



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

**AGENDA**

**PURSUANT TO WAIVERS TO CERTAIN BROWN ACT PROVISIONS UNDER EXECUTIVE ORDERS ISSUED BY GOVERNOR NEWSOM RELATED TO THE COVID-19 STATE OF EMERGENCY THIS MEETING WILL BE CONDUCTED VIA WEB AND TELECONFERENCE USING THE BELOW INFORMATION, AND THERE WILL BE NO PHYSICAL LOCATION FROM WHICH MEMBERS OF THE PUBLIC MAY PARTICIPATE. INSTEAD MEMBERS OF THE PUBLIC ARE ENCOURAGED TO PARTICIPATE IN THE BOARD MEETING VIA WEB CONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION.**

<https://zoom.us/j/92821244566?pwd=NzZmNU0yZlJ3amd3czYydysvcHNLUT09>

MEETING ID 928 2124 4566  
AUDIO CALL-IN 1-669-900-9128  
AUDIO PASSCODE 111103

**PUBLIC COMMENTS:** Members of the public may submit public comments and comments on agenda items in one of the following ways:

**SUBMIT COMMENTS BEFORE THE MEETING:**

- By emailing to our Board Secretary at [leckert@fpud.com](mailto:leckert@fpud.com)
- By mailing to the District Offices at 990 E. Mission Rd., Fallbrook, CA 92028
- By depositing them in the District's Payment Drop Box located at 990 E. Mission Rd., Fallbrook, CA 92028

All comments submitted before the meeting by whatever means must be received at least 1 hour in advance of the meeting. All comments will be read to the Board during the appropriate portion of the meeting. Please keep any written comments to 3 minutes.

**MAKE COMMENTS DURING THE MEETING:** The Board President will inquire prior to Board discussion if there are any comments from the public on each item.

- Via Zoom Webinar go to the "Participants List," hover over your name and click on "raise hand." This will notify the moderator that you wish to speak during oral communication or during a specific item on the agenda.
- Via phone, you can raise your hand by pressing \*9 to notify the moderator that you wish to speak during the current item.

**THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT'S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.**

**MONDAY, MARCH 22, 2021  
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) 999-2704 for assistance so the necessary arrangements can be made.*

**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. YEARS OF SERVICE

1. Jeff Evans – 20 years
2. Nick Iliev – 5 years

B. EMPLOYEE ANNOUNCEMENTS

1. Matt Lian
2. Alex Galloway

C. NEW EMPLOYEE ANNOUNCEMENTS

1. Eddie Rodriguez, Meter Services/Construction Supervisor

**II. CONSENT CALENDAR ----- (ITEMS D–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.*

D. CONSIDER APPROVAL OF MINUTES

1. February 22, 2021 Regular Board Meeting

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

E. CONSIDER CLAIM FOR INUNDATION OF WATER ONTO REAL PROPERTY

Recommendation: *The aggregate cost of the claims related to the incident will exceed the District retrospective allocation point of \$25,000. Staff recommends*

*rejection of this claim, and any and all claims resulting from this incident, and to forward all claims for this incident to ACWA/JPIA for resolution.*

- F. CONSIDER ADOPTING RESOLUTION NO. 5007 CONCURRING IN NOMINATION OF JO MACKENZIE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS

*Recommendation: That the Board adopt Resolution No. 5007 concurring in nomination of Jo MacKenzie to represent the Southern Network, Seat A, on the California Special Districts Association Board of Directors.*

- G. CONSIDER APPROVAL OF THE SINGLE AUDIT CONDUCTED ON THE SANTA MARGARITA CONJUNCTIVE USE PROJECT TREATMENT PLANT

*Recommendation: Approve the Single Audit and Resolution 5008 making the recommended changes to the District's Administrative Code.*

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

- H. EMPLOYEE SATISFACTION SURVEY RESULTS

*Presented by: Lisa Chaffin, Human Resources Manager*

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

- I. CONSIDER REQUEST FROM CUSTOMER TO ADDRESS BOARD ON ACCOUNT #016742-000

*Recommendation: That the Board support the approach provided by staff to the customer and provide a one-time credit to the account of \$1,086.72, based on the lowest amount that could have been incurred if the account was placed on standby 6-months prior.*

- J. CONSIDER AWARD OF GUM TREE PIPELINE REPLACEMENT PROJECT (JOB 3141)

*Recommendation: The Board authorize award of the Gum Tree Pipeline Replacement Project to the lowest responsible bidder, SRK Engineering for \$428,500.*

- K. CONSIDER REQUEST FOR APPROVAL TO PROCEED WITH SCADA INTEGRATIONS RFP FOR CONVEYER PROJECT

*Recommendation: The Board authorize a services agreement with SCADA Integrations for the Conveyer Upgrade Project at a total value of \$128,470, to be completed in two phases.*

- L. CONSIDER PROFESSIONAL SERVICES CONTRACT FOR SANTA MARGARITA GROUNDWATER TREATMENT PLANT OPERATIONS PLAN

*Recommendation: The Board authorize a Professional Services Agreement with Arcadis U.S. Inc. for an amount not to exceed \$72,320.*

- M. CONSIDER CALL FOR NOMINATIONS, ALTERNATE SPECIAL DISTRICT MEMBER TO SERVE ON THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION (LAFCO)

*Recommendation: If any member of the Board of Directors expresses a desire for nomination to the vacant position, upon a motion made and passed by the Board, staff will assist the nominee in completing the necessary paperwork for submittal to LAFCO by the deadline for nominations, which is Friday, April 23, 2021.*

- N. CONSIDER REQUEST FOR APPROVAL TO AWARD ONE-TIME PAVING PROJECT TO ONYX PAVING COMPANY, INC.

*Recommendation: The Board approve the award of a one-time paving project to Onyx Paving Company, Inc. in the amount of \$77,120.00*

**V. ORAL/WRITTEN REPORTS ----- (ITEMS 1-8)**

1. General Counsel
2. SDCWA Representative Report
3. General Manager
  - a. Engineering and Operations Report
4. Assistant General Manager/Chief Financial Officer
  - a. Financial Summary Report
  - b. Treasurer's Report
  - c. Budget Status Report
  - d. Warrant List
5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended
  - a. Notification of Approval for Directors' Attendance for Virtual Cybersecurity Training.
7. Director Comments/Reports on Meetings Attended
8. Miscellaneous

ADJOURN TO CLOSED SESSION



**VI. CLOSED SESSION------(ITEMS 1-3)**

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2):

*One (1) Potential Case (Claim filed by Michael Rude and Terri Rude)*

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(2)

*One (1) Potential Case*

3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (D)(2):

*One (1) Potential Case*

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (*As Necessary*)

**VII. ADJOURNMENT OF MEETING**

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**DECLARATION OF POSTING**

I, Lauren Eckert, Executive Assistant/Board 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, Lauren Eckert, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

March 17, 2021  
Dated / Fallbrook, CA

/s/ Lauren Eckert  
Executive Assistant/Board Secretary

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**M E M O**

**TO:** Board of Directors  
**FROM:** Lauren Eckert, Executive Assistant/Board Secretary  
**DATE:** March 22, 2021  
**SUBJECT:** Approval of Minutes

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**Recommended Action**

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

1. February 22, 2021 Regular Meeting



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

**MINUTES**

**MONDAY, FEBRUARY 22, 2021  
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) 999-2704 for assistance so the necessary arrangements can be made.*

**I. PRELIMINARY FUNCTIONS**

**CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM**

President DeMeo called the February Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:01 p.m.

President DeMeo announced, for the record, that this meeting was conducted by teleconference using the call-in and web link on the agenda, pursuant to the Brown Act waivers to certain provisions under the Governor’s Executive Order in response to the COVID-19 State of Emergency.

President DeMeo also announced the agenda provided notice that members of the public were encouraged to participate in the Board meeting via teleconference using the call-in and web link information, and that members of the public could have also emailed public comments and comments on agenda items in advance of the meeting by mailing them to the District, dropping them in the District’s payment drop box, or emailing them to the Board Secretary. Any such written comments would be read on to the record at the appropriate portion of the meeting – up to a limit of three (3) minutes per comment.

A quorum was established, and attendance was as follows:

**Board of Directors**

**Present:** Jennifer DeMeo, President  
 Dave Baxter, Member/Vice President  
 Ken Endter, Member  
 Don McDougal, Member (*arrived at 4:09 p.m.*)  
 Charley Wolk, Member

**Absent:** None

**General Counsel/District Staff**

Present: Jack Bebee, General Manager  
Paul de Sousa, General Counsel  
Dave Shank, Assistant General Manager/CFO  
Jason Cavender, Operations Manager  
Aaron Cook, Engineering Manager  
Noelle Denke, Public Affairs Specialist  
Steve Stone, Field Services Manager  
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Craig Balben, Roy Moosa, Ken Hennell, Guillermo Acevedo, Vince Ross, and Doug Smith

#### PLEDGE OF ALLEGIANCE

President DeMeo led the Pledge of Allegiance.

President DeMeo announced that she would ask the Board Secretary if there were any members of the public who had submitted written comments in advance of the meeting or who wished to make comments on the item through Zoom webinar or Zoom teleconference. After public comments, President DeMeo announced she would then call on staff to make a presentation for the next item on the agenda. After the presentation was made, to avoid everyone speaking at once, President DeMeo reported she would then call on each Director to see if there were questions for staff regarding their presentation. President DeMeo stated after the round of questions, she would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, President DeMeo would call on each Director to see if there were any comments. She announced all votes would be done by roll call.

#### ADDITIONS TO AGENDA PER GC § 54954.2(b)

#### APPROVAL OF AGENDA

MOTION: Vice President Baxter moved to approve the agenda as presented;  
Director Endter seconded. Motion passed; VOTE:

AYES: Directors Baxter, DeMeo, Endter, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director McDougal

#### 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.*

President DeMeo stated, as permitted under the Brown Act, the Board would hear public comments on items within the subject matter jurisdiction of the District that were not on the agenda.

General Counsel de Sousa requested that members of the public, who wished to speak on non-agenda items, raise their hand via Zoom Webinar by clicking on the ‘Raise Hand’ button and via phone by pressing star nine. President DeMeo then asked the Board Secretary if there were any members of the public who would have liked to be heard, or if any written public comments for non-agenda items had been received via mail, email, or deposit.

There were no public comments.

A. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK AND 4<sup>TH</sup> GRADE TEACHER

The “Be Water Smart” calendar contest winners and their 4<sup>th</sup> grade teacher were recognized and commended for their creative artwork used in the publication of the 2021/2022 “Be Water Smart” calendar.

B. EMPLOYEE OF THE QUARTER FEBRUARY 2021  
1. Christian Hernandez

The Board recognized Christian Hernandez for being selected as the Employee of the Quarter for February 2021.

C. MANAGER’S AWARD  
1. Mickey Case

The Board recognized Mickey Case for receiving a Manager’s Award.

D. EMPLOYEE ANNOUNCEMENTS  
1. Jacob Hyink

The Board recognized Jacob Hyink for his promotion to Plant Operator I.

President DeMeo requested that members of the public, who would like to speak on the Consent Calendar items E through H, raise their hand via Zoom Webinar by clicking on the ‘Raise Hand’ button and via phone by pressing star nine. President DeMeo then asked the Board Secretary if there were any members of the public who would have liked to be heard, or if any written public comments for Consent Calendar items had been received via mail, email, or deposit.

There were no public comments on Consent Calendar agenda items E through H.

II. **CONSENT CALENDAR**----- (ITEMS E – H)



*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.*

- E. CONSIDER APPROVAL OF MINUTES  
1. January 25, 2021 Regular Board Meeting

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

- F. CONSIDER CLAIM FOR INUNDATION OF WATER ONTO REAL PROPERTY

Recommendation: *The aggregate cost of the claims related to the incident will exceed the District retrospective allocation point of \$25,000. Staff recommends rejection of this claim, and any and all claims resulting from this incident, and to forward all claims for this incident to ACWA/JPIA for resolution.*

- G. CONSIDER EASEMENT QUITCLAIM FOR 420 WEST DOUGHERTY STREET

Recommendation: *That the Board authorize to quitclaim the easement recorded as Document No. 2008-0306324.*

- H. CONSIDER LETTER OF SUPPORT FOR HR 535/S.91 (SPECIAL DISTRICTS PROVIDE ESSENTIAL SERVICES ACT) & AB 361 (RIVAS) – REMOTE MEETINGS DURING DECLARED EMERGENCIES.

Recommendation: *The Board authorize letters supporting HR 535/S.91 (Special Districts Provide Essential Services Act) & AB 361 (Rivas) – Remote Meetings During Declared Emergencies and direct staff to distribute the letter of support to the District's legislators.*

MOTION: Director Endter moved to approve the Consent Calendar as presented; Director McDougal seconded. Motion passed; VOTE:

AYES: Directors Baxter, DeMeo, Endter, McDougal and Wolk  
NOES: None  
ABSTAIN: None  
ABSENT: None

**III. INFORMATION -----(ITEMS I – J)**

- I. ENGINEERING AND OPERATIONS KEY PERFORMANCE INDICATORS

Presented by: Aaron Cook, Engineering Manager

There were no public comments received on agenda item I.

Staff presented a slideshow summarizing the key performance indicators for the engineering, system operations, collection, construction/maintenance, and system service departments.

General Manager Bebee credited the Field Staff's ability to adapt throughout the past year with new restrictions, etc.

J. RECYCLED WATER PROGRAM UPDATE

Presented by: Jack Bebee, General Manager

General Manager Bebee presented a slideshow on the update of the Recycled Water Program.

President DeMeo stated this project seemed like a feasible project in the long-run. General Manager Bebee responded that we did not necessarily need the water from a reliability perspective, but it made sense from a cost perspective.

Vice President Baxter asked if cannabis cultivation as an alternative way of using recycled water was something to discuss at the present time. General Manager Bebee responded that if someone was going to locate a recycled water facility, it would be beneficial to have some language requiring them to use recycled water, as the District has recycled water supplies available.

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

K. CONSIDER THE FALLBROOK VILLAGE ASSOCIATION AS A COMMUNITY SERVICE WATER USER (VINCE ROSS SQUARE)

Recommendation: Staff supports the Board's direction. If approved, staff will provide an update on water usage at the end of each fiscal year

Director McDougal stated, for the record, he was a member of the Village Association for a number of years and was involved in some of the water programs, but was no longer with the Village Association.

Roy Moosa raised his hand to speak during the Zoom webinar and stated the Village Association has been dedicated to revitalizing Fallbrook for a long time. Mr. Moosa provided a brief description of several efforts the Village Association had done in this revitalization and providing Fallbrook residents with public use space.

General Manager Bebee reported the District received a request from the Village Association to consider their water use as a community benefit. He explained the District had to use non-rate revenue to offset the cost and that only water usage could be deferred to the District; fixed costs were still charged. General Manager Bebee outlined the process the District uses for coming up with the allocation of water use and stated it was estimated at one-half acre feet of water per year.

Vice President Baxter stated the Fallbrook Village Association was highly valued in the Fallbrook community.

**MOTION:** Director Endter moved to approve an allotment of up to one-half acre feet of water per year, to be utilized as a community benefit for no charge, for the Fallbrook Village Association's Vince Ross Square; Director Wolk seconded. Motion passed; **VOTE:**

**AYES:** Directors Baxter, DeMeo, Endter, McDougal and Wolk

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

**L. CONSIDER AUTHORIZATION FOR ADDITIONAL DEPOSIT TO SAN DIEGO LOCAL AGENCY FORMATION COMMISSION**

***Recommendation:** That the Board authorize the General Manager to provide an additional deposit to SDLAFCO of \$50,000.*

General Manager Bebee explained the application to LAFCO for switching water providers from San Diego County Water Authority to Eastern Municipal Water District was in process. He went on to report that the LAFCO Executive Officer had brought on a consultant to look at three topics, including water supply reliability, financial impact of the District's departure, and the need for any potential departure cost for leaving the SDCWA. General Manager Bebee explained the way the LAFCO process works, was the efforts were funded by the applicants, FPUD and RMWD. The LAFCO Executive Officer requested an additional deposit of \$50,000 to cover the cost of the consultant. General Manager Bebee confirmed that LAFCO thought this additional deposit would cover the cost for the remainder of the application processing, and they would not need an additional deposit.

**MOTION:** Director McDougal moved to authorize the General Manager to provide an additional deposit to SDLAFCO of \$50,000 to move forward on processing the District's application to detach from the San Diego County Water Authority and annex into Eastern Municipal Water District; Director Wolk seconded. Motion passed; **VOTE:**

**AYES:** Directors Baxter, DeMeo, Endter, McDougal and Wolk

**NOES:** None

ABSTAIN: None  
ABSENT: None

M. CONSIDER SMRCUP GAC INSTALLATION CHANGE ORDER

*Recommendation: That the Board approve the change order for Filanc-Alberici to complete the additional work at a cost of \$3,389,801.*

Engineering Manager Cook stated this issue had been discussed several times in the past, and this was the change order to have the current contractor install the GAC treatment vessels, as negotiations had now been finalized. Engineering Manager Cook did note there was a potential the District would need to cover additional overhead costs if the installation was delayed or went longer than anticipated.

Director McDougal asked if this additional GAC treatment was something that was required by regulatory groups. General Manager Bebee responded that, at the time of design, some of the constituents had significant uncertainty on how they would be regulated, but as the project began construction it became clearer and made sense to move forward with these facilities and not wait and see where the levels for PFAS would be set. The approach on PFAS has forced everyone to move forward with treatment facilities at the same time the formal rule-making process goes forward.

MOTION: Director McDougal moved to approve a change order for Filanc-Alberici to complete the additional work on the SMRCUP GAC installation, at a cost of \$3,389,801; Vice President Baxter seconded. Motion passed; VOTE:

AYES: Directors Baxter, DeMeo, Endter, McDougal and Wolk  
NOES: None  
ABSTAIN: None  
ABSENT: None

N. CONSIDER ADOPTION OF RESOLUTION NO. 5006, UPDATING THE ADMINISTRATIVE CODE TABLE OF CONTENTS, RENUMBERING OF EXISTING ARTICLES TO CREATE A SEQUENTIAL ORDER, AND UPDATING INTERNAL SECTION CROSS-REFERENCES AS NECESSARY

*Recommendation: That the Board adopt Resolution No. 5006, amending the Administrative Code Table of Contents, and renumbering Administrative Code Articles to create a sequential order, and update internal section cross-references as necessary.*

General Manager Bebee reported these Administrative Code changes essentially cleaned up unused sections of the Administrative Code and renumbered articles.

MOTION: Director Wolk moved to adopt Resolution No. 5006, amending the Administrative Code Table of Contents, and renumbering Administrative Code Articles to create a sequential order, and update internal section cross-references as necessary; Director Endter seconded. Motion passed; VOTE:

AYES: Directors Baxter, DeMeo, Endter, McDougal and Wolk  
NOES: None  
ABSTAIN: None  
ABSENT: None

O. CONSIDER REQUEST FOR APPROVAL TO PURCHASE ONE BOOM TRUCK CRANE

*Recommendation:* The Board approve the purchase of one boom truck crane from Velocity Truck Centers in the amount of \$314,627.03.

Director Endter reported this would allow the District to drive the crane to job sites easier and without having to block the entire roadway.

General Manager Bebee stated this was part of the valve replacement program. He did report this was over the budgeted amount for the crane, but still kept the overall fleet budget under budget due to savings on other fleet items.

Director Wolk asked what kind of truck the crane was going to be attached. Field Services Manager Stone stated it would be a flatbed freightliner truck with a crane attached to the back of it.

MOTION: Director Endter moved to approve the purchase of one boom truck crane from Velocity Truck Centers in the amount of \$314,627.03; Director Wolk seconded. Motion passed; VOTE:

AYES: Directors Baxter, DeMeo, Endter, McDougal and Wolk  
NOES: None  
ABSTAIN: None  
ABSENT: None

V. **PUBLIC HEARING** -----(ITEM P)

At 5:31 p.m., President DeMeo opened the Public Hearing to receive public comments and deferred to General Counsel de Sousa for an oral announcement of agenda item P.

General Counsel de Sousa announced each year the Board reviews its compensation and outlined the process for increasing Directors' compensation.

General Counsel de Sousa requested that members of the public, who wished to speak during the Public Hearing, raise their hand via Zoom Webinar by clicking on the 'Raise Hand' button and via phone by pressing star nine.

Hearing no public comments, President DeMeo closed the Public Hearing at 5:36 p.m.

P. POTENTIAL INCREASE IN COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS (ADMINISTRATIVE CODE SECTION 2.12); ORDINANCE NO. 349

*Recommendation: Hold the public hearing and consider adoption of Ordinance No. 349, to increase Board compensation from \$110.25 to \$115.76 for each day's service to the District and to update Section 2.12 of the District's Administrative Code to reflect the updated amount.*

MOTION: Director Endter moved to adopt Ordinance No. 349, to increase Board compensation from \$110.25 to \$115.76 for each day's service to the District and to update Section 2.12 of the District's Administrative Code to reflect the updated amount; Director McDougal seconded. Motion carried; VOTE:

AYES: Directors Baxter, DeMeo, Endter, McDougal and Wolk  
NOES: None  
ABSTAIN: None  
ABSENT: None

**VI. ORAL/Written Reports------(ITEMS 1-8)**

1. General Counsel

- General Counsel de Sousa noted the Zoom platform allows more ease for public comments. She also provided an overview of AB 361, and how it would relate to remote meetings moving forward.
- General Counsel de Sousa reported there was a new bill being introduced which would lower the statute of limitations for challenges on water rate increases. There was an ACWA legal alert that would be distributed to Board members.

2. SDCWA Representative Report

- General Manager Bebee provided an overview of the written report included in the agenda packet.

3. General Manager

a. Engineering and Operations Report

- General Manager Bebee reported the District's discharge permit was renewed, and this year there were costly requirements that the party's were concerned about. The District appealed, which was denied by the

- Regional Board. The District also appealed with the State Board, with which the District was able to get a hearing.
4. Assistant General Manager/Chief Financial Officer
    - a. Financial Summary Report
    - b. Treasurer's Report
    - c. Budget Status Report
    - d. Warrant List
      - AGM/CFO Shank provided an overview of the written reports included in the agenda packet.
  5. Public Affairs Specialist
    - Public Affairs Specialist Denke noted she added the FPUD 100 year anniversary to the calendar that was presented earlier in the meeting.
  6. Notice of Approval of Per Diem for Meetings Attended
  7. Director Comments/Reports on Meetings Attended
    - Director McDougal commended Filanc, the Project Manager, and FPUD staff for keeping the neighbors informed and minimizing shut downs on Palomino Road.
  8. Miscellaneous

#### ADJOURN TO CLOSED SESSION

President DeMeo announced that members of the public were welcome to continue to stay on the teleconference line while the Board was in Closed Session, however they would only hear silence. Following Closed Session and prior to adjournment, an oral announcement of reportable action, should there be any, would be made to the public on the teleconference line. President DeMeo requested that members of the public, who wished to speak on any Closed Session agenda items, raise their hand via Zoom Webinar by clicking on the 'Raise Hand' button and via phone by pressing star nine.

There were no public comments on Consent Calendar agenda items E through H.

The Board of Directors adjourned to Closed Session at 5:57 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items V.1 and V.2.

#### **VII. CLOSED SESSION------(ITEMS 1-2)**

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2):  
  
*One (1) Potential Case (Claim filed by George Acquavella)*
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1):



*Name of Case: Todd Lange v. Fallbrook Public Utility District, San Diego Co. Sup. Ct. (North County) Case No 37-2020-00046705-CU-PT-NC*

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:09 p.m.

REPORT FROM CLOSED SESSION (*As necessary*)

The Board met in Closed Session for both Closed Session items listed on the agenda. With regard to Closed Session Agenda Item 1 (Claim filed by George Acquavella), on Motion of Director Wolk, Seconded by Director McDougal, the Board unanimously voted to deny the claim filed by George Acquavella dated January 20, 2021, for lack of merit

**VIII. ADJOURNMENT OF MEETING**

There being no further business to discuss, the February Regular Meeting of the Fallbrook Public Utility District was adjourned at 6:10 p.m.

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors



**M E M O**

**TO:** Board of Directors  
**FROM:** Larry Ragsdale, Safety and Risk Officer  
**DATE:** March 22, 2021  
**SUBJECT:** Claim for inundation of water onto real property

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Purpose

To present claims filed for property damage.

Summary

March 2, 2021 Claimants allege the main line break at or near Vine and Alvarado caused damage to business property.

Budgetary Impact

Impact analysis cost cannot be determined until JPIA rules on the disposition. Other factors that affect the budgetary impact vary from the claims process, cost, and litigation. Due to these factors the impact cannot be established at this time.

Recommended Action

The aggregate cost of the claims related to the incident will exceed the District retrospective allocation point of \$25,000. Staff recommends rejection of this claim, and any and all claims resulting from this incident, and to forward all claims for this incident to ACWA/JPIA for resolution.

