water Authority effective January 1, 2017.

RESOLUTION NO. 4898

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK
PUBLIC UTILITY DISTRICT AMENDING THE ADMINISTRATIVE CODE
ARTICLE 19, WATER SERVICE CONNECTIONS & RULES FOR DELIVERY
OF WATER

* * * * *

WHEREAS, effective January 1, 2017, the San Diego County Water Authority (SDCWA) has administratively adjusted the system and water treatment capacity charge schedule; and

WHEREAS, Article 19 of the Administrative Code requires amendments to section 19.10 to reflect the revisions made to the system and water treatment capacity charges by the SDCWA.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Article 19, Water Service Connections & Rules for Delivery of Water, shall be amended with the proposed revisions as shown on Attachment A and are incorporated herein.
2. The amendments are effective January 1, 2017, and the remaining provisions of Articles 19 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 23rd day of January, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

Attachment A

Article 19

Water Service Connections & Rules for Delivery of Water

Article 19.

Water Service Connections & Rules for Delivery of Water

Sec. 19.1

Definitions.

For the purpose of this Administrative Code and the regulation of water service by the Fallbrook Public Utility District, the following definitions are adopted:

The word "District", as used herein shall mean and refer to the Fallbrook Public Utility District of San Diego County, California. Fallbrook Service Area (FSA) will indicate that area known as Fallbrook Public Utility District prior to July 1, 1990. The DeLuz Service Area (DLSA) will indicate that area known as Improvement Districts I and II of DeLuz Heights Municipal Water District prior to July 1, 1990.

The word "Consumer", as used herein, shall mean and refer to every individual, corporation, association, farm, or place of business to whom or to which water is served by the District.

The word "Unit", as used herein, shall mean and refer to each of the following:

1. A single family residence.
2. A single business establishment.
3. A single farm.
4. One hotel or motel suite with bath and kitchen.
5. Two hotel or motel suites without kitchen but with private bath.
6. Four hotel or motel suites without private bath.
7. One trailer space.
8. In multi-family dwellings, each apartment with kitchen and bath.
9. Each dormitory or labor camp facility.
10. Nursing home.

The word "rates" shall mean the compensation fixed by the Directors by Ordinance for water delivered to the consumer or for the cost of installing and maintaining meters, main line extensions and any and every appliance, fixture or connection used by said District in delivering water to said consumer.

The term "service connections", as used herein, shall designate the distribution system extension to the meter assembly and the connection to the consumer's line which shall previously have been provided to the location and to the specifications set by the District.

"Agricultural purposes" (TSAWR and Commercial Ag programs) shall mean the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre fully utilized for agricultural purposes on which incidental domestic use of water related to non-permanent residency may also occur.

The term "Agricultural-Domestic purposes" (TSAWR programs), as used herein, shall mean the use of water through a single service connection for both agricultural and

domestic purposes for permanent residences. The first 20 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property.

The term "Commercial Agricultural", as used herein, shall mean the use of water through a single service connection for agricultural purposes without participation in the or the TSAWR discount programs. Must meet the same usage and minimum acreage requirements as "Agricultural purposes".

The term "Commercial Agricultural -Domestic", as used herein, shall mean the use of water through a single service connection for both agricultural and domestic purposes for permanent residences without participation in the or the TSAWR discount programs. The first 20 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property. Must meet the same usage and minimum acreage requirements as "Agricultural purposes"

The term "Domestic purposes", as used herein, shall mean the use of water for residential (up to and including two units) purposes and businesses that use water for incidental domestic purposes only.

The term "Large Lot domestic purposes", as used herein, shall mean the use of water through a single service connection for residential (up to and including two units) purposes on parcels of one acre or more.

The term "Commercial purposes", as used herein, shall mean the use of water through a single service connection for the operation of the business or maintaining the landscaping of non-residential property.

The term "Government purposes", as used herein, shall mean the use of water through a single service connection for any political subdivision property.

The term "Multi-Unit purposes", as used herein, shall mean the use of water through a single service connection for master-metered residential housing of more than two living units.

The term "Standby Service", as used herein, shall mean a meter which has been locked at the request of the customer and which account balance remains current. Accounts may also be locked and placed on "standby service" in the event that the unpaid balance on the account becomes delinquent for a period of 90 days and/or if the District is made aware of foreclosure or vacancy of said property. A fee of \$50 to lock the meter and initiate standby service will be charged to the account and the account will be charged all applicable monthly standby charges.

The term "Construction Meter Service", as used herein, shall mean the temporary use of water for construction from a meter installed on a fire hydrant.

The term "Temporary Ag Service", as used herein, shall mean the temporary use of water solely for the growing of annual crops through a temporary connection.

The term "Recycled Water System", as used herein, shall mean water that is defined in Title 22, Division 4, Chapter 3, Article 60301, paragraph 8, of the California Administrative Code and shall mean water which, as a result of filtration and disinfection of domestic wastewater, is suitable for a direct beneficial use or a controlled use that otherwise would not occur.

Sec. 19.2 Remote Meter Agreements.

A Remote Meter Agreement is an agreement between the District and a consumer that a water meter will be installed at a location remote from the property to be served where the District does not intend to extend the District distribution system to abut the said property, and that the consumer is responsible for extending his own private line from the meter to his property and obtaining the permanent easements required for such extension.

Sec. 19.3 Temporary Service Agreements.

A Temporary Service Agreement is a recorded agreement between the District and a consumer that a meter will be placed temporarily at a location remote from the property to be served, where the District intends, at some future date, to extend the District distribution system to abut the property described in the agreement, and that the consumer is responsible for extending his own temporary private line from the meter to his property, and obtaining whatever temporary easements are required for such extension. Such agreements shall establish the financial obligations of the consumer related to the future installation costs of the District's distribution system and the cost of relocation of the meter, and shall be binding upon the signatory and all successor owners of said property.

If the customer's obligation is to be secured with a promissory note and deed of trust, the terms will be based on the 10-year Treasury Bill rate plus 2%. Interest will be recalculated annually on the anniversary date of the recorded Trust Deed and will be compounded annually on the same anniversary date.

Failure to comply with the terms of the agreement shall be cause for termination of water service to said property and the basis for establishing a lien against the property for collection of any amounts due the District. Upon change of ownership, any parcel receiving water service under a Temporary Service Agreement will be required, as a condition of continued service, for the new owner to enter into a new Temporary Service Agreement with the District.

Sec. 19.4 Engineering Fees.

Sec. 19.4.1 Plan Check Fees.

- A) Plan checks less than 500 lineal feet, water or sewer, \$500 each.
- B) Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, \$1,000 each.
- C) Plan checks greater than 1,000 lineal feet, \$1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 19.4.2 Fees for District to Inspect Contractor Installed Facilities

- A) Water Meter Service Line Installation
 - ¾" to 2" 5 hours @ \$102.01 = \$510.05
 - 3" and larger 9 hours @ \$102.01 = \$918.09
- B) Fire Hydrant Installation 9 hours @ \$102.01 = \$918.09
- C) Fire Service Installation 9 hours @ \$102.01 = \$918.09

If the sum of the inspection fees for a project is greater than \$3,000, the inspection will be done on a time and material basis and a deposit for the estimated cost will be paid prior to start of construction. Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 19.5 Rules for Service of Water.

The following rules for the service of water by the District to the consumer, either within or without the District, are hereby established:

All parcels desiring water must abut a District pipeline, and all meters will be located on the parcel being served unless the General Manager approves a Remote Meter Agreement, or the Board of Directors authorizes a Temporary Service Agreement subject to certain conditions as described in Section 19.3.

Each consumer desiring water furnished by the District shall furnish a plat of the property to be served, individually file a written application for such service, and in the form provided by the District, shall state the location, the number of acres served, the legal owner thereof, the purpose for which water is to be used and such other data regarding consumer's water production and use practices as required by the District. Based on the information provided, and verified by physical inspection if appropriate, each application will be assigned a user code: Agricultural with TSAWR Discount (AS); Agricultural Commercial (CA); Agricultural-Domestic with TSAWR Discount (AT); Agricultural Commercial-Domestic (CB); Domestic (D); Commercial (C), Government (G); or Multi-Unit (M) in accordance with the definitions provided in Section 19.1.

By making such application and upon approval thereof by the General Manager, or his designee, the application and the acceptance shall constitute a contract, the effect of which shall bind the applicant to pay all rates then or thereafter prescribed by the District for water service and to comply with all the rules and regulations with respect to service, a breach of any of which will authorize the District to discontinue water service immediately without notice or recourse and to levy such charges as otherwise provided for in this ordinance for resumption of service.

In addition, the effect of this contract shall be such as to bind the applicant to pay reasonable attorney's fees as fixed by the court where the District is required to take legal action to enforce collection of any charges incurred under this service.

The District reserves the right to determine the size and location of all service connections and may to that extent, where deemed for the best interests of the District, reduce the size, change the location or the pressure of the service connection without notice or recourse.

Sec. 19.6 Meter and Service Line Installations.

Before any service connection with the water distribution system of the District is made, the District shall collect from the applicant who desires water service an installation charge as set forth below. A connection fee based on the demand factor shall be paid in addition to the installation charges and is described in Article 20 of this Administrative Code. Reclaimed meter and service line connections shall be

capitalized as part of the project and not charged to the customer. Installation charges 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 no less than every five (5) years with analysis comparing fees to actual costs.

<u>Meter Size</u>	<u>Meter and Service Line*</u>	<u>Meter Only on Existing Service Line</u>	<u>Service Line Only*</u>
3/4"	\$2,517	\$449	\$2,068
1"	\$2,842	\$618	\$2,224
1-1/2"	\$3,854	\$981	\$2,873
2"	\$4,623	\$1,131	\$3,492
3", 4" or 6"	Cost	Cost	Cost
Recycled, any size	No charge	No charge	No charge

* If paving for a service line is less than or equal to 15 feet, there is an additional charge of \$1,734. If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of \$3,468. If County road inspection is required, there is an additional fee of \$1,345.

Sec. 19.7 Meter Relocation Fees.

<u>Meter Size</u>	<u>Relocation and Service Line*</u>
3/4"	\$3,073
1"	\$3,228
1-1/2"	\$3,877
2"	\$4,457

* If paving is required up to 30 feet, there is an additional fee of \$4,554. If County road inspection is required, there is an additional fee of \$1,345.

Sec. 19.8 Connection/Capacity Fees.

A connection fee shall be paid at the time meter service is applied for, for all permanent service connections, which fee shall be in addition to the charges made for the actual cost of labor and materials necessary to make the physical connection to the water system. The capacity fee for the connection is based on the demand that could be placed on the District's water system by reason of the connection. The extent of demand will be determined on the basis of the size of the water meter necessary to provide the estimated quantity of water usage for the connection. The demand factor for each meter size shall be calculated on the basis of the rated capacity of each size of meter divided by the rated capacity of a 3/4" meter at a pressure of 40 pounds per square inch (20 gpm), hereinafter referred to as an "equivalent meter unit" (EMU) as defined by SDCWA. Connection/ capacity charges 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 no less than every five (5) years with analysis comparing current fees to calculated fees.

Effective April 23, 2012, the schedule of capacity fees based on the demand factor of each meter size shall be as follows:

<u>Meter Size</u>	<u>SDCWA Demand Factor (EMU)</u>	<u>Capacity Fee</u>
3/4"	1	\$5,544
1"	1.6	\$8,872
1-1/2"	3	\$16,633
2"	5.2	\$28,832
3"	9.6	\$53,230
4"	16.4	\$90,931
6"	30	\$166,342

The capacity charge for a meter size greater than 6 inches shall be a basic charge for one (1) EMU multiplied by one of the following factors:

8".....	factor	52.0
10".....	factor	78.0
12".....	factor	132.0

Sec. 19.8.1 Removal of Meters.

An owner of a parcel who has a meter and is not required to have District water for their parcel can request to have their meter removed and discontinue service. A fee of \$100 will be charged for meter removal. Once the meter is removed, if service is later requested for the parcel, it will be subject to all the fees identified in Article 19, including installation and connection/capacity fees as if it is a new service.

The following procedure will be followed when discontinuation of service is requested:

1. The District will verify that the parcel does not have a residence or that another supply is available for the residence. If District water service is necessary as a health and safety concern for the residence then the meter cannot be removed.
2. The parcel owner shall sign a form that will be recorded on their deed indicating that water service was discontinued and re-establishing service will require payment of all fees similar to any other new water customer.
3. The District will remove the meter based on the fee established for meter removal.
4. The owner will be deleted from the District's customer database and no further monthly operations, capital improvement or standby fees will be charged to the parcel. The parcel will be subject to Water Availability Charges, unless the parcel owner requests deferral in accordance with Article 24.
5. If the water service is requested in the future for this parcel it will be similar to any other parcel without water service and subject to all necessary fees including installation and connection/capacity fees.

Sec. 19.8.2 Meter Testing Costs.

The District will provide meter testing upon request by ratepayers. A meter is considered accurate according to AWWA standards if it measures 98.5% to 101.5% of actual usage. If, after the customer's request for testing, the meter is determined to be accurate, the customer will be charged the following fee based on the size of the meter:

<u>Meter Size</u>	<u>Fee for testing</u>
3/4" – 1"	\$117
1 1/2" – 2"	\$158
Over 2"	To be tested by an outside agency at a cost to be determined on actual time and materials.

If the meter is inaccurate, the District will absorb the cost of the test and make the appropriate exchange or repair to said meter to AWWA standards of accuracy. These charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February.

Sec. 19.8.3 Adjustment to Fees for Meters and Connections.

Service requests after advance payments for meters and connection fees shall be adjusted to the District's current schedule after six (6) months from the payment date(s).

Sec. 19.9 Credit for Connection Fees and Fees for Increased Meter Size.

