



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING

AGENDA

MONDAY, MARCH 27, 2017  
4:00 P.M.

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

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

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

**I. PRELIMINARY FUNCTIONS**

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

PUBLIC COMMENT

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

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

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

**A. APPROVAL OF MINUTES**

- 1. Regular Board Meeting of February 27, 2017

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

B. ADVANCE APPROVAL TO ATTEND MEETINGS

*Recommendation:* Staff supports Board direction.

III. **INFORMATION**----- (ITEMS C – E)

C. UPDATE ON METER SALES

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

E. UPDATE ON PARS STATEMENTS AND QUARTERLY PERFORMANCE

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

F. CLAIM FORM FOR PROPERTY DAMAGES

*Recommendation:* That the Board deny the Claim Form by Mr. Gary George for damages to asphalt and pipe located on his property and forward the Claim to the Association of California Water Agencies Joint Powers Insurance Authority for resolution.

G. BEAVERCREEK HOMEOWNER ASSOCIATION'S REQUEST FOR ROAD RESTORATION

H. REPLACEMENT OF LOADER

*Recommendation:* That the Board approve the purchase of a loader from Volvo Construction Equipment for \$110,171.32 in order to maintain reliable operation of the District and meet Air Pollution Control District requirements in accordance with the approved budget.

I. APPROVAL OF CHANGE ORDER #2 FOR THE 1 MG RESERVOIR RECOATING PROJECT

*Recommendation:* That the Board approve Change Order #2 for the 1 MG Reservoir Recoating project in the amount of \$32,300.15 and increase the total contract amount for Simpson Sandblasting and Specialty Coatings for this work to \$386,163.45.

J. VISTA DEL RIO 30-14-INCH CONNECTION PROJECT AWARD

*Recommendation:* That the Board authorize award of the Vista Del Rio 30-14 inch Connection Project to the apparent lowest responsible bidder of TK Construction, Inc. at an amount of \$148,000 if they are able to meet all District requirements.



K. AMI METER SERVICE REPLACEMENT PROGRAM, YEAR 3

*Recommendation:* That the Board approve the purchase of Badger meters (National Meter and Automation Inc.) per attached for \$297,777.90 (including sales tax) and Inland Water Works Supply Co. for 100W ERTs per attached for \$110,587.68 (including sales tax) in order to replace existing drive-by radio read meters that have reached the end of their useful life with fixed network AMI meters that will provide additional real time water usage monitoring tools for the District customers.

L. 2017 TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY  
RESOLUTION NO. 4909

*Recommendation:* That the Board adopt the attached Resolution No. 4909, adopting the Treasurer's Annual Statement of Investment Policy for 2017.

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

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

ADJOURN TO CLOSED SESSION

VI. **CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION  
INITIATION OF LITIGATION PER GC § 54956.9 (d)(4): ONE POTENTIAL  
CASE

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (As Necessary)

VII. **ADJOURNMENT OF MEETING**

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**DECLARATION OF POSTING**

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

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

3/23/17  
Dated / Fallbrook, CA

Mary Lou Boultinghouse  
Secretary, Board of Directors



**M E M O**

**TO:** Board of Directors  
**FROM:** Mary Lou Boultinghouse, Secretary *mb*  
**DATE:** March 27, 2017  
**SUBJECT:** Approval of Minutes

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Recommendation

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

1. Regular Board Meeting of February 27, 2017

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

**MINUTES**

MONDAY, FEBRUARY 27, 2017  
4:00 P.M.

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

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**I. PRELIMINARY FUNCTIONS**

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President Wolk called the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:05 p.m. A quorum was established with attendance as follows:

Board of Directors

Present: Milt Davies, Member  
Don McDougal, Member  
Charley Wolk, Member / President

Absent: Jennifer DeMeo, Member  
Al Gebhart, Member / Vice-President

District Staff

Present: Paula de Sousa Mills, General Legal Counsel  
Brian J. Brady, General Manager  
Jack Bebee, Assistant General Manager  
Mary Lou Boultinghouse, Secretary  
Jason Cavender, System Operations Manager  
Jamison Davis, Utility Worker II  
Noelle Denke, Public Affairs Specialist  
Kyle Drake, Collection Supervisor

Also present were others, including, but not limited to: Donna Gebhart.

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.



ADDITIONS TO AGENDA PER GC § 54954.2(b)

President Wolk removed Item K from the agenda for review by the Personnel Committee prior to consideration by the full Board.

APPROVAL OF AGENDA

MOTION: Director Davies moved to approve the agenda as revised, with the removal of Item K; Director McDougal seconded. Motion carried; VOTE:

AYES: Directors Davies, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Directors DeMeo and Gebhart

PUBLIC COMMENT

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

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

A. EMPLOYEE OF THE QUARTER FOR FEBRUARY 2017

1. Jamison Davis

The Board commended Jamison Davis for being chosen as the Employee of the Quarter for February 2017 by Todd Jester, the previous Employee of the Quarter. Mrs. Denke took a photograph of President Wolk congratulating Mr. Davis.

II. **CONSENT CALENDAR----- (ITEMS B – F)**

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

B. APPROVAL OF MINUTES

1. Regular Board Meeting of January 23, 2017
2. Special Board Meeting of January 30, 2017

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

- C. CONCURRENCE IN NOMINATION TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY AND ADOPTION OF RESOLUTION NOS. 4903, 4904, 4905, AND 4906

*Recommendation:* The Board adopt Resolution Nos. 4903, 4904, 4905, and 4906 concurring in the nomination to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority of Fred Adjarian of El Toro Water District, Paul E. Dorey of Vista Irrigation District ("VID"), Melody McDonald of San Bernardino Valley Water Conservation District, and Kathleen J. Tiegs of Cucamonga Valley Water District.

- D. ADOPT RESOLUTION NO. 4907 AMENDING ARTICLE 2, BOARD OF DIRECTORS, ORGANIZATION OF, OF THE ADMINISTRATIVE CODE

*Recommendation:* The Board adopt Resolution No. 4907 amending Article 2, Board of Directors, Organization of, of the Administrative Code with the proposed revisions.

- E. ADOPT RESOLUTION NO. 4908 AMENDING ARTICLE 3, CONFLICT OF INTEREST CODE, OF THE ADMINISTRATIVE CODE

*Recommendation:* The Board adopt Resolution No. 4908 amending Article 3, Conflict of Interest Code, of the Administrative Code with the proposed revisions.

- F. ADVANCE APPROVAL TO ATTEND MEETINGS

*Recommendation:* The Board approve in advance Directors' attendance to "Geomorphologic & Ecological Fundamentals of River & Stream Restoration," August 7-11, 2017, at Sagehen Creek Field Station near Lake Tahoe, California.

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

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

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

- G. LANDSCAPE MAINTENANCE DISTRICT, COUNTY OF SAN DIEGO PARKS & RECREATION DEPARTMENT UPDATE

Dr. Brady distributed a flyer announcing the March 17, 2017 Informational Workshop that will be held in the boardroom at 2 p.m. by the County of San Diego Parks and Recreation Department to determine the public's interest in establishing a



Landscape Maintenance District in the Fallbrook area. Dr. Brady reported District staff has been notifying stakeholders within the Fallbrook community of the Workshop to encourage attendance. A conference call has been scheduled with the Director of Parks and Recreation for Monday, March 6 to discuss the Workshop.

#### H. SANTA MARGARITA WATER SUPPLY PROJECT UPDATE

*Presented by: Jack Bebee, Assistant General Manager*

Mr. Bebee presented a slide show with an overview of the Santa Margarita Conjunctive Use Project ("CUP"). The CUP will divert water from the Santa Margarita River and recharge the water into the ground at facilities located on Camp Pendleton. Camp Pendleton will pump and deliver the water from its facilities to the District at the boundary. The District's facilities will include a treatment plant at the point of delivery and piping for transmission of the water into the District's distribution system. Mr. Bebee presented a matrix that illustrated anticipated water deliveries during "extreme drought" to "very wet" conditions and pointed out the CUP would also provide a transmission route for the delivery of water to Camp Pendleton during dry years. Mr. Bebee provided an update of the environmental work, application for state funding, agreement with Camp Pendleton, final design of the project, construction award, and timeline, and he noted finalization of the agreement with Camp Pendleton may take longer due to the federal approval process. A slide provided the CUP's cost estimates at \$45 million for the District and \$54 million for Camp Pendleton. Mr. Bebee concluded with a slide that reviewed tasks scheduled with initiation of construction for the District's facilities anticipated beginning in early 2018.