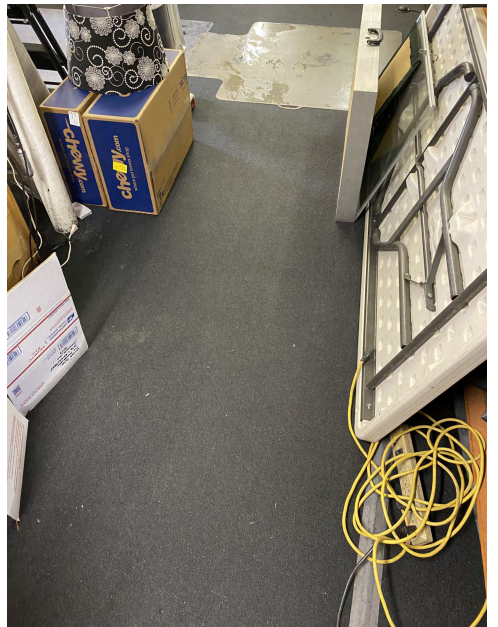
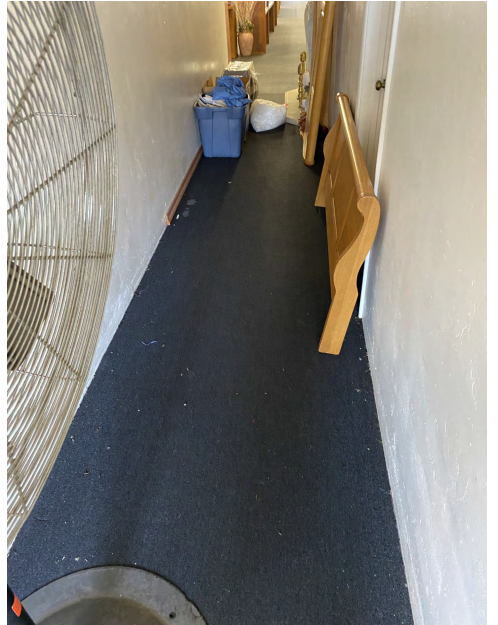
# Claim Form

(A claim shall be presented by the claimant or by a person acting on his behalf.)

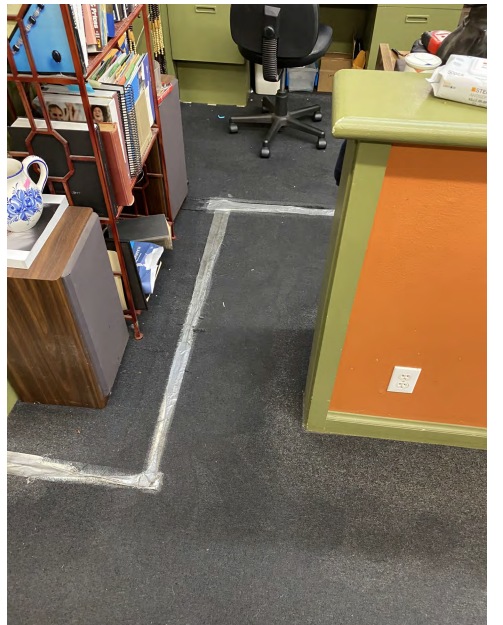
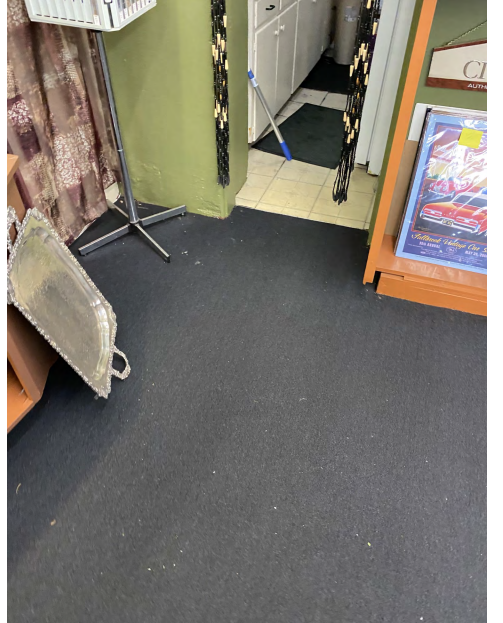
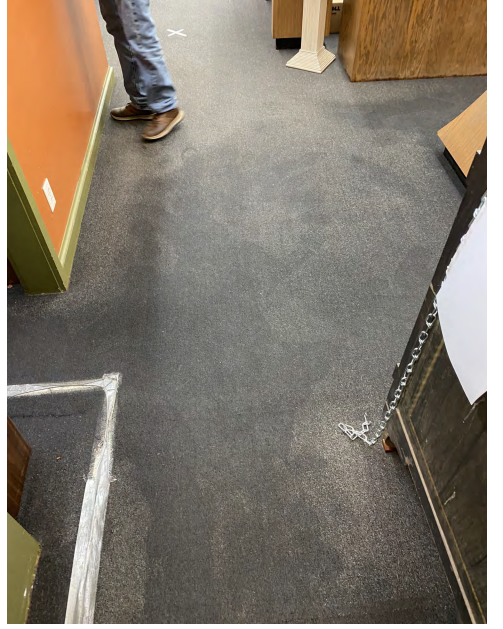
<b>NAME OF DISTRICT:</b>									
<b>1</b>	<p>Claimant name, address (mailing address if different), phone number, social security number, e-mail address, and date of birth.  <i>Effective January 1, 2010, the Medicare Secondary Payer Act (Federal Law) requires the District/Agency to report all claims involving payments for bodily injury and/or medical treatments to Medicare. As such, if you are seeking medical damages, we MUST have both your Social Security Number and your date of birth.</i></p> <p style="text-align: center;"><i>JAMES MATHIEU OR KATHIE MORRIS: OWNERS</i></p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;">Name: <i>Jewelry Connection</i></td> <td style="border: none;">Phone Number: [REDACTED]</td> </tr> <tr> <td style="border: none;">Address(es): <i>101 N. Main Ave Fairbrock, CA 97028</i></td> <td style="border: none;">Social Security No.: [REDACTED]</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;">Date of Birth: [REDACTED]</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;">E-mail: [REDACTED]</td> </tr> </table>	Name: <i>Jewelry Connection</i>	Phone Number: [REDACTED]	Address(es): <i>101 N. Main Ave Fairbrock, CA 97028</i>	Social Security No.: [REDACTED]		Date of Birth: [REDACTED]		E-mail: [REDACTED]
Name: <i>Jewelry Connection</i>	Phone Number: [REDACTED]								
Address(es): <i>101 N. Main Ave Fairbrock, CA 97028</i>	Social Security No.: [REDACTED]								
	Date of Birth: [REDACTED]								
	E-mail: [REDACTED]								
<b>2</b>	<p>List name, address, and phone number of any witnesses.</p> <p>Name: _____</p> <p>Address: _____</p> <p>Phone Number: _____</p>								
<b>3</b>	<p>List the date, time, place, and other circumstances of the occurrence or transaction, which gave rise to the claim asserted.</p> <p>Date: _____ Time: _____ Place: _____</p> <p>Tell What Happened (give complete information):</p> <p style="font-size: 1.2em;"><i>Water main BURST AT ALVARADO AND VINE Thursday, Night 2/1/21 Sometime in the night. The storm drains behind our store had been covered the previous day by a crew repairing the ally. Consequently the water found its way into our store and has done considerable damage.</i></p> <p style="text-align: center; font-weight: bold; font-size: 0.8em;">NOTE: Attach any photographs you may have regarding this claim.</p>								
<b>4</b>	<p>Give a general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of presentation of the claim.</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;"><i>Loss of wages</i></td> <td style="border: none;"><i>Loss of supplies and display cases.</i></td> </tr> <tr> <td style="border: none;"><i>Loss of Revenue</i></td> <td style="border: none;"><i>Unknown at this point</i></td> </tr> <tr> <td style="border: none;"><i>Loss of Inventory</i></td> <td style="border: none;"><i>Monetary value</i></td> </tr> </table>	<i>Loss of wages</i>	<i>Loss of supplies and display cases.</i>	<i>Loss of Revenue</i>	<i>Unknown at this point</i>	<i>Loss of Inventory</i>	<i>Monetary value</i>		
<i>Loss of wages</i>	<i>Loss of supplies and display cases.</i>								
<i>Loss of Revenue</i>	<i>Unknown at this point</i>								
<i>Loss of Inventory</i>	<i>Monetary value</i>								
<b>5</b>	<p>Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;"><i>Lynn Burch</i></td> <td style="border: none;"><i>KATHIE MORRIS</i></td> </tr> <tr> <td style="border: none;"><i>ROQUE MARIN</i></td> <td style="border: none;"><i>JAMES MATHIEU</i></td> </tr> </table>	<i>Lynn Burch</i>	<i>KATHIE MORRIS</i>	<i>ROQUE MARIN</i>	<i>JAMES MATHIEU</i>				
<i>Lynn Burch</i>	<i>KATHIE MORRIS</i>								
<i>ROQUE MARIN</i>	<i>JAMES MATHIEU</i>								
<b>6</b>	<p>The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.</p> <p style="font-size: 1.1em;"><i>ALL estimates FOR Repair are provided to you by Ritestop.</i></p> <p style="font-size: 1.1em;"><i>All estimates FOR OTHER DAMAGES, LOST WAGE/REV. ARE UNKNOWN</i></p>								
<p>Date: <i>3/2/21</i> Time: <i>2:47</i> Signature: <i>[Signature]</i> <span style="float: right;"><i>AT THIS TIME</i></span></p>									
ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT!									

*ALL PHOTOS etc WILL COME FROM RITESTOP.*

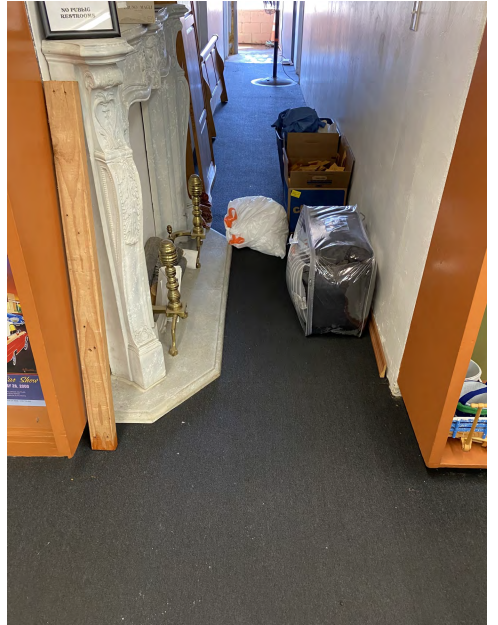
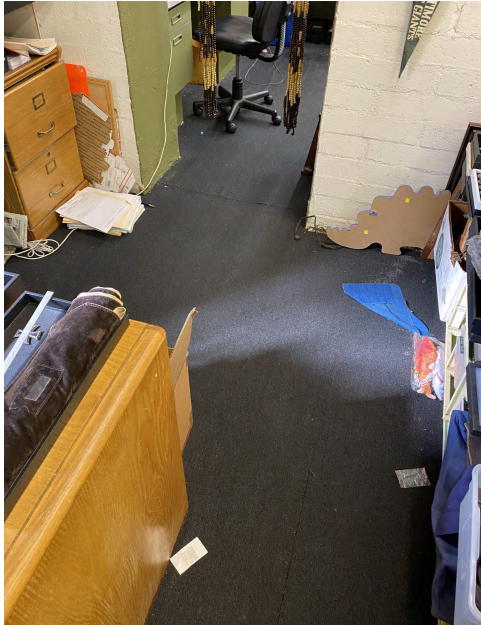














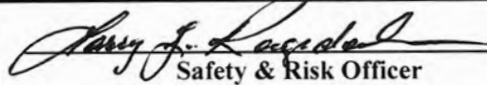
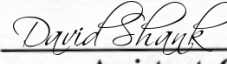

**GENERAL INCIDENT INFORMATION**  
**Form "A" Property Liability - Accept/Reject endorsements**

Event ID: 21-307  
 DOI: 2/25/2021  
 Type Claim: Real property  
 Parties address: 101 N Main Ave, Fallbrook, CA 92028  
 Timeliness of Claim: 0 Year(s) 0 Month(s) 5 Days

Name of Party: James Mathieu / Kathie Morris  
 Contact # [REDACTED]  
 Email: [REDACTED]  
 Company: The Jewelry Connection

Type of Incident: <u>Water Damage</u>		Nature of Incident: <u>6" Main-line break</u>	
Incident Description: <u>Inundation of water into the business.</u>			
Location of Incident: <u>101 N Main Ave</u>			
Date Claim Received:	<u>3/2/2021</u>	Date Closed:	
Settlement:			
Release Signed:		Incident Reported to JPIA:	<u>2/26/2021</u>
REMARKS:	<p><i>Claim has been determined to exceed our RAP of \$25,000.</i></p> <p><i>JPIA assigned Claim# 21-0575 to this main line break incident which is to be applied to any and all additional claims related to this main line break incident.</i></p>		

**ACCEPT/DENY**

Date: <u>3/3/21</u>		Claim Request: <input type="checkbox"/> Accept <input checked="" type="checkbox"/> Deny
Remarks:		
Date: <u>03/03/2021</u>		Claim Request: <input type="checkbox"/> Accept <input checked="" type="checkbox"/> Deny
Remarks:		
Date: <u>03/08/2021</u>		Claim Request: <input type="checkbox"/> Accept <input checked="" type="checkbox"/> Deny
Remarks:		
<b>BOARD ACTION</b> If applicable		
<input type="checkbox"/> Accept <input type="checkbox"/> Deny		

**M E M O**

**TO:** Board of Directors  
**FROM:** Jennifer DeMeo, Board President  
**DATE:** March 22, 2021  
**SUBJECT:** Consider Adopting Resolution No. 5007 Concurring in Nomination of Jo MacKenzie to the California Special Districts Association Board of Directors

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**Purpose**

To support the nomination of Jo MacKenzie of Vista Irrigation District to represent the Southern Network, Seat A, on the California Special Districts Association (CSDA) Board of Directors for the 2021-23 term.

**Summary**

Jo MacKenzie, who is a member of the Board of Directors of the Vista Irrigation District, has requested that Fallbrook Public Utility District Board of Directors adopt a resolution concurring in her nomination to the CSDA Board of Directors.

Ms. MacKenzie has provided the attached 2021 Concurring Resolution Request for the Board's information.

**Recommended Action**

That the Board adopt Resolution No. 5007 concurring in nomination of Jo MacKenzie to represent the Southern Network, Seat A, on the California Special Districts Association Board of Directors.



## ***CONCURRING RESOLUTION REQUEST***

### **Re-ELECT JO MacKENZIE TO CSDA BOARD OF DIRECTORS, SEAT A SOUTHERN NETWORK**

Board Member Southern Network,

I would appreciate your board of directors consider approving a Concurring Nomination Resolution on my behalf. Nominations are now in progress for the CSDA Board of Directors, Seat A. There are three directors in each Network with rotating three-year terms. I am running for my seat on the CSDA Board so I can continue serving you. I have attached a Concurring Nomination Resolution Template for your convenience.

It has been a privilege and honor to represent the California Special Districts Southern Network. I have served on the CSDA Board as President, Vice President and Treasurer, as well as on nearly all of the CSDA Committees. During my tenure on the board of directors, I have provided the leadership to grow the association. CSDA's influence and visibility in the Capitol has grown because legislators know the association represents the diverse needs of all special districts. In this leadership role, I will continue to provide the direction, ideas, and participation necessary for CSDA to continue its upward progress. I am presently the President of the CSDA Finance Corp---if your agency is in need of funding for a capital improvement project, the Finance Corp provides competitive financing. I was appointed by the CSDA Board to serve on the Special District Leadership Foundation (SDLF) Board of Directors in 2013 where I continue to serve as its Treasurer since 2014.

Serving on the CSDA Board of Directors requires a commitment of time along with a sincere interest in the issues confronting special districts statewide and nationally. It is also imperative that CSDA Board Members are driven to assure that members receive timely information and assistance in order to be up-to-date on new legislation affecting special districts, and the educational opportunities offered by CSDA. I connect with the Southern Network members so that they know what CSDA, CSDA Finance Corp, and the Special District Leadership Foundation have to offer: educational opportunities and representation at the Capitol; financing to meet district's needs; and scholarship availability to attend CSDA events.

I would truly be honored if your district would approve the concurring resolution. Thank you for your consideration of my request.

Jo MacKenzie, Director  
Vista Irrigation District  
CSDA Past President  
mackgroup@cox.net  
760-743-7969

#### **CSDA EDUCATION CATALOG LINK:**

<https://www.csdanet.org/viewdocument/2021-professional-development-catalog> All webinars are free to CSDA Members this year. The Workshops and Conferences are at the reduced Membership fee. If your district needs financial assistance in order to attend, check out the Scholarships available to ALL districts on a first come basis (funds are limited) at WWW.SDLF.ORG.



**RESOLUTION NO. 5007**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE FALLBROOK PUBLIC UTILITY DISTRICT  
CONCURRING IN THE NOMINATION OF JO MACKENZIE  
TO THE CSDA BOARD OF DIRECTORS**

\* \* \* \* \*

**WHEREAS**, the California Special Districts Association (CSDA) is holding an election for its Board of Directors for the Southern Network, Seat A for the 2021-23 term; and

**WHEREAS**, the Fallbrook Public Utility District is a voting member of CSDA and a voting member of the Southern Network; and

**WHEREAS**, the incumbent, Jo MacKenzie, of the Vista Irrigation District is seeking re-election for this position; and

**WHEREAS**, Jo MacKenzie has been involved with the CSDA Board since 2003 and has served in a wide variety of roles including Board President in 2011, Vice President in 2010, and Treasurer in 2008 and 2009; and

**WHEREAS**, the Board of Directors of the Fallbrook Public Utility District believe that Jo MacKenzie is an effective leader on the CSDA Board.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Fallbrook Public Utility District does concur in the nomination of Jo MacKenzie to represent the Southern Network, Seat A, on the CSDA Board of Directors; and

**BE IT FURTHER RESOLVED** that the District Secretary is hereby directed to transmit a copy of this resolution to the attention of the Board Secretary of the Vista Irrigation District at 1391 Engineer Street, Vista, CA 92081, or email [Lsoto@vidwater.org](mailto:Lsoto@vidwater.org) forthwith.

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 22<sup>nd</sup> day of March, 2021, 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:** David Shank, Assistant General Manager/CFO  
**DATE:** March 22, 2021  
**SUBJECT:** Approve the Single Audit Conducted on the Santa Margarita Conjunctive Use Project Treatment Plant

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Purpose

Provide the Board with the results of the District's Uniform Guidance Single Audit (Single Audit) conducted on the Santa Margarita Conjunctive Use Project by Clifton Larson Allen LLP (CLA), the District's independent auditor.

Summary

Participation in the Drinking Water State Revolving Fund (SRF) allows the District to secure a federally subsidized low interest rate on the loan. Participation in the SRF requires a Single Audit to be conducted when the funds received exceed \$750,000. The Single Audit is intended to review how the funds were managed to ensure that federal guidelines are met.

This is the first year in a while that the District is required to conduct a Single Audit. The District's independent auditor CLA conducted the audit and the report is attached.

While the District's use of funds was in compliance with the uniform guidance, CLA noted that the procurement thresholds in the District's Administrative Code did not match the thresholds in the uniform guidance. While no contracts were awarded that would not meet the uniform guidance, modification to Administrative Code is necessary to ensure future compliance with the uniform guidance. The recommended changes to Article 5 – District Procurement Procedures is attached.

Recommended Action

Approve the Single Audit and Resolution 5008 making the recommended changes to the District's Administrative Code.

**Attachment A**  
**Single Audit Report**

**FALLBROOK PUBLIC UTILITY DISTRICT  
FALLBROOK, CALIFORNIA**

**SINGLE AUDIT REPORT**

**JUNE 30, 2020**



[CLAconnect.com](http://CLAconnect.com)

WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING

**032**

**FALLBROOK PUBLIC UTILITY DISTRICT**  
**Single Audit Report**  
**June 30, 2020**  
**Table of Contents**

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	<u>Page Number</u>
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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and on the Schedule of Expenditures of Federal Awards	3 - 5
<u>Schedule of Expenditures of Federal Awards and</u> <u>Schedule of Findings and Questioned Costs</u>	
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Fallbrook Public Utility District  
Fallbrook, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Fallbrook Public Utility District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

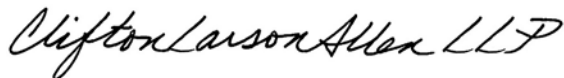
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Carlsbad, California  
November 23, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Fallbrook Public Utility District  
Fallbrook, California

**Report on Compliance for Each Major Federal Program**

We have audited the Fallbrook Public Utility District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.



## **Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## **Other Matter**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

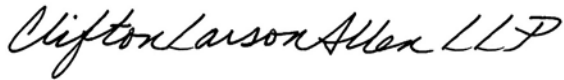
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the financial statements of the major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 23, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Carlsbad, California  
March 12, 2021

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FALLBROOK PUBLIC UTILITY DISTRICT**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2020**

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**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Fallbrook Public Utility District (the District) under programs of the federal government as well as federal financial assistance passed through other government agencies for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial statements of the District. The District's reporting entity is defined in Note 1 of the notes to the District's financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported using the accrual basis of accounting, which is described in Note 1 of the notes to the District's financial statements. Expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. INDIRECT COST RATE**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**4. CONTINGENCIES**

Under the terms of federal and state grants, additional audits may be requested by the grantor agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

**FALLBROOK PUBLIC UTILITY DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued:

- Unmodified

Internal control over financial reporting:

- Material weakness identified?                    \_\_\_ yes              x   no
- Significant deficiency identified?            \_\_\_ yes              x   none reported

Noncompliance material to financial statements noted:    \_\_\_ yes              x   no

*Federal Awards:*

Internal control over major programs:

- Material weakness identified?                    \_\_\_ yes              x   no
- Significant deficiency identified?            \_\_\_ yes              x   none reported

Type of auditors' report issued on compliance for major programs:

- Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?

  x   yes            \_\_\_ no

See Finding 2020-001

Identification of major programs:

CFDA Number

66.468

Name of Federal Program or Cluster

Capitalization Grants for Drinking Water State Revolving Funds Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$       750,000      

Auditee qualified as low-risk auditee?

\_\_\_ yes              x   no

**FALLBROOK PUBLIC UTILITY DISTRICT**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the year ended June 30, 2020**

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**2. FINDINGS - FINANCIAL STATEMENT AUDIT**

None noted.

**3. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

**Finding Number 2020-001**

**Federal Agency:** U.S. Environmental Protection Agency

**Federal Program Titles:** Capitalization Grants for Drinking Water State Revolving Funds Cluster

**CFDA Number:** 66.468

**Pass-Through Agency:** California State Water Resources Control Board

**Pass-Through Number(s):** D1802020

**Award Period:** October 1, 2019 through March 1, 2022

**Type of Finding:** Other matters

**Condition:** The District's purchasing policy is less restrictive than the Uniform Guidance in that the policy only requires quotes for expenses over \$10,000, which is higher than the \$3,500 threshold required by the Uniform Guidance. No issues were noted as a result of testing, only that the policy is not in compliance with the Uniform Guidance.

**Criteria or specific requirement:** Uniform Guidance section 200.320 requires the following for procurement: (a) micro-purchases (\$3,500 or less) may be awarded without soliciting competitive quotations, (b) small purchases (\$3,500 to \$150,000) require price or rate quotations from an adequate number of qualified sources, and (c) sealed bids required for purchases in excess of \$150,000.

**Questioned Cost:** None

**Context:** During our testing, it was noted that the District's procurement policy for federal expenses were not in accordance with the Uniform Guidance for procurement with federal funding.

**Cause:** The District was unaware of the procurement rules of the Uniform Guidance.

**Effect:** The District was not in compliance with the requirements of the Uniform Guidance for written procedures.

**Repeat Finding:** This is a first year finding.

**3. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT  
(CONTINUED)**

**Finding Number 2020-001 (Continued)**

**Recommendation:** We recommend the District revise its procurement policy for federal expenses to be in accordance with the Uniform Guidance for procurement with federal funding.

**Views of Responsible Officials and Planned Corrective Actions:** Management will modify the District's Administrative Code to require any federally funded projects to follow the Uniform Guidance for procurement. This amendment to the Administrative Code will be brought to the Board in March 2021.





**Attachment B**  
**Proposed Article 5**

**Article 5. District Procurement Procedures.**

Sec. 5.1 Authority.

California Public Contract Code Sections 20200-20207.7, as well as other provisions in the California Public Contract Code, certain miscellaneous statutes found in the Public Utility District Act (Public Utilities Code Section 15501 et seq.), and the California Government Code, govern procurement (purchasing and contracting) by the District of the following:

- Articles such as goods, materials, supplies, equipment, capital assets, and advertising
- Works of construction, alteration, and non-professional services (including repair and maintenance)
- Professional services

The District has elected to become subject to the provisions of the Uniform Public Construction Cost Accounting Act (the "Act"), Public Contract Code Section 22000 et seq., which provides alternative procedures for the bidding and awarding of public contracts. As provided in Public Contract Code Section 22003, these procedures may also be utilized for maintenance work and other work that does not fall within the definition of "public project." Accordingly, it is the District's intent to utilize these procedures for "public projects" and all other purchases otherwise subject to Public Contract Code Sections 20200-20207.7.