Owners of parcels presently receiving water service through a District meter that subdivide their property and apply for additional meters to new legal parcels will be given credit for connection charges if they reduce their demand by requesting a smaller meter for their original service.

Owners of parcels presently receiving water service through a District meter that are not in the process of subdividing their land, but require a larger meter service connection due to a change in land use, shall pay a connection fee equal to the difference between connection fees for the old and new meters in accordance with the schedule in Sec. 19.8.

Sec. 19.10 San Diego County Water Authority Connection Fees.

On November 30, 2006, the Board of Directors of the San Diego County Water Authority (SDCWA) announced an administrative adjustment to capacity charges on all meters purchased on or after January 1, ~~2016~~ 2017 within the boundaries of the SDCWA.

The System Capacity Charge for a meter size of one (1) inch or greater shall be the basic charge of ~~\$5,1574,963~~ multiplied by a Factor that is based upon additional meter capacity.

<u>Meter Size</u>	<u>Factor</u>	<u>System Capacity Charge</u>	<u>Water Treatment Capacity Charge</u>	<u>TOTAL</u>
Less than 1"	1.0	\$5,0294,840	\$128123	\$5,1574,963
1"	1.6	\$8,0467,744	\$205197	\$8,2517,941
1-1/2"	3.0	\$15,08714,520	\$384369	\$15,47144,889
2"	5.2	\$26,15125,168	\$666640	\$26,81725,808
3"	9.6	\$48,27846,464	\$1,2291,181	\$49,50747,645
4"	16.4	\$82,47679,376	\$2,0992,017	\$84,57581,393
6"	30.0	\$150,870145,200	\$3,8403,690	\$154,71048,980
8"	52.0	\$261,508251,680	\$6,6566,396	\$268,164258,076
10"	78.0	\$392,262377,520	\$9,9849,594	\$402,246387,124
12"	132.0	\$663,828638,880	\$16,89616,236	\$680,724655,116

The System Capacity Charge is the cost for the conveyance and storage facilities necessary to operate the delivery system.

The Water Treatment Capacity Charge is the cost for the connection to the 50 MGD (million gallons per day) regional water treatment facility. The Water Treatment Capacity Charge is an additional charge of \$~~128~~¹²³ for each new meter of a size less than one inch and a corresponding increase for larger meters.

The member agency shall determine the size of the water meter to serve any property within its jurisdiction. In the event an agency calculates the water demand by the equivalent dwelling unit (EDU) method, the County Water Authority's capacity charge will be collected based on the size of meter actually installed to meet flow demand.

No capacity charge shall be imposed for a water meter permanently connected to a reclaimed water system and measuring reclaimed water. If a water user converts a water meter to permanently measure only reclaimed water, the capacity charge previously collected for the meter shall be refunded upon written request from the water user and verification by the member agency in which the water user is located that the meter is permanently connected to the reclaimed water supply and is measuring reclaimed water. The refund shall be in the amount of the capacity charge actually collected.

All claims for refund permitted shall be presented within one year of the date of the event justifying the refund.

Sec. 19.11 San Diego County Water Authority Transitional Special Agricultural Water Program Administration

Sec. 19.11.1 Purpose.

The San Diego County Water Authority Transitional Special Agricultural Water Program (TSAWR) provides discounted wholesale supply and treatment pricing for qualified agricultural users within its service area on the basis that participants receive non-firm, interruptible supply up to the maximum allowed under Section 4901 of the MWD Administrative Code. The San Diego County Water Authority (SDCWA) also provides a wholesale pricing discount associated with its Emergency Storage Project financing, based upon the existence of and individual participation in the TSAWR. This section of the District's Administrative Code establishes the rules and regulations for Administration of the SDCWA TSAWR within the Fallbrook Public Utility District (District).

Sec. 19.11.2 Qualification.

The qualifications for water use under the San Diego County Water Authority's (SDCWA) TSAWR program are set forth in Section 162.5 of the SDCWA Administrative Code, as follows:

To qualify for participation, the TSAWR customer must demonstrate that water delivered by the District is used for growing, raising, in conformance with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produced for human consumption or for the market, or for feeding of fowl or livestock produced for human consumption of the market, or for the feeding of fowl or livestock for the purposes of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less

than one acre dedicated to and utilized exclusively for the purposes described in this section.

Sec. 19.11.3 Certification and Recertification.

Individuals applying for participation in the SDCWA TSAWR shall certify that they are the owner or authorized agent of the owner of the property to receive water under the SDCWA TSAWR and further certify that their respective water usage will meet the qualifications set forth in Section 19.11.2 and as modified from time to time by SDCWA. Upon submission and approval of the application for participation in the TSAWR, applicants shall be classified as either "Agricultural" or "Ag / Domestic", and be eligible to receive the established water rate for the assigned classification. Participants may be subject to periodic re-certification as determined by MWD, the SDCWA, or the District.

Sec. 19.11.4 Acknowledgement.

Individuals participating in the TSAWR shall acknowledge that:

- a) Water received under the TSAWR is a non-firm, interruptible supply, subject to early and accelerated mandatory supply reduction as is from time to time determined necessary by MWD and the SDCWA.
- b) Water received under the TSAWR is a non-firm interruptible supply, subject to mandatory supply reduction as is from time to time determined necessary by MWD and SDCWA. The supply reduction will be equal to the reduction in firm demand required by MWD or SDCWA.
- c) Water use under the TSAWR supply is subject to periodic data and field audits and participants agree to respond in a timely manner to requests for information and access to properties receiving water under the TSAWR.
- d) Failure to respond in a timely manner to information requests, associated data and field audits or recertification, or failure to provide reasonable access to properties receiving water under the TSAWR will result in automatic removal of the subject property from the TSAWR, subject to the conditions set for in subsection 19.11.5(c) of this Article, and subsequent water use on the property will be classified and billed as "Domestic" or "Commercial".
- e) If, as a result of an audit, it is determined that TSAWR supply was used on property and/or for purposes not meeting the qualifications established by SDCWA, then said usage may be subject to assessment of retroactive supplemental water rates, penalties and charges as required by MWD, the SDCWA, or the District, which the participant agrees to pay.
- f) If an audit determines that the subject property and/or water use on the property does not qualify for the TSAWR, then the property and associated water account will be removed from the TSAWR as provided for and subject to the conditions in sub-section 19.11.5(c) of this Article, and subsequent water use on the property will be classified and billed as "Domestic" or "Commercial".

Sec. 19.11.5 Exit and Re-entry into the TSAWR.

- a) TSAWR customers who knowingly no longer meet the participation qualifications of the TSAWR are required to inform the District as soon as possible. TSAWR customers no longer qualifying for the discounted pricing differential and who have continued to accept the discounted supply may be required to refund the differential amount for the period in which the water was utilized for non-TSAWR qualified purposes.
- b) Customers electing to voluntarily exit the TSAWR will still be subject to TSAWR-related reductions if the customer exiting utilized TSAWR water in the base year for a mandatory reduction in a subsequent year. TSAWR customers may not voluntarily exit during periods of water shortage allocations and mandatory reductions.
- c) By SDCWA policy, only customers who were previously in the MWD-Interim Agricultural Water Program (IAWP) or SDCWA Special Agricultural Water Rate Program (SAWR) and TSAWR participants may re-enter the TSAWR program. Additionally, prior MWD-IAWP, SAWR and TSAWR participants may not re-enter the program during a TSAWR mandatory water use reduction period, as determined by the SDCWA.

Sec. 19.11.6 Implementation of Mandatory TSAWR Supply Reductions.

Actual implementation of mandatory supply reductions shall be based upon levels of reduction required by MWD and the SDCWA. To achieve the required levels of use reduction and avoid the maximum penalty possible any operational or financial sanctions which may be imposed on the District by MWD or the SDCWA, the District will utilize one or a combination of methods, including timely notice of pending reductions, water management information dissemination, individual participant water budgets and use reduction targets, assessment of financial disincentives, and individual meter flow reduction devices.

Sec. 19.12 Installation or Extension Line Costs.

Sec. 19.12.1 Fallbrook Service Area.

In connection with the installation or extension of water distribution lines, the District may concurrently install service lines for adjoining land parcels. The cost of the service lines together with the pipeline extension costs will be borne by the owners.

Where because of any unusual circumstance service connections involve extra expense to the District, an additional deposit or payment based upon the actual cost of such connection as determined by the Chief Engineer, may be required by the District.

Sec. 19.12.2 DeLuz Service Area.

The DeLuz Service Area consists of a Parent District and coterminous I.D.'s No. 1 and No. 2. There is approximately 1000 acres of land in the Parent District. These parcels are within the CWA and MWD service area and are entitled to imported water, but must pay annexation fees to FPUD before being entitled to be served. As long as these parcels remain in the Parent District, they do not pay standby

charges or the G.O. Bond tax levy used to pay for the District's facilities. All properties in the two I.D.'s do pay standby charges and the G.O. Bond tax levy.

It is the policy of the Board of Directors of the Fallbrook Public Utility District that water system extensions in the DeLuz Service Area shall be as follows:

1. Parcels or groups of contiguous parcels under the same ownership in existence as of July 1, 2000, in the Improvement Districts are entitled to adequate water system extensions and service at District expense. The water system and service will be extended to the boundary of the parcel or group of parcels under the same ownership on a case-by-case basis consistent with regulation and the overall best interests of the District and service areas. Both Temporary Service Agreements (TSA's) and Permanent Remote Meter Agreements (RMA's) may be utilized as in the Fallbrook Service Area. Where undersized District lines are in place, the District will upsize these lines when necessary to serve new additional parcels at the developer's expense.
2. Parcels in the Parent District but outside the Improvement Districts fall into one of the following categories:
 - A) The southern DeLuz Road area is designated as Area "A" on the attached exhibit. The District shall extend adequate water service along DeLuz Road at District expense to these parcels provided that all the parcels in Area "A" have paid annexation fees to the Improvement Districts. Any parcel in Area "A" that is not touched by a waterline will be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's.
 - B) The remote area west of the DeLuz Road Area "A" is designated as Area "B" on the attached exhibit and will be entitled to an adequate system extension from DeLuz Road to the eastern boundary of Section 6 provided that all parcels in Area "B" have paid annexation fees to the Improvement Districts, and the Area "A" improvement is complete. Any parcel in Area "B" that is not touched by a waterline will then be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's.
 - C) The area west of DeLuz Road is designated as Area "C" on the attached exhibit and will be entitled to adequate system extensions in DeLuz Road south to the center of Section 32 provided that all parcels in Area "C" have paid annexation fees to the Improvement Districts. Any parcel in Area "C" that is not touched by a waterline will then be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's.
 - D) The area in Section 31 which is unannexed to the Improvement Districts and not currently (1-1-99) touched by a waterline is designated as Area "D" on the attached exhibit. Parcels in Area "D" will be entitled to an extension and looping of the Distribution System from the end of the existing 4-inch main to the end of the Guy 8-inch main extension provided that all parcels in Area "D" have paid annexation fees to the Improvement Districts. Any parcel in Area "D" that is not touched by a waterline will then be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's.

- E) All remaining areas in the Parent District and not annexed to the Improvement Districts will be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's, provided that the parcel in question has paid all required annexation fees to the Improvement Districts.
- F) Nothing in this policy shall prohibit a parcel from extending adequate distribution systems in accordance with District regulations at its own expense for service provided that all required annexation fees for the parcel have been paid.

Sec. 19.13 Customer Valve.

There shall be a stopcock or wheel valve in every attachment between the meter and the main next to the meter which said stopcock or wheel valve and the meter and other devices and fittings, including the meter box supplied by the District, shall be for the exclusive use and under the control of the District.

There shall be a stopcock or wheel valve in each service connection located on the consumer's side of the meter, at a point to be designated by the District, which stopcock or wheel valve shall be for the use of the consumer and shall be referred to as the "customer valve."

The District has responsibility to repair or replace facilities up to and including the customer shut off valve. Repair and maintenance of facilities beyond the customer valve is the responsibility of the customer.

The District is not responsible for water loss due to leaks or other problems on the property side of the customer valve.

If there is an emergency, the District, at its discretion, can make temporary repairs and charge the customer a minimum of \$50. However, the District is under no obligation to repair leaks beyond the customer valve and assumes no long term liability for those repairs. It is recommended that the customer obtain the services of a licensed plumber to make permanent repairs.

Sec. 19.14 Water Must Pass Through Meter.

All water sold by the District and used by any consumer must pass through that customer's meter, and no delivery will be made by the District except through that customer's meter. In the event that it should be discovered that water is served to any premises by means of a bypass or any other mechanical device or instrument which permits water to be served other than through that customer's meter, the District shall have the right to immediately cut off the supply of water to said consumer until the person guilty of such conduct shall have reimbursed the District for the cost, as determined by the District, of the water so illegally used. The District shall assess a \$100 penalty, per incident, to any person who steals water in any amount.

Sec. 19.15 Mains, Service Pipes, Equipment Belonging to District.

All water mains, extensions of service pipes, meters, and all other

equipment used in the delivery of water to any meter, including the meter and the customer valve shall belong to and be the property of the District, and shall be maintained and repaired by the District.

Customer shall permit reasonable access to the meter and valves to effect said maintenance and repairs and to read the meter. Replacement shall be made by the District when such equipment is rendered unserviceable through reasonable use thereof.

However, the cost of replacements, repairs, or adjustments of any equipment of said District, including meters, when rendered necessary by any act, negligence or carelessness of the consumer, shall be made by the District at the expense of the consumer.

Sec. 19.16 Meter Area Clean and Consumer Line Free from Leaks.

Every consumer of water must keep his service pipes, valves, fixtures, and all other apparatus beyond that belonging to and serviced by the District in good repair and free from leakage at his own expense and he will be responsible for all damages which may result from failure to comply with this rule.

Sec. 19.17 Fires.