President Wolk invited Mrs. Donna Gebhart to provide public comments. Mrs. Gebhart provided an update on the condition of the Santa Margarita River trails following recent storm events.

#### I. UPDATE ON POTENTIAL SUPPLEMENTAL WATER SUPPLY (CADIZ PROJECT)

Dr. Brady presented a slide show with an overview of the Cadiz Valley Water Conservation, Recovery and Storage Project ("Project") located east of Twentynine Palms. The Project will intercept groundwater that migrates from the watershed to dry lake beds and eventually evaporates into the atmosphere. The Project will conserve water that would be lost to evaporation into the atmosphere, capture up to 50,000 acre feet of water per year that will be sold, and provide a facility for the storage of water. A 43-mile pipeline will connect the Project to the Metropolitan Water District of Southern California's (MWD) Colorado River Aqueduct for wheeling to Southern California agencies. Dr. Brady noted the Santa Margarita Municipal Water District has entered into an agreement with Cadiz for a one-tenth share and other agencies have also shown interest. The slide show concluded with a matrix comparing water costs of the Project, the San Diego County Water Authority, the CUP, and Lake Skinner.

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

**J. TRANSFER OF \$500,000 TO PARS FOR FY 17-18 LUMP SUM ANNUAL EMPLOYER PORTION OF CALPERS UNFUNDED LIABILITY**

*Recommendation: The Board authorize staff to move \$500,000 to PARS to prefund the FY 17-18 lump sum portion of the CalPERS Unfunded Liability.*

Dr. Brady reported the Fiscal Policy & Insurance Committee met to review the 2017-18 Annual CalPERS Valuation Report that summarizes the actual Employer Normal Cost Rate and Unfunded Liability. The report indicated the annual lump payment for 2017-18 would be \$593,281; but if paid before August 1, 2017, the payment is reduced by 3.5% to \$572,516.

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

AYES: Directors Davies, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Directors DeMeo and Gebhart

Item K was removed by President Wolk prior to the Approval of the Agenda.

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

1. General Legal Counsel

- Mrs. de Sousa Mills provided an overview of bills affecting special districts.
- Mrs. de Sousa Mills attended the California Special Districts Association San Diego Chapter dinner meeting on February 16, 2017, where Scott Barnett of the Little Hoover Commission provided a presentation on special districts.

2. SDCWA Representative/General Manager

- Dr. Brady reported that AB 1323, introduced by Assembly Member Weber, would require the Department of Water Resources to convene a stakeholder workgroup with prescribed representatives invited to participate no later than February 1, 2018. The legislation would provide the opportunity for others to participate in making recommendations concerning water use targets.
- Dr. Brady reported that AB 1667, introduced by Assembly Member Friedman, would require urban water suppliers to install dedicated landscape water meters on all municipal and industrial service connections before January 1, 2025.



- Dr. Brady inquired if there was interest by board members in nomination to the California Special Districts Association. No members of the Board of Directors expressed interest in nomination.
3. Administrative Services Manager/Treasurer
  4. Assistant General Manager
  5. Public Affairs Specialist
  6. Director Comments/Reports on Meetings Attended
    - Director McDougal thanked staff for assisting a ratepayer who lives in the Sandia Creek area.

**VI. ADJOURNMENT OF MEETING**

There being no further business to discuss, President Wolk adjourned the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District at 5:59 p.m.

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

ATTEST:

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

**M E M O**

**TO:** Board of Directors  
**DATE:** March 27, 2017  
**SUBJECT:** Advance Approval to Attend Meetings

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Purpose

To authorize Directors' attendance, travel, and expenses to an event requiring advance approval by the Board of Directors.

Summary

Compensation for attendance and reimbursement for expenses at other occasions, events, or meetings related to District business, other than those listed in Article 2.12 of the Administrative Code, shall be determined by the Board of Directors in advance.

In addition, Article 12.1.3 (1) provides that travel associated with the attendance of meetings or functions for Directors shall be approved in advance by the Board of Directors at a regular meeting under "Advance Approval to Attend Meetings."

Director Gebhart has requested approval of his attendance to the following:

1. "So You Want to Be a General Manager"
  - When: June 25, 2017
  - Where: Hyatt Regency, Newport Beach, California
  - Registration fee: \$100
  
2. "2017 General Manager Leadership Summit"
  - When: June 26-27, 2017
  - Where: Hyatt Regency, Newport Beach, California
  - Registration fee: \$625 on or before May 26; \$675 after May 26
  - Mileage: Approximately \$75
  - Lodging (3 nights): Approximately \$550
  - Meals (3 dinners; 3 breakfasts): Approximately \$150

The total cost for both events is approximately \$1,500 to \$1,600.

Recommended Action

Staff supports Board direction.

# SCHEDULE

*at a glance*

## SUNDAY, JUNE 25, 2017

- 8:00 a.m. – 4:00 p.m. So You Want to Be A General Manager? Workshop (separate registration and payment required)
- 5:30 – 7:00 p.m. Ask the Legal Experts
- 5:30 – 7:00 p.m. Welcome Reception with the Exhibitors and Registration

## MONDAY, JUNE 26, 2017

- 8:00 a.m. Conference Registration Opens
- 8:00 – 9:00 a.m. Continental Breakfast with Exhibitors
- 9:00 – 10:30 a.m. KEYNOTE: Get It On! What It Means to Lead the Way
- 10:45 a.m. – 12:00 p.m. BREAKOUT SESSIONS: How Special District Leaders Build a Winning Team; Practical Advice for Special District Leaders for Handling Board Disputes; Energy Project Financing
- 12:00 – 1:15 p.m. Networking Lunch with Exhibitors
- 1:30 – 3:00 p.m. BREAKOUT SESSIONS: How Your Board Can Set Clear Direction; Officials and Staff Personal Devices; Power of the Pen: How Leaders Create Effective Documentation in The Workplace
- 3:00 – 3:30 p.m. Break and Networking with the Exhibitors
- 3:30 – 4:30 p.m. BREAKOUT SESSIONS: GM Innovations: Making Good Technology Decisions for Your District; Special District Leader's Guide to Prevailing Wage Updates; Development of Board Governance Guidelines
- 4:45 – 6:30 p.m. Food & Wine Experience Reception

## TUESDAY, JUNE 27, 2017

- 8:00 – 9:00 a.m. Continental Breakfast with Exhibitors
- 9:00 – 10:15 a.m. KEYNOTE: Communication 360 Starts with YOU!
- 10:30 a.m. – 12:00 p.m. BREAKOUT SESSIONS: The Balance of Interagency Relationships; GM Toolbox: Doing Business Contracts Yourself with Confidence; How Leaders Integrate Board Planning, Agency Direction and Even their Own Evaluation
- 12:00 – 1:15 p.m. Networking Lunch
- 1:30 – 2:45 p.m. BREAKOUT SESSIONS: Employment Relationships: What Every CalPERS Employer Should Know; Succession Planning: Be on the Crest of the Baby Boomer Wave; Disruptive Behavior at Board Meetings
- 3:00 – 4:00 p.m. Closing Session: State Capitol Insights for District Leaders
- 4:00 p.m. Event Concludes





**LOCATION**  
getting to  
newport beach

## Hyatt Regency Newport Beach



**HYATT REGENCY NEWPORT BEACH**

1107 Jamboree Road  
Newport Beach, CA 92660

Book your room early by calling 1-888-421-1442 and asking for the CSDA rate! Room Rate: \$179 plus tax includes complimentary self-parking. The room reservation cut-off is May 24, 2017, however room space is limited and is expected to sell out before that date.