The provisions of this Article 5 shall not apply to the acquisition of land by the District.

Sec. 5.2 General.

The ongoing operation of the District requires the procurement of various items, construction and services. Since it is necessary to procure these items, construction and services on a regular basis to carry on the day-to-day operations of the District, and since the Board of Directors reviews and approves all procurements through the budgeting process, or otherwise approves procurements by separate action from time to time, the following formal procurement policies and procedures are provided for implementation by District staff. These formal procedures are intended to implement the above-listed requirements of the California Public Contract Code, California Government Code, and California Public Utilities Code, which are mandatory for Public Utility Districts located within the State of California. State law forbids any director or other officer of the District from being interested, directly or indirectly, in any contract awarded or to be awarded by the Board, or in the profits to be derived from it.

Sec. 5.3 Procurement Philosophy.

Purchases of goods, materials, supplies, equipment, and capital assets shall be made from time to time, in the most economical quantity, in order to provide the District with maximum benefit for minimum expenditures. Quality and reliability of products are also important factors which may, on a case-by-case basis, cause rejection of an inferior product that does not meet specified requirements. It is also essential that purchases of all goods, materials, supplies, equipment, and capital assets be done by the District in a fair and open manner that promotes public confidence in the District and reinforces the public perception of fairness and equal opportunity for all competing vendors offering their products or services to the District. Contracts for works of construction and all services shall be made from time to time, after complying with applicable legal requirements and these procurement policies and procedures. To the extent permitted by law, and subject to the limitations established in Section 5.10, purchases should be made from vendors located within the boundaries of the District.

Sec. 5.4 Definitions.

- a. Articles. Goods, materials, supplies, equipment, capital assets, and advertising required to carry on the day-to-day operations of the District, including without limitation, office supplies, computer hardware and software, communications equipment, equipment, materials and supplies for distribution and treatment, including meters, meter parts, and pipeline materials.
- b. Commission. The California Uniform Construction Cost Accounting Commission.
- c. Designee. The General Manager may authorize the following persons as his designee in those areas in which they exercise budgeting control:
  - (1) Assistant General Manager/Chief Financial Officer – (Articles related to office equipment and supplies, all computer hardware and software, communication equipment, and contract services).
  - (2) Operations Manager – (Articles used for distribution and treatment and SCADA).
  - (3) Field Services Manager – (Construction and field equipment and materials, contract change orders).
  - (4) Chief Plant Operator – (Articles used for treatment).
  - (5) Senior Engineer – (Contract services, contract change orders).
  - (6) Senior Accountant – (Contract services, articles related to office equipment and supplies).

- (7) Field Supervisors – (Articles such as field equipment and materials).
- (8) Warehouse Supervisor – (Warehouse related articles).
- d. Maintenance. As defined in Public Contract Code § 22002, Maintenance includes all of the following: (1) routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes (2) minor repainting (3) resurfacing of streets and highways at less than one inch (4) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems (5) work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.
- e. Open Purchase Order. A purchase order for Articles which is effective for a specified period of time, not more than annually, and within the same budget year, i.e., office supplies and auto parts.
- f. Professional Services. Professional services, such as services involving provision of a report, study, plan, design, specification, document, program, advice, recommendation, analysis, review, inspection, investigation, audit, brokering or representation of the District before or in dealings with another party, or any other services which require a special skill or expertise of a professional, scientific or technical nature. Professional Services include architectural, landscape architectural, engineering, environmental, land surveying, construction project management services. Professional Services also include legal, financial, accounting, and planning services.
- g. Public Project. Defined in Cal. Public Contract Code § 22002, means any of the following: (1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility and (2) Painting or repainting of any publicly owned, leased, or operated facility.

Sec. 5.5 Procedures for the Purchase of Public Projects, Maintenance, and Articles

- a. Purchase Procedures for Public Projects, Maintenance, and Articles in the Amount of \$45,000 or Less (“Small Purchase Procedures”).

The General Manager or Designee may make purchases of Public Projects, Maintenance, and Articles in an amount of \$45,000 or less, in accordance with the following Small Purchase Procedures, which the Board has imposed for such purchases, in the interests of sound business judgment.

- (1) Purchases of \$10,000 or more shall be made after obtaining three (3) written quotations. Purchases under \$10,000 shall be purchased in the most prudent and economical manner possible, but do not require multiple competitive quotations.
- (2) The requirement for three (3) quotations is not required in those cases where the Board has approved the purchase as a “standardized item” such as meters, or for Open Purchase Orders as provided below.
- (3) Small Purchase Procedures specific to Articles. All purchases shall be made by purchase order after a properly authorized Purchase Order Requisition (POR) has been completed, signed and forwarded in the required manner. The only exceptions to this requirement are purchases made under a pre-existing Open Purchase Order, purchase of small routine items from suppliers with open purchase order or accounts, or purchases made during emergency. The purchase order must indicate the name of the suggested vendor and an exact description and price of each Article. Shipping charges, if any, and applicable taxes must also be included in the total price. The purchase order shall be reviewed and signed by the General Manager or Designee.

Open Purchase Orders shall generally be utilized for the purchase of repetitive need, low-valued Articles or for the purchase of Articles (such as automotive supplies) which must be available on short notice. Open Purchase Orders shall not be utilized as a substitute for the normal requisition and purchase order process described in this section. Open Purchase Orders may be written for a single class of consumable Articles i.e., office supplies, without listing specific, exact descriptions of each Article, but not to exceed the authority listed above and cannot span a period of time which includes more than one fiscal year.

- (4) Small Purchase Procedures specific to Public Projects and Maintenance. All purchases shall be made by written contract. Any such contracts shall be awarded on the basis of price and such other criteria established by the General Manager or Designee, as may be in the best interest of the District, in light of the type of work involved. Contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract exceeds \$25,000 and involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.
- (5) Petty cash. Occasionally purchases of minor items may be required. Payments for such items may be authorized from petty cash funds by the General Manager or Designee. In no case will approval exceed \$50.00.

- (6) Quote information shall be retained until completion of the annual audit for the fiscal year in which purchased, or as otherwise established in the District's Records Retention Schedule.
- (7) Nothing in these Small Purchase Procedures shall prevent the General Manager, or Designee, from obtaining multiple quotations or from implementing the Informal Bid Procedures or Formal Bid Procedures if it is in the best economic interests of the District to do so. This judgment shall be made in the sole discretion of the General Manager or Designee.
- (8) Nothing in these Small Purchase Procedures shall prohibit the District from doing or causing to be done directly by the District, and without any contract, any or all work necessary or proper in or about the making of all current and ordinary repairs or in or about current and ordinary upkeep or maintenance.
- (8) Under no circumstances shall purchases be split or separated into multiple purchases in order to avoid the Small Purchase Procedures, Informal Bid Procedures and/or Formal Bid Procedures set forth herein

b. Purchase Procedures for Public Projects, Maintenance, and Articles in Excess of \$45,000 and \$175,000 or Less ("Informal Bid Procedures").

In accordance with Public Contract Code Section 22034, the District adopts the following Informal Bid Procedures, applicable to purchases of Public Projects, Maintenance, and Articles in excess of \$45,000 and \$175,000 or less. Contract award shall be made by the Board.

- (1) The District shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be as required by the Commission.
- (2) All contractors on the list for the category of work being bid or all construction trade journals pursuant to in Public Contract Code Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals pursuant to in Public Contract Code Section 22036, shall be mailed, faxed or emailed, a notice inviting informal bids unless the product or service is proprietary.
- (3) All delivery of notices inviting informal bids to contractors and construction trade journals shall be completed not less than 10 calendar days before bids are due. The notice inviting informal bids may also be published in in a newspaper of general circulation.

- (4) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.
- (5) If all bids received are in excess of \$175,000, the Board may, by adoption of a resolution by a four-fifths (4/5) vote, award the contract, at one \$187,500 or less, to the lowest responsible bidder, if it determines the cost estimate of the District is reasonable.
- (6) If awarded, a contract will be awarded to the lowest responsible bidder, consistent with the quality and delivery requirements.
- (7) All contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.
- (8) The Board shall have the right to reject all or any of the bids received.

c. Purchase Procedures for Public Projects, Maintenance, and Articles in Excess of \$175,000 ("Formal Bid Procedures").

Purchases of Public Projects, Maintenance, and Articles in an amount exceeding \$175,000 shall be procured pursuant to the following Formal Bid Procedures. Contract award shall be made by the Board. Additionally, all plans and specifications for Public Projects shall be adopted by the Board or General Manager/ Designee.

- (1) In accordance with Public Contract Code Section 22037, a notice inviting formal bids shall be published in a newspaper of general circulation, printed and published, at least 14 calendar days before the date of opening the bids, in the jurisdiction of the District and any such other newspaper publications deemed appropriate by the General Manager or Designee. Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.

If applicable, the notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals. The notice shall be sent at least 15 calendar days before the date of opening the bids.

- (2) All bids for shall be presented under sealed cover. If awarded, a contract will be awarded to the responsible bidder who submits the lowest responsive bid.
- (3) All bids for Public Projects shall be accompanied by one of the following forms of bidder's security:
  - i. Cash
  - ii. A cashier's check made payable to the District
  - iii. A certified check made payable to the District
  - iv. A bidder's bond executed by an admitted surety insurer made payable to the District in the form provided by the District

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the District beyond 60 days from the time the award is made.

- (4) All contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.
- (5) The Board shall have the right to reject all or any of the bids received.
- d. Nothing in this Section shall preclude the District from utilizing the design-build project delivery method where authorized by and in accordance with the provisions and requirements set forth in California Public Contract Code Section 22160 et seq., as it may be amended from time to time.

e. Any federally funded project shall comply with Uniform Guidance for Procurement.

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Sec. 5.6 Procedures for Procurement of Professional Services.

- a. Pursuant to California Government Code Section 4526 et seq., the District shall secure professional services on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. When specific technical expertise or experience is required, the District may negotiate the scope and fee for these services with an individual firm with this specific expertise.



- b. The District may, for procurement of architectural, landscape architectural, engineering, environmental, land surveying, and construction management services, utilize the Qualification-Based Selection procedures adopted by the Architects and Engineers Conference Committee of California, as deemed appropriate by the General Manager or Designee.
- c. If the value of the services are estimated to be \$45,000 or more, the District shall issue a formal Request for Proposals for the services. Additionally, if deemed in the best interests of the District as determined by the General Manager or Designee, the District may first issue a Request for Qualifications to solicit firms with the necessary qualifications for the services.
- d. If the value of the services are estimated to be less than \$45,000, where practical, three proposals shall be obtained unless the General Manager or Designee deems otherwise appropriate.
- e. Award of Professional Services Contracts may be made by the General Manager for contracts in the amount of \$45,000 or less. Contracts in excess of \$45,000 shall be awarded by the Board.
- f. The contract amendment procedures outlined in this Article apply to Professional Services Contracts.

Sec. 5.7 Prequalification.

The District may prequalify contractors, pursuant to the provisions and requirements of California Public Contract Code Section 20101, as determined appropriate in the reasonable discretion of the General Manager or District Engineer. Prequalification shall be through a uniform system of rating bidders on the basis of completed questionnaires and financial statements in a form specified by the Board. The District may accordingly limit bids or proposals it receives to those contractors who are prequalified.

Sec. 5.8 Emergencies.

California Public Contract Code Section 22050 authorizes special contracting procedures in cases of “emergency.” An “emergency” for purposes of Section 22050 is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

In the case of an emergency, as defined herein, the General Manager or Designee, may repair or replace a public facility, take any directly related and immediate action required by the emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. The General Manager, or Designee, must report to the Board at its next meeting required pursuant to this Section 5.8, the reasons justifying why the emergency will not permit a delay resulting

from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

If the General Manager or Designee, orders any action specified herein, the Board shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless the General Manager or Designee, has terminated that action prior to the Board reviewing the emergency action and making a determination. When the Board reviews the emergency action, it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

Sec. 5.9 Exceptions to Procurement Requirements.

a. Sole Source Exception.

Notwithstanding any provision in this Article 5, the procurement requirements set out in this Article 5 shall not apply to the procurement of Articles, Professional Services, Public Projects, or Maintenance that can only be obtained from one supplier or contractor and for which obtaining quotes or bids is therefore impossible or not in the public interest, such that no competitive advantage can be gained by soliciting quotes or bids. Sole source contracts or agreements up to \$45,000 may be procured by the General Manager or Designee. The Board must approve any source contracts or agreements of \$45,000 or more.

b. Purchases when Price Controlled by an Official Rate-Making Body.

Whether approved by the General Manager or Designee, or the Board, the District is authorized to procure services or Articles without quotation or bid if the price is controlled by an official rate-making body such as is the case with wholesale water from SDCWA, electricity, gas and telephone, and the services are provided for in the operating budget.

Sec. 5.10 Local Procurements.

- a. It is the District's policy to encourage local businesses to provide goods and services to the District in order to maintain a healthy local economy, to increase local competition, and to lower core costs of goods and services. Local preference for the procurement of eligible contracts may be allowed, so long as it is not otherwise prohibited by funding sources, by providing a 5% local preference where the purchase or contracts with a respective local vendor or business during any fiscal year do not exceed \$45,000. In order to qualify for this local preference, a vendor or business must either (a) be a District rate payer in good standing for the

past six months, or (b) receive District utility services at its business location for the past six months, paid by a third party.

- b. Eligible procurements include those contracts which are not otherwise subject to competitive bidding, including contracts for the following:
  - (1) Purchases of Public Projects, Maintenance, and Articles in the amount of \$45,000 or less, pursuant to Section 5.5(a).

Sec. 5.11 Sale of Surplus Property/Equipment and Scrap Metal.

- a. Surplus Property/Equipment. When it has been determined by the General Manager that equipment is no longer appropriate because of capability, size, age, etc., to fulfill the District's mission or if a particular piece of equipment is more costly to maintain than to replace, the item will be disposed of through the next scheduled San Diego County auction. Should property become surplus through obsolescence or through a change in operating methodology, the excess property will be disposed of, as determined by District staff, as follows:
  - (1) To other public agencies on a bid basis;
  - (2) San Diego County Auction, or
  - (3) Internet-based inline auction services.
- b. Scrap Metal. The scrap metal which accumulates through the replacing of damaged and/or unserviceable items in the course of District operations, shall be sold as scrap to local scrap dealers at prevailing rates. Sales receipts shall be miscellaneous revenues of the District.

Sec. 5.12 Use of District Credit Card.

- a. There are certain transactions that are more efficient using a credit card transaction. Examples include small purchases that are lower cost on-line, travel arrangements, registration for training and other similar services.
- b. The credit card shall never be used to circumvent established competitive purchasing procedures. The credit card is prohibited from being used to purchase items for personal use under all circumstances. Personal use of the credit card will result in disciplinary action.
- c. Authorized cardholders and credit card use shall be per the District Credit Card Users Guide as approved by the General Manager.

Sec. 5.13 Contract Amendment Procedures.

As delegated by the Board of Directors of the District pursuant to the provisions of the Public Utility District Act, the General Manager is authorized to issue amendments to contracts as follows:

- a. A purchase order or contract may be amended by the issuance of a change order or amendment, provided the change which is the subject of the change order or amendment is reasonably related to the scope of the original contract. The General Manager may issue a change order or amendment which results in a total contract price of \$45,000.00 or less. The General Manager may request approval authority from the Board to issue contract amendments for up to 10% of the total contract value for specific projects with an initial contract value of greater than \$45,000.
- b. When the cumulative sum of amendments to a contract would exceed the limits in (a) above, a report of such amendments will be presented to the Board at its next meeting. Upon acceptance of the amendments by the Board, the General Manager shall have additional authorization to issue amendments as if the original contract amount were the total of the original amount and all accepted amendments.

<b>ARTICLE 14 (Renumbered as Article 5 by Resolution 5006)</b>
Sec. 14.7 - Rev. 4/95
Sec. 14.10 - Rev. 3/96
Sec. 14.5(a), 14.6(a) & (d), 14.7(d) - Rev. 6/99
Sec. 14.11 - Added 10/05
Sec. 14.4e(2), 14.10(c) & 14.12(g) - Rev. 6/06
Sec. 14.5(g) - Rev. 8/08
Sec. 14.4(e), Rev 01/09
Secs. 14.4(e)1,3,4,5,(f); 14.5(a)(d); 14.6(c)(d); 14.7(d); 14.9(b); 14.11(e) - Rev. 2/10
Add Sec. 14.12 - Rev. 2/11
Secs. 14.4; 14.9 - Rev. 1/13
Secs. 14.4; 14.13 - Rev. 7/13
Sec. 14.4 - Rev. 5/15
Sec. 14.4(f), 14.9(c) - Rev. 1/16
All Secs. Repealed and Replaced - Rev. 6/17
Sec. 14.4 - Rev. 5/19

**Attachment C**  
**Resolution No. 5008**

**RESOLUTION NO. 5008**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
FALLBROOK PUBLIC UTILITY DISTRICT AMENDING  
ADMINISTRATIVE CODE ARTICLE 5,  
DISTRICT PROCUREMENT PROCEDURES**

\* \* \* \* \*

**WHEREAS**, the District was required to conduct a Single Audit; and,

**WHEREAS**, the District's independent auditor Cliffron Larson Allen LLP (CLA) conducted the audit; and,

**WHEREAS**, CLA noted the procurement thresholds in the District's Administrative Code did not match the thresholds in the uniform guidance; and

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. Article 5, District Procurement Procedures, shall be amended with the the proposed revisions as shown in Attachment "A" and are incorporated herein; and,
2. The remaining provisions of Article 5 is 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 22<sup>nd</sup> day of March, 2021, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

# **Attachment A**

**Article 5. District Procurement Procedures.**

Sec. 5.1 Authority.

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- Articles such as goods, materials, supplies, equipment, capital assets, and advertising
- Works of construction, alteration, and non-professional services (including repair and maintenance)
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The District has elected to become subject to the provisions of the Uniform Public Construction Cost Accounting Act (the "Act"), Public Contract Code Section 22000 et seq., which provides alternative procedures for the bidding and awarding of public contracts. As provided in Public Contract Code Section 22003, these procedures may also be utilized for maintenance work and other work that does not fall within the definition of "public project." Accordingly, it is the District's intent to utilize these procedures for "public projects" and all other purchases otherwise subject to Public Contract Code Sections 20200-20207.7.

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Sec. 5.3      Procurement Philosophy.

Purchases of goods, materials, supplies, equipment, and capital assets shall be made from time to time, in the most economical quantity, in order to provide the District with maximum benefit for minimum expenditures. Quality and reliability of products are also important factors which may, on a case-by-case basis, cause rejection of an inferior product that does not meet specified requirements. It is also essential that purchases of all goods, materials, supplies, equipment, and capital assets be done by the District in a fair and open manner that promotes public confidence in the District and reinforces the public perception of fairness and equal opportunity for all competing vendors offering their products or services to the District. Contracts for works of construction and all services shall be made from time to time, after complying with applicable legal requirements and these procurement policies and procedures. To the extent permitted by law, and subject to the limitations established in Section 5.10, purchases should be made from vendors located within the boundaries of the District.

Sec. 5.4      Definitions.

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  - (5)      Senior Engineer – (Contract services, contract change orders).
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- (7) Field Supervisors – (Articles such as field equipment and materials).
- (8) Warehouse Supervisor – (Warehouse related articles).
- d. Maintenance. As defined in Public Contract Code § 22002, Maintenance includes all of the following: (1) routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes (2) minor repainting (3) resurfacing of streets and highways at less than one inch (4) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems (5) work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.
- e. Open Purchase Order. A purchase order for Articles which is effective for a specified period of time, not more than annually, and within the same budget year, i.e., office supplies and auto parts.
- f. Professional Services. Professional services, such as services involving provision of a report, study, plan, design, specification, document, program, advice, recommendation, analysis, review, inspection, investigation, audit, brokering or representation of the District before or in dealings with another party, or any other services which require a special skill or expertise of a professional, scientific or technical nature. Professional Services include architectural, landscape architectural, engineering, environmental, land surveying, construction project management services. Professional Services also include legal, financial, accounting, and planning services.
- g. Public Project. Defined in Cal. Public Contract Code § 22002, means any of the following: (1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility and (2) Painting or repainting of any publicly owned, leased, or operated facility.

Sec. 5.5 Procedures for the Purchase of Public Projects, Maintenance, and Articles

- a. Purchase Procedures for Public Projects, Maintenance, and Articles in the Amount of \$45,000 or Less (“Small Purchase Procedures”).

The General Manager or Designee may make purchases of Public Projects, Maintenance, and Articles in an amount of \$45,000 or less, in accordance with the following Small Purchase Procedures, which the Board has imposed for such purchases, in the interests of sound business judgment.

- (1) Purchases of \$10,000 or more shall be made after obtaining three (3) written quotations. Purchases under \$10,000 shall be purchased in the most prudent and economical manner possible, but do not require multiple competitive quotations.
- (2) The requirement for three (3) quotations is not required in those cases where the Board has approved the purchase as a “standardized item” such as meters, or for Open Purchase Orders as provided below.
- (3) Small Purchase Procedures specific to Articles. All purchases shall be made by purchase order after a properly authorized Purchase Order Requisition (POR) has been completed, signed and forwarded in the required manner. The only exceptions to this requirement are purchases made under a pre-existing Open Purchase Order, purchase of small routine items from suppliers with open purchase order or accounts, or purchases made during emergency. The purchase order must indicate the name of the suggested vendor and an exact description and price of each Article. Shipping charges, if any, and applicable taxes must also be included in the total price. The purchase order shall be reviewed and signed by the General Manager or Designee.

Open Purchase Orders shall generally be utilized for the purchase of repetitive need, low-valued Articles or for the purchase of Articles (such as automotive supplies) which must be available on short notice. Open Purchase Orders shall not be utilized as a substitute for the normal requisition and purchase order process described in this section. Open Purchase Orders may be written for a single class of consumable Articles i.e., office supplies, without listing specific, exact descriptions of each Article, but not to exceed the authority listed above and cannot span a period of time which includes more than one fiscal year.

- (4) Small Purchase Procedures specific to Public Projects and Maintenance. All purchases shall be made by written contract. Any such contracts shall be awarded on the basis of price and such other criteria established by the General Manager or Designee, as may be in the best interest of the District, in light of the type of work involved. Contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract exceeds \$25,000 and involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.
- (5) Petty cash. Occasionally purchases of minor items may be required. Payments for such items may be authorized from petty cash funds by the General Manager or Designee. In no case will approval exceed \$50.00.

- (6) Quote information shall be retained until completion of the annual audit for the fiscal year in which purchased, or as otherwise established in the District's Records Retention Schedule.
  - (7) Nothing in these Small Purchase Procedures shall prevent the General Manager, or Designee, from obtaining multiple quotations or from implementing the Informal Bid Procedures or Formal Bid Procedures if it is in the best economic interests of the District to do so. This judgment shall be made in the sole discretion of the General Manager or Designee.
  - (8) Nothing in these Small Purchase Procedures shall prohibit the District from doing or causing to be done directly by the District, and without any contract, any or all work necessary or proper in or about the making of all current and ordinary repairs or in or about current and ordinary upkeep or maintenance.
  - (8) Under no circumstances shall purchases be split or separated into multiple purchases in order to avoid the Small Purchase Procedures, Informal Bid Procedures and/or Formal Bid Procedures set forth herein
- b. Purchase Procedures for Public Projects, Maintenance, and Articles in Excess of \$45,000 and \$175,000 or Less ("Informal Bid Procedures").

In accordance with Public Contract Code Section 22034, the District adopts the following Informal Bid Procedures, applicable to purchases of Public Projects, Maintenance, and Articles in excess of \$45,000 and \$175,000 or less. Contract award shall be made by the Board.

- (1) The District shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be as required by the Commission.
- (2) All contractors on the list for the category of work being bid or all construction trade journals pursuant to in Public Contract Code Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals pursuant to in Public Contract Code Section 22036, shall be mailed, faxed or emailed, a notice inviting informal bids unless the product or service is proprietary.
- (3) All delivery of notices inviting informal bids to contractors and construction trade journals shall be completed not less than 10 calendar days before bids are due. The notice inviting informal bids may also be published in in a newspaper of general circulation.

- (4) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.
- (5) If all bids received are in excess of \$175,000, the Board may, by adoption of a resolution by a four-fifths (4/5) vote, award the contract, at one \$187,500 or less, to the lowest responsible bidder, if it determines the cost estimate of the District is reasonable.
- (6) If awarded, a contract will be awarded to the lowest responsible bidder, consistent with the quality and delivery requirements.
- (7) All contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.
- (8) The Board shall have the right to reject all or any of the bids received.

c. Purchase Procedures for Public Projects, Maintenance, and Articles in Excess of \$175,000 (“Formal Bid Procedures”).