In the event that fires should take place within the District, where it is necessary to use the distribution mains of the District to supply water to extinguish such fires, the District may temporarily discontinue service to any meter, and the affected consumer shall not be permitted to use water from any of the District mains until such fire is completely extinguished.

Sec. 19.18 Access to Meters.

No person shall place or cause to be placed on or about or around any meter, hydrant, stopcock or service connection of any of the mains, pipes or water-works of the District any material of any kind which may serve or act as an obstruction to the free access or use of such meter, hydrant, stopcock or service connection. Upon failure to remove such obstruction after reasonable notice, the District shall have the right to have the water shut off and keep the same from being turned on again until such obstruction is removed and the necessary fee for turning on said water paid to the District.

Sec. 19.19 Temporary Discontinuance of Service for Repairs, etc.

The District reserves the right at any time to discontinue the service of water from its mains to water consumers for the purpose of making repairs or extensions to all parts of the system under the operation and control of the District or for any other purpose which may be found necessary by the District in order to properly maintain its system. In such case, the District will, if practicable, give notice to the consumer of such interruption in service.

Sec. 19.20 Allowances or Rebates.

No allowance or rebates in rates or charges shall be made under any circumstances, except as hereinafter in this Administrative Code authorized, and the rates herein prescribed for service of water shall be a charge against any and all property as hereinbefore specified, until the District shall receive written notice of request to

discontinue the water to such property, provided, however, that notwithstanding such written notice or request, the District shall still collect the minimum amount prescribed by this Administrative Code for the standby service as long as the meter is in place.

Sec. 19.21 Water Served to Others.

It is hereby declared to be a violation of the consumer's contract for which the District shall have the right to discontinue the service of water, if any water consumer shall be found to have served water to a consumer whose water has been shut off for breach of any of the provisions of this Administrative Code.

The District or representatives of the District shall have the right at all times to have free access to all parts of the premises of the consumer supplied with water to inspect the water system maintained by the customer.

Sec. 19.22 Backflow Prevention Devices.

In accordance with Title 17 of the California Administrative Code, backflow prevention devices to protect the District distribution system from possible contamination will be owned and maintained by the District.

The device will be located at the service connections. The type of protection that shall be required to prevent backflow into the public water supply shall be commensurate with the degree of hazard that exists on the customer premises. The type of protective device that will be required (listed in an increasing level of protection) includes: Double check Valve Assembly-(DC), Reduced Pressure Principle Backflow Prevention Device-(RP) and an Air gap Separation-(AG). The customer may choose a higher level of protection than required by FPUD. The minimum types of backflow protection required to protect the public water supply, at the water user's meter connection to the property with various degrees of hazard, are listed below. Situations not covered in the listed below shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by FPUD.

Sec. 19.22.1 Type Of Backflow Protection Required.

1. An (AG) is required on premises where there are waste water pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
2. An (AG) is required on premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
3. An (RP) is required on premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected. Any sign of injection systems on the property, including unused systems will require an (RP).
4. Auxiliary Water Supplies--Any water supply other than that received from a public water system.

- A) (AG) is required on premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. A RP or DC may be provided in lieu of an AG if approved by the District.
- B) An (RP) is required on premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system.

5. Recycled Water

- A) An (AG) is required on premises where the public water system is used to supplement the recycled water supply.
- B) An (RP) is required on premises where recycled water is used, and there is no interconnection with the potable water system.
- C) An (RP) is required on residences using recycled water for landscape irrigation as part of an approved dual plumbed use area. If the District is also the supplier of the recycled water, to utilize an alternative backflow protection plan that includes an annual inspection and annual shutdown test of the recycled water and potable water systems.

6. Fire Protection Systems

- A) An (RP) is required on premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).
 - B) An (AG) is required on premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. A RP may be provided in lieu of an AG if approved by the District.
 - C) An (RP) is required on Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used.
 - D) An (RP) is required on Premises where the fire system is supplied from the public water system and where recycled water is used in a separate piping system within the same building.
 - E) A (DC) is required for single family residence with fire protection system. The (DC) needs to be installed and maintained by the property owner.
7. An (RP) is required on premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.

8. An (RP) is required on premises where there is a repeated history of cross-connections being established or re-established.
9. An (RP) is required where adjacent parcels under common ownership are served by more than one meter. RP devices will be required at each meter.
10. An (RP) is required on all new agricultural (AS), agricultural/domestic (AT), commercial agricultural (CA), or commercial agricultural domestic (CB) services. An RP will be installed by the District only with the new meter services.
11. Property owners who appeal to the District to change classification from a classification other than agricultural (AS, AT, CA, CB) will be required to install a Reduced Pressure Backflow Preventer at the property owners expense. See Section 19.22.3 & 4.

Evaluation of Hazard. The District shall evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a user's premises. The District, however, shall not be responsible for abatement of cross-connections which may exist within a user's premises. As a minimum, the evaluation should consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping system complexity and the potential for piping system modification. Special consideration shall be given to the premises of the following types of water users:

- A) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.
- B) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District.
- C) Premises that have internal cross-connections that are not abated to the satisfaction of the District.
- D) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
- E) Premises having a repeated history of cross-connections being established or reestablished.

Sec. 19.22.2 Backflow Device Installation on New Services.

The District shall install Reduced Pressure Backflow Preventers on new potable water meter services when applicable. (see Type of Backflow Device Protection Required)

An additional charge will be made for installation of backflow prevention devices as follows:

Reduced Pressure Principle Devices (installed along with new meter)

For each ¾ inch meter	\$455
For each 1 inch meter	\$537
For each 1-1/2 inch meter	\$992
For each 2 inch meter	\$1,190
For each 3, 4 or 6 inch meter	Cost

Backflow / RP device charges 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 no less than every five (5) years with analysis comparing fees to actual costs.

Sec. 19.22.3 Reduced Pressure Backflow Preventer Retrofits.

Retrofit: Installation of a Backflow device after the service connection has been established.

General Design Considerations.

- A) The design and construction of the backflow prevention assembly shall meet the requirements called for in this specification.
- B) The nominal size of the backflow prevention device shall be equal to the size of the purchased meter. For example, a (1") meter shall have a (1") backflow prevention device.
- C) The assembly shall include same size valves located on either side of the backflow prevention assemblies. Four test cocks shall be appropriately located on the assembly for testing and certification.
- D) The nominal size of reduced-pressure principle detector assemblies shall be as shown on the Approved Plans or as directed by the Fire Department of jurisdiction.
- E) Enclosures and concrete slabs shall be provided only as shown on the Approved Plans or as required by the agency of jurisdiction.

Sec. 19.22.4 Reduced Pressure Backflow Preventer Device Retrofit –Installed by Property Owner

The property owner shall be responsible for the Reduced Pressure Backflow Device Retrofit. Once the device is installed, passes the backflow test, and meets the District's standards the device will become the property of the District. The device will be charged the standard monthly service charges and will be tested annually.

Upon notification by the District that a Reduced Pressure Backflow Device is needed, the property owner will have sixty (60) days to comply. After sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and the device is installed, passes, and meets the District standards.

Installation.

- 1) Installations of retrofit backflow devices will not be performed by District Personnel and is the sole responsibility of the property owner.
- 2) Forty-eight (48) hours prior to installation, the Backflow Department will be notified at (760) 728-1125, extension 1129. Installations and inspections will be scheduled Monday through Thursday's only – excluding all District holidays. District personnel will shut off the angle stop before the meter. If the installer or property owner shuts off the angle stop and causes damage, the installer and property owner will be responsible for damages. The damages will be calculated at a time and materials rate.
- 3) Installation shall comply with the latest edition of the Uniform Plumbing Code and applicable District requirements.
- 4) Backflow prevention assemblies shall be installed in accordance with the District's standard drawings.
- 5) Water service and fire service shut-off valves will be secured closed during installation until an approved backflow prevention device is installed and tested in compliance with this specification.
- 6) When static pressure exceeds 175 psi, a pressure-reducing valve may be installed. Please contact the Backflow Department for determination of necessity.
- 7) After installation of the backflow device, the Backflow Department must be notified to inspect the installation to insure that the device meets the District specifications. It will then be tested by District personnel.
- 8) There will be no charge if the backflow device is installed correctly and test properly on the first inspection. If the backflow device fails the first test, it shall be the responsibility of the property owner to have any necessary repairs made. Repairs must be made according to District specifications. Any additional inspections will be charged one hundred twenty dollars (\$120) plus the costs of parts if needed.
- 9) Backflow / RP device charges 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 no less than every five (5) years with analysis comparing fees to actual costs.

10) Any damages or leaks after the customer shut-off valve will be the property owner's responsibility.

Sec. 19.22.5 Well Destruction and Alteration.

To protect the State's groundwater supplies, the Legislature authorized the establishment of standards (Department of Water Resources Bulletins 74-81 and 74-90) and regulations pertaining to the construction, alteration, and destruction of wells.

California Water Code Section 13750.5 requires that those responsible for the construction, alteration, or destruction of water wells, cathodic protection wells, groundwater monitoring wells, or geothermal heat exchange wells possess a C-57 Water Well Contractor's License. This license is issued by the Contractors State License Board.

California Water Code Section 13751 requires that anyone who constructs, alters, or destroys a water well, cathodic protection well, groundwater monitoring well, or geothermal heat exchange well file with the Department of Water Resources a report of completion within sixty (60) days of the completion of the work.

The Land and Water Quality Division regulates the design, construction, modification, and destruction of water wells throughout San Diego County to protect San Diego County's groundwater resource. Water Wells are commonly used as the only potable water supply in the rural areas of San Diego County. For general information call the San Marcos office at (760) 471-0730.

Upon the completion of the well destruction or alteration, the property owner is responsible for supplying proper documentation to the District.

If the property owner chooses not to follow the California Water Code (listed above) within sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and a Reduced Pressure Backflow Device is installed (See Section 19.22.3&4) and passes and meets the District standards.

Sec. 19.23 Booster Pumps.

No person shall place or cause to be placed a device to raise the pressure of water supplied him by the District unless said booster system plans and proposals have been submitted to the District's General Manager and written approval for its installation and use has been secured. In the event such apparatus is installed without permission, the General Manager will immediately discontinue service to the consumer and resume service only after satisfactory removal or correction and payment of turn-on charges and payment for any repair or treatment necessary for sanitary and safe operation.

Sec. 19.23.1 Fallbrook Service Area Pressure Zones. Any approved individual service booster pump in the following pressure zones will be installed, operated, and

maintained entirely at the individual customer's expense and will remain the property of the individual customer:

- 1) Toyon Heights
- 2) Sachse
- 3) Red Mountain
- 4) Gheen
- 5) Modified Town
- 6) Rattlesnake

Sec. 19.23.2 DeLuz Heights Service Area Pressure Zones. Any approved individual service booster pump in the DeLuz Service Area will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer, with the exception of the following meter numbers:

- 1) Meter No. 7783
- 2) Meter No. 7784
- 3) Meter No. 7789

Sec. 19.24 Fire Hydrants.

For installing, maintaining and use of fire hydrants, the following will apply:

The District will install fire hydrants and necessary piping so required where and when jointly approved by the Chief Engineer of the District and the Chief of the Fire District at the cost of the North County Fire Protection District.

In the event hydrants are required as part of pipeline extensions to service a subdivision or consumer, the cost of such hydrants will be included in the cost of the extension construction and paid for by the subdivider or consumer. Charges for installation of hydrants on the existing District distribution system will be as follows:

Model J-3700 (2-port hydrant).....	\$8,768 (complete assembly)
Model J-3765 (3-port hydrant).....	\$9,495 (complete assembly)
Fire flow testing	\$510

If paving over 20 feet is required, there is an additional fee of \$246 per trench foot. If county road inspection is required, there is an additional fee of \$1,345.

Charges for fire hydrants 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 no less than every five (5) years with analysis comparing fees to actual costs. Maintenance and repairs to hydrants, valves and connecting pipelines, will be performed by the District at the expense of the North County Fire Protection District.

Sec. 19.25 Automatic Sprinkler and Fire Protection Systems.

For automatic sprinkler and fire protection systems, the District upon request, will install a detector check valve system subject to the payment of the following installation charges by the user:

4 inch service	Cost
6 inch service	Cost

8 inch serviceCost

Sec. 19.26 Construction Meters.

For each use of a fire hydrant by any person not officially associated with a fire fighting organization, by pre-arrangement and approval of the District, and upon receipt of a \$1,214 deposit, a meter installation charge of \$117 will be made. There will be a relocation charge of \$117 to cover cost of moving a construction meter. Upon notification by customer that the construction meter is no longer needed, District staff will retrieve the meter. Charges for construction meters 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 no less than every five (5) years with analysis comparing fees to actual costs. Upon retrieval, deposits will be refunded to the customer less any accrued operations charges and water use charges. The cost to repair a damaged construction meter will be deducted from the deposit. The construction meter will be locked to the fire hydrant and moved only by District staff. If the meter is stolen, the District will bear the cost of replacement.

Sec. 19.27 Water Used for Annual Crops.

For each use of water for agricultural purposes solely for the growing of annual crops, as described in Sec. 19.1, Temporary Ag Service, the connection charge levied by Sec. 19.8 will not be assessed for this purpose.

All other fees, assessments, and charges of this Administrative Code will be in effect. The Board of Directors will determine annually the availability of water for these purposes, and the use will be continued on a year to year basis at the discretion of the Board of Directors.

Sec. 19.28 Illegal Use of Water.

The District may discontinue service to any consumer who uses or permits the use of District water beyond District boundaries or who within the District permits the flow of water beyond the limits of his property which is recorded as being served by the meter service through which the water is supplied. After discontinuing service for such cause, a charge of \$100 plus the estimated cost of the water so wasted or misused will be made and water service will not be resumed until paid.

Sec. 19.29 Water Service Outside District.