**GETTING TO NEWPORT BEACH**

Newport Beach is located on the Orange County coast of Southern California, nestled between Los Angeles and San Diego and within close proximity to other major cities and attractions. The most convenient way to get around the city is by car. The Hyatt Regency Newport Beach offers complimentary transportation between the hotel and John Wayne/Orange County Airport. Contact the hotel for schedule details at 949-729-1234.



**BRING A GUEST!**

Guest Fee (cannot be from a district or a company that does business with districts): Includes Welcome Reception, Continental Breakfast on Monday and Tuesday, and Food & Wine Experience on Monday.

*Not sure if you are a member? Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the many benefits of CSDA membership contact Member Services Director Cathrine Lemaire at cathrinel@cstda.net or 877-924-2732.*

### REGISTRATION FEES

**Early Bird (on or before May 26, 2017):**

|                        |       |
|------------------------|-------|
| Member                 | \$625 |
| Non-member             | \$940 |
| Guest of a CSDA Member | \$185 |
| Guest of a Non-member  | \$280 |

**Pre-Conference workshop**

|                                      |       |
|--------------------------------------|-------|
| So You Want to Be A General Manager? | \$100 |
|--------------------------------------|-------|

**Regular (after May 26, 2017):**

|                        |        |
|------------------------|--------|
| Member                 | \$675  |
| Non-member             | \$1015 |
| Guest of a CSDA Member | \$210  |
| Guest of a Non-member  | \$315  |

**Pre-Conference workshop**

|                                      |       |
|--------------------------------------|-------|
| So You Want to Be A General Manager? | \$100 |
|--------------------------------------|-------|





## PROGRAM

designed  
specifically for you

### Sunday, June 25, 2017

8:00 a.m. – 4:00 p.m.

#### Special Pre-Conference Workshop: So You Want to Be a General Manager?

This is a practical career development workshop for senior executives and emerging leaders in special districts. This action-oriented workshop includes group and panel discussions on the journey, roles, and skill sets of a general manager; identifying general manager opportunities; developing positive relations with the board, staff, and peer agency executives; and leadership practices.

*Separate registration and payment required. Space is limited and on a first-come, first-served basis.*

5:30 – 7:00 p.m.

#### Ask the Legal Experts

*Sponsored by Richards Watson Gershon*

Do you have a pressing legal question? Now is your chance to get it answered! Drop in for this informal opportunity to chat with attorneys from Richards | Watson | Gershon and get no-cost legal advice.

“*The GM Summit was outstanding!  
The sessions were professionally  
presented and all of them delivered  
what was promised.*”

CHARLIE HELMS, CEO/HARBORMASTER, CRESCENT CITY HARBOR DISTRICT

5:30 – 7:00 p.m.

#### Welcome Reception with the Exhibitors and Registration

Come enjoy refreshments and networking with your fellow attendees and exhibitors. Embrace the Newport Beach lifestyle – feel the ocean breeze, don your favorite Hawaiian shirt, and kick back as you listen to Jimmy Buffet inspired tunes from our guitarist Bryce.





# Monday

## PROGRAM

a variety of breakout  
session options

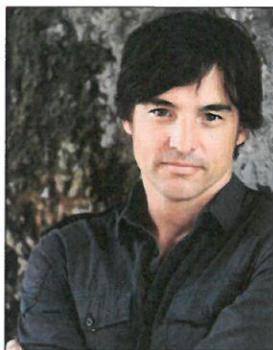
## Monday, June 26, 2017

8:00 a.m.

Conference Registration Opens

8:00 – 9:00 a.m.

Continental Breakfast with Exhibitors



9:00 – 10:30 a.m.  
OPENING KEYNOTE

### Get It On! What It Means to Lead the Way

*Keni Thomas, U.S. Army Ranger  
Veteran of "Black Hawk Down"  
Mission*

The Ranger motto is Rangers Lead the Way. Leadership is the core of every skill developed as a Ranger. Leadership is not a position but rather an example set by every Ranger.

Whether approaching the beaches of Normandy or the mountain ranges of Afghanistan, the world is made better when leadership is owned by each member of the team.

Keni Thomas' stories of Task Force Ranger are extraordinary examples of leadership. And, the stories are not about Generals, Colonels or Captains. For example, Private David Floyd was in charge of one person that day - himself. But his leadership saved lives.

In the pace of life, it is easy to lose perspective on our value to others. Make no mistake: Your presence is crucial! The individuals to the left and right are directly affected by the result of your actions. Each team is a puzzle with invaluable pieces. Keni Thomas helps attendees see themselves in the light of extraordinary. It is a choice made by many each day to impact those around them.

It is the ultimate definition of LEADING THE WAY!

10:45 a.m. – 12:00 p.m.

BREAKOUT SESSION OPTIONS

### Purpose & Productivity: How Special District Leaders Build a Winning Team

*Erin Gihuly and Nick Janes, CV Strategies*

Maximize productivity and foster stronger bonds in your district. This interactive session focused around building a winning team features collaborative exercises, real-time feedback, and actionable insight.

### Crisis Mode: Practical Advice for Special District Leaders for Handling Board Disputes

*Thomas Rice and John Brown, Best Best & Krieger LLP*

Public sector group dynamics, especially amongst elected officials, are constantly changing. When it comes to Boards of Directors, changing composition, political disputes and personality clashes can distract from public business, damage a public agency's image and in some cases, can even result in litigation. This session provides practical advice for handling Board conflicts while staying within the limitations of law.

### Creating a Powerful Combination: Energy Project Financing

*Nicki Tallman - Brandis Tallman, Bill Morton – Municipal Finance, and Michael Kerkorian – Utility Cost Management*

Agencies all over the state are looking for sustainable ways to manage their energy load and reduce costs. The CSDA Finance Corporation has put together a panel of financing consultants and industry experts to discuss the different techniques for evaluating, financing, and implementing your district's energy efficiency/renewable project. Topics covered will include common pitfalls to avoid when analyzing projects, as well as financing through traditional tax-exempt leases, clean renewable energy bonds (CREBS), and rebate programs.

Sponsored by



CSDA  
Finance Corporation

12:00 – 1:15 p.m.

Networking Lunch with Exhibitors



“CSDA's General Manager's Leadership Summit was a great opportunity to network with special district leaders from throughout the state, most with similar issues to our district.”

BRET BANKS, OPERATIONS MANAGER, ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

1:30 – 3:00 p.m.

**BREAKOUT SESSION OPTIONS**

**How Your Board Can Set Clear Direction and Build Your District's Future Around Its Core Priorities**

*Martin Rauch, Rauch Communication Consultants*

Whether you call it identifying priorities, building consensus or strategic planning, every Board should map out clear direction around the District's core priorities. Setting direction and clear priorities is a core Board responsibility that will guide your District to resolve key challenges and take advantage of important opportunities. This session will provide examples and tips on how the best Districts develop and implement core priorities. There will be opportunities for questions, answers and engagement among the participants and the seminar leader.

**Officials and Staff Personal Devices - When are the Contents on Your Personal Device a Public Record?**

*Joan Smyth and Edward Kang, Kane Ballmer & Berkman*

Many public officials and staff have personal devices – smart phones and tablets. Many of us use multiple devices. The question for a governmental agency and its officers/employees is, when is what we place on our personal device subject to disclosure under a Public Records Act Request?

**Power of the Pen: How Leaders Create Effective Documentation in The Workplace**

*Kelly Trainer and Traci Park, Burke, Williams & Sorensen, LLP*

Discussion on the creation of effective documentation for performance evaluations and discipline that will be effective in communicating to the employee and defending the district's actions.

3:00 – 3:30 p.m.

**Break and Networking with Exhibitors**

3:30 – 4:30 p.m.

**BREAKOUT SESSION OPTIONS**

**GM Innovations: Making Good Technology Decisions for Your District**

*Sloane Dell'Orto and Mac Clemmens, Digital Deployment*

If you don't have the budget to hire a consulting firm to help determine priorities when making decisions about technology adoption, or you'd just like to understand the process better so that you can choose a good partner / vendor, this session is for you. The folks from Digital Deployment will lay out a discovery process that includes identifying "audiences" (or stakeholders); getting to the "why" of what you're hoping to accomplish; and methods to clearly identify what is required for a successful adoption of any new system you're considering. What are the thresholds that require going out to RFP, and what's the easiest way to develop an RFP? Whether it's new technology for email, customer tracking, invoicing, or your website, this session will give you the tools to make good decisions when it comes to choosing technology.