Purchases of Public Projects, Maintenance, and Articles in an amount exceeding \$175,000 shall be procured pursuant to the following Formal Bid Procedures. Contract award shall be made by the Board. Additionally, all plans and specifications for Public Projects shall be adopted by the Board or General Manager/ Designee.

- (1) In accordance with Public Contract Code Section 22037, a notice inviting formal bids shall be published in a newspaper of general circulation, printed and published, at least 14 calendar days before the date of opening the bids, in the jurisdiction of the District and any such other newspaper publications deemed appropriate by the General Manager or Designee. Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.

If applicable, the notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals. The notice shall be sent at least 15 calendar days before the date of opening the bids.

- (2) All bids for shall be presented under sealed cover. If awarded, a contract will be awarded to the responsible bidder who submits the lowest responsive bid.
- (3) All bids for Public Projects shall be accompanied by one of the following forms of bidder's security:
  - i. Cash
  - ii. A cashier's check made payable to the District
  - iii. A certified check made payable to the District
  - iv. A bidder's bond executed by an admitted surety insurer made payable to the District in the form provided by the District

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the District beyond 60 days from the time the award is made.

- (4) All contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.
  - (5) The Board shall have the right to reject all or any of the bids received.
- d. Nothing in this Section shall preclude the District from utilizing the design-build project delivery method where authorized by and in accordance with the provisions and requirements set forth in California Public Contract Code Section 22160 et seq., as it may be amended from time to time.
  - e. Any federally funded project shall comply with Uniform Guidance for Procurement.

Sec. 5.6 Procedures for Procurement of Professional Services.

- a. Pursuant to California Government Code Section 4526 et seq., the District shall secure professional services on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. When specific technical expertise or experience is required, the District may negotiate the scope and fee for these services with an individual firm with this specific expertise.

- b. The District may, for procurement of architectural, landscape architectural, engineering, environmental, land surveying, and construction management services, utilize the Qualification-Based Selection procedures adopted by the Architects and Engineers Conference Committee of California, as deemed appropriate by the General Manager or Designee.
- c. If the value of the services are estimated to be \$45,000 or more, the District shall issue a formal Request for Proposals for the services. Additionally, if deemed in the best interests of the District as determined by the General Manager or Designee, the District may first issue a Request for Qualifications to solicit firms with the necessary qualifications for the services.
- d. If the value of the services are estimated to be less than \$45,000, where practical, three proposals shall be obtained unless the General Manager or Designee deems otherwise appropriate.
- e. Award of Professional Services Contracts may be made by the General Manager for contracts in the amount of \$45,000 or less. Contracts in excess of \$45,000 shall be awarded by the Board.
- f. The contract amendment procedures outlined in this Article apply to Professional Services Contracts.

Sec. 5.7      Prequalification.

The District may prequalify contractors, pursuant to the provisions and requirements of California Public Contract Code Section 20101, as determined appropriate in the reasonable discretion of the General Manager or District Engineer. Prequalification shall be through a uniform system of rating bidders on the basis of completed questionnaires and financial statements in a form specified by the Board. The District may accordingly limit bids or proposals it receives to those contractors who are prequalified.

Sec. 5.8      Emergencies.

California Public Contract Code Section 22050 authorizes special contracting procedures in cases of “emergency.” An “emergency” for purposes of Section 22050 is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

In the case of an emergency, as defined herein, the General Manager or Designee, may repair or replace a public facility, take any directly related and immediate action required by the emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. The General Manager, or Designee, must report to the Board at its next meeting required pursuant to this Section 5.8, the reasons justifying why the emergency will not permit a delay resulting

from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

If the General Manager or Designee, orders any action specified herein, the Board shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless the General Manager or Designee, has terminated that action prior to the Board reviewing the emergency action and making a determination. When the Board reviews the emergency action, it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

Sec. 5.9        Exceptions to Procurement Requirements.

a.        Sole Source Exception.

Notwithstanding any provision in this Article 5, the procurement requirements set out in this Article 5 shall not apply to the procurement of Articles, Professional Services, Public Projects, or Maintenance that can only be obtained from one supplier or contractor and for which obtaining quotes or bids is therefore impossible or not in the public interest, such that no competitive advantage can be gained by soliciting quotes or bids. Sole source contracts or agreements up to \$45,000 may be procured by the General Manager or Designee. The Board must approve any source contracts or agreements of \$45,000 or more.

b.        Purchases when Price Controlled by an Official Rate-Making Body.

Whether approved by the General Manager or Designee, or the Board, the District is authorized to procure services or Articles without quotation or bid if the price is controlled by an official rate-making body such as is the case with wholesale water from SDCWA, electricity, gas and telephone, and the services are provided for in the operating budget.

Sec. 5.10        Local Procurements.

- a.        It is the District's policy to encourage local businesses to provide goods and services to the District in order to maintain a healthy local economy, to increase local competition, and to lower core costs of goods and services. Local preference for the procurement of eligible contracts may be allowed, so long as it is not otherwise prohibited by funding sources, by providing a 5% local preference where the purchase or contracts with a respective local vendor or business during any fiscal year do not exceed \$45,000. In order to qualify for this local preference, a vendor or business must either (a) be a District rate payer in good standing for the



past six months, or (b) receive District utility services at its business location for the past six months, paid by a third party.

- b. Eligible procurements include those contracts which are not otherwise subject to competitive bidding, including contracts for the following:
  - (1) Purchases of Public Projects, Maintenance, and Articles in the amount of \$45,000 or less, pursuant to Section 5.5(a).

Sec. 5.11 Sale of Surplus Property/Equipment and Scrap Metal.

- a. Surplus Property/Equipment. When it has been determined by the General Manager that equipment is no longer appropriate because of capability, size, age, etc., to fulfill the District's mission or if a particular piece of equipment is more costly to maintain than to replace, the item will be disposed of through the next scheduled San Diego County auction. Should property become surplus through obsolescence or through a change in operating methodology, the excess property will be disposed of, as determined by District staff, as follows:
  - (1) To other public agencies on a bid basis;
  - (2) San Diego County Auction, or
  - (3) Internet-based inline auction services.
- b. Scrap Metal. The scrap metal which accumulates through the replacing of damaged and/or unserviceable items in the course of District operations, shall be sold as scrap to local scrap dealers at prevailing rates. Sales receipts shall be miscellaneous revenues of the District.

Sec. 5.12 Use of District Credit Card.

- a. There are certain transactions that are more efficient using a credit card transaction. Examples include small purchases that are lower cost on-line, travel arrangements, registration for training and other similar services.
- b. The credit card shall never be used to circumvent established competitive purchasing procedures. The credit card is prohibited from being used to purchase items for personal use under all circumstances. Personal use of the credit card will result in disciplinary action.
- c. Authorized cardholders and credit card use shall be per the District Credit Card Users Guide as approved by the General Manager.

Sec. 5.13 Contract Amendment Procedures.

As delegated by the Board of Directors of the District pursuant to the provisions of the Public Utility District Act, the General Manager is authorized to issue amendments to contracts as follows:

- a. A purchase order or contract may be amended by the issuance of a change order or amendment, provided the change which is the subject of the change order or amendment is reasonably related to the scope of the original contract. The General Manager may issue a change order or amendment which results in a total contract price of \$45,000.00 or less. The General Manager may request approval authority from the Board to issue contract amendments for up to 10% of the total contract value for specific projects with an initial contract value of greater than \$45,000.
- b. When the cumulative sum of amendments to a contract would exceed the limits in (a) above, a report of such amendments will be presented to the Board at its next meeting. Upon acceptance of the amendments by the Board, the General Manager shall have additional authorization to issue amendments as if the original contract amount were the total of the original amount and all accepted amendments.

**ARTICLE 14 (Renumbered as  
Article 5 by Resolution 5006)**

Sec. 14.7 - Rev. 4/95  
Sec. 14.10 – Rev. 3/96  
Sec. 14.5(a), 14.6(a) & (d),  
14.7(d) – Rev. 6/99  
Sec. 14.11 – Added 10/05  
Sec. 14.4e(2), 14.10(c) &  
14.12(g) – Rev. 6/06  
Sec. 14.5(g) – Rev. 8/08  
Sec. 14.4(e), Rev 01/09  
Secs. 14.4(e)1,3,4,5,(f);  
14.5(a)(d); 14.6(c)(d); 14.7(d);  
14.9(b); 14.11(c) – Rev. 2/10  
Add Sec. 14.12 – Rev. 2/11  
Secs. 14.4; 14.9 – Rev. 1/13  
Secs. 14.4; 14.13 – Rev. 7/13  
Sec. 14.4 – Rev. 5/15  
Sec. 14.4(f), 14.9(c) – Rev. 1/16  
All Secs. Repealed and Replaced  
- Rev. 6/17  
Sec. 14.4 – Rev. 5/19

**M E M O**

**TO:** Board of Directors  
**FROM:** Personnel Committee  
**DATE:** March 22, 2021  
**SUBJECT:** Employee Satisfaction Survey Results

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Purpose

To discuss the results of the employee satisfaction survey.

Summary

A satisfaction survey was sent out to all employees on January 11, 2021.

Twenty-eight employees completed the survey by the January 25, 2021 deadline and a summary of the results were shared, via email, to all employees on March 1, 2021.

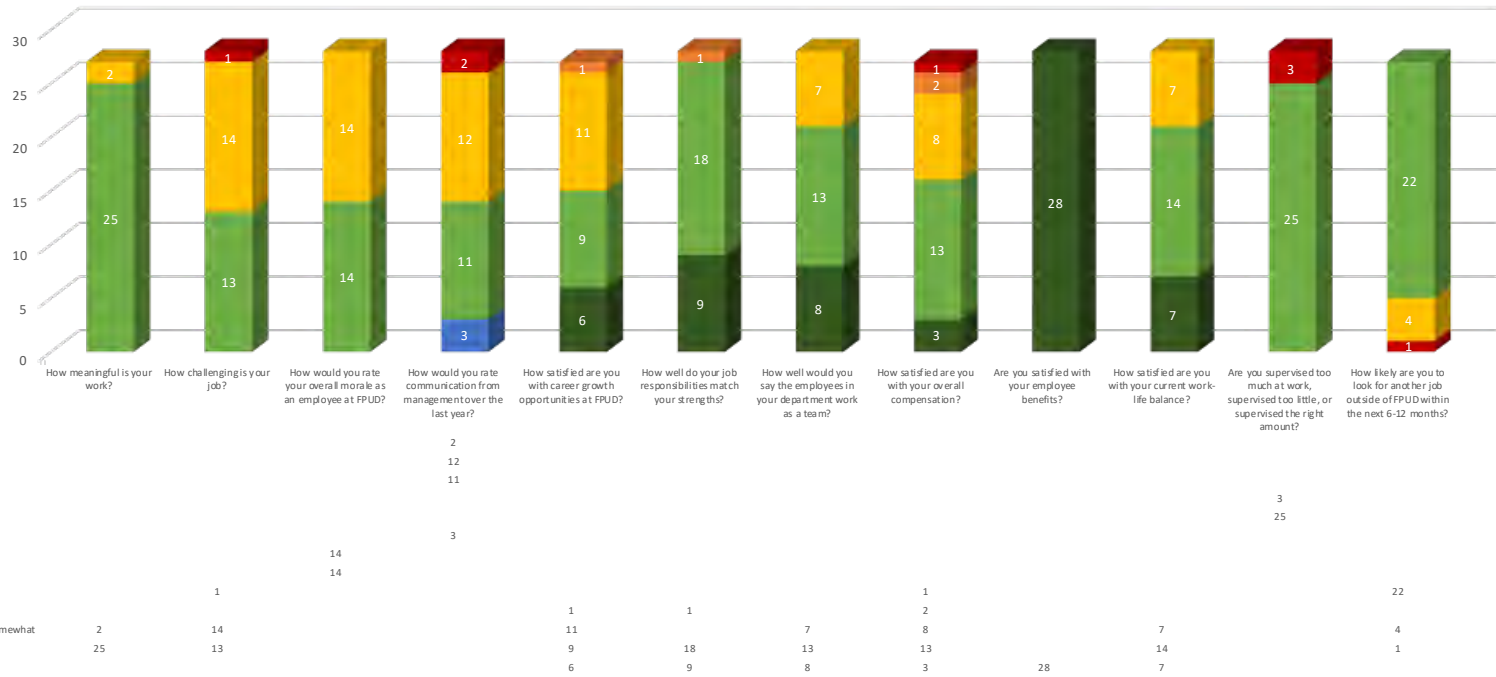
Budgetary Impact

None

Recommended Action

None

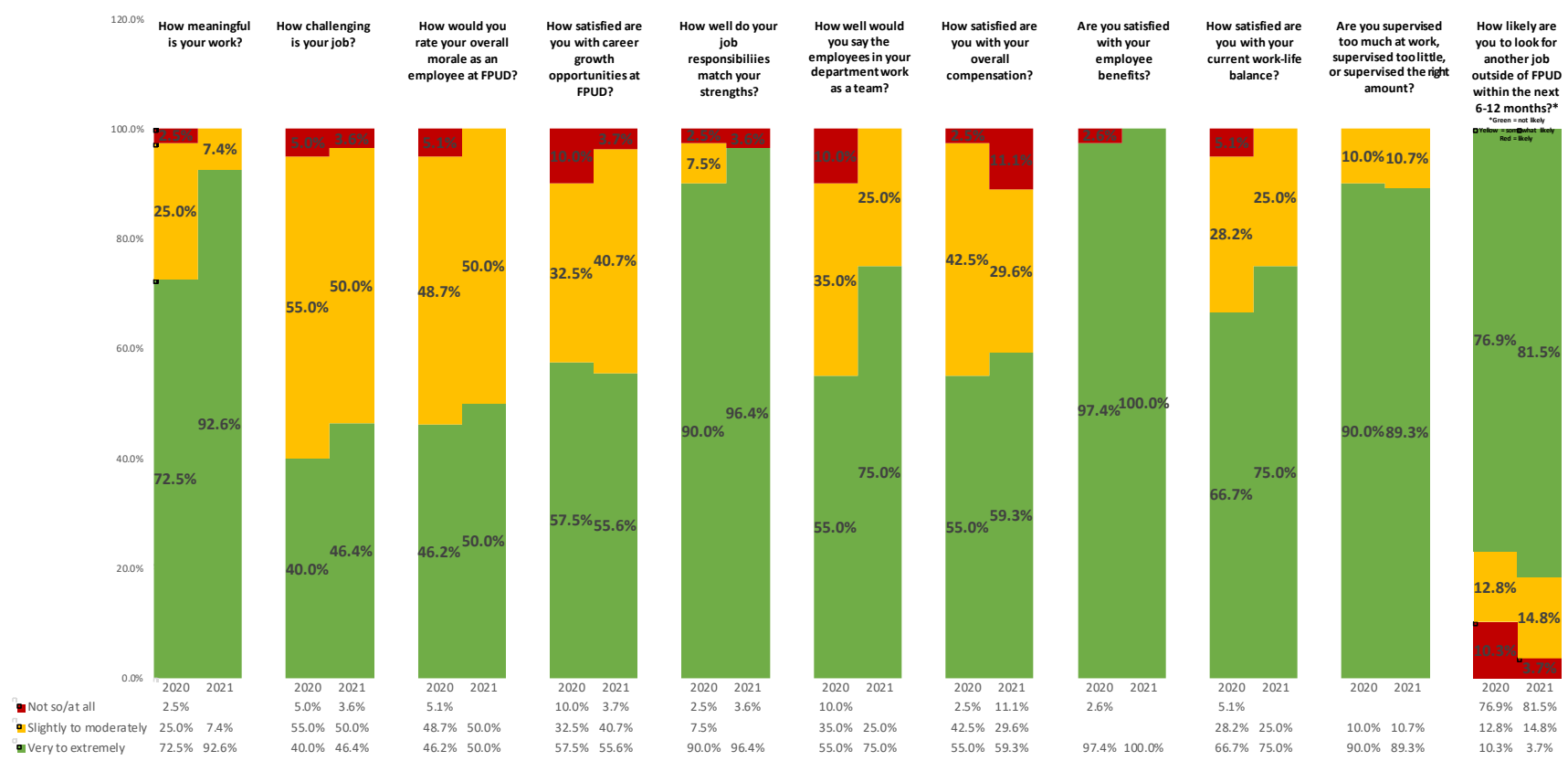
**Attachment A  
(2021 Survey Results)**



**General Summary of Comments:**

- More updates and increasing the relay of information to employees
- Resume in-person meetings once permitted
- Conduct salary/benefits survey
- Improve the process for having employees ready to hire/promote from within
- FPUD has done a great job adapting to the changes brought by COVID-19
- Positive work environment/good teamwork
- Grateful to be able to continue working throughout pandemic

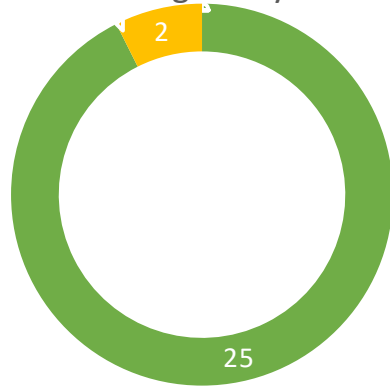
**Attachment B**  
**(2021 and 2020 Comparison)**



**Attachment C**  
**(2021 Survey Questions Breakdown)**

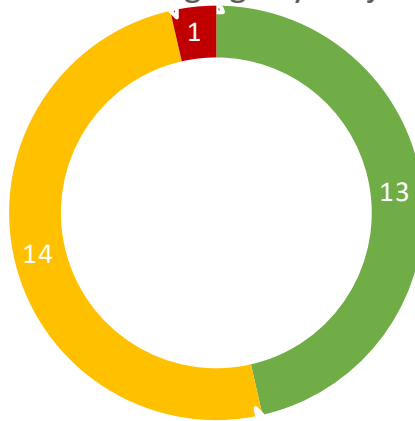


How meaningful is your work?



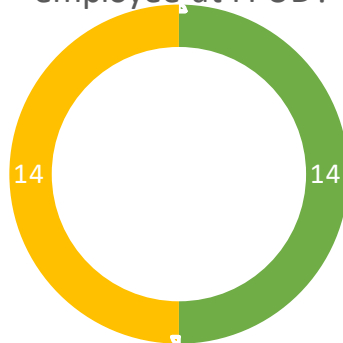
Very to extremely Slightly to moderately Not at all meaningful

How challenging is your job?



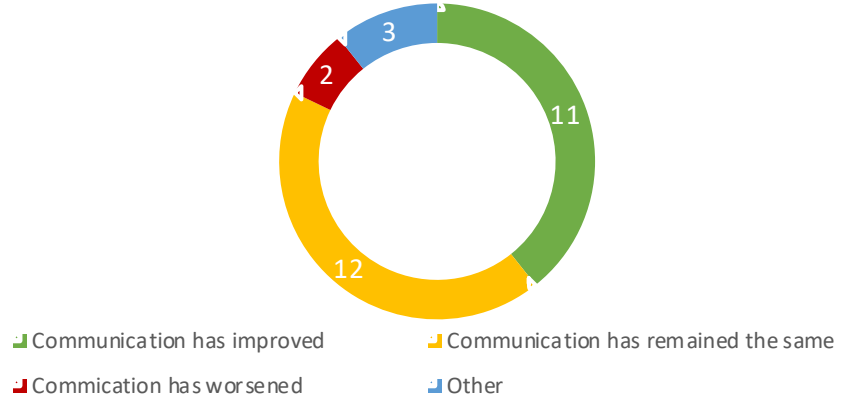
Very to extremely Slight to moderately Not at all challenging

How would you rate your overall morale as an employee at FPUD?

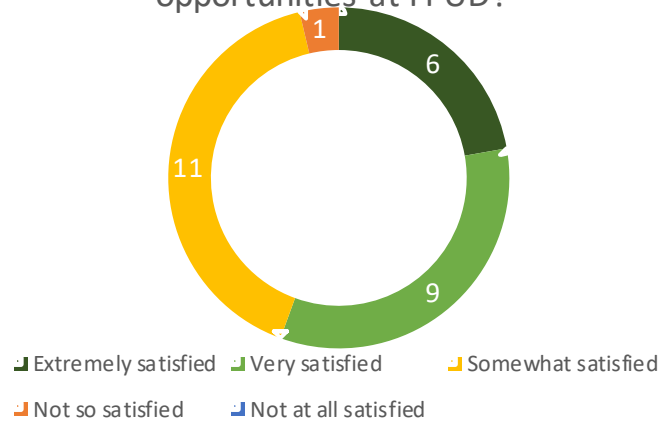


High - I love working at FPUD Neither high nor low Low - I hate working at FPUD

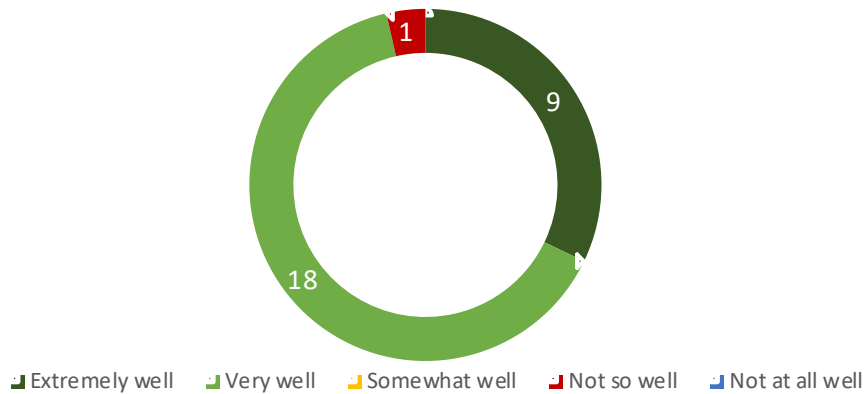
How would you rate communication from management over the last year?



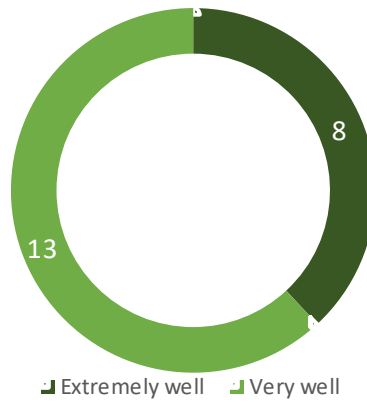
How satisfied are you with career growth opportunities at FPUD?



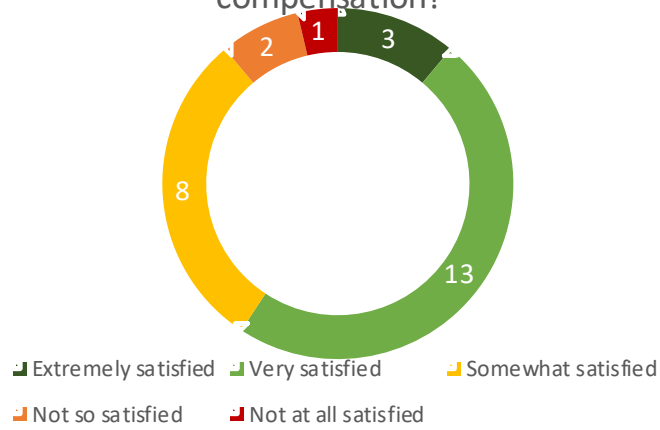
How well do your job responsibilities match your strengths?



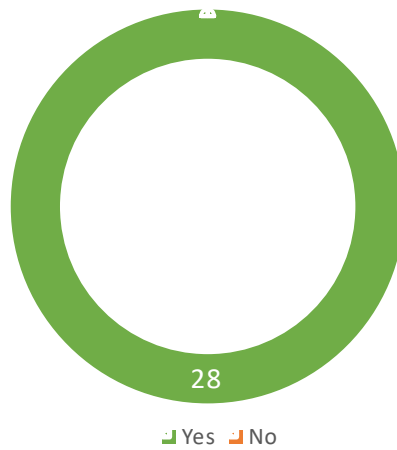
How well would you say the employees in your department work as a team?



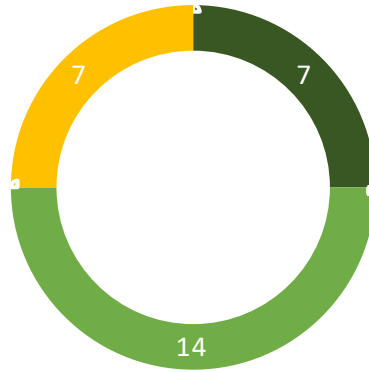
How satisfied are you with your overall compensation?



Are you satisfied with your employee benefits?