In the event that the District should at any time have surplus water over and above that which may be needed and used within the limits of the District, then and in that event, the Directors of the District are hereby authorized to enter into a contract for the sale of such surplus water outside the boundaries of the District, upon such terms and conditions and for such rates as the Directors may at the time deem for the best interests of said District, provided, however, that in no case shall the Directors of said District, in fixing the rate to be charged for water in such contract, charge less than a sum which would represent the cost of actually developing and delivering said water outside of said boundaries of said District.

Sec. 19.30 Application of Water Service to Affordable Housing

Per Government Code Sec. 65589.7, effective July 1, 2006, the

District shall not deny or condition the approval of an application for water service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- b) The District is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections; or
- c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or
- e) The applicant fails to agree to reasonable terms and conditions for water service from the District which is generally applicable to other development projects seeking water service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 19.30.1 Review of Service Policies.

At least once every five (5) years after passage of this policy, the policies contained in this section shall be presented to the Board of Directors of the District for a review and evaluation of the written policies governing water service to proposed developments that include housing units affordable to lower income households.

Sec. 19.31 Administrative Fees.

The following administrative fees will be charged for the preparation, processing, and recording of the following documents:

Insufficient Funds Check	\$25
Temporary Service Agreements	\$50
Remote Meter Agreements	\$50
Quitclaim of Easement	\$50
Grant of Easement	\$50
Grant Deed	\$50
Temporary Sewer Service Agreements	\$50
Repayment Agreements	\$100

ARTICLE 19

Sec. 19.1,19.4,19.6, 19.21, 19.23 &
19.28 – Rev. 6/93
Sec. 19.5, 19.21 & 19.24 – Rev. 2/94
Sec. 19.8 – Rev. 4/95
Sec. 19.1 – Rev. 8/95
Sec. 19.33-19.43 – Rev. 8/95
Sec. 19.5, 19.24-19.25 – Rev. 9/96
Sec. 19.6-19.8 – Rev. 9/96
Sec. 19.23 – Rev. 10/96
Sec. 19.8 – Rev. 6/97
Sec. 19.1 – Rev. 7/97
Sec. 19.11 – Rev. 7/98
Sec. 19.9 – Deleted (all parcels paid) –
Rev. 9.98
Sec. 19.21 – Rev. 6/99
Sec. 19.8 – Rev. 7/99
Sec. 19.9 – Rev. 11/99
Sec. 19.20.2 – Rev. 11/99
Sec. 19.9.2 – Rev. 7/00
Sec. 19.8 – Rev. 12/00
Sec. 19.8 – Rev. 8/01
Sec. 19.21, 19.23 – Rev. 07/03
Sec. 19.6, 19.21 – Rev. 6/04
Sec. 19.8, Rev. 1/05
Sec. 19.5 – Rev. 7/05
Sec. 19.4 & 19.8 – Rev. 3/06
Sec. 19.5, 19.6, 19.19, & 19.21 – Rev.
6/06
New sec. 19.27 added 6/06
Sec. 19.5, 19.8 & 19.23 – Rev. 12/06
New Sec. 19.4 – Added 2//07
Sec. 19.20 – Rev. 3/07
Sec. 19.22 – Rev. 6/07
Sec. 19.6 – Rev. 6/07; 19.7 – Added
6/07; 19.20 – Rev. 6/07; 19.22 – Rev.
6/07
New 19.11 – added 8/07
Sec. 19.1 (last para pg. 1) & 1st para.
Pg. 2 – Rev. 12/07
Sec. 19.8.2 – Add 3/08
Sec. 19.1, 19.6, 19.7, 19.8, 19.8.1,
19.9, 19.14, 19.22, 19.24, 19.26, 19.27,
and 19.31 – Rev. 6/08
Sec. 19.1, 19.6, 19.8, 19.8.2, 19.10,
19.11.2, 19.11.3, 19.11.4, 19.11.5,
19.11.6, 19.22,
19.24, - Rev. 6/09
19.1, 19.5 Rev. 8/09
Sec. 19.22-19.22.5 – Rev. 10/09
Sec. 19.8.1 – Rev. 5/10
Sec. 19.5 – Rev. 10/10
Sec. 19.3 – Rev 12/10

ARTICLE 19 CONTINUED

Sec. 19.6, 19.7, 19.8.2, 19.22.2, 19.24,
19.26 – Rev. 5/11

Sec. 19.8, 19.9 – Rev. 4/12

Sec. 19.1, 19.5, 19.6, 19.7, 19.8,
19.8.2, 19.22.2, 19.24, 19.26 – Rev.
6/12

Sec. 19.5, 19.6, 19.7, 19.8, 19.8.2,
19.22.2, 19.24, 19.26 – Rev. 6/13

Sec. 19.1, 19.5, 19.6, 19.7, 19.8,
19.8.2, 19.10, 19.22.2, 19.24, 19.26 –
Rev. 6/14

Sec. 19.8.1 – Rev. 10/14


Sec. 19.6, 19.7, 19.8, 19.8.2, 19.22.2,
19.24, 19.26 Rev. 6/15

Secs. 19.1, 19.5, 19.11, 19.11.1,
19.11.2, 19.11.3, 19.11.4, 19.11.5,
19.11.6, 19.22.1 Rev. 3/16

19.4.2 (add), 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.24, 19.26 – Rev.
7/16

[Sec. 19.10 - Rev. 1/17](#)

M E M O

TO: Board of Directors
FROM: Marcie Eilers, Administrative Services Manager 
DATE: January 23, 2017
SUBJECT: Initial State Revolving Fund (SRF) Resolutions for the Santa Margarita
Conjunctive Use Project
Resolution Nos. 4899, 4900, and 4901

Purpose

For the Board to approve an initial three resolutions for authorization to continue with the required process to secure a State Revolving Fund (SRF) loan in the amount of \$45,000,000 for 20 years at approximately 1.6%. These initial resolutions will then be reviewed by the California State Water Resources Control Board and are preliminary steps for securing funding for the Santa Margarita Conjunctive Use Project.

Summary

The Fiscal Policy and Insurance Committee met on January 9, 2017, to review the initial resolutions for securing financing from the State of California to offset the cost of constructing the Santa Margarita Conjunctive Use Project. The California State Water Resources Control Board administers the SRF program, and they require the resolutions as part of the loan application process.

Recommended Action

That the Board approve the Resolution Nos. 4899, 4900, and 4901 for submission to the State Water Resources Control Board to secure potential SRF funding.

RESOLUTION NO. 4899

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT AUTHORIZING THE GENERAL MANAGER TO SIGN FINANCING AGREEMENT, AMENDMENTS, AND CERTIFICATIONS FOR FUNDING UNDER THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AUTHORIZING THE GENERAL MANAGER TO APPROVE CLAIMS FOR REIMBURSEMENT; AUTHORIZING THE GENERAL MANAGER TO EXECUTE BUDGET AND EXPENDITURE SUMMARY; AUTHORIZING THE GENERAL MANAGER TO SIGN THE FINAL RELEASE FORM AND THE GENERAL MANAGER TO SIGN THE CERTIFICATION OF PROJECT COMPLETION; AND PLEDGING AND DEDICATING NET WATER REVENUES FROM TO PAYMENT OF DWSRF FINANCING

* * * * *

WHEREAS, the Fallbrook Public Utility District (District) seeks financing from the State Water Resources Control Board for a project commonly known as the Santa Margarita Conjunctive Use Project ("Project"); and

WHEREAS, the Fallbrook Public Utility District Board of Directors approval of this resolution is a requirement of the Drinking Water State Revolving Fund financing application process.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fallbrook Public Utility District, that:

1. The Board of Directors is hereby authorized and directed to sign and file, for and on behalf of the Fallbrook Public Utility District a financial assistance application for a financing agreement from the State Water Resources Control Board for the Project;
2. The General Manager or designee is hereby authorized to sign the DWSRF program financing agreement for the Project and any amendments thereto, and provide the assurances, certifications, and commitments required therefore;
3. The General Manager or designee is hereby authorized to represent the Fallbrook Public Utility District in carrying out the Fallbrook Public Utility District responsibilities under the financing agreement, including approving and submitting disbursement requests (including Claims for Reimbursement) or other required documentation, compliance with applicable state and federal laws, and making any other necessary certifications;

4. The Fallbrook Public Utility District does hereby dedicate and pledge its net water revenues and its water enterprise fund to payment of the DWSRF financing for the Project. The Fallbrook Public Utility District commits to collecting such revenues and maintaining such funds throughout the term of such financing and until the Fallbrook Public Utility District has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Fallbrook Public Utility District pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Fallbrook Public Utility District commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s). If for any reason, the said source of revenues proves insufficient to satisfy the debt service of the DWSRF obligation, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to meet the DWSRF obligation and to operate and maintain the project; and
5. The authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The State Water Resources Control Board is authorized to rely upon this Resolution until written notice to the contrary, executed by each of the undersigned, is received by the State Water Resources Control Board. The State Water Resources Control Board shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the Fallbrook Public Utility District or in any other document.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 23rd day of January, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

RESOLUTION NO. 4900

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT FOR REIMBURSEMENT OF
EXPENDITURES**

* * * * *

WHEREAS, the Fallbrook Public Utility District (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines, and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$45,000,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the agency in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 23rd day of January, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

RESOLUTION NO. 4901

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT AUTHORIZING AND
DIRECTING THE GENERAL MANAGER (THE "AUTHORIZED
REPRESENTATIVE") OR DESIGNEE TO SIGN AND FILE, FOR AND
ON BEHALF OF THE ENTITY, A FINANCIAL ASSISTANCE
APPLICATION FOR A FINANCING AGREEMENT FROM THE STATE
WATER RESOURCES CONTROL BOARD**

* * * * *

WHEREAS, the Fallbrook Public Utility District intends to submit a financial assistance application for a financial assistance application for a financing agreement to the State Water Resources Control Board for the Santa Margarita Conjunctive Use Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT (the "Entity"), AS FOLLOWS:

1. The General Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design and construction of the San Margarita Conjunctive Use Project (the "Project").
2. This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.
3. The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal law.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 23rd day of January, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

12/31/2016

Treasurer's Warrant No. Dec

TO: Treasurer of the Fallbrook Public Utility District

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

Payroll -12/16

Computer Check Register

Payroll #1	169,740.55
Payroll #2	<u>139,216.11</u>
	<u>308,956.66</u>

Accounts Payable

Checks by Date - Summary by Check Date

User: paula
 Printed: 1/12/2017 11:47 AM



Fallbrook Public Utility District
 Purchasing Dept. Phone: (760) 728-1151, Fax: (760) 728-8491
 Main Office Phone: (760) 728-1125, Fax: (760) 728-6029

Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	06758	US TREASURY - PAYROLL TAXES	12/07/2016	66,561.75
ACH	06759	STATE OF CA - PR TAXES	12/07/2016	10,164.27
ACH	06760	STATE OF CA - SDI	12/07/2016	1,862.89
ACH	06761	LINCOLN FINANCIAL GROUP	12/07/2016	5,692.84
ACH	06763	PERS - PAYROLL	12/07/2016	36,215.49
Total for 12/7/2016:				120,497.24
73667	06374	BOOT BARN INC.	12/08/2016	194.39
73668	00898	BP BATTERY	12/08/2016	211.80
73669	05897	FILOMENO CABALBAG	12/08/2016	85.00
73670	06012	CALIFORNIA DEPT OF CSS	12/08/2016	231.00
73671	03134	CALIFORNIA WATER ENVIRONMENT	12/08/2016	260.00
73672	90930	CRANWORKS SOUTHEWEST, INC.	12/08/2016	272.27
73673	UB*00011	BEVERLY & BILL DICK	12/08/2016	30.14
73674	02372	DION INTERNATIONAL	12/08/2016	28.42
73675	04425	DOMINICK'S SANDWICHES	12/08/2016	48.48
73676	UB*00008	RICHARD DUNNING	12/08/2016	27.87
73677	05987	FALLBROOK GARAGE & QWIK LUBE	12/08/2016	413.65
73678	01099	FALLBROOK IRRIGATION INC	12/08/2016	25.57
73679	02972	FISHER SCIENTIFIC	12/08/2016	168.51
73680	00152	FPUD EMPL ASSOCIATION	12/08/2016	836.08
73681	04958	GOSCH FORD TEMECULA	12/08/2016	42.87
73682	05380	HACH CO	12/08/2016	493.65
73683	05925	HD SUPPLY WATERWORKS	12/08/2016	912.74
73684	03276	HOME DEPOT CREDIT SERVICES	12/08/2016	3,278.98
73685	06687	ICE QUBE, INC	12/08/2016	826.63
73686	00190	JCI JONES CHEMICALS INC.	12/08/2016	4,488.10
73687	04027	JOES HARDWARE	12/08/2016	2,234.56
73688	05401	Joe's Paving	12/08/2016	5,976.18
73689	04926	KONICA MINOLTA PREMIER FINANCE	12/08/2016	3,506.49
73690	UB*00009	DANIEL KREIGER	12/08/2016	104.34
73691	01703	TODD LANGE	12/08/2016	25.00
73692	04638	LOWE'S CORPORATION	12/08/2016	5,686.08
73693	91029	MALLORY SAFETY AND SUPPLY CO	12/08/2016	8,199.03
73694	01782	JEFF MARCHAND	12/08/2016	25.00
73695	04649	MAR-CON PRODUCTS, INC	12/08/2016	1,960.80
73696	06614	MITEL LEASING	12/08/2016	1,098.05
73697	06338	MYTHOS TECHNOLOGY INC	12/08/2016	438.04
73698	00718	NATIONWIDE RETIREMENT SOLUTIO	12/08/2016	2,098.07
73699	01267	PACIFIC PIPELINE	12/08/2016	6,265.08
73700	06109	DONALD PARKER	12/08/2016	762.00
73701	00216	PINE TREE LUMBER	12/08/2016	1,093.32
73702	04662	QUALITY FENCE COMPANY, INC.	12/08/2016	4,362.00
73703	05442	QUEXION, LLC	12/08/2016	74.95
73704	91097	R2L2 VENTURES, LLC	12/08/2016	3,584.44
73705	06237	LARRY RAGSDALE	12/08/2016	25.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
73706	91077	RED WING SHOE STORE	12/08/2016	160.64
73707	05636	SAM'S CLUB	12/08/2016	2,704.33
73708	00232	SAN DIEGO GAS & ELECTRIC	12/08/2016	2,483.54
73709	04434	SNAP ON TOOLS	12/08/2016	254.61
73710	90988	SUPER BRIGHT LEDS, INC.	12/08/2016	1,645.47
73711	00159	SUPERIOR READY MIX	12/08/2016	3,125.50
73712	05904	RICHARD TANNER	12/08/2016	1,015.36
73713	03027	THE UPS STORE	12/08/2016	163.26
73714	91107	TIME WARNER CABLE ENTERPRISES,	12/08/2016	101.60
73715	06206	TOOLSHED EQUIPMENT RENTAL	12/08/2016	1,421.28
73716	04330	UNION BANK	12/08/2016	100.00
73717	04330	UNION BANK	12/08/2016	150.00
73718	00710	UNITED WAY OF SAN DIEGO	12/08/2016	57.00
73719	04313	USA BLUE BOOK	12/08/2016	654.92
73720	UB*00010	NORMA VAN HAITSMAN	12/08/2016	31.73
73721	04290	VILLAGE NEWS, INC.	12/08/2016	495.00
73722	02570	CHERYL WILLIAMS	12/08/2016	490.00
73723	06495	WRECK N' BALL ENTERPRISES	12/08/2016	48.12
Total for 12/8/2016:				75,496.94
73724	04995	AMERICAN MESSAGING	12/14/2016	102.53
73725	02743	BEST BEST & KRIEGER	12/14/2016	4,485.78
73726	00898	BP BATTERY	12/14/2016	106.38
73727	90984	GREGORY A. BROEKING BROEKING M	12/14/2016	3,465.00
73728	05897	FILOMENO CABALBAG	12/14/2016	12.00
73729	03134	CALIFORNIA WATER ENVIRONMENT,	12/14/2016	348.00
73730	01719	MICKEY M. CASE	12/14/2016	60.00
73731	06115	CDW GOVERNMENT INC.	12/14/2016	3,843.60
73732	02586	COSTCO MEMBERSHIP	12/14/2016	110.00
73733	00370	CROP PRODUCTION SERVICES, INC.	12/14/2016	2,256.40
73734	02925	DATA NET SOLUTIONS	12/14/2016	5,668.00
73735	05180	NOELLE DENKE	12/14/2016	499.87
73736	06048	DEPARTMENT OF THE INTERIOR	12/14/2016	2,593.53
73737	05192	DIAMOND ENVIRONMENTAL SERVIC	12/14/2016	170.02
73738	05588	ESCONDIDO METAL SUPPLY	12/14/2016	2,302.56
73739	09523	FALLBROOK EQUIP RENTALS	12/14/2016	3,360.00
73740	00169	FALLBROOK OIL COMPANY	12/14/2016	3,687.77
73741	02972	FISHER SCIENTIFIC	12/14/2016	409.38
73742	00182	GLENNIE'S OFFICE PRODUCTS, INC	12/14/2016	109.92
73743	04958	GOSCH FORD TEMECULA	12/14/2016	195.71
73744	02170	GRAINGER, INC.	12/14/2016	2,152.03
73745	91056	GRIZZLY INDUSTRIAL, INC.	12/14/2016	1,725.00
73746	02773	HDS WHITE CAP CONST SUPPLY	12/14/2016	3,457.07
73747	06577	INFOSEND INC	12/14/2016	2,759.73
73748	05505	TODD JESTER	12/14/2016	151.00
73749	05984	LARRY WALKER ASSOCIATES, INC	12/14/2016	6,417.50
73750	90916	KELLY LAUGHLIN	12/14/2016	88.56
73751	90924	LAW OFFICES OF STEPHEN V. LOPARI	12/14/2016	4,321.00
73752	03765	LENNIHAN LAW	12/14/2016	9,195.90
73753	91029	MALLORY SAFETY AND SUPPLY CO	12/14/2016	12,361.74
73754	90932	NAPA AUTO PARTS	12/14/2016	3,401.85
73755	06298	ONESOURCE DISTRIBUTORS, LLC	12/14/2016	421.22
73756	01267	PACIFIC PIPELINE	12/14/2016	1,147.80
73757	05033	PACKARD GOVERNMENT AFFAIRS	12/14/2016	5,000.00
73758	06109	DONALD PARKER	12/14/2016	474.00
73759	90939	PCM SALES, INC.	12/14/2016	174.03

Check No	Vendor No	Vendor Name	Check Date	Check Amount
73760	06688	ANDO PILVE	12/14/2016	1,275.00
73761	06199	PLUMBERS DEPOT INC	12/14/2016	4,619.81
73762	04662	QUALITY FENCE COMPANY, INC.	12/14/2016	125.00
73763	06237	LARRY RAGSDALE	12/14/2016	49.89
73764	06485	FABRIENNE ROBINSON	12/14/2016	85.00
73765	02854	STEVE RUCKER	12/14/2016	690.00
73766	91112	SAN DIEGO GROWERS INC	12/14/2016	5,000.00
73767	06704	SMOG BROS	12/14/2016	811.25
73768	05883	TESTAMERICA LABORATORIES, INC.	12/14/2016	510.82
73769	00235	THE SAN DIEGO UNION-TRIBUNE	12/14/2016	210.35
73770	06005	UNIFIRST CORP.	12/14/2016	755.75
73771	03358	US BANK TRUST NA	12/14/2016	2,500.00
73772	00458	VERIZON WIRELESS	12/14/2016	554.65
73773	02570	CHERYL WILLIAMS	12/14/2016	472.50

Total for 12/14/2016: 104,694.90

ACH	06758	US TREASURY - PAYROLL TAXES	12/21/2016	55,189.28
ACH	06759	STATE OF CA - PR TAXES	12/21/2016	7,897.09
ACH	06760	STATE OF CA - SDI	12/21/2016	1,526.60
ACH	06761	LINCOLN FINANCIAL GROUP	12/21/2016	5,692.84
ACH	06763	PERS - PAYROLL	12/21/2016	36,332.12
73818	00101	ACWA JPIA	12/21/2016	87,439.74
73819	91084	BOB ANDERSON	12/21/2016	328.24
73820	05088	AT&T	12/21/2016	819.73
73821	06235	JACK BEBEE	12/21/2016	137.99
73822	06431	BLACK & VEATCH CORPORATION	12/21/2016	11,478.75
73823	91028	BOB TURNER'S CRANE SERVICE	12/21/2016	1,324.13
73824	05615	BOOT WORLD INC.	12/21/2016	807.54
73825	00898	BP BATTERY	12/21/2016	229.10
73826	05897	FILOMENO CABALBAG	12/21/2016	171.65
73827	06394	CALIFORNIA BANK & TRUST	12/21/2016	222,925.28
73828	06012	CALIFORNIA DEPT OF CSS	12/21/2016	231.00
73829	03134	CALIFORNIA WATER ENVIRONMENT	12/21/2016	344.00
73830	03978	CAMERON WELDING SUPPLY	12/21/2016	700.60
73831	06336	CAPITAL ONE COMMERCIAL	12/21/2016	185.97
73832	03205	CITY OF OCEANSIDE	12/21/2016	1,762.28
73833	02176	CORELOGIC SOLUTIONS, LLC	12/21/2016	225.00
73834	05953	CORODATA RECORDS MANAGEMENT	12/21/2016	647.33
73835	06169	CS-ASSOCIATED MUNICIPAL SALES C	12/21/2016	2,202.76
73836	05180	NOELLE DENKE	12/21/2016	159.68
73837	03087	MARCELLA M. EILERS	12/21/2016	60.00
73838	06303	EXECUTIVE LANDSCAPE INC.	12/21/2016	417.50
73839	02647	FALLBROOK AWARDS	12/21/2016	14.31
73840	09523	FALLBROOK EQUIP RENTALS	12/21/2016	405.00
73841	01099	FALLBROOK IRRIGATION INC	12/21/2016	121.27
73842	00170	FALLBROOK WASTE & RECYCLING	12/21/2016	7,170.15
73843	00152	FPUD EMPL ASSOCIATION	12/21/2016	836.08
73844	06286	GARDA CL WEST, INC.	12/21/2016	228.46
73845	91039	GEORGE W. WEIR ASPHALT CONSTRU	12/21/2016	17,796.16
73846	02170	GRAINGER, INC.	12/21/2016	727.26
73847	02767	GRANGETTO FARM & GARDEN SUPPI	12/21/2016	103.10
73848	06722	CHRIS HAMILTON	12/21/2016	65.00
73849	05925	HD SUPPLY WATERWORKS	12/21/2016	4,366.45
73850	06577	INFOSEND INC	12/21/2016	861.25
73851	06267	J2 GLOBAL IRELAND LIMITED	12/21/2016	59.91
73852	90944	ROBERT H JAMES	12/21/2016	950.00