**Special District Leader's Guide to Prevailing Wage Updates**

*Deborah Wilder, Contractor Compliance and Monitoring*

Prevailing wage law in California is ever changing, come get the latest update on recent changes to the following: Review of thresholds for compliance; Exempt work- Agency staff, volunteers, CCC and students; and Concrete Deliveries covered by prevailing wage.

**Development of Board Governance Guidelines: Ensuring Smooth Operations and Avoiding Liability**

*Dennis Timoney, SDRMA*

The development of Board policy it is critical for the Board to understand the legal duty of governance as specified in the Government Code. Discussion regarding the General Manager's role is creating policy language for Board operations in line with California Government Coded language. Discussions will include specific statutory language found in California Special District law on Board organization and legislative duty.

**FOOD AND WINE**  
*Experience Reception*

**Monday, 4:45 – 6:30 p.m.**

Join us for a food and wine sampling, prepared by the Hyatt Regency Newport Beach culinary team. We will keep our country inspired vibe from this morning's keynote, Keni Thomas, going with food and entertainment with a country twist.

Sponsored by  SDRMA



# PROGRAM

a variety of breakout  
session options

## Tuesday, June 27, 2017

8:00 – 9:00 a.m.

Continental Breakfast with Exhibitors



**9:00 - 10:15 a.m.**  
**GENERAL SESSION KEYNOTE**  
**Communication 360 Starts with YOU!**

*Michael Grabow, CPS HR Consulting  
Sponsored by the Special District  
Leadership Foundation (SDLF) and CPS  
HR Consulting*

Communication 360 starts with you. Today too many people communicate with 180 degree forms of communication - the dump and run. If

we desire to be fully effective in the things we do, we must choose to listen. In this session we will work on listening, mastering feedback, communicating within all channels at work, and understanding the situational awareness in any communication. Timing of when and what to say can be the difference between being seen as a contributor or simply a distraction.



FOR GENERAL MANAGERS AND TOP MANAGEMENT  
**SPECIAL DISTRICT ADMINISTRATOR  
CERTIFICATION**

Learn more about this program and how to become a certified leader in special districts on the following page!

The General Manager Leadership Summit qualifies for 16 hours of continuing education toward the SDA Certification.

10:30 a.m. – 12:00 p.m.

**BREAKOUT SESSION OPTIONS**

**The Balance (and Value) of Interagency Relationships**

*William Curley, Lozano Smith*

The realities of governance in today's marketplace often make understanding how the other local agencies you interact with "really" work as a valuable resource and assist you in accomplishing your goals. The delicate balance of stretching budgets, maximizing your assets, sharing services and contracting options is often underutilized and undervalued. Strategic coexistence with various agencies can benefit you economically and streamline processes. Conducted by a leading statewide law firm that uniquely represents special districts, municipalities and school districts, this workshop helps you better understand novelties and value of interagency relationships.

**The GM Toolbox: Doing Business Contracts Yourself with Confidence**

*Heather DeBlanc, Liebert Cassidy Whitmore*

Our districts frequently conduct business with third parties and need the proper building blocks to protect themselves from potential legal liability and financial risks. This interactive session will teach the meaning of those legal contract provisions so you can understand the potential legal exposure your district may have under a contract. You will receive a checklist and sample language that best protects your district when negotiating a contract. We will also discuss what to do when the third party refuses to negotiate. You will leave this session armed with the resources to confidently negotiate your own business contract.

**Making the Pieces Fit: How Leaders Integrate Board Planning, Agency Direction, and Even their Own Evaluation**

*Brent Ives, BHI Management Consulting*

So much of what you do as General Managers is integrated. A plan for putting them all together allows for you and your Board to develop and keep CLARITY... THE key word in management. The presenter will share how it all fits as well as how it also fits in with his recently published book, *Fifty-Two Ways to be a Better Board*. This breakout session is critical for your long-term success as a GM.

12:00 – 1:15 p.m.

**Networking Lunch**





*It was a fantastic experience. I was not only able to network with other District Managers, but had the opportunity to meet staff from both CSDA and SDRMA. The conference was well planned, informative and fun. All of which are important.*

ANN WILLMANN, GENERAL MANAGER, FEATHER RIVER RECREATION AND PARK DISTRICT

**1:30 – 2:45 p.m.**

**BREAKOUT SESSION OPTIONS**

**Employment Relationships: What Every CalPERS Employer Should Know**

*Renee Ostrander, CalPERS*

This session provides information on CalPERS employment relationships including retired annuitants and independent contractors. You'll learn the differences between types of employees that may work at your agency and how to ensure you are in compliance with the current retirement laws.

**Succession Planning: Be on the Crest of the Baby Boomer Wave**

*Kevin Hardy, Koff & Associates*

Today succession planning is more critical than ever. For years, the retirement of the baby boom generation has been a looming economic threat. How many agencies are experiencing the retirement and/or resignation of employees from key or leadership positions and what is the impact? This session will guide you in the development of a succession planning strategy to deal with these issues and to ensure the sustainability of your agency. After attending this session, you will be able to: Understand the benefits of succession planning strategy; Identify the need for a strong succession planning strategy for your agency; and Outline the planning process for developing your own strategy.

**Disruptive Behavior at Board Meetings: Balancing the Constitutional Rights of Citizens with the Duty to Conduct Meetings in an Orderly Manner**

*Sean DeBurgh and Scott Huber, Cota Cole & Huber LLP*

Board Members and District Staff are occasionally required to address the disruptive behavior of citizens during Board Meetings. This session will address what pitfalls to avoid in dealing with disruptive parties and what are the more legally defensible options for maintaining order at meetings.

**3:00 – 4:00 p.m.**

**CLOSING SESSION**

**State Capitol Insights for District Leaders**

*Kyle Packham, CSDA Advocacy and Public Affairs Director*

A mid-year, executive-level update on the most significant advocacy and public affairs issues facing special districts in the State Capitol. Learn about the challenges facing special districts, including the opportunities ahead and the threats lurking from behind.

**4:00 p.m.**

Event Adjourns

SDLF



**SPECIAL DISTRICT LEADERSHIP FOUNDATION**



FOR GENERAL MANAGERS AND TOP MANAGEMENT

**SPECIAL DISTRICT ADMINISTRATOR CERTIFICATION**

**Become a Certified Leader in Special Districts**

The Special District Administrator (SDA) Certification is a voluntary designation sought by individuals who strive to be the best in their field. Administrators with various academic and professional backgrounds can be candidates for the program.

The certification examination and study guide were developed through the participation of over 100 volunteer subject matter experts who know about special district administration. Guided by the SDLF Board, Certification and Audit Advisory Committee and under direction by a professional examination development firm, this certification gives successful candidates recognition unmatched by any other program.

The two-hour exam covers all key aspects of special district administration including: governance, legal requirements, policy development, ethics in public service, strategic planning, public finance, and more. To find out the requirements for taking the Special District Administrator examination visit [www.sdlf.org](http://www.sdlf.org) or call 916-231-2939.

The General Manager Leadership Summit qualifies for 16 hours of continuing education toward the SDA Certification.