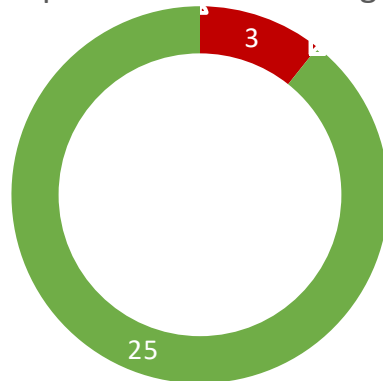


How satisfied are you with your current work-life balance?



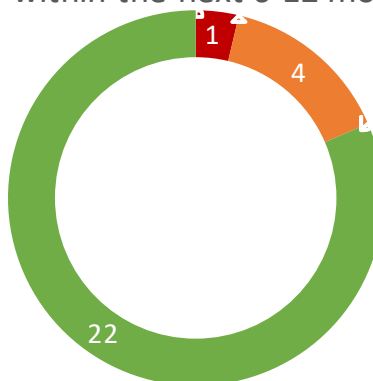
Extremely satisfied Very satisfied Somewhat satisfied

Are you supervised too much at work, supervised too little, or supervised about the right amount?



Too much About the right amount Too little

How likely are you to look for another job outside of FPUD within the next 6-12 months?



Very likely Likely Not likely

## MEMO

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** March 22, 2021  
**SUBJECT:** Request from Customer to Address Board on Account #016742-000

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### Purpose

Provide customer an opportunity to address Board over concerns with charges to his Account # 016742-000.

### Summary

On December 2<sup>nd</sup>, 2019, Customer Service received notification from the account holder that a change in the ownership of 1235 S. Mission Road had occurred. At that time, the account was changed to Steven Thurston, which was the name of the new owner provided. As is customary, a new owner package was sent to the property address for the new owner. The package was returned to the District in late December. Having no other address to mail the bills, bills continued to be issued to the property address. In May, the District received a returned bill. In August, the District was able to get a Metroscan report for the property to try and identify a good billing address for the account. The bill was sent to the address on the Metroscan report. The bill was again returned and the billing address changed back to the property address. In December, staff conducted an internet search for a name identified on the Metroscan and left a voicemail message. In mid-February, a Metroscan report was again conducted and the billing address again changed back to the address listed on the Metroscan. On March 1<sup>st</sup>, the District was contacted by the owner.

The account has been inactive for the entire time with no water being used at the address. As of March 8<sup>th</sup>, the outstanding balance of the account was \$3,851.58. Staff recommended the owner put the account on standby to lower the accounts monthly fixed costs for water and sewer. After consent from the owner, the meter was locked and the account placed on standby. The customer inquired about additional bill relief that might be available. In an effort to resolve the issue, the District offered to provide a credit for the difference between standby and normal services for the past 6-months. This amounted to a \$1,086.72 credit on the account's outstanding balance. . The customer did not feel he should have occurred any charges before he authorized them and asked to address the Board to resolve the issue.

There are several options the Board could consider:

1. Support the approach offered to the customer by staff to charge the minimum amount that could have been billed to the property owner if it has been placed on standby 6-months prior and apply a credit of \$1,086.72.

2. Provide no credit and maintain the current outstanding balance.
3. Provide a credit to the account to effectively place the property on standby as of the purchase date, December 2019. This credit amount would be \$XXX
4. Provide an alternative credit amount.

Recommended Action

That the Board support the approach provided by staff to the customer and provide a one-time credit to the account of \$1,086.72, based on the lowest amount that could have been incurred if the account was placed on standby 6-months prior.

**M E M O**

**TO:** Board of Directors  
**FROM:** Engineering & Operations Committee  
**DATE:** March 22, 2021  
**SUBJECT:** Award of Gum Tree Pipeline Replacement Project (Job 3141)

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Description

Request for Board approval to award the Gum Tree Pipeline Replacement Project to the lowest responsive bidder.

Purpose

As part of the District's pipeline and valve replacement program, a priority list of replacement projects were identified based on high rates of past failures and age of the facilities. The Gum Tree Pipeline is a primary transmission main between Red Mountain and a majority of the District's service area. It was identified as a priority due to leaks, age, and condition, as well as a vulnerable above grade drainage crossing. District staff prepared the design package for the project and solicited for general contractor construction bids. The project consists of approximately 1,400 linear feet of 20" cement mortar lined and coated steel pipe and associated appurtenances. Bids were opened on March 11, 2021 and 14 were received. A summary of the bid results is below:

<b>Company</b>	<b>Bid Amount</b>
<b>SRK Engineering</b>	\$428,500
<b>M-Rae Engineering</b>	\$445,000
<b>Gentry General Engineering</b>	\$488,800
<b>CCL Contracting</b>	\$490,800
<b>TranStar Pipeline</b>	\$522,500
<b>TE Roberts</b>	\$593,300
<b>Filanc Construction</b>	\$598,000
<b>Southland Paving</b>	\$627,572
<b>Kirtley Construction</b>	\$653,506
<b>SCW Contracting</b>	\$741,000
<b>Weka, Inc.</b>	\$759,365
<b>Burktech</b>	\$774,500
<b>Piperin Construction</b>	\$977,000
<b>Bali Construction</b>	\$999,105

SRK Engineering was the apparent lowest responsible bidder at \$428,500. SRK Engineering has successfully completed work for the District in the past.

### Budgetary Impact

The approved capital budget for FY2020/21 included \$1,298,000 for pipeline replacement projects. \$370,500 of that was intended for the Gum Tree Pipeline Replacement Project. However, the scope of the project at the time of budget planning included a shorter segment for replacement. During design, additional replacement was identified as necessary. Ultimately, the entire length of the Gum Tree Pipeline has been identified for replacement so the current project advances that goal sooner.

Additionally, due to design challenges associated with right-of-way issues, the project is bidding about 4 months later than planned. As a result, by the time the pipe is fabricated and delivered, most of the project costs will likely occur in FY2021/22 and the current year expenditures for pipeline replacement projects will be under budget. To date, when not including pipeline replacement work completed as part of the SMRCUP, less than \$400,000 and only about 50% of the linear foot replacement goal has been met this fiscal year. Staff recommend that the board consider authorizing additional pipeline replacement budget in FY2021/22 to catch up on pipeline replacement goals. A detailed plan for catching up on pipeline replacement goals will be presented in the upcoming budget development process.

### Recommended Action

The Board authorize award of the Gum Tree Pipeline Replacement Project to the lowest responsible bidder, SRK Engineering for \$428,500.



## M E M O

**TO:** Board of Directors  
**FROM:** Engineering & Operations Committee  
**DATE:** March 22, 2021  
**SUBJECT:** Request for Approval to Proceed with SCADA Integrations RFP for Conveyer Project

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Description

This request is for Board approval to proceed with the RFP from SCADA Integrations for the Conveyer Project in two phases.

Purpose

The existing conveyer control system located at the District's Water Reclamation Plant is only able to run manually in local mode at the panel itself, using relays and timers, and requires constant inspection throughout the day to ensure its continued operation. Having the ability to run the machine from an operator workstation, both during a regular shift and also afterhours using SCADA would allow the automatic and programmed operation of the conveyer. The automatic operation would continuously convey processed solids from the centrifuge into the sludge trailer or back into the digesters on SCADA, minimizing the need for an operator to be present to inspect and confirm if the various controls of the system are working, or from manually adjusting them until they are working. The system is currently checked each hour while it is running to ensure that the sludge is still being processed, conveyed to the correct gate, and that the gate is not plugged up. Still though, three to four times per year the current system trips, resulting in a solids spillover, requiring two staff members to spend several hours cleaning and redirecting solids into the digester. The conveyer is typically run 9 hours per shift, and each inspection takes 7 minutes on average, resulting in a total time of 63 minutes per day shift.

After reviewing available options, staff determined upgrading the conveyer system to PLC based programming would be the most efficient option. By upgrading from relays and timers to a PLC system, the conveyer will not need to be physically inspected every hour, but only during plant-wide rounds and readings which take place in the morning and afternoon. The automatic operation of the conveyer would free up to an hour of operator time, and aid the plant by creating headroom in the digester tanks for influent solids and significantly cutting down prep time for annual maintenance. The new system would also alarm the operator when a plug is detected and include the ability to close/open gates and change the direction of the augers and screws in order to push the solids through the plug or redirect them to a different gate.

Time saved from upgrading the conveyer operation would allow operators to focus on performing better housekeeping of digesters, specifically:

- Increase wash down frequency of basin
- Pull out rags and debris
- Assisting maintenance with line flushing and vactoring solids handling lines

On 1/5/21 an RFP was issued to 5 SCADA integrators - of those, 2 declined to bid, and 2 did not respond. The one response received, SCADA Integrations, came in as a turnkey packaged proposal with two phases.

#### Budgetary Impact

The conveyer project was specified in the FY 20-21 Adopted Annual Budget; a total of \$60,000 was budgeted out of the Water Reclamation Plant's Capital Budget. Phase 1 of the Conveyer Project would cost \$51,800, and would be completed before the end of the current fiscal year. Phase 2 of the project will be completed during FY21-22 at a cost of \$76,670. The funds for the 2<sup>nd</sup> Phase will be included in the FY21-22 budget.

#### Recommended Action

The Board authorize a services agreement with SCADA Integrations for the Conveyer Upgrade Project at a total value of \$128,470, to be completed in two phases.

## M E M O

**TO:** Board of Directors  
**FROM:** Engineering & Operations Committee  
**DATE:** March 22, 2021  
**SUBJECT:** Professional Services Contract for Santa Margarita Groundwater Treatment Plant Operations Plan

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Description

Request for Board approval to award a professional services contract for the Santa Margarita Groundwater Treatment Plant Operations Plan.

Purpose

Construction of the Santa Margarita River Conjunctive Use Project (SMRCUP) will be nearing completion and ready to begin startup in August of this year. One of the last steps required to operate the treatment facility is to obtain approval of an operations plan from the State Water Resources Control Board Division of Drinking Water (DDW). District staff issued a request for professional services to develop the operations plan and assist with approval from DDW. Engineering consulting firm Arcadis U.S. Inc.'s proposal for an amount not to exceed \$72,320 provides a local team including Brent Alspach, who has extensive experience working with DDW on RO and GAC treatment, and Christine Cotton, who has developed operations plans for the District in the past.

Budgetary Impact

The cost of the services is included in the SMRCUP State Revolving Fund Loan for the project.

Recommended Action

The Board authorize a Professional Services Agreement with Arcadis U.S. Inc. for an amount not to exceed \$72,320.

**M E M O**

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager  
**DATE:** March 22, 2021  
**SUBJECT:** Consider Call for Nominations, Alternate Special District Member to Serve on the San Diego Local Agency Formation Commission (LAFCO)

---

Purpose

To provide members of the Board of Directors with the opportunity to be nominated as an alternate special district member on the San Diego Local Agency Formation Commission (LAFCO).

Summary

The attached Call for Nominations is to solicit one alternate special district member to serve on the San Diego Local Agency Formation Commission (LAFCO), involving a vacant and unexpired term.

The term involves Erin Lump's (Rincon del Diablo Municipal Water District) vacated seat and expires on May 1, 2023.

Eligible candidates must be members of the legislative body of an independent special district who reside within San Diego County, but may not be members of the legislative body of a city or county.

The presiding officer or their alternate as designated by the Board must sign the nomination form (Attachment A to the attached Call for Nominations). Nominations and a limited two-page resume indicating the candidate's District and LAFCO experience must be returned to San Diego LAFCO no later than Friday, April 23, 2021.

Recommendation

If any member of the Board of Directors expresses a desire for nomination to the vacant position, upon a motion made and passed by the Board, staff will assist the nominee in completing the necessary paperwork for submittal to LAFCO by the deadline for nominations, which is Friday, April 23, 2021.



**CALL FOR NOMINATIONS**

February 22, 2021

TO: Independent Special Districts in San Diego County

FROM: Tamaron Lockett, Commission Clerk

SUBJECT: **Call for Nominations | Alternate Special District Member Election on LAFCO**

This notice serves as a call for nominations pursuant to Government Code Section 56332(1) involving a vacant and unexpired term as alternate special district member on the San Diego County Local Agency Formation Commission (LAFCO). The term involves Erin Lump’s (Rincon del Diablo Municipal Water District) vacated seat and expires on May 1, 2023. Additional details follow.

- **Eligibility**

Candidates eligible for election must be members of the legislative body of an independent special district who reside within San Diego County but may not be members of the legislative body of a city or county.

- **Authorized Nominations**

State Law specifies only the presiding officer or their alternate as designated by the governing board must sign the nomination form. Attached is nomination form for the LAFCO alternate special district member (**Attachment A**).

- **Submittal Process and Deadline**

Signed nominations and a limited **two-page** resume indicating the candidate’s District and LAFCO experience must be returned to San Diego LAFCO **no later than Friday, April 23, 2021**. Nominations received after this date will be invalid. Nominations and resumes may be mailed to the San Diego LAFCO Office at 9335 Hazard Way, Suite 200, San Diego, CA 92123 or by email to [tamaron.lockett@sdcounty.ca.gov](mailto:tamaron.lockett@sdcounty.ca.gov), if necessary, to meet the submission deadline, but the original form must be submitted.

<b>Administration</b> Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 <a href="http://www.sdlafco.org">www.sdlafco.org</a>	<b>Vice Chair Jim Desmond</b> County of San Diego  <b>Nora Vargas</b> County of San Diego  <b>Joel Anderson, Alt.</b> County of San Diego	<b>Mary Casillas Salas</b> City of Chula Vista  <b>Bill Wells</b> City of El Cajon  <b>Paul McNamara, Alt.</b> City of Escondido	<b>Chris Cate</b> City of San Diego  <b>Marni von Wilpert, Alt.</b> City of San Diego	<b>Jo MacKenzie</b> Vista Irrigation  <b>Barry Willis</b> Alpine Fire Protection  Vacant, Alt. Special District	<b>Chair Andy Vanderlaan</b> General Public  <b>Harry Mathis, Alt.</b> General Public
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After nominations and resumes are received it is anticipated a candidate's forum will be held in conjunction with the California Special Districts Association quarterly meeting with confirmation being provided under separate/future cover. Election materials will be mailed out **no later than Friday, April 30, 2021** unless otherwise communicated by the LAFCO Executive Officer. Should you have any questions, please contact me at 858.614.7755.

Attachment:

- 1) Nomination form – LAFCO alternate special district member

Respectfully,

Tamaron Lockett  
Commission Clerk

## ATTACHMENT A

### NOMINATION OF THE SPECIAL DISTRICT REPRESENTATIVE FOR THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION ALTERNATE MEMBER

The \_\_\_\_\_ is pleased to nominate \_\_\_\_\_ as a  
(Name of Independent Special District) (Name of Candidate)

Candidate for the San Diego Local Agency Formation Commission as an alternate special district member with a term expiring in 2023.

As presiding officer or his/her delegated alternate as provided by the governing board, I hereby certify that:

- The nominee is a member of a legislative body of an independent special district whom resides in San Diego County.

\_\_\_\_\_  
(Presiding Officer Signature)

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
(Print Title)

\_\_\_\_\_  
(Date)

#### PLEASE ATTACH RESUME FOR NOMINEE

- Limit two-pages
- Must be submitted with Nomination Form

**M E M O**

**TO:** Board of Directors  
**FROM:** Kevin Collins, Purchasing/Warehouse/Fleet Supervisor  
**DATE:** March 22, 2021  
**SUBJECT:** Request for Approval to Award One-Time Paving Project to Onyx Paving Company, Inc.

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Description

This request is for Board approval to award a one-time paving project to Onyx Paving Company, Inc.

Purpose

As a result of leak repairs throughout our service area, a total of 40 sites have been temporarily patched with cold mix asphalt. In order to fully complete the repairs, the cold mix will need to be replaced with a permanent hot mix.

On February 23, 2021, an RFP was submitted to six paving contractors. Of those six, we received three bids, in the following amounts.

Onyx Paving Company, Inc. - \$77,120.00  
Kirk Paving, Inc. - \$91,000.00  
Prestige Striping Services, Inc. - \$122,477.00

Budgetary Impact

For the current fiscal year, \$100,000.00 has been budgeted to paving projects required by leak repair. After this award, a total of \$22,880.00 will remain.

Recommended Action

The Board approve the award of a one-time paving project to Onyx Paving Company, Inc. in the amount of \$77,120.00



1. **MWD Issues**

SDCWA received \$44,373,872 from MWD from overpayment in the 2011-2014 rate cases. SDCWA sent a check in the amount of \$909,412 to the District. Staff will work with the Board to develop a strategy to use the funds.

2. **Regional Conveyance**

The Study is underway and it will likely be several months before there will be any updates on this project to build a second Colorado River Aqueduct. There has been continued outreach and media releases about the economic benefits of the project by SDCWA.

3. **FPUD/RMWD Detachment**

SDCWA has not provided any open session updates on the process. The next meeting on this with the Advisory committee is not expected until April.

4. **Urban Water Management Plan (UWMP)**

SDCWA will be taking their draft UWMP forward to the Board in March. There have been concerns raised by other agencies that the demand estimate is elevated by 10-20%. A number of members in the Water Planning Committee submitted a request to do a low-end demand analysis to supplement the UWMP and help with long term planning. The chair indicated that another ad-hoc committee would be doing this analysis.

5. **Key Upcoming Issues**

Some key issues for the upcoming year include:

- Developing a conservative low water demand projection for financial analysis and long-term planning.
- Reviewing the long-term fiscal sustainability of SDCWA and determining any structural changes to the rate structure.
- Implementing the new agricultural water program.
- Completing the next phase of the regional conveyance study and developing a plan to fund millions in additional project work if the project continues to be pursued.

Detailed updates on any of these items will be provided by the General Manager at the request of any Board members.

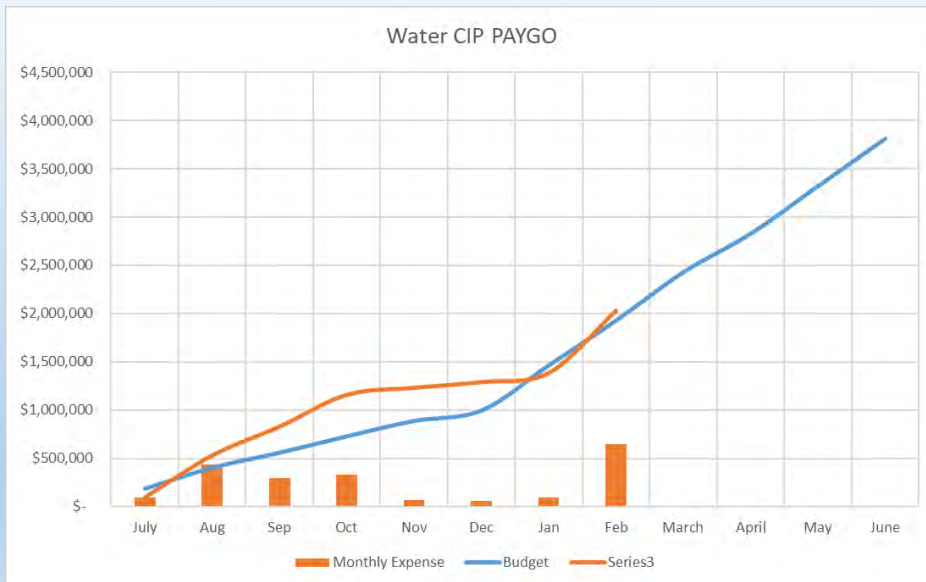


# Fallbrook Public Utility District

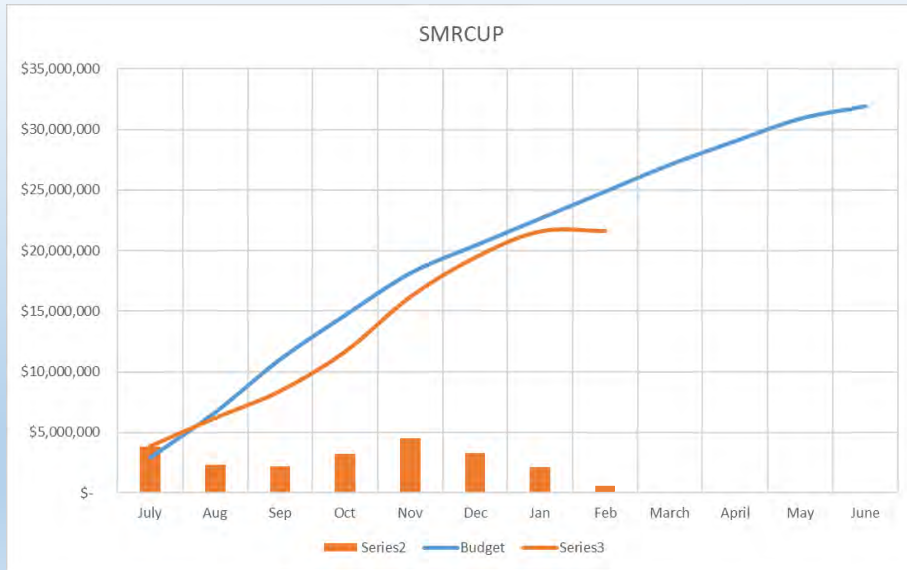
## Engineering and Operations FY21

Board Meeting March 2021

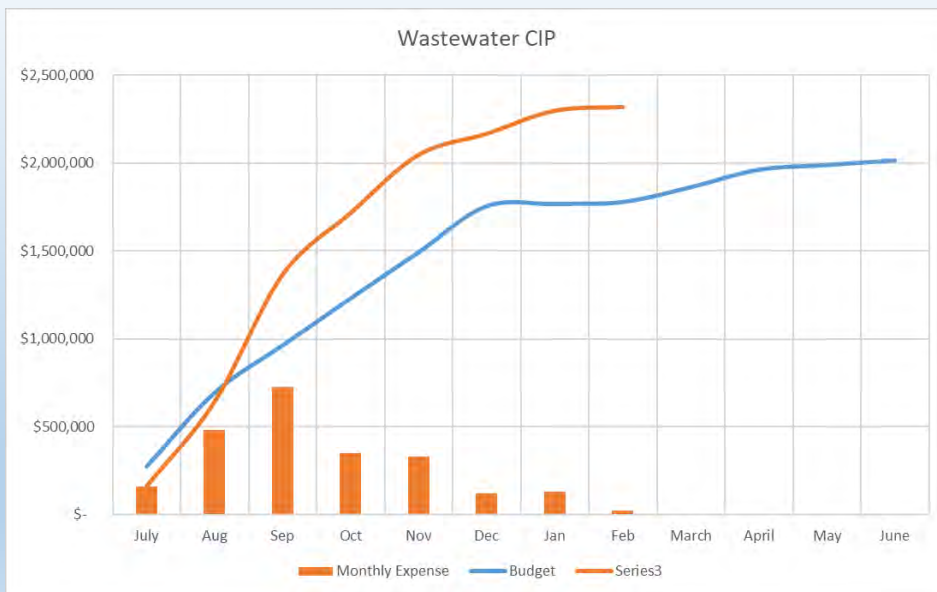
### Water PAYGO CIP FY21



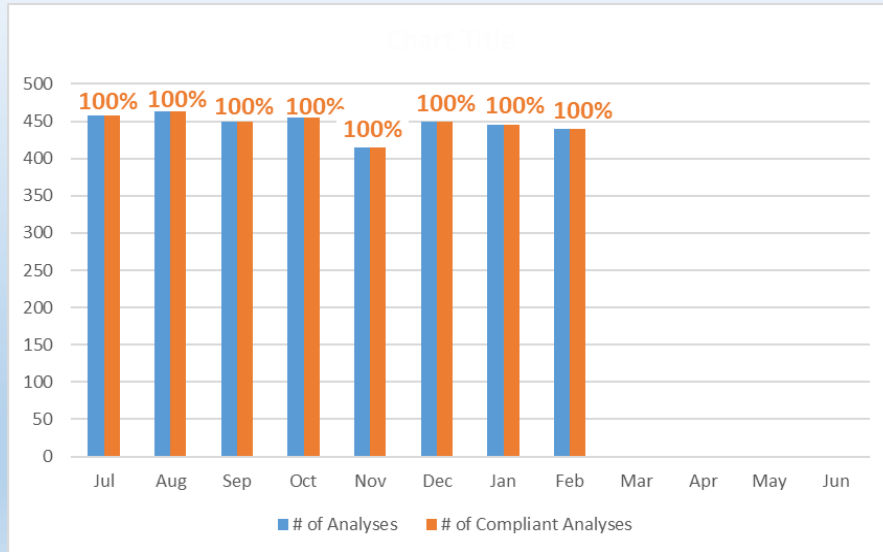
## Water SMRCUP CIP FY21



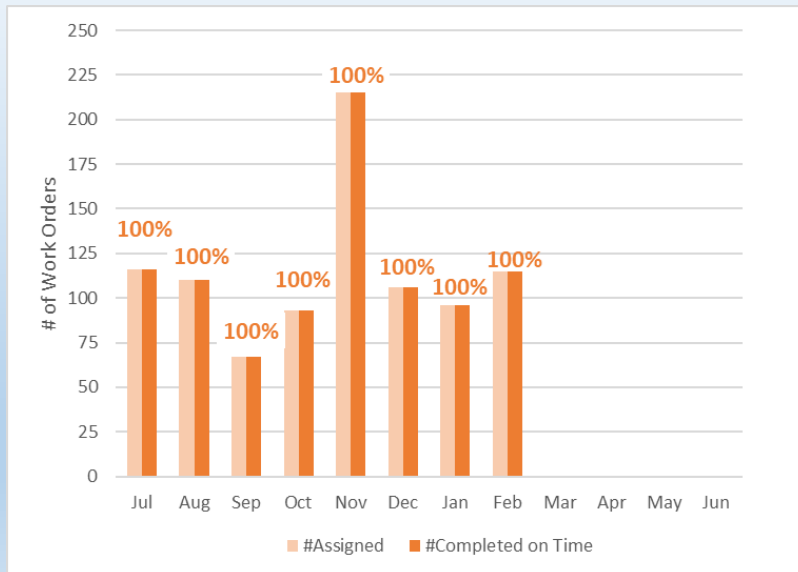
## Wastewater System CIP FY21



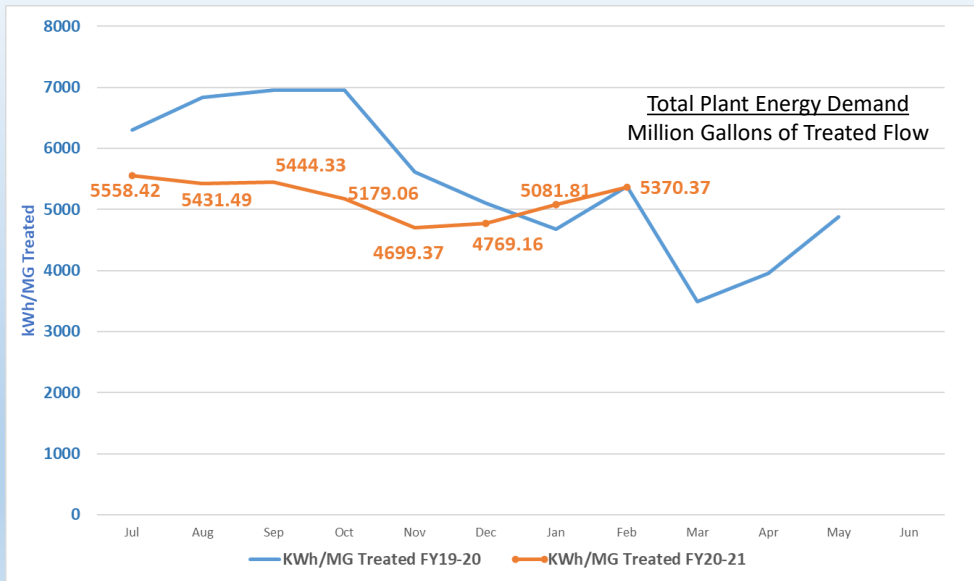
# Wastewater System Regulatory Compliance