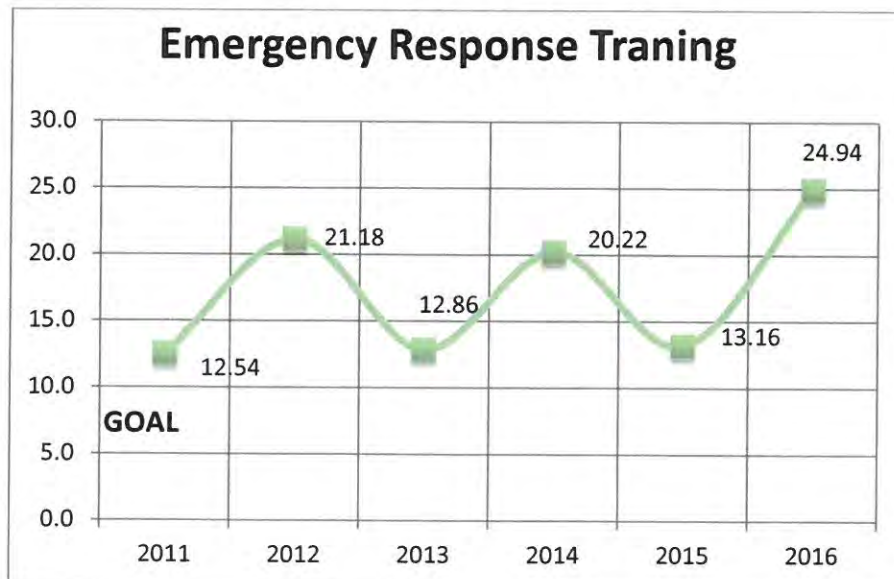
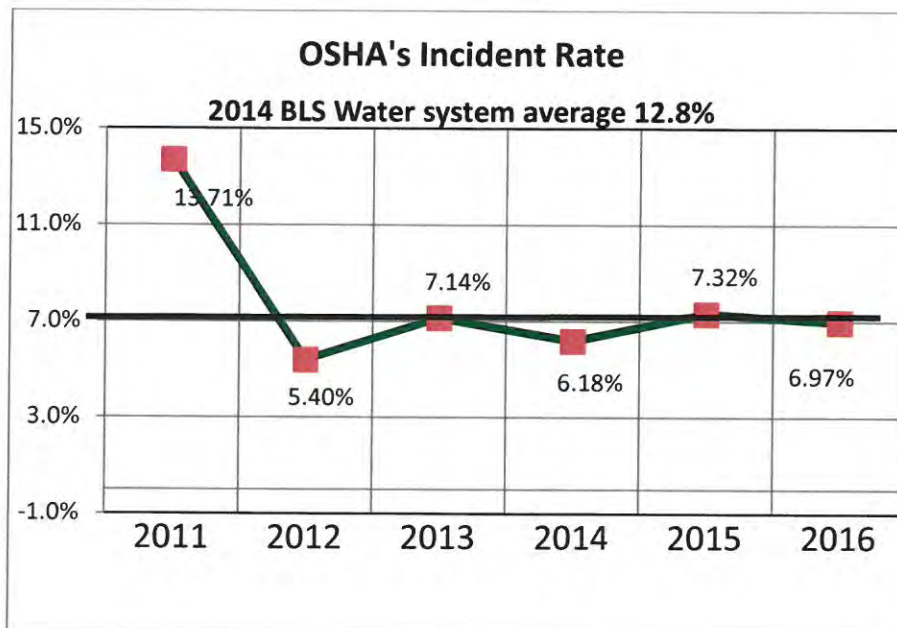
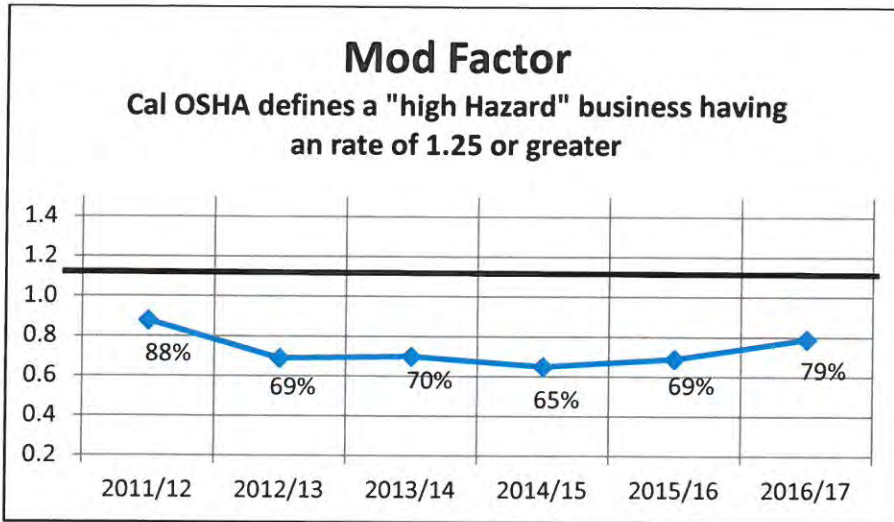
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73853	06380	JANI-KING OF CALIFORNIA, INC - SA	12/21/2016	2,117.39
73854	05505	TODD JESTER	12/21/2016	100.00
73855	06123	MACIAS GINI & O'CONNELL	12/21/2016	3,500.00
73856	06633	MAINTENANCE CONNECTION INC	12/21/2016	756.20
73857	91029	MALLORY SAFETY AND SUPPLY CO	12/21/2016	53.04
73858	03944	MISSION RESOURCE CONSV DISTRICT	12/21/2016	125.00
73859	06338	MYTHOS TECHNOLOGY INC	12/21/2016	2,737.03
73860	03201	NATIONAL SAFETY COMPLIANCE INC	12/21/2016	873.41
73861	00718	NATIONWIDE RETIREMENT SOLUTIONS	12/21/2016	2,098.07
73862	06298	ONESOURCE DISTRIBUTORS, LLC	12/21/2016	167.35
73863	01267	PACIFIC PIPELINE	12/21/2016	7,023.94
73864	91116	LAUREN PANEK	12/21/2016	1,192.12
73865	04662	QUALITY FENCE COMPANY, INC.	12/21/2016	12,730.00
73866	91104	RAFTELIS FINANCIAL CONSULTANTS	12/21/2016	12,432.50
73867	04075	RAYNE WATER SYSTEMS	12/21/2016	125.00
73868	06485	FABRIENNE ROBINSON	12/21/2016	50.00
73869	06666	SAGINAW CONTROL & ENGINEERING	12/21/2016	592.81
73870	00232	SAN DIEGO GAS & ELECTRIC	12/21/2016	3,146.81
73871	00237	SEARS COMMERCIAL ONE	12/21/2016	718.30
73872	90929	SOUTHWEST ANSWERING SERVICE, I	12/21/2016	991.39
73873	05415	STATE WATER RESOURCE CONTROL	12/21/2016	70.00
73874	04092	STATE WATER RESOURCES CONTROL	12/21/2016	380.00
73875	03197	SWRCB ACCOUNTING OFFICE	12/21/2016	22,556.60
73876	06735	TCN, INC.	12/21/2016	62.34
73877	05883	TESTAMERICA LABORATORIES, INC.	12/21/2016	588.56
73878	06579	TOWNSEND PUBLIC AFFAIRS, INC	12/21/2016	5,000.00
73879	00250	TRY ENTERPRISES	12/21/2016	2,770.00
73880	05065	TYCO INTEGRATED SECURITY LLC	12/21/2016	398.43
73881	00724	UNDERGROUND SERVICE ALERT	12/21/2016	304.50
73882	06005	UNIFIRST CORP.	12/21/2016	378.71
73883	00710	UNITED WAY OF SAN DIEGO	12/21/2016	57.00
73884	00458	VERIZON WIRELESS	12/21/2016	426.11
73885	06238	AUSTIN WENDT	12/21/2016	267.07
73886	06317	WESTERN PLUMBING PARTS AND SUPPLIES	12/21/2016	567.66
73887	91100	WESTIN ENGINEERING, INC.	12/21/2016	21,675.71
73888	02570	CHERYL WILLIAMS	12/21/2016	599.38
73889	91115	BRADELY WOLFE	12/21/2016	537.00
Total for 12/21/2016:				581,110.03
73890	01460	AFLAC	12/29/2016	1,287.16
73891	02743	BEST BEST & KRIEGER	12/29/2016	7,341.74
73892	00898	BP BATTERY	12/29/2016	315.75
73893	06375	CALGON CARBON CORPORATION	12/29/2016	1,500.00
73894	06336	CAPITAL ONE COMMERCIAL	12/29/2016	222.33
73895	90930	CRANWORKS SOUTHEAST, INC.	12/29/2016	563.27
73896	05192	DIAMOND ENVIRONMENTAL SERVICES	12/29/2016	333.78
73897	04122	EVOQUA WATER TECHNOLOGIES LLC	12/29/2016	3,936.60
73898	09523	FALLBROOK EQUIP RENTALS	12/29/2016	11,593.80
73899	01099	FALLBROOK IRRIGATION INC	12/29/2016	96.24
73900	01582	FALLBROOK MUFFLER	12/29/2016	64.80
73901	00169	FALLBROOK OIL COMPANY	12/29/2016	2,674.57
73902	02411	FALLBROOK PRINTING CORP	12/29/2016	3,855.10
73903	01155	FALLBROOK REFUSE	12/29/2016	45.00
73904	04494	FEDERAL EXPRESS CORPORATION	12/29/2016	28.31
73905	91099	FLUID COMPONENTS INTERNATIONAL	12/29/2016	1,350.00
73906	09517	GENCO	12/29/2016	243.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
73907	00182	GLENNIE'S OFFICE PRODUCTS, INC	12/29/2016	739.69
73908	05380	HACH CO	12/29/2016	1,410.45
73909	06577	INFOSEND INC	12/29/2016	1,506.45
73910	06359	INFRASTRUCTURE ENGINEERING CO	12/29/2016	14,139.16
73911	91106	MANERI SIGN CO., INC.	12/29/2016	1,451.87
73912	06614	MITEL LEASING	12/29/2016	817.05
73913	06707	NATIONAL METER & AUTOMATION	12/29/2016	106,682.40
73914	01406	NORTH COUNTY WELDING SUPPLY	12/29/2016	654.99
73915	01267	PACIFIC PIPELINE	12/29/2016	3,289.25
73916	90925	SHERWIN-WILLIAMS	12/29/2016	53.76
73917	06566	STATEWIDE TRAFFIC SAFETY & SIGN	12/29/2016	12,368.16
73918	00159	SUPERIOR READY MIX	12/29/2016	1,470.48
73919	05883	TESTAMERICA LABORATORIES, INC.	12/29/2016	1,117.20
73920	06608	THE ROTARY CLUB OF FALLBROOK	12/29/2016	113.00
73921	06005	UNIFIRST CORP.	12/29/2016	378.72
73922	06238	AUSTIN WENDT	12/29/2016	190.18
73923	02570	CHERYL WILLIAMS	12/29/2016	476.88
Total for 12/29/2016:				182,311.14
Report Total (223 checks):				1,064,110.25



Brian Brady

General Manager

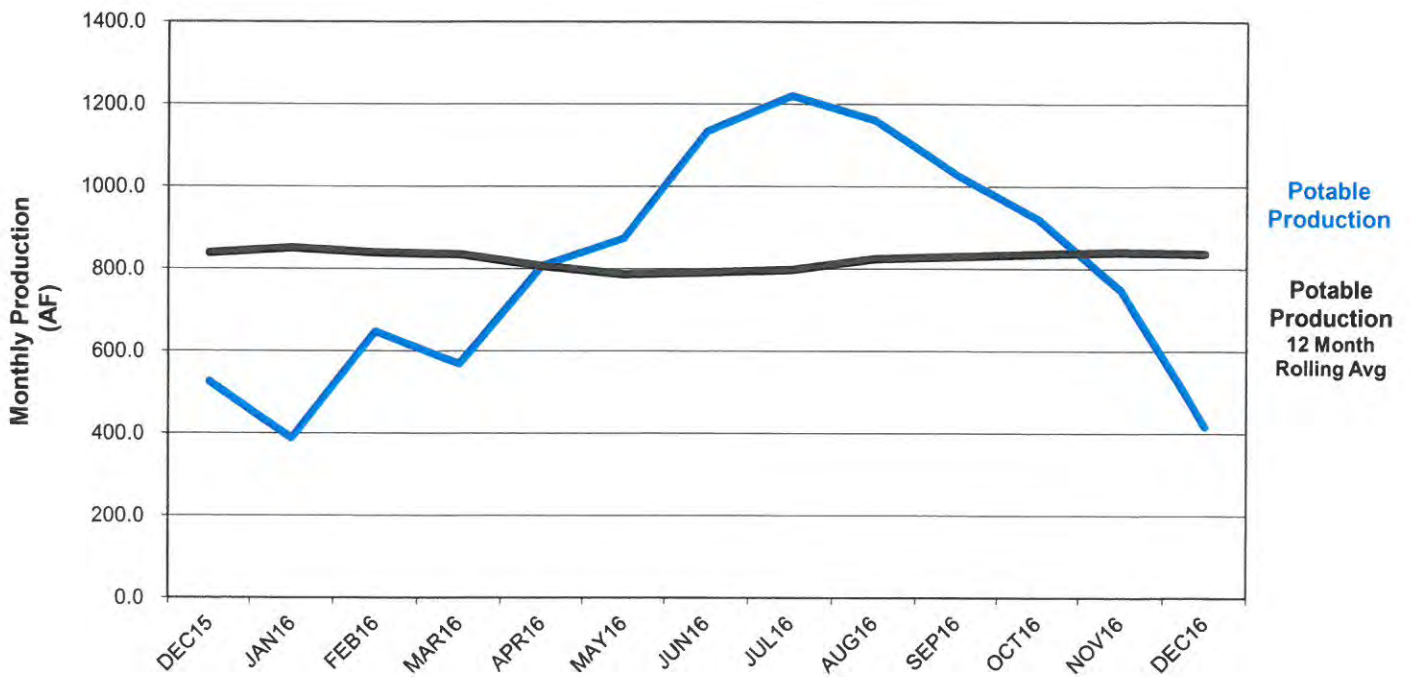


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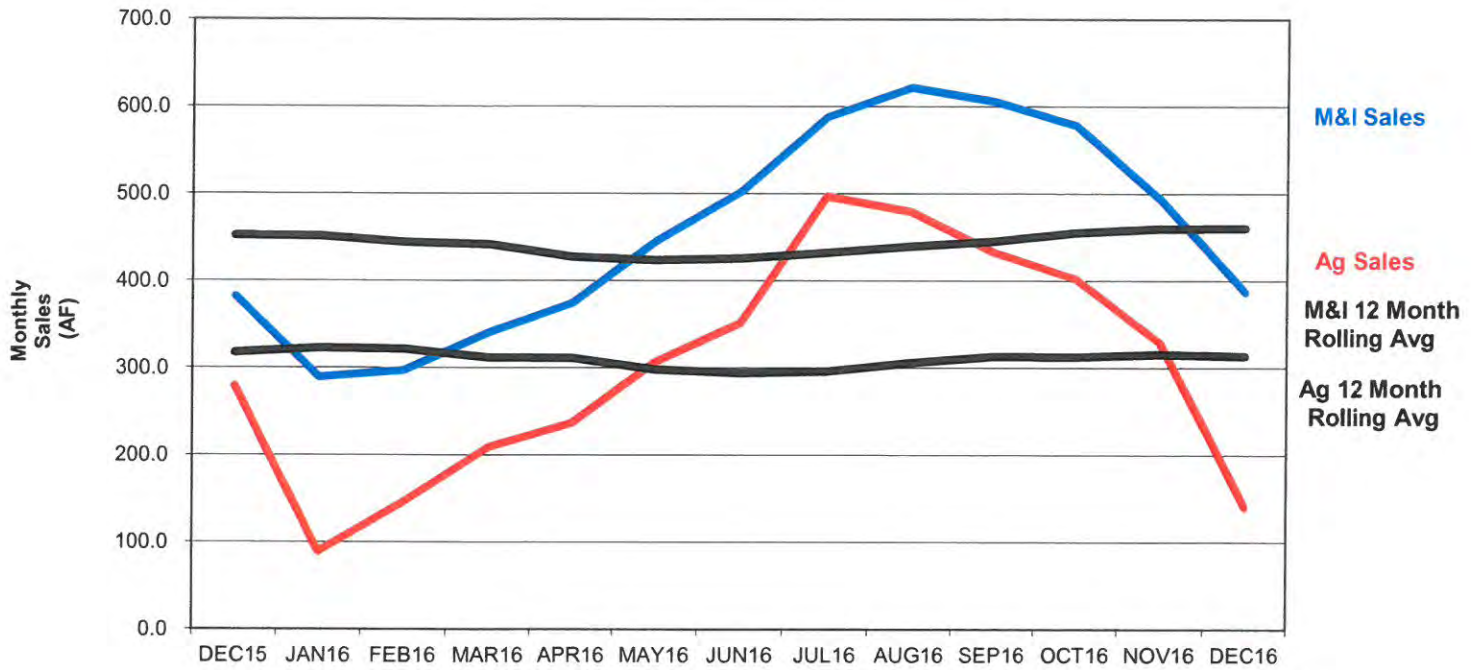
Fallbrook Public Utility District Annual Production