**REGISTER**  
one form per registration

**Three Ways to Register**

- **ONLINE** by visiting the General Manager Leadership Summit website at [gmsummit.csda.net](http://gmsummit.csda.net).
- **FAX:** 916-520-2465, all faxed registration forms must include credit card payment.
- **MAIL:** CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. Include registration form and payment. Check should be made payable to: California Special Districts Association.

|   |       |   |                   |
|---|-------|---|-------------------|
| Name:   |       | Title:  |                   |
| District:   |       |   |                   |
| Address:  |       |   |                   |
| City:   |       | State:  | Zip:              |
| Phone:  |       | Email:  |                   |
| <input type="checkbox"/> Member <input type="checkbox"/> Non-member   |       | Vegetarian/Any Special Needs                              |                   |
| Emergency Contact - Name & Phone:   |       |   |                   |
| <b>REGISTRATION FEES</b>  |       |   |                   |
| <b>EARLY BIRD (ON OR BEFORE MAY 26)</b>   |       | <b>REGULAR (AFTER MAY 26)</b>                             |                   |
| <input type="checkbox"/> CSDA Member  | \$625 | <input type="checkbox"/> CSDA Member                      | \$675             |
| <input type="checkbox"/> Non-member   | \$940 | <input type="checkbox"/> Non-member                       | \$1015            |
| <input type="checkbox"/> Guest of a CSDA Member   | \$185 | <input type="checkbox"/> Guest of a CSDA Member           | \$210             |
| <input type="checkbox"/> Guest of a Non-member  | \$280 | <input type="checkbox"/> Guest of a Non-member            | \$315             |
| <input type="checkbox"/> So You Want to Be a GM? Workshop   | \$100 | <input type="checkbox"/> So You Want to Be a GM? Workshop | \$100             |
| <b>PAYMENT</b>  |       |   | <b>Amount Due</b> |
| <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover <input type="checkbox"/> American Express  |       |   | \$                |
| Acct. Name:   |       | Acct. Number:   |                   |
| Expiration Date:  |       | Authorized Signature:                                     |                   |
| <b>SPECIAL NEEDS - INCLUDING DIETARY</b>  |       |   |                   |
| <input type="checkbox"/> Vegetarian <input type="checkbox"/> Other:   |       |   |                   |
| <b>Cancellations/Substitution Policy: Cancellations must be in writing and received by CSDA no later than June 2, 2017. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after June 2, 2017. Substitutions are acceptable and must be done in writing no later June 16, 2017. Please submit any cancellation notice or substitution request to <a href="mailto:meganh@csda.net">meganh@csda.net</a> or fax to 916-520-2465.</b> |       |   |                   |

“ *A well-organized conference with excellent keynote speakers combined with engaging and relevant breakout sessions focused on General Managers and wrapped with a beautiful location...* ”

JEFFERY KINGSTON, GENERAL MANAGER, SAUSALITO-MARIN CITY SANITARY DISTRICT

## MEMO

**TO:** Board of Directors  
**FROM:** Jeff Marchand, Engineering Supervisor *JM*  
**DATE:** March 27, 2017  
**SUBJECT:** Update on Meter Sales

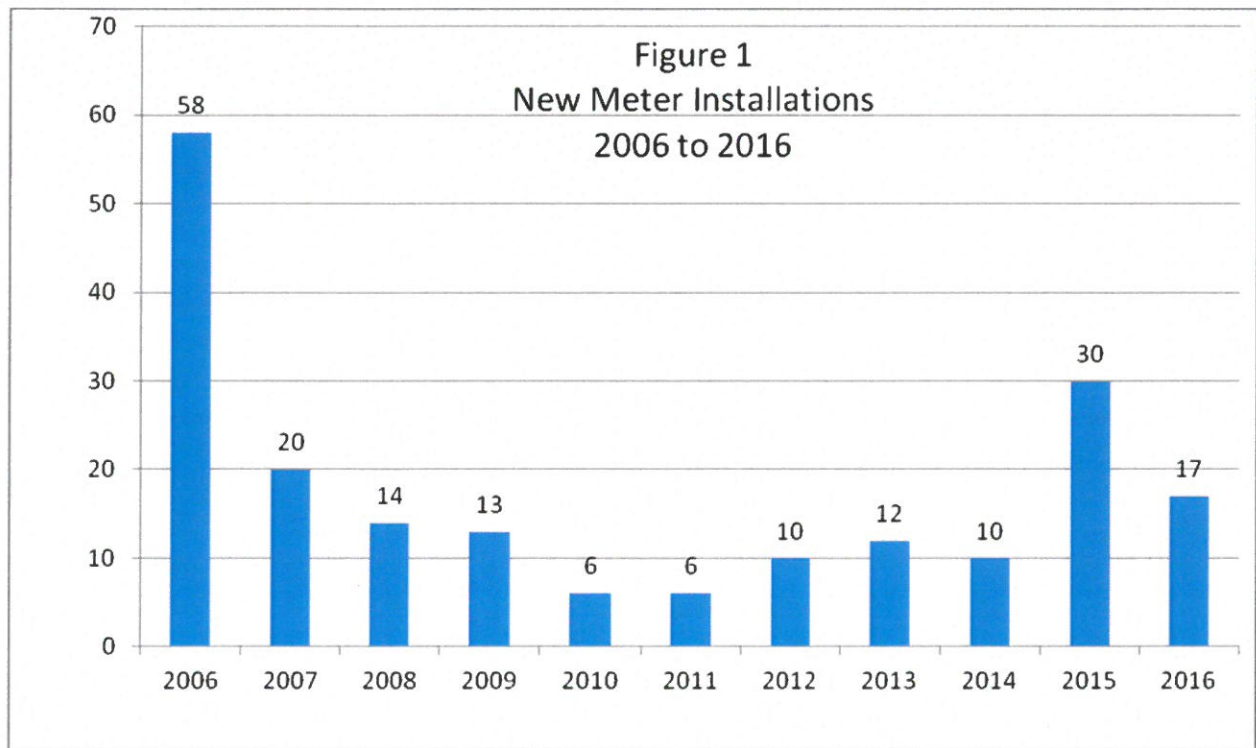
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Purpose

Update the Board on the current sales of water meters.

Summary

The installation of new water meters closely follows the pace of new development. The number of new meters installed soared during the housing boom that peaked in 2006 and dropped after the mortgage crisis of 2008 as shown in Figure 1.



Over the last 5 years the average number of meter installations was 15 meters per year. This pace has picked up slightly over the last 2 years and is expected to continue slowly until an increase in the sales price of new homes can support the cost of construction.



Development of sub-divisions maps have continued.

Projects that are planned, but have not started construction:

- Peppertree Unit 7 & 8 – 50 Lots
- Dougherty Grove – 28 Lots
- Gray Rabbit Hollow – 10 Lots

Projects that have started planning:

- Pacific Estates – 22 Lots
- McCormick, Sunnycrest and Winterhaven – 22 Lots

### Conclusion


There is developable land and developers are trying to develop it, but the sale price of new homes can not currently support the cost of new construction. Therefore, the increase in the installation of new water meters will continue slowly.

### Recommended Action

Information item only no Board action required

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## MEMO

**TO:** Board of Directors  
**FROM:** Marcie Eilers, Administrative Services Manager   
**DATE:** March 27, 2017  
**SUBJECT:** Update on PARS Statements and Quarterly Performance

---

Purpose

To update the Board on the status of the PARS monthly statements and quarterly performance as requested by the Fiscal Policy & Insurance Committee.

Summary

The District moved \$836,000 to PARS in February 2017. \$736,000 went into the Other Post Employment Benefits (OPEB) bucket and the remaining \$100,000 into the CalPERS bucket. Staff contacted PARS to check on status of monthly statements and was informed that monthly statements are available 35 days after the close of the month. The February statement will be available on April 5, 2017 and will be put into the April agenda packet.


Additionally, at the request of the Fiscal Policy & Insurance Committee, PARS will present a quarterly update of the performance of the two investment buckets. Staff will coordinate PARS and PFM so that both agencies are presenting at the same Fiscal Policy & Insurance Committee meeting. The first quarterly update by PARS will be as of June 30, 2017.

Recommended Action

This item is for information purposes only, and no action is required.



## M E M O

**TO:** Board of Directors  
**FROM:** Larry Ragsdale, Safety & Risk Administrator   
**DATE:** March 27, 2017  
**SUBJECT:** Claim Form for Property Damages

---

Purpose

To review a Claim Form for property damages filed by Mr. Gary George.

Summary

On February 23, 2017, Mr. George filed a Claim Form for damages to asphalt and pipe located on his property. Mr. George alleged that District staff drove over the area where he had placed a traffic cone, indicating where a drain pipe was located, crushing the pipe and damaging his asphalt following delivering of a Temporary Water Shut Off on February 9, 2017.