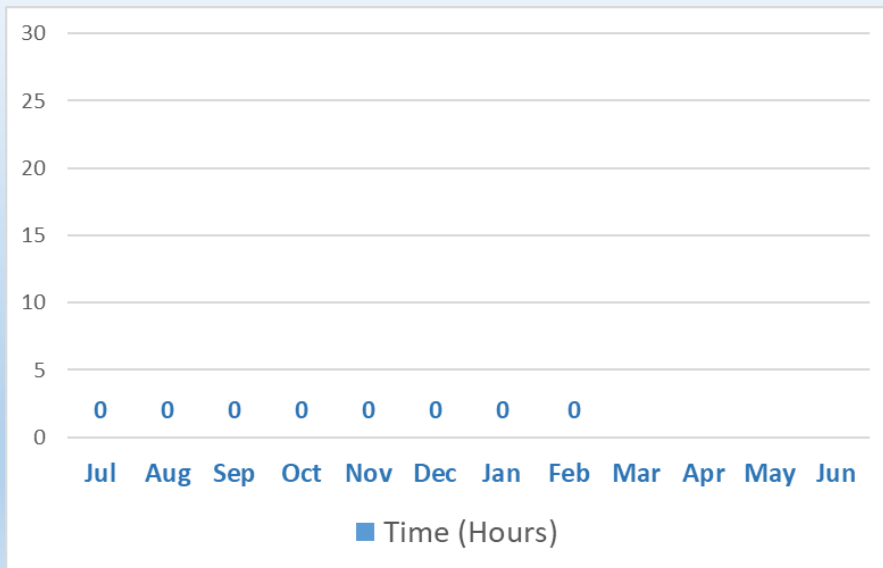
# Reclamation Plant – Preventative Maintenance Work Orders



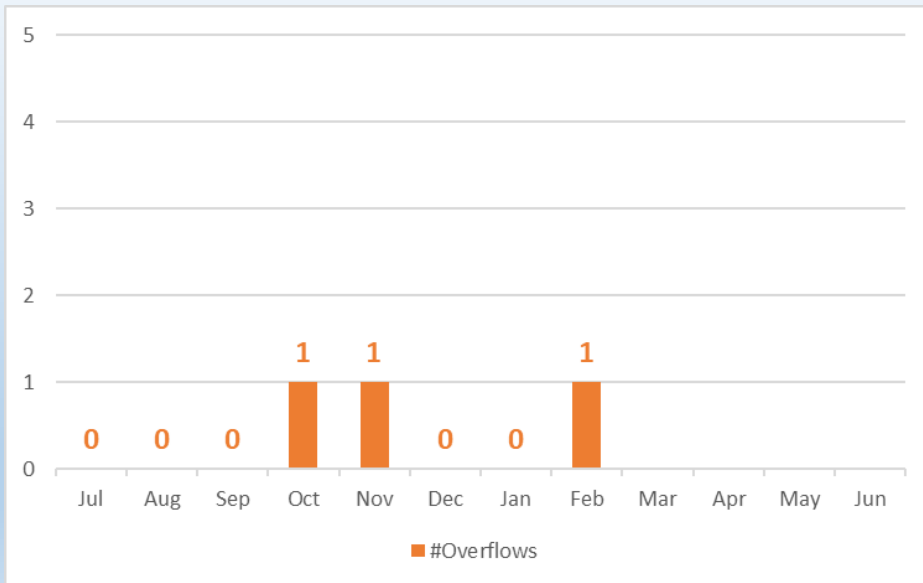
### Reclamation Plant – Energy Usage (KWh/MG Treated)



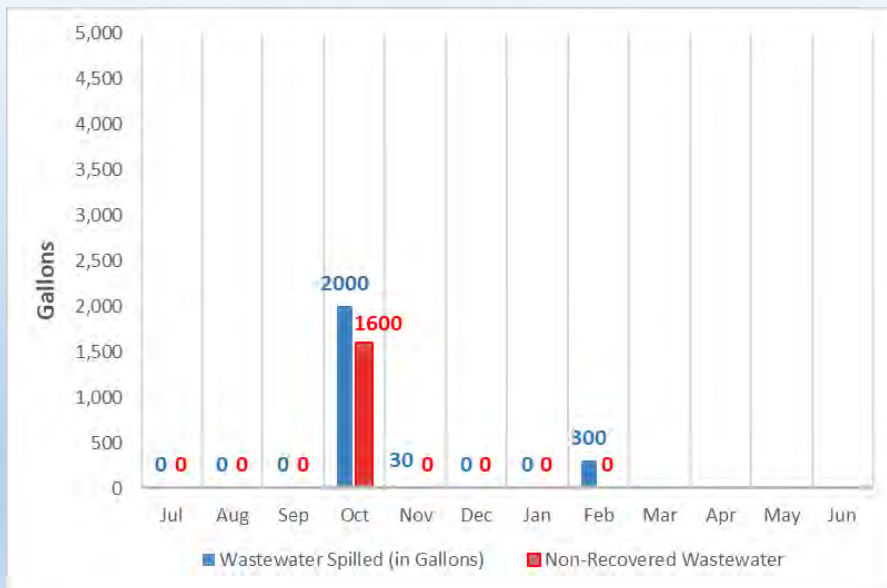
### Recycled Water – Time out of Service (Hours)



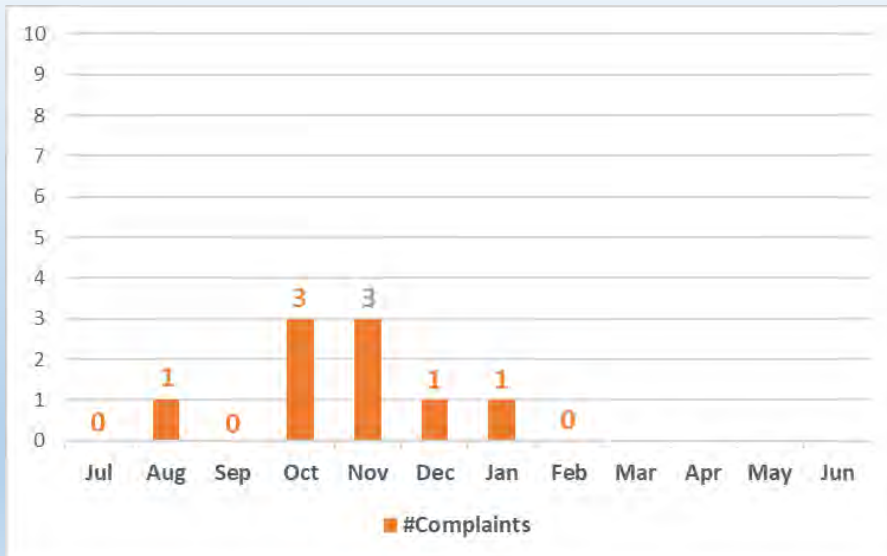
## Sewer Overflows



## Wastewater Spilled



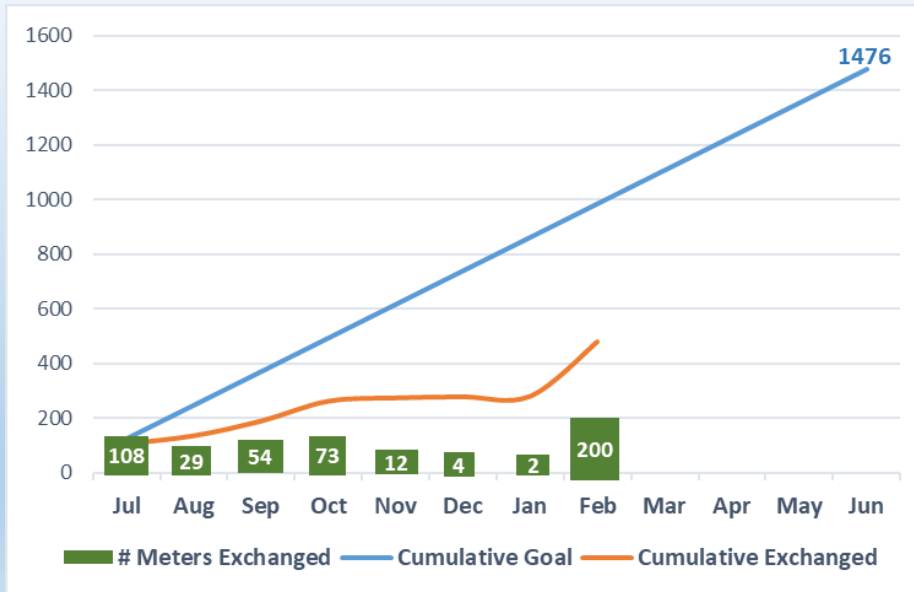
## Wastewater System Odor Complaints



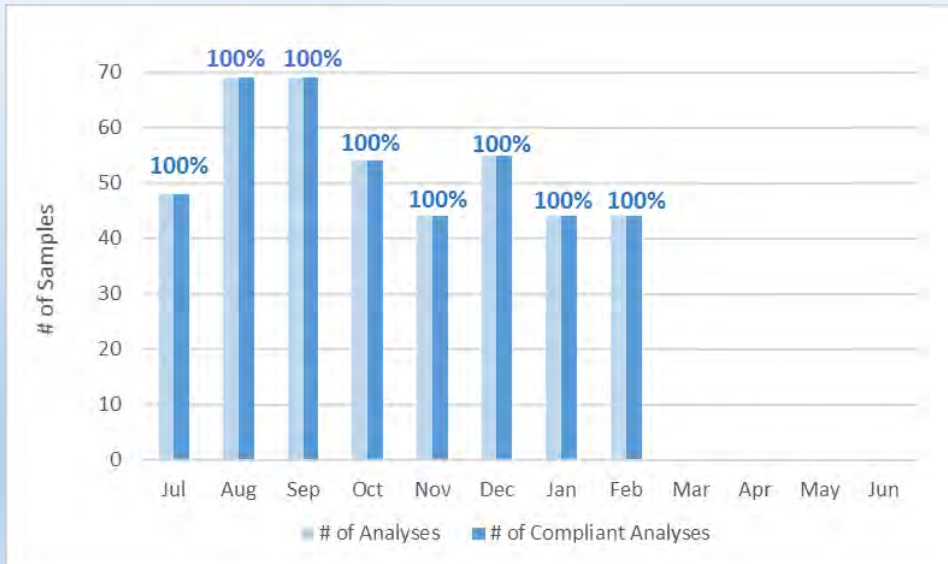
## Collections – Preventative Maintenance Work Orders



## Meter Exchange

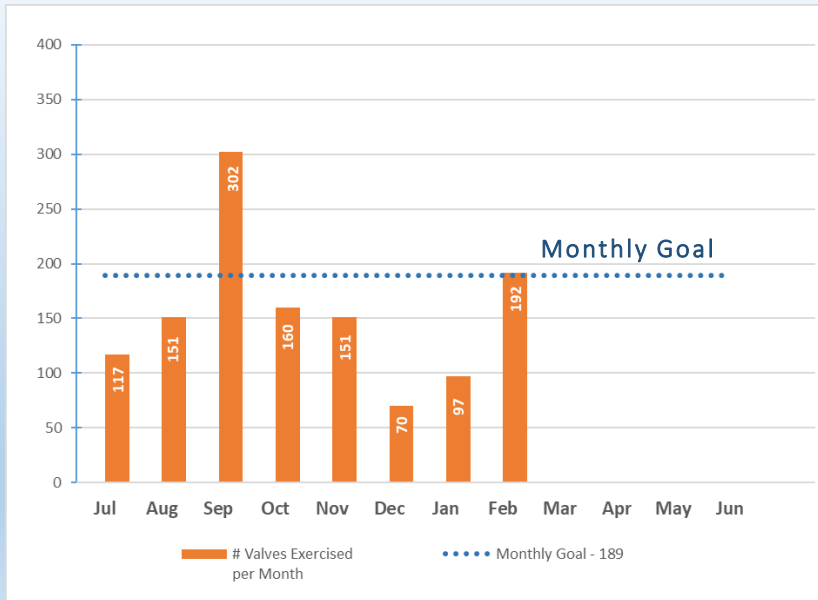


## Water System Regulatory Compliance

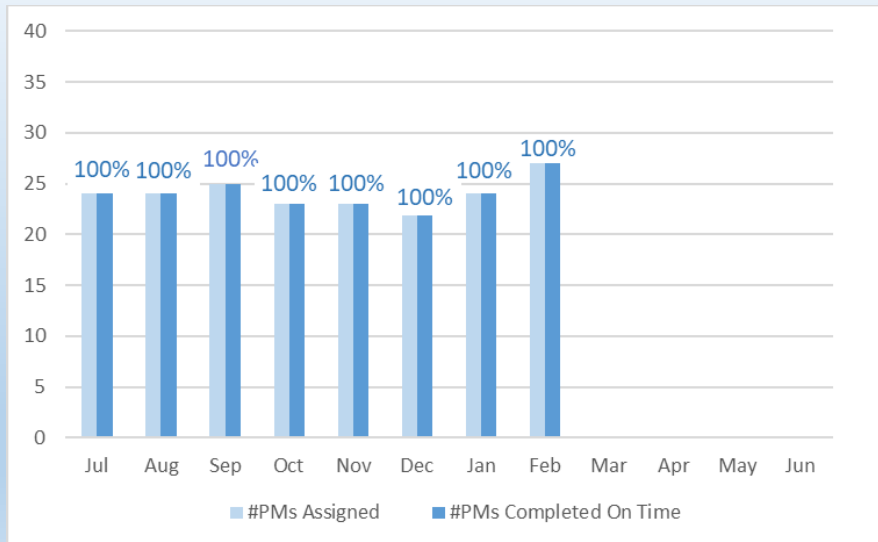




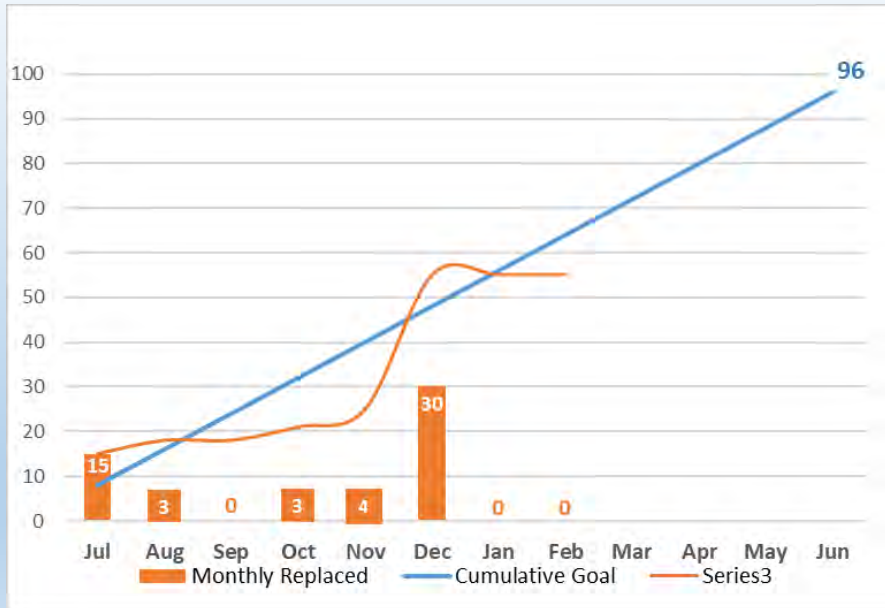
## Valve Exercise Program



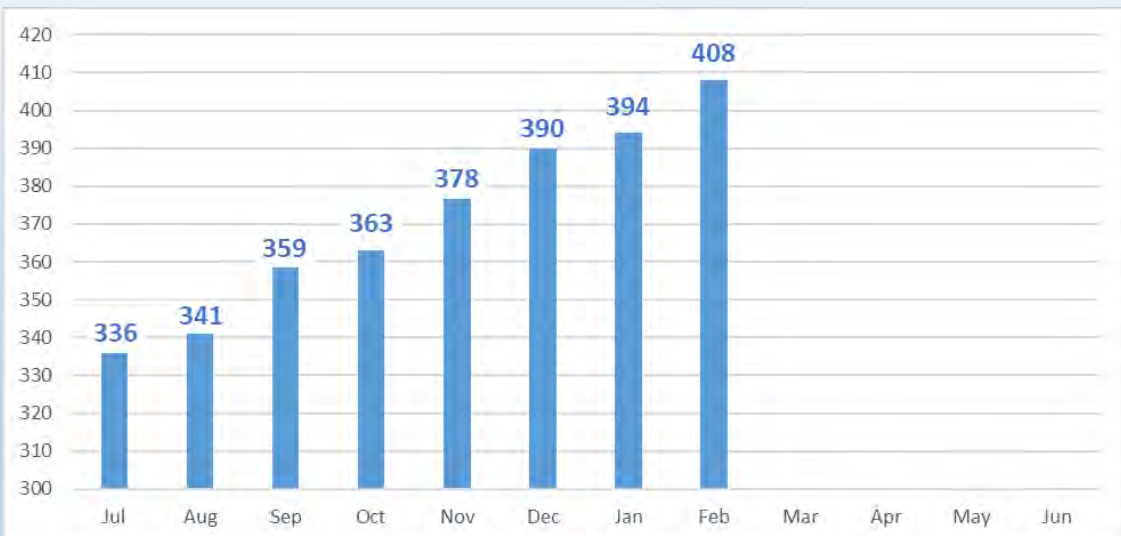
## Water Preventative Maintenance Work Orders



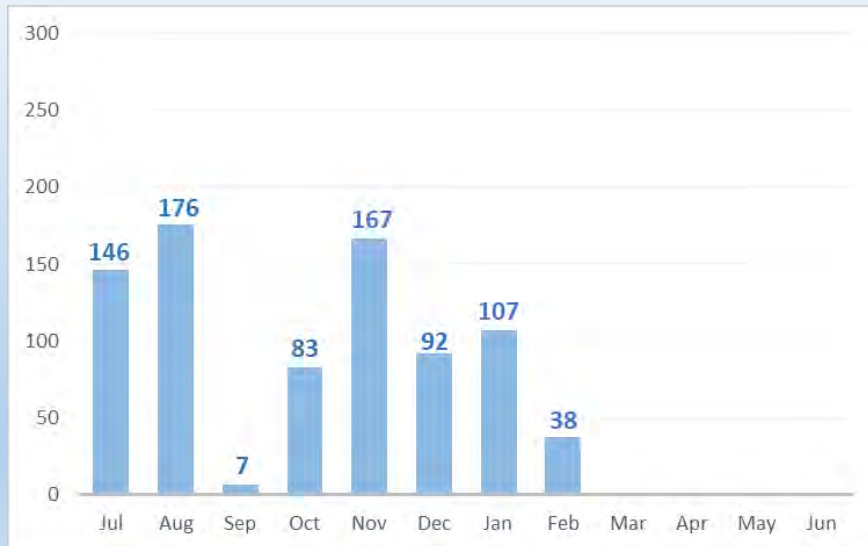
## Valves Replaced



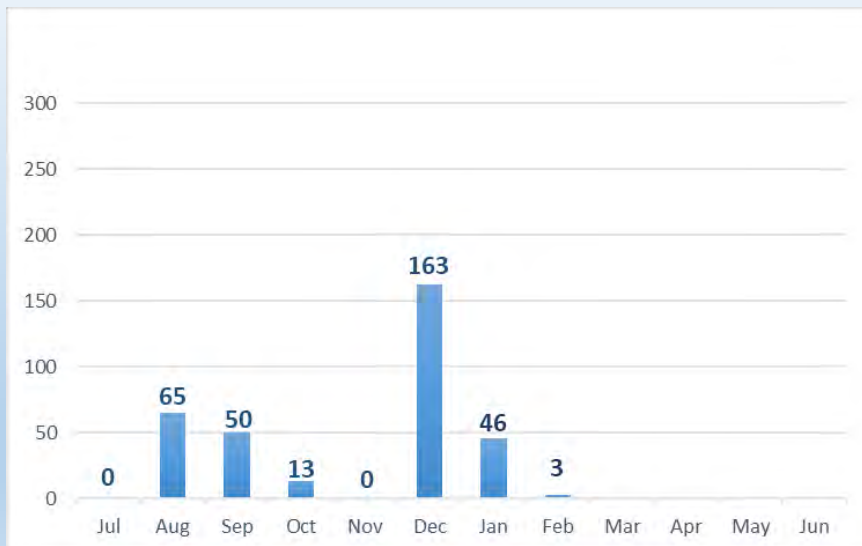
## Rolling Total Broken Valves



## Planned Outages > 4 Hours # of Customers Affected



## Unplanned Disruption > 4 Hours # of Customers Affected



## M E M O

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** March 22, 2021  
**SUBJECT:** Financial Summary Report – February

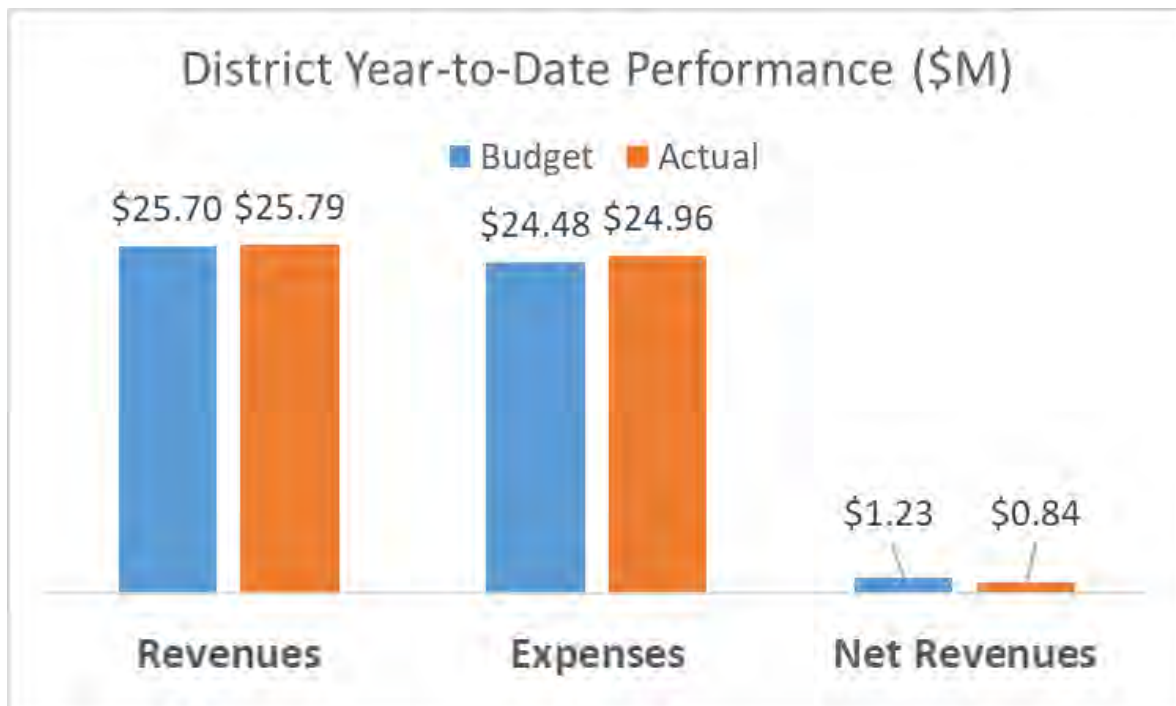
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### Purpose

Provide an overview of changes in the District's financial position.