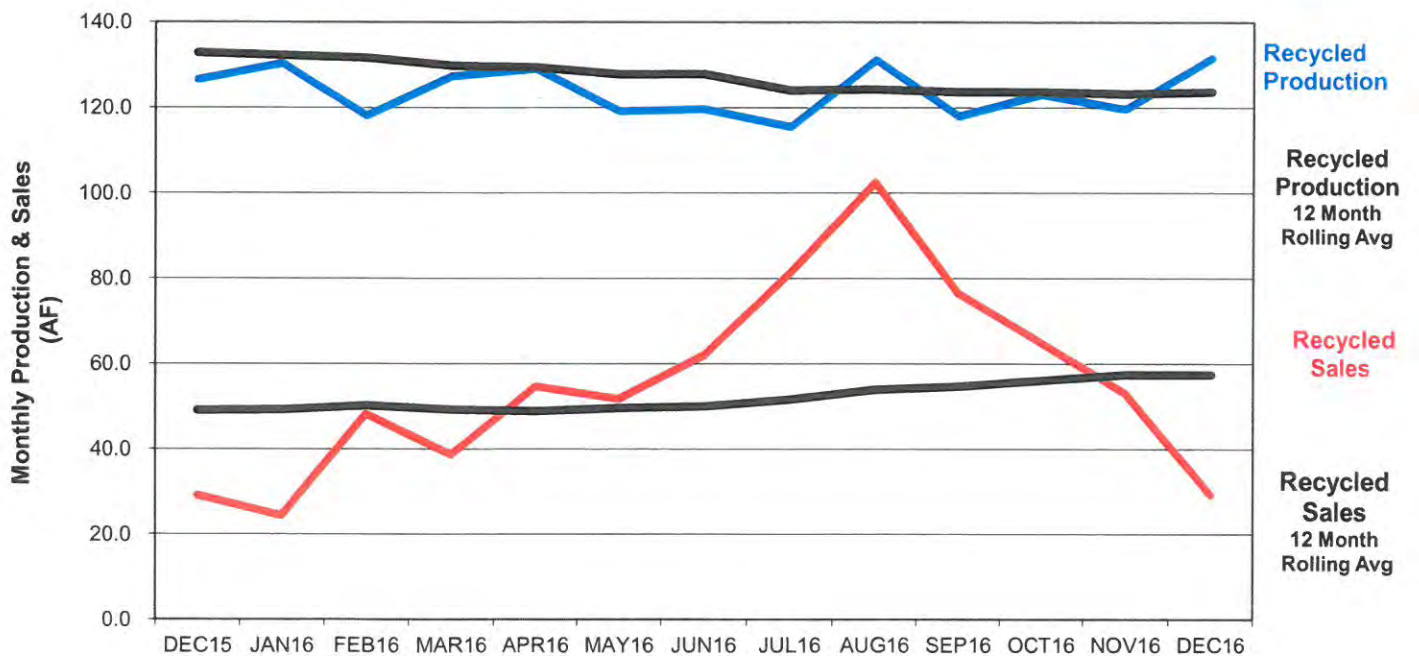
Fallbrook Public Utility District Total Potable Production



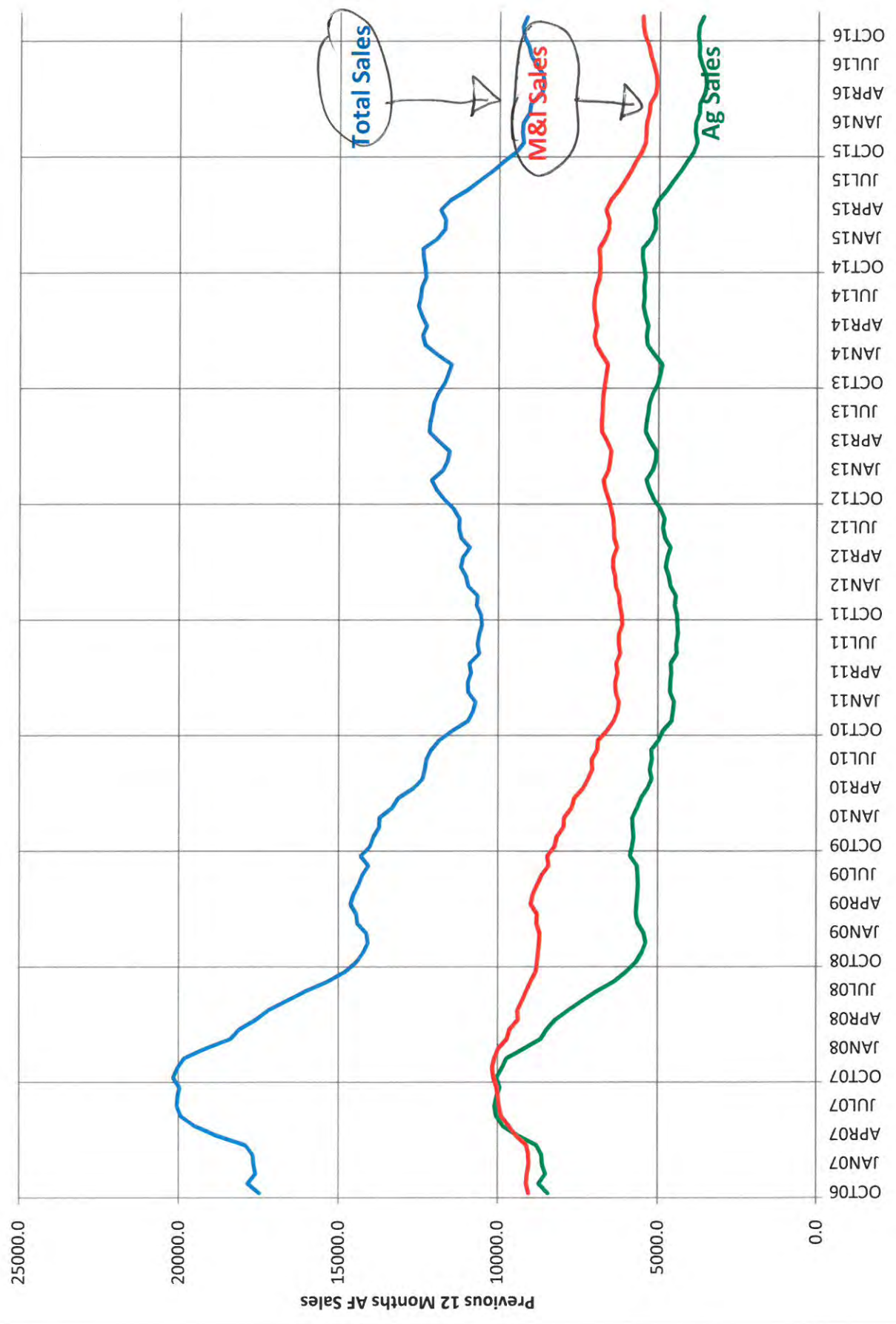
Fallbrook Public Utility District Ag and M&I Sales



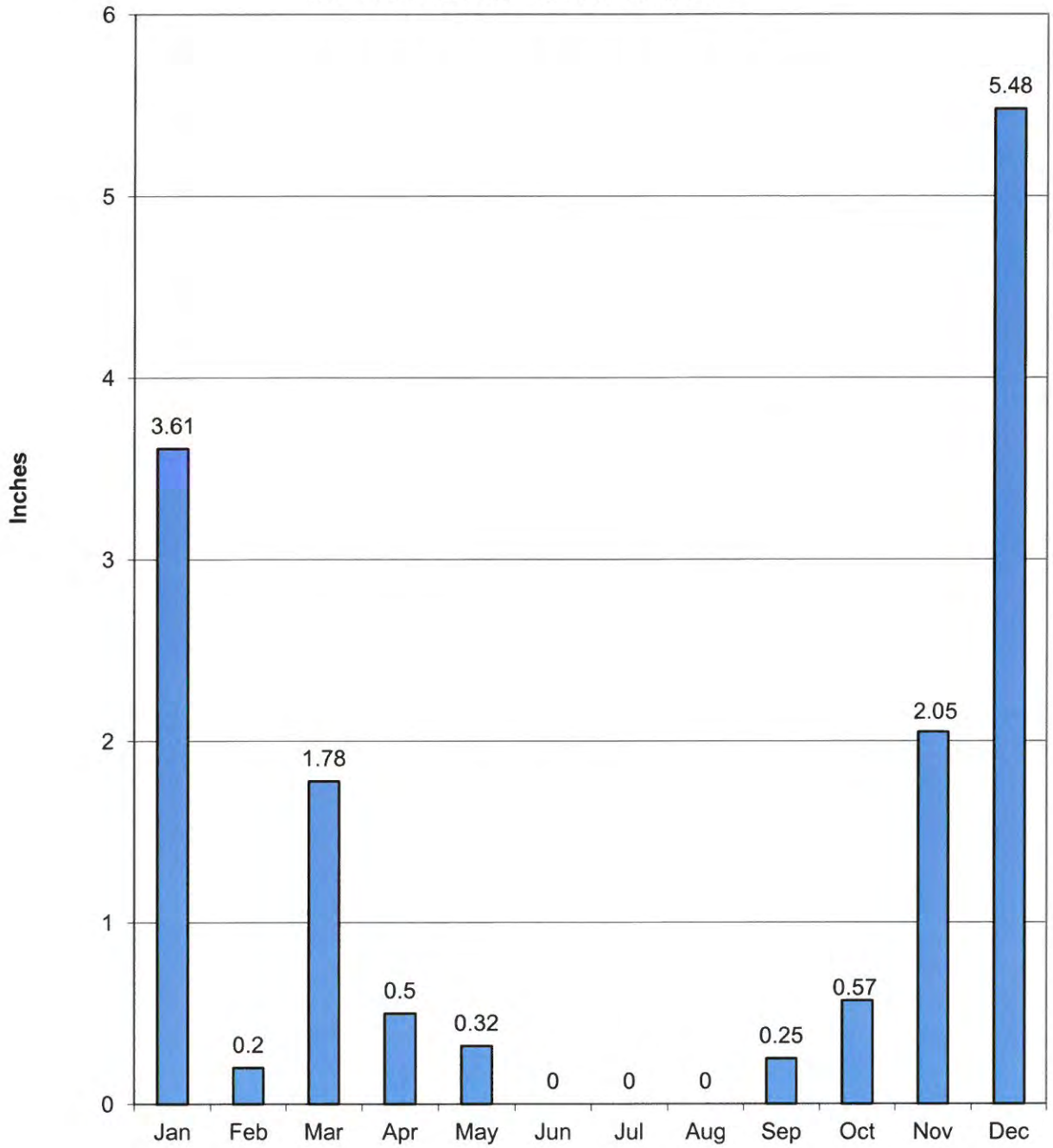
Fallbrook Public Utility District Recycled Water Production & Sales



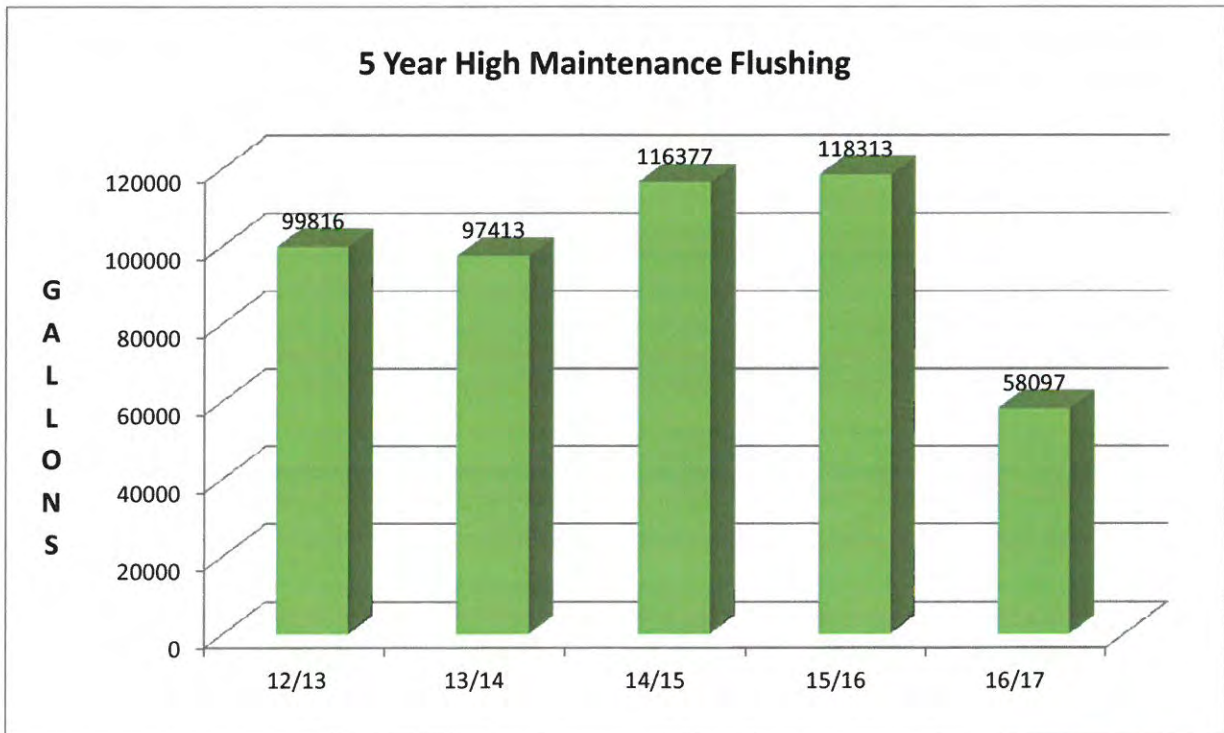
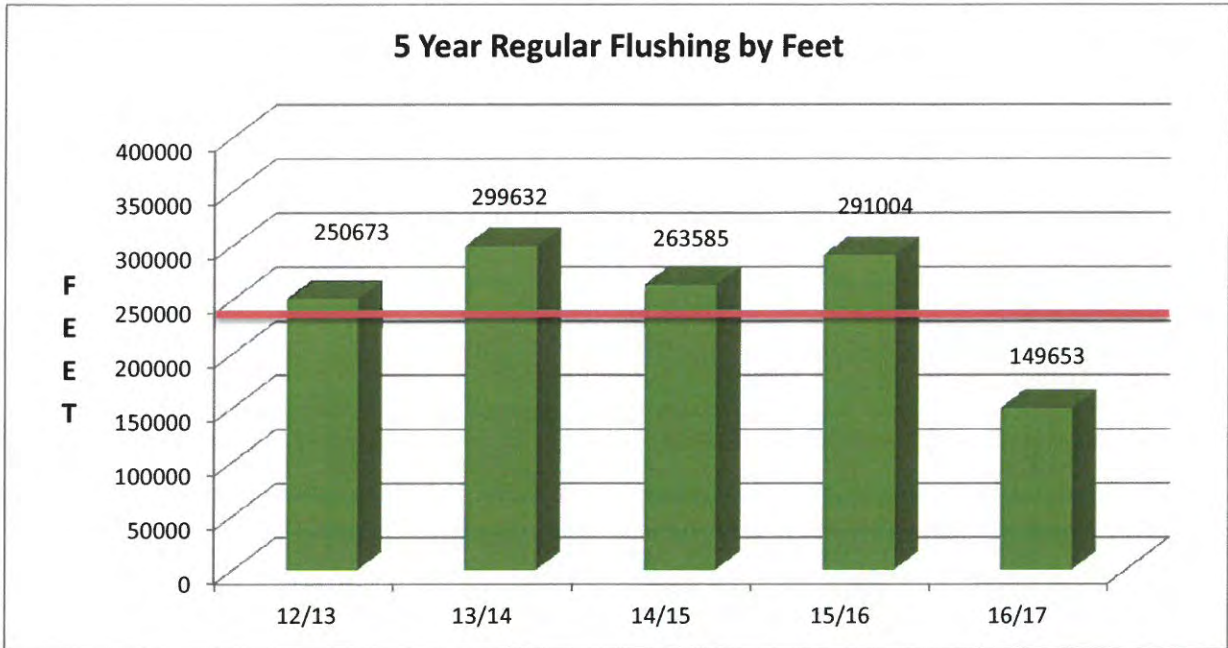
FPUD 12 Month Running Water Sales