District staff provided statements concerning Mr. George's allegations, which are attached for the Board's information.

Recommended Action

That the Board deny the Claim Form by Mr. Gary George for damages to asphalt and pipe located on his property and forward the Claim to the Association of California Water Agencies Joint Powers Insurance Authority for resolution.

2-13-17

On Thursday February 9<sup>th</sup> I instructed Donald Parker to deliver water shutoff notices to the homes on North Stagecoach Lane and surrounding areas. We were informing customers of our intended scheduled repairs on February 14<sup>th</sup> replacing 60 feet of 20" pipeline on Bund lane.

On February 13<sup>th</sup> Larry Ragsdale informed me that a customer had called the district claiming one of our service trucks damaged his property. Larry and I visited the site at [REDACTED]

Once on site I recognized this was the same location Kyle Drake and I had visited in mid December. Kyle received a call from Mr. George claiming we had caused damage in the canyon below his home when we drained the 20" mainline for repairs over the past few months. Mr. George stated the run off in the canyon below was causing the slope at the front of his property to fail, creating damage to the asphalt driveway. I inspected the driveway and slope, (also in the same location as the currently claimed drain pipe damage).

At that time I explained to Mr. George the water we drained into the canyon followed the same path as storm water runoff and contained no more volume than a typical rain storm. I explained he would need to file a claim with the district if he felt otherwise.

After inspecting the site again with Larry Ragsdale on February 13<sup>th</sup> I see no further damage to the asphalt or storm drain pipe than was present previously. I closely inspected the asphalt and see no signs of fresh cracking or newly exposed edges. I also inspected the metal storm drain pipe and again see no evidence of newly caused damage or clean steel from recent cracking. My observation is the metal pipe has several holes throughout and decomposing.

I have spoken with both Austin Wendt and Donald Parker who were delivering the shutdown notices on February 9<sup>th</sup>. They both believe they did not run over the storm pipe.



Steve Stone,  
Construction Supervisor

February 21, 2017

Around the middle of December 2016, I was transferred a call from the front office from a Mr. George at [REDACTED]. He was complaining that all the water that was lost from a water leak on our 20" main had cause erosion at the bottom of his property. I talked to supervisor Steve Stone about the leaks and told him about the concerns of Mr. George. We went in Steve's truck to look the situation over and talk to the customer. As we drove down the customer's driveway, I noticed an orange cone of to the right hand side of the driveway near the parking area of the house. I looked down to see why it was there and I saw an opening of a storm drain and the end of the pipe was squashed down. It looked like it was rotten and had been run over.

We met with Mr. George and looked at what he was concerned with and told him that was a natural runoff for storm water and that any of the water that came from the pipe drainage would flow there no different than when it rained. There were some cracks in his asphalt, but they looked like they had been there for awhile. We told him that there was nothing we could do for him and then left.



Kyle Drake  
Collections Supervisor





# 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>  | Claimant name, address ( <b>mailing</b> address if different), phone number, social security number, and date of birth.<br>Name: Gary George <span style="float: right;">Phone Number: [REDACTED]</span><br>Address(es): [REDACTED]<br>Fallbrook, CA<br>Social Security Number: I do not submit SS# for this type of inquiry <span style="float: right;">Date of Birth: Why is this needed?</span>  |
| <b>2</b>  | List name, address, and phone number of any witnesses.<br>Name:<br>Address:<br>Phone Number: (     )  |
| <b>3</b>  | List the <b>date, time, place, and other circumstances</b> of the occurrence or transaction, which gave rise to the claim asserted.<br>Date: 2/9/17 <span style="margin-left: 50px;">Time: 11:45am</span> <span style="margin-left: 50px;">Place: Address listed above</span><br>Tell What Happened (give complete information):<br><p>On 2/9/17 around 11:45 a FPUD employee delivered a Temporary Water Shut Off notice to my home at [REDACTED] When he left he backed up over a traffic cone I had set up to indicate where a drain pipe was located. Unfortunately, he damaged my asphalt and crushed the pipe.</p> <p>I am certain that it was your employee because I had returned from taking my dogs for a walk 5 minutes before he arrived and the cone was in place and right after he left I took my trash out and it was laying on its side.</p> <p style="text-align: center;"><i>NOTE: Attach any photographs you may have regarding this claim.</i></p> |
| <b>4</b>  | 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.<br>I have not gotten any repair estimates yet because I am unsure of the claim process.<br>What do you need?   |
| <b>5</b>  | Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.   |
| <b>6</b>  | 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.<br>UNKNOWN BUT WILL BE LESS THAN \$10,000   |
| Date: 2/23/2017 <span style="margin-left: 50px;">Time: 5:00pm</span> <span style="margin-left: 50px;">Signature: Gary George</span> |   |
| <b>ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT!</b>                                       |   |

# 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>  | Claimant name, address (mailing address if different), phone number, social security number, and date of birth.  |
|   | Name: Gary George Phone Number: [REDACTED]   |
|   | Address(es): [REDACTED]  |
|   | Fallbrook, CA  |
|   | Social Security Number: I do not submit SS# for this type of inquiry Date of Birth: Why is this needed?  |
| <b>2</b>  | List name, address, and phone number of any witnesses.   |
|   | Name:  |
|   | Address:   |
|   | Phone Number: ( )  |
| <b>3</b>  | List the <b>date, time, place, and other circumstances</b> of the occurrence or transaction, which gave rise to the claim asserted.  |
|   | Date: 2/9/17 Time: 11:45am Place: Address listed above   |
|   | Tell What Happened (give complete information):  |
|   | On 2/9/17 around 11:45 a FPUD employee delivered a Temporary Water Shut Off notice to my home at [REDACTED] When he left he backed up over a traffic cone I had set up to indicate where a drain pipe was located. Unfortunately, he damaged my asphalt and crushed the pipe.<br><br>I am certain that it was your employee because I had returned from taking my dogs for a walk 5 minutes before he arrived and the cone was in place and right after he left I took my trash out and it was laying on its side.<br><br><b>NOTE: Attach any photographs you may have regarding this claim.</b> |
| <b>4</b>  | 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.   |
|   | I have not gotten any repair estimates yet because I am unsure of the claim process.<br><br>What do you need?  |
| <b>5</b>  | Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.  |
|   |  |
| <b>6</b>  | 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.  |
|   |  |
|   |  |
|   |  |
| Date: 2/13/2017 Time: 5:00pm Signature: Gary George   |  |
| <b>ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT!</b> |  |



## Larry Ragsdale

---

**From:** Larry Ragsdale  
**Sent:** Thursday, February 23, 2017 9:01 AM  
**To:** [REDACTED]  
**Subject:** RE: Property Damage

Mr. George,

Sorry for the delay I've been out of the office, I have reviewed your claim and unfortunately we regret to inform you that the claim you filed with Fallbrook Public Utility District is insufficient.

Your claim received on February 10, 2017 failed to substantially comply with the California Government Code §910, §910.2, §910.4 and/or §910.8. It was insufficient for failing to provide the following information:

The amount claimed is less than \$10,000 and a basis for the damages has not been presented:

You may place "Unknown" in this section or you may put a dollar amount claimed and the basis for computing the amount.

If you believe claimed is over \$10,000, no dollar amount shall be included in the claim, however you must indicate whether jurisdiction over the claim rests in municipal or superior court.

You may correct the insufficiency by filing an amended claim supplying the missing information listed above. You have 15 days after the date of this email or six (6) months from the date of the alleged incident, whichever is later in which to file this amended claim. If you fail to provide the missing information, your claim MAY be rejected and you may also lose the right to initiate a lawsuit.

Sincerely,

Larry Ragsdale

-----Original Message-----

**From:** [REDACTED]  
**Sent:** Tuesday, February 21, 2017 2:55 PM  
**To:** Larry Ragsdale  
**Subject:** RE: Property Damage

Hello Larry,

Can I get an update on what's going on with my claim? I want to get the damaged repaired.