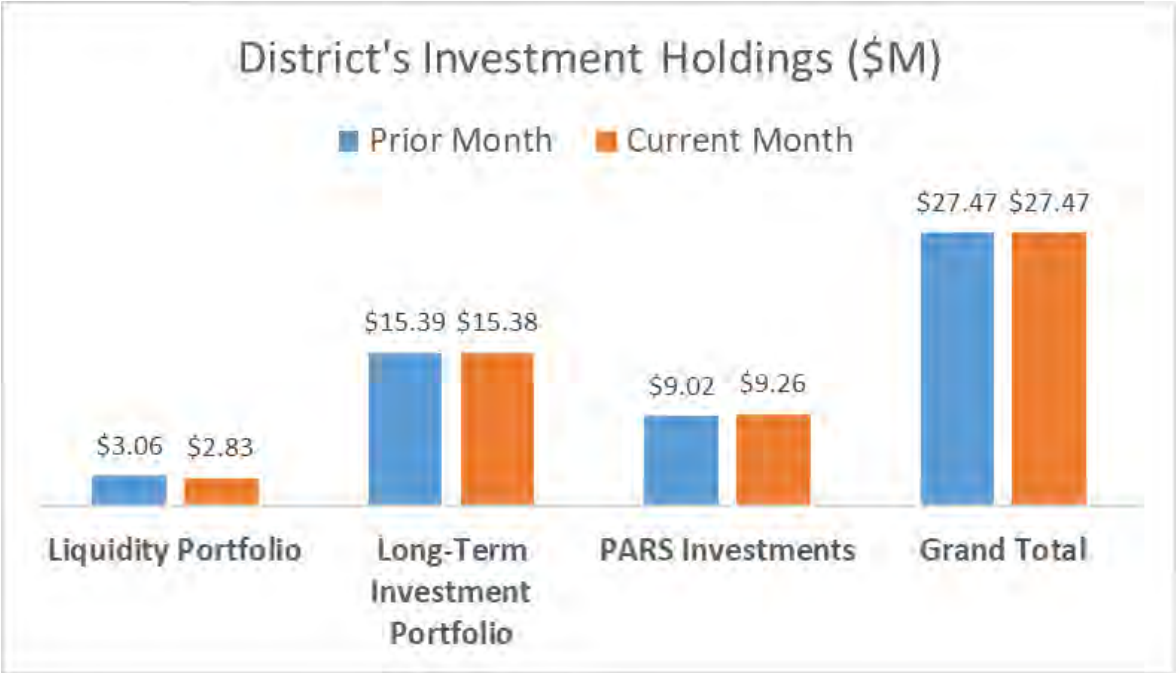
### Summary

The graph below shows the District's year-to-date Revenues, Expenditures and Net revenues.



The results are tracking very close to the District's Budget. These results include the prepayment of \$1.75 million in debt, which was part of the debt refunding executed in January. The overall financial performance, after adjusting for expected State reimbursement, is in line with the Budget. The District's financial performance is expected to outperform the Budget levels given the debt service prepayment.

The graph below shows the District's bank holdings reported in the Treasurer's Report at the end of the current and prior month.



Overall the District's financial position was unchanged this month. Normal operating activities and a transfer to PARS drove the decrease in the Liquidity Portfolio. No District funds were required this month to fund expenditures related to the Santa Margarita Conjunctive Use Project this month. The District transferred \$100,000 of the remaining Budgeted \$500,000 to the PARS Trust this month. Overall these investments continue to perform in line with the equity markets.

Recommended Action

This item is for discussion only. No action is required.

**M E M O**

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** March 22, 2021  
**SUBJECT:** Treasurer's Report

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Purpose

Provide the February, 2021 Treasurer's Report. Confirm that the District's investment portfolio is in compliance with the Investment Policy and that the District is able to meet the expenditure requirements for the next 6-months.

Notes

The State's reimbursements for the Santa Margarita Conjunctive Use Project Treatment Plant remain current as shown by the flat LAIF Account month end balances. The District continues to carefully manage its working capital to ensure its ability to meet its financial commitments. The draw on the Money Market account reflects normal operations.

Summary

**Treasurer's Report February 28, 2021**

<b>Account</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>
Operating Fund	\$ 19,525	\$ 19,566
Money Market	\$ 1,226,475	\$ 996,710
CAMP Account	\$ 1,814,864	\$ 1,814,997
<b><i>District's Liquidity Portfolio</i></b>	<b><i>\$ 3,060,864</i></b>	<b><i>\$ 2,831,273</i></b>
PFM Managed Long-term Investment Portfolio*	\$ 11,283,232	\$ 11,276,926
LAIF (Long-term Reserves)	\$ 4,106,394	\$ 4,106,394
PARS (OPEB & Pension Trust)**	\$ 9,021,606	\$ 9,259,879
<b><i>District Accounts Total</i></b>	<b><i>\$ 27,472,096</i></b>	<b><i>\$ 27,474,472</i></b>

\*\$6.21M of funds are from the sale of the Santa Margarita properties.

\*\*\$3.78M of funds are from the sale of the Santa Margarita Properties.



Dave Shank  
March 22, 2021



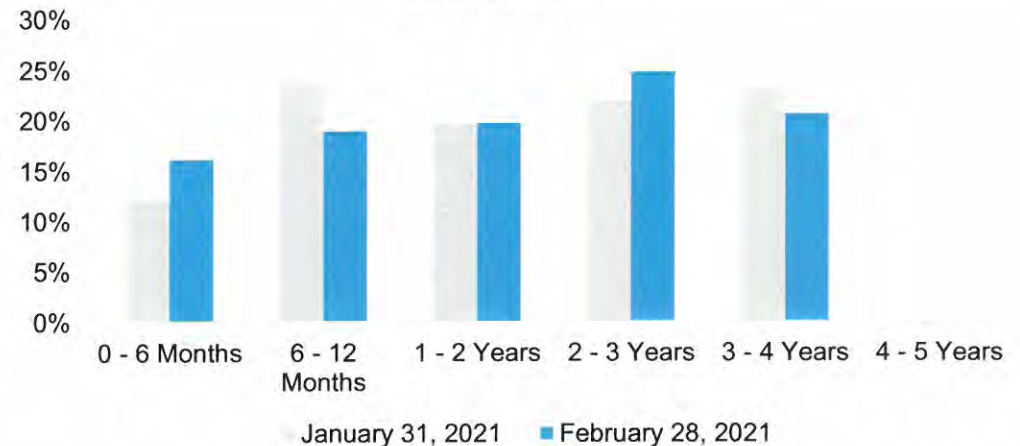
## Fallbrook Public Utilities District - Holdings Summary

Security Type	January 31, 2021	February 28, 2021	Change (\$)	Change (%)
U.S. Treasury	\$5,834,952.30	\$5,821,097.75	(\$13,854.55)	-0.2%
Municipal	\$170,741.20	\$170,367.20	(\$374.00)	-0.2%
Federal Agency CMO	\$112,941.24	\$112,987.44	\$46.20	0.0%
Corporate Note	\$3,374,736.71	\$3,227,120.79	(\$147,615.92)	-4.4%
Asset-Backed Security	\$695,045.31	\$680,819.28	(\$14,226.03)	-2.0%
<b>Securities Total</b>	<b>\$10,188,416.76</b>	<b>\$10,012,392.46</b>	<b>(\$176,024.30)</b>	<b>-1.7%</b>
Money Market Fund	\$1,094,815.72	\$1,264,533.95	\$169,718.23	15.5%
<b>Total Investments</b>	<b>\$11,283,232.48</b>	<b>\$11,276,926.41</b>	<b>(\$6,306.07)</b>	<b>-0.1%</b>

### Summary

FY 20-21 Accrual Earnings	\$150,026.76
Yield to Maturity at Cost	2.20%
Weighted Average Maturity (Years)	1.58

### Maturity Distribution



Security market values, excluding accrued interest, as on last day of month.





### Account Statement - Transaction Summary

For the Month Ending February 28, 2021

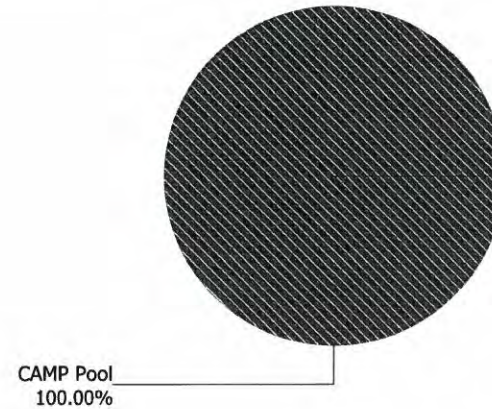
#### Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	1,814,863.78
Purchases	132.76
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$1,814,996.54</b>
Cash Dividends and Income	132.76

Asset Summary		
	February 28, 2021	January 31, 2021
<b>CAMP Pool</b>	1,814,996.54	1,814,863.78
<b>Total</b>	<b>\$1,814,996.54</b>	<b>\$1,814,863.78</b>

Asset Allocation	
CAMP Pool	100.00%







**Account Statement**

For the Month Ending **February 28, 2021**

Fallbrook Public Utility District - Liquidity - 6050-004

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>1,814,863.78</b>
02/26/21	03/01/21	Accrual Income Div Reinvestment - Distributions	1.00	132.76	1,814,996.54
<b>Closing Balance</b>					<b>1,814,996.54</b>

	Month of February	Fiscal YTD July-February		
<b>Opening Balance</b>	1,814,863.78	2,562,568.92	<b>Closing Balance</b>	1,814,996.54
<b>Purchases</b>	132.76	802,427.62	<b>Average Monthly Balance</b>	1,814,878.00
<b>Redemptions (Excl. Checks)</b>	0.00	(1,550,000.00)	<b>Monthly Distribution Yield</b>	0.10%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>1,814,996.54</b>	<b>1,814,996.54</b>		
<b>Cash Dividends and Income</b>	132.76	2,427.62		



**Managed Account Security Transactions & Interest**

For the Month Ending **February 28, 2021**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	02/01/21	02/01/21	CHARLES SCHWAB CORP NOTES DTD 10/31/2018 3.550% 02/01/2024	808513AY1	145,000.00	0.00	2,573.75	2,573.75			
	02/01/21	02/01/21	MONEY MARKET FUND	MONEY0002	0.00	0.00	9.06	9.06			
	02/01/21	02/25/21	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	110,000.00	0.00	283.25	283.25			
	02/11/21	02/11/21	BANK OF NY MELLON CORP CORP NOTES DTD 08/13/2018 3.450% 08/11/2023	06406RAJ6	150,000.00	0.00	2,587.50	2,587.50			
	02/15/21	02/15/21	JDOT 2019-B A3 DTD 07/24/2019 2.210% 12/15/2023	477870AC3	30,000.00	0.00	55.25	55.25			
	02/15/21	02/15/21	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	19,358.85	0.00	42.59	42.59			
	02/15/21	02/15/21	DCENT 2019-A3 A DTD 10/31/2019 1.890% 10/15/2024	254683CM5	120,000.00	0.00	189.00	189.00			
	02/15/21	02/15/21	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	285,000.00	0.00	408.50	408.50			
	02/15/21	02/15/21	COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	38,946.27	0.00	81.46	81.46			
	02/15/21	02/15/21	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	2,640.14	0.00	5.85	5.85			
	02/15/21	02/15/21	US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	350,000.00	0.00	4,812.50	4,812.50			
	02/15/21	02/15/21	MBALT 2019-B A3 DTD 11/20/2019 2.000% 10/17/2022	58769OAC5	60,000.00	0.00	100.00	100.00			
	02/16/21	02/16/21	GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	50,000.00	0.00	90.83	90.83			
	02/21/21	02/21/21	HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	75,000.00	0.00	157.50	157.50			
	02/22/21	02/22/21	AMERICAN EXPRESS CO CORP NOTES DTD 02/22/2019 3.400% 02/22/2024	025816CC1	100,000.00	0.00	1,700.00	1,700.00			
	02/28/21	02/28/21	WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	145,000.00	0.00	1,268.75	1,268.75			
<b>Transaction Type Sub-Total</b>					<b>1,680,945.26</b>	<b>0.00</b>	<b>14,365.79</b>	<b>14,365.79</b>			



**Managed Account Security Transactions & Interest**

For the Month Ending **February 28, 2021**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
<b>MATURITIES</b>										
02/05/21	02/05/21	IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	140,000.00	140,000.00	1,855.00	141,855.00	68.60	0.00	
<b>Transaction Type Sub-Total</b>				<b>140,000.00</b>	<b>140,000.00</b>	<b>1,855.00</b>	<b>141,855.00</b>	<b>68.60</b>	<b>0.00</b>	
<b>PAYDOWNS</b>										
02/01/21	02/25/21	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	431.11	431.11	0.00	431.11	(3.67)	0.00	
02/15/21	02/15/21	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	5,202.55	5,202.55	0.00	5,202.55	0.67	0.00	
02/15/21	02/15/21	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	1,762.76	1,762.76	0.00	1,762.76	0.13	0.00	
02/15/21	02/15/21	COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	2,753.91	2,753.91	0.00	2,753.91	0.56	0.00	
02/16/21	02/16/21	GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	1,020.23	1,020.23	0.00	1,020.23	0.12	0.00	
02/21/21	02/21/21	HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	2,326.88	2,326.88	0.00	2,326.88	0.09	0.00	
<b>Transaction Type Sub-Total</b>				<b>13,497.44</b>	<b>13,497.44</b>	<b>0.00</b>	<b>13,497.44</b>	<b>(2.10)</b>	<b>0.00</b>	
<b>Managed Account Sub-Total</b>					<b>153,497.44</b>	<b>16,220.79</b>	<b>169,718.23</b>	<b>66.50</b>	<b>0.00</b>	
<b>Total Security Transactions</b>					<b>\$153,497.44</b>	<b>\$16,220.79</b>	<b>\$169,718.23</b>	<b>\$66.50</b>	<b>\$0.00</b>	

California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

March 01, 2021

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FALLBROOK PUBLIC UTILITY DISTRICT

TREASURER  
P.O. BOX 2290  
FALLBROOK, CA 92088

[Tran Type Definitions](#)

**Account Number:** 85-37-001

February 2021 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	4,106,394.43
Total Withdrawal:	0.00	Ending Balance:	4,106,394.43

**FALLBROOK PUBLIC UTILITY DISTRICT**  
**PARS Post-Employment Benefits Trust**

**Account Report for the Period**  
**2/1/2021 to 2/28/2021**

David Shank  
Assistant General Manager/CFO  
Fallbrook Public Utility District  
990 East Mission Road  
Fallbrook, CA 92028

## Account Summary

Source	Balance as of 2/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 2/28/2021
OPEB	\$1,182,157.64	\$0.00	\$18,950.19	\$838.02	\$0.00	\$0.00	\$1,200,269.81
PENSION	\$7,839,447.95	\$100,000.00	\$125,668.28	\$5,507.33	\$0.00	\$0.00	\$8,059,608.90
<b>Totals</b>	<b>\$9,021,605.59</b>	<b>\$100,000.00</b>	<b>\$144,618.47</b>	<b>\$6,345.35</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,259,878.71</b>

## Investment Selection

Source	
OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

## Investment Objective

Source	
OPEB	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.
PENSION	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

## Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.60%	4.24%	17.57%	8.72%	-	-	2/16/2017
PENSION	1.60%	4.24%	17.54%	8.65%	-	-	2/16/2017

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.  
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.  
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

## M E M O

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** March 22, 2021  
**SUBJECT:** Budget Status Report for Fiscal Year 2020-2021

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### Purpose

Provide a Budget Status Report (BSR) to the Board.

### Summary

The BSR shows the District's financial performance compared to the budget for the month of February, Year-to-Date and the annual budgeted amount. This report shows the District first quarter of financial results.

Total revenues year-to-date are above budget by 0.4%, which is largely due to non-operating revenues and water sales. Year-to-date water sales, while below budget this month, are 2.2% over the year-to-date budget. Water sales, which as shown in the monthly water sales chart below, are now 2.2% over budget. Lower than Budgeted revenues were received by both the Wastewater and Recycled Water Services. While these numbers are below budget levels, they remain stable and are closer to budget than last year at this time.

Non-operating revenues are over budget driven by County property tax, Capacity charge revenues, portfolio interest and other revenues. Total non-operating revenues are expected to trend towards budget over the remainder of the year as interest earnings fall and the impact of one time other revenues diminishes.

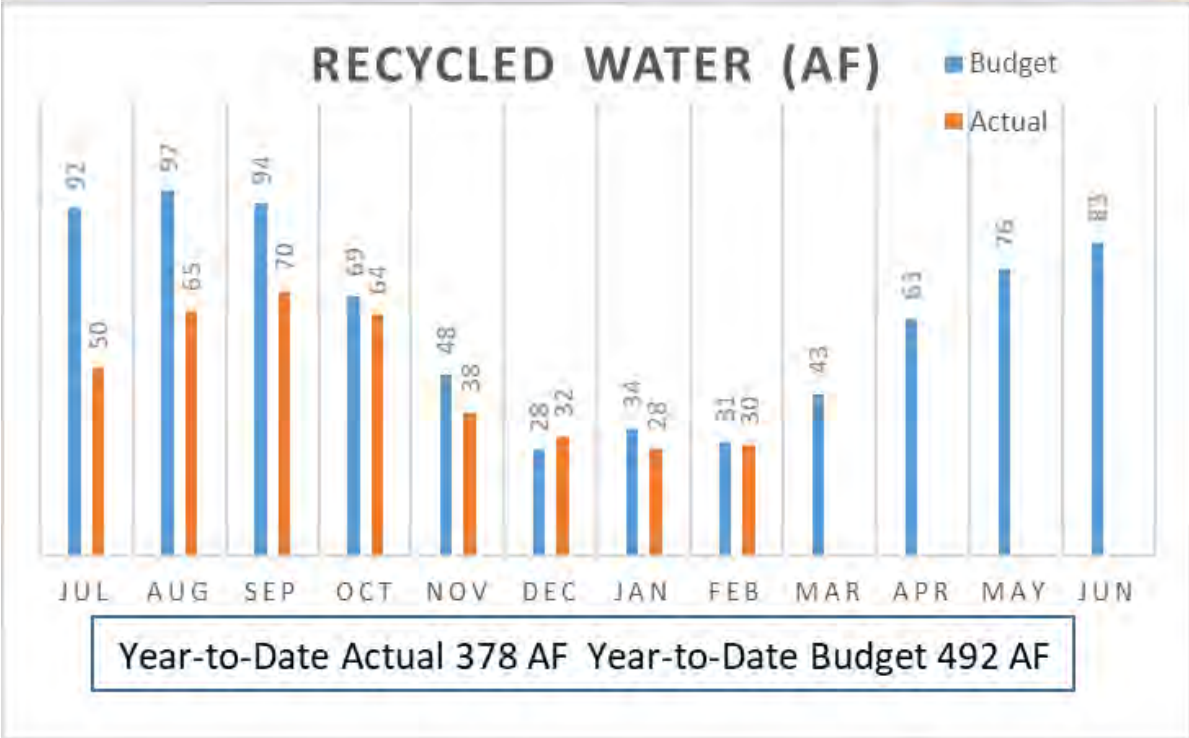
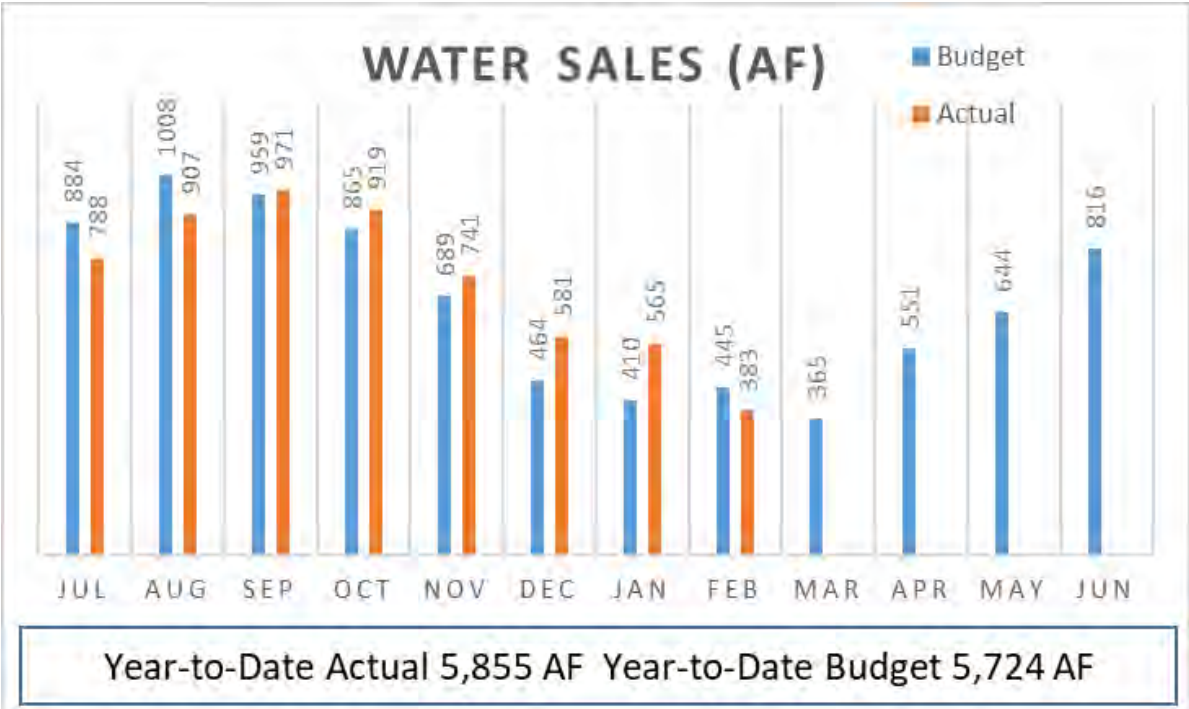
The District's year-to-date total expenditures are under budget due to the lower than budgeted operating expenses. Vacant positions and non-operating expenditures below budget are driving this trend. Purchased water expense is slightly over budget as a result of higher water sales. The District also made a prepayment on the WWTP SRF Loan as part of its refunding as shown in the Report.

Total revenue is \$25,793,030 or 0.4% over budget and total expenditures are \$20,200,884 or 2.6% under budget. PAYGO CIP expenditures are 7.1% under budget but are expected to trend towards Budget levels. After adjusting for expected State Loan proceeds, the District's financial results are in line with the Budget.

### Recommended Action

This item is for discussion only. No action is required.