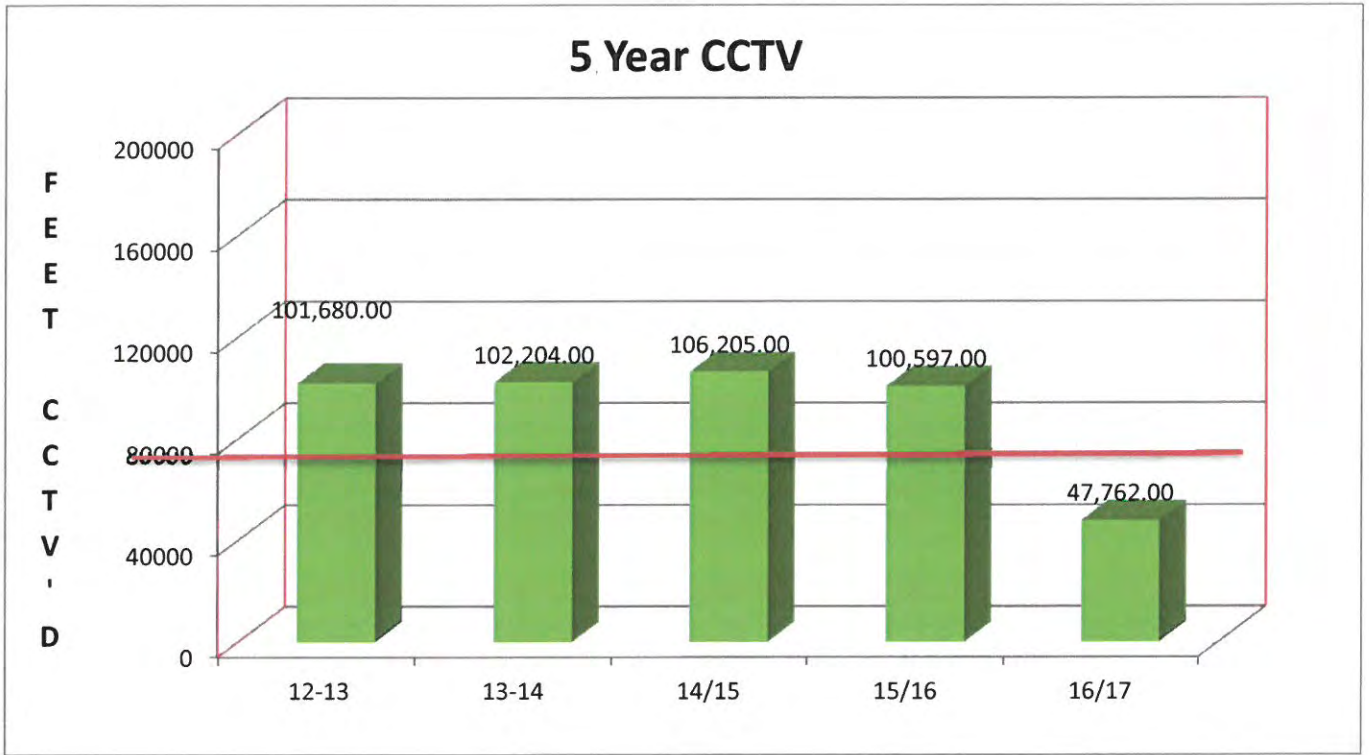
Fallbrook Rainfall In The Last 12 Months



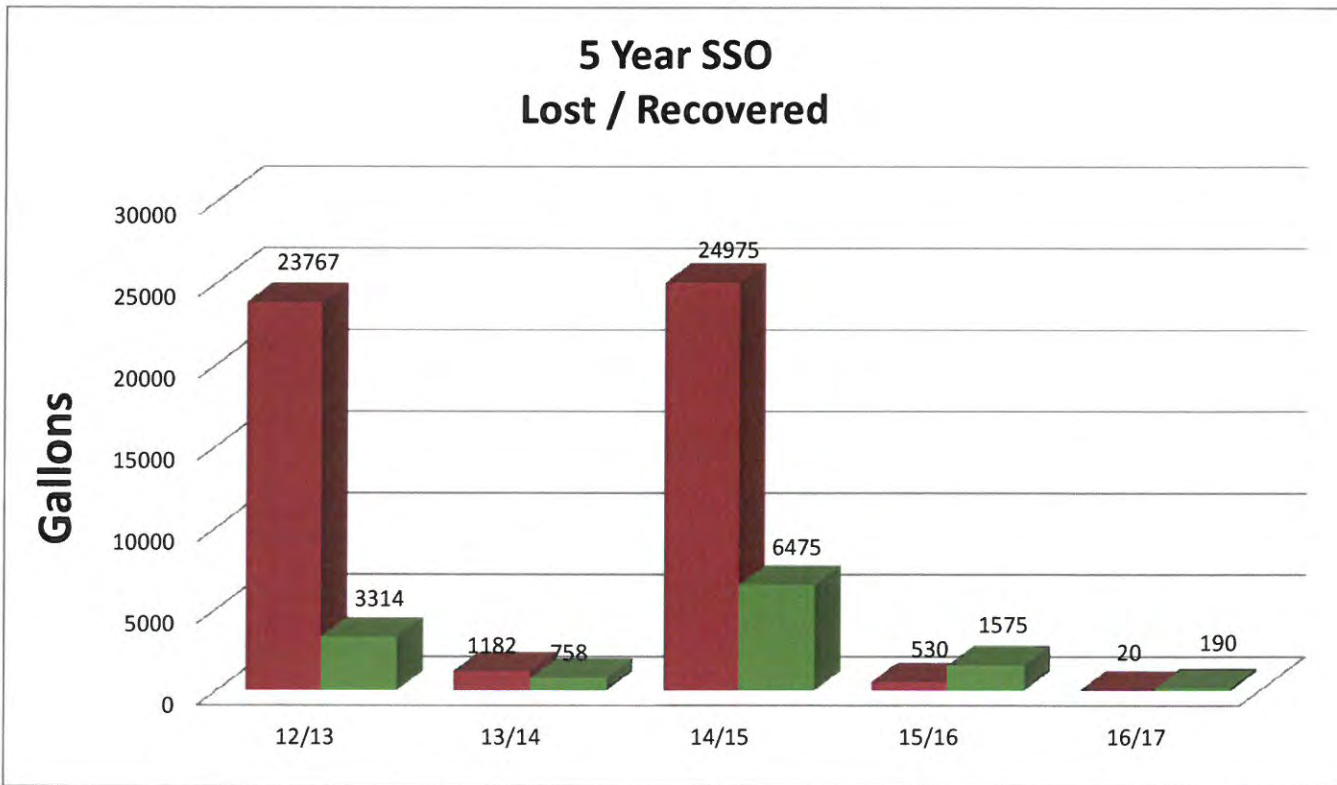
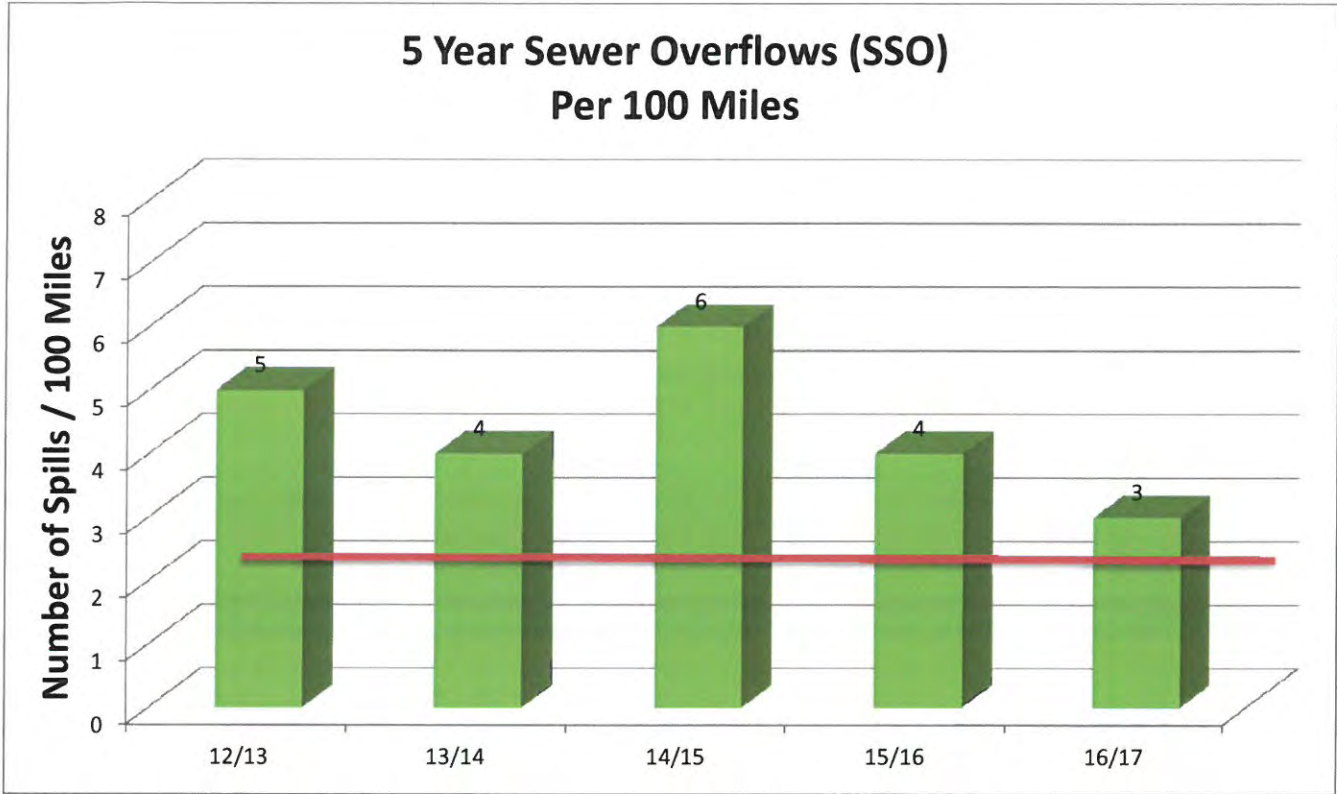
COLLECTION MONTHLY REPORT



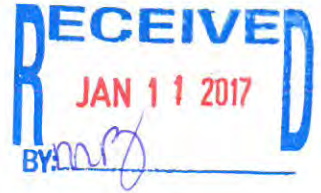
COLLECTION MONTHLY REPORT



COLLECTION MONTH REPORT



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: Sexual Harassment Prevention
for Supervisors (CA AB 1825)

Date(s) of Attendance: 12/29/2016

Purpose of Function: ~~Report~~ Required Training

Sponsoring Organization: ~~Target Solutions~~ Target Solutions

Summary of Conference or Meeting:

Learned how to facilitate/mediate
Sexual Harassment Complaints
in a supervisory role

Director Signature: Jennifer DeMeo Date: 12/29/2016

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.

Sexual Harassment Prevention for Supervisors (California AB 1825)

CERTIFICATE OF COMPLETION
This is to acknowledge that

Jennifer DeMeo

has completed the online training and passed the examination for the 2-hour California Sexual Harassment Prevention for Supervisors training course. [Record ID #93762149]
Fallbrook Public Utility District

Ted Cudal

Ted Cudal, CSP, CHMM, CHCM, EMS-LA

December 29, 2016
Date of Training

TARGET SOLUTIONS

Occupational & Environmental Courseware
San Diego, CA

Certificate issued by TargetSolutions

RECEIVED
JAN 11 2017
BY: mb

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: On-DeMead Webinar CSDA

"General Managers Evaluations" Home Office ^{501 Annunciation Rd} _{Fallbrook CA}

Date(s) of Attendance: 1/9/2017

Purpose of Function: Training

Sponsoring Organization: CSDA

Summary of Conference or Meeting:

The webinar was an excellent overview of the important role of the Board in evaluating the role and performance of the General Manager. It was stressed that it is the Board as a whole, rather than the individual who chooses and guides the GM. Clear direction and communication will be important in our evaluations.

Director Signature: [Signature]

Date: 1/9/2017

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

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

Certificate of Completion



This is to certify that

Ms. Jennifer DeMeo

has completed the course

General Manager Evaluations

Completion Date

01/09/2017

California Special Districts Association