Thanks,  
Gary

---- Larry Ragsdale <larryr@fpud.com> wrote:

> That works if we need it later I'll request it at that time  
>  
> Larry  
>

>  
>  
>  
> Sent from my Verizon, Samsung Galaxy smartphone  
>  
>  
> ----- Original message -----  
> From: [REDACTED]  
> Date: 2/13/17 19:16 (GMT-08:00)  
> To: Larry Ragsdale <larryr@fpud.com>  
> Subject: RE: Property Damage  
>  
> Hello Larry,  
>  
> I filled out the form but am not sure what you need from an estimate standpoint.  
>  
> I am not comfortable with providing my Social Security number or date of birth on this form  
as I have had to deal with ID theft in the past. If that information is required to process  
a damage payment later then I will supply the ID information at that time.  
>  
> Gary George  
>  
>  
> ---- Larry Ragsdale <larryr@fpud.com> wrote:  
> > Dear Mr. George,  
> >  
> > I've received and reviewed your request for property damage.  
> >  
> > Based on this email you must submit a Claim Form. I've attached the claim form for your  
convenience.  
> >  
> > Please complete the attached form and submit any additional supporting document or  
photo's as necessary. Please do not submit your only copy of the supporting documents.  
Please keep a personal copy of your claim package.  
> >  
> > Submission may be via email ([Larryr@fpud.com](mailto:Larryr@fpud.com)) or the package may be drop off at the front  
office or you may also submit the claim package/form to the following address:  
> >  
> > Claims Administrator  
> > P.O. Box 2290  
> > Fallbrook, CA 92088-2290  
> >  
> > Please be assured that we are committed to processing your claim in a fair and timely  
manner.  
> >  
> > Thank you  
> > Larry  
> >  
> >  
> > -----Original Message-----  
> > From: [REDACTED]  
> > Sent: Friday, February 10, 2017 1:07 PM  
> > To: Larry Ragsdale  
> > Subject: Property Damage  
> >  
> > Dear Mr. Ragsdale,  
> >

> > On 2/9/17 around 11:45 a FPUD employee delivered a Temporary Water Shut Off notice to my home at [REDACTED] When he left he backed up over a traffic cone I had set up to indicate where a drain pipe was located. Unfortunately, he damaged my asphalt and crushed the pipe.

> >

> > I am certain that it was your employee because I had returned from taking my dogs for a walk 5 minutes before he arrived and the cone was in place and right after he left I took my trash out and it was laying on its side.

> >

> > Photos are attached that show the damage. Please contact me at your earliest convenience to discuss repairs.

> >

> > Sincerely,

> > Gary George

> > [REDACTED]

> >

> >

> >





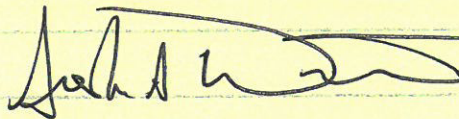


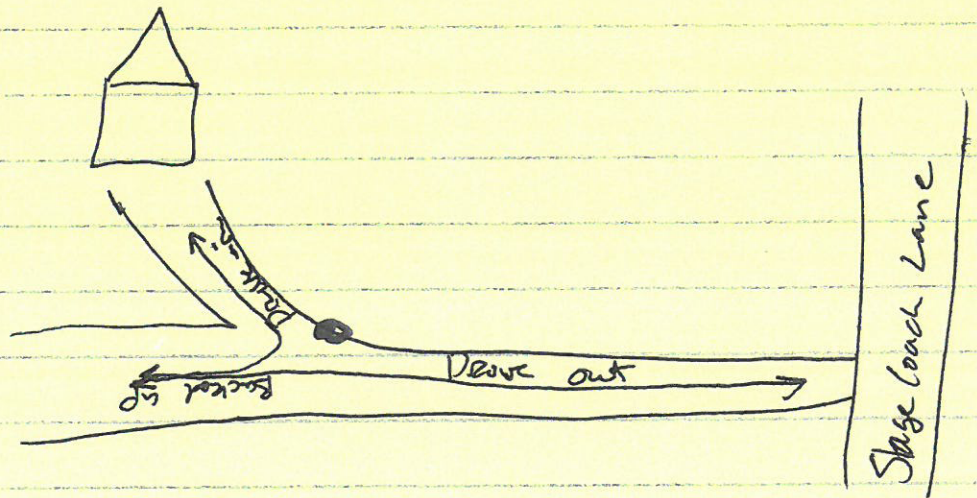




On Thursday Feb. 9, 2017 Donald Puetter and myself drove down a driveway leading to [REDACTED]. We dropped off a Waste Shurt off notice to the customer and turned around in driveway and drove away. Newer saw a cone on driveway. marking culvert.

Austin Wendt

 #425 2/13/2017



ON THURSDAY FEB, 9 2017 Austin and I went to notify customers of shut down on N. STAGE COACH. Just before lunch we pulled down a steep driveway at 1028 N. STAGE COACH LN. AS Austin walked up to customers door He came out and we talked to him of shut down. AS I pulled away I backed up to the north end of drive way and pulled away without hitting anything.



2/13/17



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## M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, Assistant General Manager, JRB  
**DATE:** March 27, 2017  
**SUBJECT:** Replacement of Loader

Purpose

To present the Board a request to replace one of the existing loaders in order to maintain reliable service of the District's wastewater system and meet Air Pollution Control District requirements in accordance with the approved budget.

Summary

As part of the District's asset management plan to maintain reliable infrastructure, it is important to have reliable fleet and heavy construction and maintenance equipment to support the replacement program and operational needs. In addition, the California Air Resources (CARB) has implemented regulations to reduce diesel emissions that require the District to reduce overall emissions in the existing heavy equipment fleet. The overage plan for off-road and on-road equipment was presented at the May board meeting. As part of that plan, it was identified that one loader would need to be replaced in Fiscal Year 16-17. A summary of the plan for the replacement or retirement of the District's Heavy Equipment from the approved plan to optimize utilization of owned equipment is included in Table 1 below.

| Year | EQ # | HP  | Make          | Model     | Type             | Status  | Year      |
|------|------|-----|---------------|-----------|------------------|---------|-----------|
| 1985 | 1318 | 65  | CATERPILLAR   | LOADER    | IT-12            | Replace | 2016-2017 |
| 1975 | 1201 | 70  | INTERNATIONAL | DOZER     | TD8E             | Retire  | 2017-2018 |
| 1985 | 1319 | 85  | CATERPILLAR   | EXCAVATOR | 206              | Retire  | 2017-2018 |
| 1990 | 1320 | 85  | CATERPILLAR   | LOADER    | IT-18            | Replace | 2017-2018 |
| 1997 | 1304 | 75  | CASE          | BACKHOE   | 580-L<br>EXT     | Replace | 2020-2021 |
| 1990 | 1315 | 128 | CASE          | LOADER    | MDL<br>621       | Replace | 2021-2022 |
| 1987 | 1324 | 130 | DRESSER       | CRANE     | 150-FA<br>15-TON | Replace | 2022-2023 |
| 1989 | 1214 | 123 | VERMEER       | TRENCHER  | T600D            | Replace | 2024-2025 |
| 1998 | 1306 | 26  | NEW HOLLAND   | TRACTOR   | T1630            | Replace | 2025-2026 |
| 2001 | 1321 | 75  | CASE          | BACKHOE   | 580M<br>EXT      | Replace | 2025-2026 |

| Year | EQ # | HP | Make | Model      | Type        | Status  | Year          |
|------|------|----|------|------------|-------------|---------|---------------|
| 2010 | 1310 | 84 | CASE | SKIPLOADER | 570<br>MXT  | Replace | 2026-<br>2027 |
| 2010 | 1302 | 84 | CASE | BACKHOE    | 580M<br>EXT | Meets   |               |
| 2014 | 1305 | 85 | CASE | BACKHOE    | 580 N       | Meets   |               |
| 2004 | 1322 | 85 | CASE | SKID STEER | 70-XT       | Meets   |               |

Table 1 – Previously Approved Schedule for replacement or retirement of District Off-Road Heavy Equipment.