## Monthly Budget Report for February

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date				Annual Budget		
	Actual	Budget	Actual	Budget	Variance	%	Budget	Remaining Balance	%
<b>Operating Revenues:</b>								Year remaining	33.3%
Water Sales	893,059	1,045,423	12,372,669	12,161,965	210,704	1.7%	17,660,076	5,287,408	29.9%
Water Meter Service Charges	641,655	653,171	4,903,368	4,935,069	(31,700)	-0.6%	7,547,752	2,644,384	35.0%
Wastewater Service Charges	482,326	486,537	4,044,248	4,240,182	(195,933)	-4.6%	6,186,330	2,142,081	34.6%
Recycled Water Revenues	60,090	53,186	699,389	752,465	(53,077)	-7.1%	1,188,242	488,853	41.1%
Other Operating Revenue	-	917	-	7,333	(7,333)	-100.0%	11,000	11,000	100.0%
Total Operating Revenue	2,077,129	2,239,234	22,019,674	22,097,014	(77,340)	-0.4%	32,593,400	10,573,726	32.4%
<b>Non Operating Revenues:</b>									
Water Capital Improvement Charge	119,839	121,273	935,631	970,187	(34,556)	-3.6%	1,455,281	519,650	35.7%
Wastewater Capital Improvement Charge	98,054	100,594	783,789	804,754	(20,966)	-2.6%	1,207,132	423,343	35.1%
Property Taxes	84,080	134,636	1,350,585	1,310,083	40,502	3.1%	2,022,485	671,899	33.2%
Water Standby/Availability Charge	7,094	7,009	122,021	124,532	(2,510)	-2.0%	204,000	81,979	40.2%
Water/Wastewater Capacity Charges	5,778	7,083	78,423	56,667	21,756	38.4%	85,000	6,577	7.7%
Portfolio Interest	27,211	11,792	172,943	94,333	78,609	83.3%	141,500	(31,443)	-22.2%
Pumping Capital Improvement Charge	573	2,730	15,232	21,837	(6,605)	-30.2%	32,756	17,524	53.5%
Federal Interest Rate Subsidy	-	-	57,690	56,445	1,245	2.2%	110,677	52,986	47.9%
SDCWA Refund	-	-	-	-	-	NA	-	-	NA
Facility Rents	18,179	18,333	145,715	146,667	(952)	-0.6%	220,000	74,285	33.8%
Other Non-Operating Revenues	8,181	2,500	111,327	20,000	91,327	456.6%	30,000	(81,327)	-271.1%
Total Non Operating Revenues	368,988	405,951	3,773,356	3,605,506	167,850	4.7%	5,508,830	1,735,474	31.5%
<b>Total Revenues</b>	<b>2,446,117</b>	<b>2,645,185</b>	<b>25,793,030</b>	<b>25,702,520</b>	<b>90,510</b>	<b>0.4%</b>	<b>38,102,230</b>	<b>12,309,200</b>	<b>32.3%</b>
<b>Expenditures</b>									
Purchased Water Expense	810,577	898,510	9,466,322	9,710,410	244,087	2.5%	14,012,905	4,546,583	32.4%
Water Services*	239,740	245,871	1,798,869	2,212,842	413,974	18.7%	3,196,328	1,397,459	43.7%
Wastewater Services*	248,382	250,104	2,006,226	2,250,933	244,707	10.9%	3,251,348	1,245,122	38.3%
Recycled Water Services*	31,134	41,884	243,883	376,957	133,074	35.3%	544,494	300,611	55.2%
Administrative Services*	522,787	497,336	4,276,968	4,476,022	199,054	4.4%	6,465,365	2,188,397	33.8%
Total Operating Expenses	1,852,620	1,933,705	17,792,269	19,027,165	1,234,896	6.5%	27,470,440	9,678,172	35.2%
<b>Debt Service Expenses</b>									
SMCUP SRF	-	-	-	-	-	NA	800,810	800,810	100.0%
Red Mountain SRF	-	-	395,850	395,851	0	0.0%	395,851	0	0.0%
WWTP SRF	-	-	1,750,772	-	(1,750,772)	NA	1,845,746	94,974	5.1%
WW Rev Refunding Bonds**	-	-	-	-	-	NA	58,700	58,700	100.0%
QECB Solar Debt	-	-	261,993	261,993	-	0.0%	520,642	258,649	49.7%
Total Debt Service	-	-	2,408,616	657,844	(1,750,772)	-266.1%	3,621,748	1,213,133	33.5%
<b>Total Expenses</b>	<b>1,852,620</b>	<b>1,933,705</b>	<b>20,200,884</b>	<b>19,685,008</b>	<b>(515,876)</b>	<b>-2.6%</b>	<b>31,092,189</b>	<b>10,891,304</b>	<b>35.0%</b>
<b>Net Revenue/(loss) From Operations and Debt Service</b>	<b>593,497</b>	<b>711,480</b>	<b>5,592,146</b>	<b>6,017,512</b>	<b>(425,366)</b>	<b>-7.1%</b>	<b>7,010,041</b>	<b>1,417,895</b>	<b>20.2%</b>
<b>Capital Investment</b>									
<b>Capital Investment</b>									
Construction Expenditures	806,280	539,167	4,754,611	4,791,667	37,055	0.8%	7,221,750	2,467,139	34.2%
SMCUP Expenditures***	2,465,529	2,226,889	24,043,904	24,859,081	815,177	3.3%	31,900,000	7,856,096	24.6%
SRF Loan Proceeds Draw (Capital Project Funds)****	(2,465,529)	(2,226,889)	(24,043,904)	(24,859,081)	(815,177)	3.3%	(31,900,000)	(7,856,096)	24.6%
<b>Net Revenue/(Loss)</b>	<b>(212,784)</b>	<b>172,313</b>	<b>837,535</b>	<b>1,225,845</b>	<b>(388,310)</b>	<b>-31.7%</b>	<b>(211,709)</b>	<b>(1,049,243)</b>	<b>495.6%</b>

\*Includes share of \$200,000 PARS transfer.

\*\*Cost of issuance paid from proceeds and not included in statement

\*\*\*CIP expenditures related to the SMCUP have been updated based upon contractor draw scheduled and are funded by SRF Loan proceeds.

\*\*\*\*YTD Actual amount adjusted to reflect expected State Reimbursement for reporting purposes.



02/28/2021

Treasurer's Warrant No. February

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 for the amounts stated (less discounts in instances where discounts are allowed).

## Payroll -02/2021

### Computer Check Register

Payroll #1	\$139,125.18
Payroll #2	<u>\$141,789.51</u>
	<u>\$280,914.69</u>

# Accounts Payable

## Checks by Date - Summary by Check Date

User: annaleceb  
Printed: 3/2/2021 1:57 PM



### 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
85347	01460	AFLAC	02/04/2021	857.64
85348	91286	AMAZON CAPITAL SERVICES, INC.	02/04/2021	386.06
85349	91429	BSK ASSOCIATES	02/04/2021	2,265.00
85350	90885	CENTRO BUSINESS FORMS. INC	02/04/2021	95.40
85351	03205	CITY OF OCEANSIDE	02/04/2021	423.64
85352	91272	KEVIN COLLINS	02/04/2021	60.00
85353	91330	AARON COOK	02/04/2021	240.00
85354	06762	DENALI WATER SOLUTIONS LLC	02/04/2021	11,685.00
85355	05192	DIAMOND ENVIRONMENTAL SERVIC	02/04/2021	350.65
85356	91569	EUROFINS CALSCIENCE, LLC	02/04/2021	377.50
85357	04494	FEDERAL EXPRESS CORPORATION	02/04/2021	27.10
85358	91198	FIRST BANKCARD	02/04/2021	2,147.88
85359	91200	FIRST BANKCARD	02/04/2021	1,582.89
85360	91202	FIRST BANKCARD	02/04/2021	30.73
85361	91225	FIRST BANKCARD	02/04/2021	99.00
85362	91313	FIRST BANKCARD	02/04/2021	140.21
85363	91323	FIRST BANKCARD	02/04/2021	420.50
85364	91540	FIRST BANKCARD	02/04/2021	219.00
85365	04958	GOSCH FORD TEMECULA	02/04/2021	491.90
85366	02170	GRAINGER, INC.	02/04/2021	303.19
85367	02767	GRANGETTO FARM & GARDEN SUPPI	02/04/2021	219.80
85368	05970	GRISWOLD INDUSTRIES	02/04/2021	9,147.90
85369	03174	HAAKER EQUIPMENT COMPANY	02/04/2021	1,066.56
85370	06429	HEALTHPOINTE MEDICAL GROUP, INC	02/04/2021	75.00
85371	91336	JACOB HYINK	02/04/2021	390.00
85372	06359	INFRASTRUCTURE ENGINEERING CO	02/04/2021	95,409.30
85373	91515	LABORATORY CALIBRATION SERVICI	02/04/2021	2,060.00
85374	91304	LEARNSOFT CONSULTING INC	02/04/2021	510.00
85375	90887	LLOYD PEST CONTROL	02/04/2021	80.00
85376	06024	MATTHEW MORGAN	02/04/2021	50.22
85377	01406	NORTH COUNTY WELDING SUPPLY	02/04/2021	5.97
85378	01267	PACIFIC PIPELINE	02/04/2021	2,582.34
85379	04900	PARADISE CHEVROLET CADILLAC	02/04/2021	612.03
85380	91535	PAYMENTUS GROUP, INC	02/04/2021	996.11
85381	00236	SCRAPPYS	02/04/2021	20.00
85382	90929	SOUTHWEST ANSWERING SERVICE, I	02/04/2021	888.14
85383	05415	STATE WATER RESOURCE CONTROL I	02/04/2021	90.00
85384	91223	STERLING ADMINISTRATION	02/04/2021	13,885.00
85385	91385	VERONICA TAMZIL	02/04/2021	60.00
85386	91598	TCI BUSINESS CAPITAL	02/04/2021	3,358.32
85387	91091	ORNEEN TOMA	02/04/2021	60.00
85388	05971	UNISORB CORPORATION	02/04/2021	4,576.04
85389	04313	USA BLUE BOOK	02/04/2021	417.13
85390	91480	WAVE CONNECTS	02/04/2021	967.31

Total for 2/4/2021:

159,730.46



Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	00152	FPUD EMPL ASSOCIATION	02/11/2021	465.00
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	02/11/2021	3,375.00
ACH	06758	US TREASURY - PAYROLL TAXES	02/11/2021	51,793.80
ACH	06759	STATE OF CA - PR TAXES	02/11/2021	7,722.71
ACH	06760	STATE OF CA - SDI	02/11/2021	2,489.73
ACH	06761	LINCOLN FINANCIAL GROUP	02/11/2021	7,298.03
ACH	06763	PERS - PAYROLL	02/11/2021	37,075.36
ACH	91508	CALIFORNIA STATE DISBURSEMENT	02/11/2021	346.15
ACH	00152	FPUD EMPL ASSOCIATION	02/11/2021	24.50
ACH	06758	US TREASURY - PAYROLL TAXES	02/11/2021	2,974.20
ACH	06759	STATE OF CA - PR TAXES	02/11/2021	513.20
ACH	06760	STATE OF CA - SDI	02/11/2021	122.71
ACH	06761	LINCOLN FINANCIAL GROUP	02/11/2021	402.80
ACH	06763	PERS - PAYROLL	02/11/2021	1,832.29
85393	91312	TERRAPIN GROUP	02/11/2021	333,043.00
85394	00231	SAN DIEGO COUNTY WATER AUTH	02/11/2021	986,283.84
85395	91513	ALCHEMY CONSULTING GROUP	02/11/2021	7,500.00
85396	91286	AMAZON CAPITAL SERVICES, INC.	02/11/2021	439.04
85397	05088	AT&T	02/11/2021	798.27
85398	91503	BACKGROUNDS ONLINE	02/11/2021	302.39
85399	03978	CAMERON WELDING SUPPLY	02/11/2021	1,300.84
85400	03391	ELECTRICAL SALES INC	02/11/2021	1,222.46
85401	09523	FALLBROOK EQUIP RENTALS	02/11/2021	2,895.43
85402	00169	FALLBROOK OIL COMPANY	02/11/2021	3,976.35
85403	00170	FALLBROOK WASTE & RECYCLING	02/11/2021	838.81
85404	91606	FIRE SERVICE CORP	02/11/2021	810.00
85405	04958	GOSCH FORD TEMECULA	02/11/2021	115.45
85406	02170	GRAINGER, INC.	02/11/2021	261.97
85407	05380	HACH CO	02/11/2021	79.96
85408	06267	J2 GLOBAL IRELAND LIMITED	02/11/2021	59.91
85409	03299	KAMAN INDUSTRIAL TECHNOLOGIE	02/11/2021	1,567.45
85410	91192	MISSION LINEN SUPPLY	02/11/2021	1,180.93
85411	91077	MULTI SERVICE TECHNOLOGY SOLU	02/11/2021	756.46
85412	03201	NATIONAL SAFETY COMPLIANCE INC	02/11/2021	115.00
85413	00370	NUTRIEN AG SOLUTIONS, INC.	02/11/2021	725.75
85414	06298	ONESOURCE DISTRIBUTORS, LLC	02/11/2021	685.26
85415	01267	PACIFIC PIPELINE	02/11/2021	3,135.12
85416	04900	PARADISE CHEVROLET CADILLAC	02/11/2021	504.36
85417	91426	PRINTING SOLUTIONS	02/11/2021	117.18
85418	91538	PUDGIL & COMPANY	02/11/2021	5,000.00
85419	06608	ROTARY CLUB OF FALLBROOK	02/11/2021	115.00
85420	00232	SAN DIEGO GAS & ELECTRIC	02/11/2021	52,748.74
85421	91598	TCI BUSINESS CAPITAL	02/11/2021	3,358.32
85422	90990	TK CONSTRUCTION, INC.	02/11/2021	40,142.27
85423	00724	UNDERGROUND SERVICE ALERT	02/11/2021	224.50
85424	00458	VERIZON WIRELESS	02/11/2021	1,218.55
85425	91286	AMAZON CAPITAL SERVICES, INC.	02/11/2021	694.36
85426	04995	AMERICAN MESSAGING	02/11/2021	99.52
85427	03134	CALIFORNIA WATER ENVIRONMENT	02/11/2021	192.00
85428	02925	DATA NET SOLUTIONS	02/11/2021	2,850.00
85429	91579	DOORS & WINDOWS WEST	02/11/2021	47,099.42
85430	06303	EXECUTIVE LANDSCAPE INC.	02/11/2021	743.87
85431	04958	GOSCH FORD TEMECULA	02/11/2021	510.73
85432	03174	HAAKER EQUIPMENT COMPANY	02/11/2021	1,058.40
85433	06380	JANI-KING OF CALIFORNIA, INC - SA	02/11/2021	2,995.24
85434	90887	LLOYD PEST CONTROL	02/11/2021	200.00
85435	91561	MUNICIPAL SEWER TOOLS	02/11/2021	434.47



Check No	Vendor No	Vendor Name	Check Date	Check Amount
85436	06338	MYTHOS TECHNOLOGY INC	02/11/2021	1,705.22
85437	04900	PARADISE CHEVROLET CADILLAC	02/11/2021	98.16
85438	91486	SATELLITE PHONE STORE	02/11/2021	86.82
85439	00236	SCRAPPYS	02/11/2021	603.45
85440	06565	SECRETARY OF STATE	02/11/2021	40.00
85441	91607	ALEXANDER STANKO	02/11/2021	180.00
85442	91123	STREAMLINE	02/11/2021	550.00
85443	91082	TELETRAC, INC	02/11/2021	2,084.27
85444	06231	WESTERN WATER WORKS SUPPLY CC	02/11/2021	560.30
Total for 2/11/2021:				1,630,744.32
85445	91549	ZAK CONTROLS, INC.	02/18/2021	10,140.00
85446	91490	AMAZON WEB SERVICES, INC.	02/18/2021	1,119.07
85447	91550	AMERICAN BUSINESS BANK	02/18/2021	5,786.14
85448	06020	BABCOCK LABORATORIES, INC	02/18/2021	1,693.50
85449	05949	CALIFORNIA WATER EFFICIENCY PAR	02/18/2021	1,736.05
85450	03205	CITY OF OCEANSIDE	02/18/2021	1,049.80
85451	02176	CORELOGIC SOLUTIONS, LLC	02/18/2021	225.00
85452	05953	CORODATA RECORDS MANAGEMENT	02/18/2021	739.30
85453	06675	CORODATA SHREDDING, INC	02/18/2021	64.37
85454	91596	CRIDER PUBLIC RELATIONS, INC.	02/18/2021	1,700.00
85455	02925	DATA NET SOLUTIONS	02/18/2021	691.00
85456	04494	FEDERAL EXPRESS CORPORATION	02/18/2021	103.62
85457	02972	FISHER SCIENTIFIC COMPANY LLC	02/18/2021	204.81
85458	02170	GRAINGER, INC.	02/18/2021	43.68
85459	06577	INFOSEND INC	02/18/2021	2,236.06
85460	04027	JOES HARDWARE	02/18/2021	427.74
85461	06156	LOMACK SERVICE CORPORATION	02/18/2021	125.00
85462	03944	MISSION RESOURCE CONSV DISTRICT	02/18/2021	99.00
85463	90932	NAPA AUTO PARTS	02/18/2021	1,520.89
85464	03201	NATIONAL SAFETY COMPLIANCE INC	02/18/2021	150.00
85465	00370	NUTRIEN AG SOLUTIONS, INC.	02/18/2021	109.02
85466	91522	PACIFIC HYDROTECH CORP	02/18/2021	109,936.02
85467	04900	PARADISE CHEVROLET CADILLAC	02/18/2021	85.06
85468	91223	STERLING ADMINISTRATION	02/18/2021	125.00
85469	00458	VERIZON WIRELESS	02/18/2021	782.20
85470	00101	ACWA JPIA	02/18/2021	105,602.34
85471	01719	MICKEY M. CASE	02/18/2021	60.00
85472	91241	LISA CHAFFIN	02/18/2021	60.00
85473	91595	CLIFTONLARSONALLEN LLP	02/18/2021	1,000.00
85474	91272	KEVIN COLLINS	02/18/2021	60.00
85475	91605	CREATIVE SAFETY SUPPLY, LLC	02/18/2021	2,493.71
85476	04128	CUES, INC	02/18/2021	4,426.65
85477	02925	DATA NET SOLUTIONS	02/18/2021	156.69
85478	UB*00374	K & L ENTERPRISES	02/18/2021	1,543.20
85479	06286	GARDA CL WEST, INC.	02/18/2021	315.56
85480	02170	GRAINGER, INC.	02/18/2021	2,659.77
85481	05380	HACH CO	02/18/2021	272.88
85482	06577	INFOSEND INC	02/18/2021	1,377.88
85483	90916	KELLY LAUGHLIN	02/18/2021	50.84
85484	91427	MITEL CLOUD SERVICES, INC	02/18/2021	1,679.37
85485	05104	NCL OF WISCONSIN INC	02/18/2021	845.25
85486	91107	SPECTRUM BUSINESS	02/18/2021	127.15
85487	02927	TIM STERGER	02/18/2021	60.00
85488	91598	TCI BUSINESS CAPITAL	02/18/2021	3,358.32
85489	04290	VILLAGE NEWS, INC.	02/18/2021	200.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Total for 2/18/2021:				267,241.94
ACH	00152	FPUD EMPL ASSOCIATION	02/25/2021	465.00
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	02/25/2021	3,375.00
ACH	06758	US TREASURY - PAYROLL TAXES	02/25/2021	52,515.06
ACH	06759	STATE OF CA - PR TAXES	02/25/2021	7,893.63
ACH	06760	STATE OF CA - SDI	02/25/2021	2,524.23
ACH	06761	LINCOLN FINANCIAL GROUP	02/25/2021	7,298.03
ACH	06763	PERS - PAYROLL	02/25/2021	37,251.51
ACH	91508	CALIFORNIA STATE DISBURSEMENT	02/25/2021	346.15
ACH	00152	FPUD EMPL ASSOCIATION	02/25/2021	24.50
ACH	06758	US TREASURY - PAYROLL TAXES	02/25/2021	3,202.35
ACH	06759	STATE OF CA - PR TAXES	02/25/2021	572.41
ACH	06760	STATE OF CA - SDI	02/25/2021	130.17
ACH	06761	LINCOLN FINANCIAL GROUP	02/25/2021	402.80
ACH	06763	PERS - PAYROLL	02/25/2021	1,947.50
85491	06359	INFRASTRUCTURE ENGINEERING CO	02/25/2021	61,495.11
85492	01460	AFLAC	02/25/2021	857.64
85493	91163	AM Diesel INC.	02/25/2021	543.96
85494	91286	AMAZON CAPITAL SERVICES, INC.	02/25/2021	404.05
85495	91440	BP BATTERY INC	02/25/2021	336.05
85496	03134	CALIFORNIA WATER ENVIRONMENT	02/25/2021	582.00
85497	05179	AARON COX	02/25/2021	170.00
85498	91242	DATA MANAGEMENT, INC.	02/25/2021	2,835.00
85499	06762	DENALI WATER SOLUTIONS LLC	02/25/2021	16,812.02
85500	05192	DIAMOND ENVIRONMENTAL SERVIC	02/25/2021	225.90
85501	03391	ELECTRICAL SALES INC	02/25/2021	373.94
85502	06303	EXECUTIVE LANDSCAPE INC.	02/25/2021	2,400.50
85503	00169	FALLBROOK OIL COMPANY	02/25/2021	4,655.53
85504	04494	FEDERAL EXPRESS CORPORATION	02/25/2021	38.99
85505	01432	FERGUSON WATERWORKS #1083	02/25/2021	2,987.37
85506	91302	ALEX GALLOWAY	02/25/2021	100.00
85507	04958	GOSCH FORD TEMECULA	02/25/2021	561.47
85508	02170	GRAINGER, INC.	02/25/2021	249.98
85509	02767	GRANGETTO FARM & GARDEN SUPPI	02/25/2021	165.57
85510	03174	HAAKER EQUIPMENT COMPANY	02/25/2021	1,785.19
85511	05380	HACH CO	02/25/2021	9,342.00
85512	06359	INFRASTRUCTURE ENGINEERING CO	02/25/2021	4,975.50
85513	91172	INLAND KENWORTH (US) INC	02/25/2021	1,028.62
85514	05871	ITRON INC	02/25/2021	21,919.65
85515	04926	KONICA MINOLTA PREMIER FINANCE	02/25/2021	1,992.92
85516	UB*00375	JAMES MARTINEC	02/25/2021	208.00
85517	91561	MUNICIPAL SEWER TOOLS	02/25/2021	200.06
85518	91167	NORTH COUNTY FORD	02/25/2021	3,984.68
85519	06744	O.S.T.S. INC	02/25/2021	975.00
85520	91461	OCEANSIDE SECURITY AGENCY	02/25/2021	2,231.00
85521	91535	PAYMENTUS GROUP, INC	02/25/2021	2,870.14
85522	91007	PFM ASSET MANGEMENT LLC	02/25/2021	934.90
85523	91603	PREMIER ACCESS CONSULTING GRO	02/25/2021	675.00
85524	91298	R.F. MACDONALD CO., INC.	02/25/2021	650.00
85525	91598	TCI BUSINESS CAPITAL	02/25/2021	3,358.32
85526	01847	WATEREUSE ASSOCIATION	02/25/2021	1,070.00
85527	91276	WOLFE DOOR INDUSTRIES, INC.	02/25/2021	1,431.00
85528	91549	ZAK CONTROLS, INC.	02/25/2021	13,294.76
Total for 2/25/2021:				286,670.16



Check No	Vendor No	Vendor Name	Check Date	Check Amount
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Report Total (207 checks):

2,344,386.88



Jack Bebee

General Manager



# Advance Approval for Directors Attendance of Meetings



Jennifer DeMeo 3

Yesterday, 5:01 PM

Lauren Eckert ▾

↻ Reply all ▾

Inbox

You replied on 3/16/2021 5:08 PM.

Label: Inbox Policy (1 year) Expires: 3/16/2022 5:01 PM

This is to provide notification that I approved Directors to participate in a Cybersecurity Awareness training through TargetSolutions.

Jennifer DeMeo  
President, Board of Directors  
FPUD

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Dave Baxter

Director Name: \_\_\_\_\_

Name & Location of Function: ZOOM Meeting – CSDA Quarterly Meeting

Date(s) of Attendance: Thursday, February 18, 2021

Purpose of Function: Quarterly Meeting

Sponsoring Organization: California Special Districts

Summary of Conference or Meeting:

Met a great number of new Special District team members. Several are in new positions.

The groups discussed current legislation along with specific challenges their districts are facing with changing regulations, climate concerns, funding, etc.

Director Signature:  \_\_\_\_\_

Date: March 12, 2021

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

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

FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Don B. McDougal

Name & Location of Function: Sexual Harassment Training

Date(s) of Attendance: February 25, 2021

Purpose of Function: Mandatory Sexual Harassment Training

Sponsoring Organization: FPUD/Target Solutions

Summary of Conference or Meeting:

Completed mandatory Sexual Harassment training

Director Signature: Don B. McDougal

Date: 2/25/2021

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Don B. McDougal

Name & Location of Function: Ethics Training

Date(s) of Attendance: February 26, 2021

Purpose of Function: Mandatory Ethics Training

Sponsoring Organization: FPUD/Target Solutions

Summary of Conference or Meeting:

Completed mandatory Ethics training

Director Signature: Don B. McDougal

Date: 2/26/2021

*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.*

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: Online Target Solutions AB1234 Ethics Training

Date(s) of Attendance: March 8 – 9, 2021

Purpose of Function: Education

Sponsoring Organization: FPUD

Summary of Conference or Meeting:

Completed Required Ethics Training AB1234

Director Signature: *Jennifer DeMeo* Date: 03/11/2021

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Don B. McDougal

Name & Location of Function: Cyber Security Training On Line

Date(s) of Attendance: 3/15/2021

Purpose of Function: Ongoing Training

Sponsoring Organization: FPUD

Summary of Conference or Meeting:

I took the online Cyber Security Awareness Training offered by the  
district.

Director Signature: Don B. McDougal

Date: 3/15/2021

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