Loader Replacement

The District needs to replace Loader 1320 instead of Loader 1318 this fiscal year as originally planned in the board approved heavy equipment replacement plan, because Loader 1320 had a major engine failure, and was sent to auction. Loader 1318 is 32 years old and is still functioning, due to the ongoing comprehensive preventative maintenance performed by the District, but will be replaced next Fiscal Year due to its age and condition. In order to maintain the current level of service for District operations, it is recommended to replace loader 1320.

The District prepared an RFP for the loader, which is summarized in Table 1 below. The lowest responsive bid was Volvo Construction Equipment Company and the total price was \$110,171.32 including sales tax. Staff checked references for this equipment and no significant issues were identified. \$152,000 was budgeted for this item in the approved FY 16-17 budget.

| <b>Fallbrook Public Utility District</b><br><b>Summary of RFP 2017- 94</b><br><i>Four Wheel Drive Articulated Wheel Loader</i> |                       |                                     |
|--|-----------------------|-------------------------------------|
| <u>VENDOR</u>  | <u>Manufacturer</u>   | <b>LOT PRICE<br/>(Tax Included)</b> |
| <b>Volvo Construction Equipment*</b><br>12345 Mapleview St.,<br>Lakeside, CA 92040<br>Delivery: 90-120 Days                    | 2017 Volvo L45H       | \$ 110,171.32                       |
| <b>Hawthorne Cat</b><br>16945 Camino San Bernardo<br>San Diego, CA 92127<br>Delivery: 120 Days                                 | 2017 Caterpillar 914M | 114,566.12                          |
| <b>RDO Equipment Co.</b><br>10108 Riverford Road<br>Lakeside, CA 92040<br>Delivery: 45 Days                                    | 2017 John Deere 344K  | 138,681.25                          |

\* Indicates Lowest Responsive Bid



Recommended Action

That the Board approve the purchase of a loader from Volvo Construction Equipment for \$110,171.32 in order to maintain reliable operation of the District and meet Air Pollution Control District requirements in accordance with the approved budget.

## MEMO

**TO:** Board of Directors  
**FROM:** Jack Bebee, Assistant General Manager, JAB  
**DATE:** March 27, 2017  
**SUBJECT:** Approval of Change Order #2 for the 1 MG Reservoir Recoating Project

---

### Purpose

To request Board approval of Change Order #2 for \$32,300.15 for the 1 MG Reservoir Recoating Project to ensure the long-term reliability of the water storage tank.

### Summary

The District has a program in place to ensure the long term integrity of steel water storage tanks that are critical components of the drinking water system. The 1 MG reservoir was a tank identified with immediate needs as it had not been recoated since installation in 1977. The Board awarded the project to Simpson Sandblasting and Specialty Coating on October 27, 2016, for \$332,285.

Additional structural work has been required on this project due to the overall condition of the tank. Change Order #1 was approved by the General Manager for \$21,578.30 on January 30, 2017, to complete interior repairs to structural members to protect the structural integrity of the tank. Additional repairs are required in order to ensure the long-term reliability of the coating and prevent future corrosion of the tank. A summary of these repairs are attached in Change Order #2. The total cost of these repairs is \$32,300.15.

### Recommended Action

That the Board approve Change Order #2 for the 1 MG Reservoir Recoating project in the amount of \$32,300.15 and increase the total contract amount for Simpson Sandblasting and Specialty Coatings for this work to \$386,163.45.

**CHANGE ORDER NUMBER 002**

**NAME OF PROJECT:** IMG Coating and Painting  
**CONTRACTOR:** Simpson Sandblasting and Specialty Coatings, Inc.  
191 Granite St., Suite B  
Corona, CA 92879

Original CONTRACT AMOUNT .....\$332,285.00  
Previous CHANGE ORDERS .....\$21,578.30  
Current CONTRACT PRICE .....\$353,863.30  
Amount of this CHANGE ORDER .....\$32,300.15  
New CONTRACT PRICE .....\$386,163.45  
Original COMPLETION Date..... June 18, 2017  
Time ADDED due to Previous CHANGE ORDERS..... 12 CALENDAR DAYS  
Time ADDED due to this CHANGE ORDER ..... 10 CALENDAR DAYS  
New FINAL COMPLETION Date..... July 10, 2017

This Change Order constitutes full and final payment for all direct, indirect, and consequential costs, including but not limited to, all labor, design, equipment, material, mark-ups, and time associated with performing the work described herein. This document will become a supplement to the Contract and all Contract provisions will apply hereto. The Change Order will become effective when approved by the Fallbrook Public Utility District. By accepting this Change Order, the Contractor waives the right to make any additional claim for any item related to these changes.

The following changes are hereby made to the CONTRACT DOCUMENTS:

**Item 1 – Repair holes in roof**

The Contractor shall repair all holes in the tank roof by welding a plate over the holes.

CHANGE TO CONTRACT AMOUNT \$1,712.94  
TIME EXTENSION 1 calendar days

Perform all work in accordance with the Contract Documents.

**Item 2 – Rafter replacement in center area of tank**

The Contractor shall replace an additional 80’ of damaged/corroded rafters at the center column of the tank.

CHANGE TO CONTRACT AMOUNT \$24,900.00  
TIME EXTENSION 7 calendar days

Perform all work in accordance with the Contract Documents.



**Item 3 – Sweep Blast exterior roof and shell**

The Contractor shall sweep blast the exterior roof and shell to remove corrosion and loose paint.

|                           |                 |
|---------------------------|-----------------|
| CHANGE TO CONTRACT AMOUNT | \$3,887.21      |
| TIME EXTENSION            | 1 calendar days |

Perform all work in accordance with the Contract Documents.

**Item 4 – Grinding of rafter edges**

The Contractor shall grind the rafter edges to create a smooth/square edge for coating.

|                           |                 |
|---------------------------|-----------------|
| CHANGE TO CONTRACT AMOUNT | \$1,800.00      |
| TIME EXTENSION            | 1 calendar days |

Perform all work in accordance with the Contract Documents.

**CONTRACTOR: SIMPSON SANDBLASTING and SPECIALTY COATING, INC**

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

**Date:** \_\_\_\_\_

**Name: Rusty Simpson**

**Title: Project Manager**

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

**Date:** \_\_\_\_\_

**Name:**

**Title:**

**RECOMMENDATION AND CONCURRENCE**

**FALLBROOK PUBLIC UTILITY DISTRICT**

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

**Date:** \_\_\_\_\_

**Name: BRIAN BRADY**

**Title: General Manager**

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

**Date:** \_\_\_\_\_

**Name: JACK BEBEE**

**Title: Assistant General Manager**

MEMO

**TO:** Board of Directors  
**FROM:** Jack Bebee, Assistant General Manager, *JAB*  
**DATE:** March 27, 2017  
**SUBJECT:** Vista Del Rio 30 – 14 inch Connection Project Award

---

Purpose

To present to the Board for approval of award to TK Construction, Inc. for construction of the Vista Del Rio 30-14 inch Connection Project for \$148,000.

Summary

As part of the recently completed De Luz Operational model study, it was determined that a interconnection of the Sachse and De Luz zones will allow for improved reliability to move water from Red Mountain into De Luz during aqueduct shutdowns and emergencies. The interconnection occurs where an existing 14” line from the Sachse zone crosses the 30” De Luz aqueduct line. Currently there is no interconnect between these lines. By interconnecting these lines, this project also allows the District to complete the coating of three remaining storage tanks in De Luz by improving the capacity to move water into De Luz while the tanks are out of service. This project will greatly improve the system operation and reliability in the De Luz service area.

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

| Company                  | Bid Amount |
|--------------------------|------------|
| TK Construction          | 148,000    |
| M. Rae Engineering, Inc. | 177,000    |
| Kana Sub-Surface         | 189,000    |
| Blue Pacific             | 298,000    |

TK Construction Inc. was the apparent lowest bidder at \$148,000. Staff had budgeted \$75,000 for the Project. Additional isolation valves were added to the project to improve the ability to isolate the existing pipelines and additional budgeted funding will be allocated from the valve replacement capital budget to stay within the overall approved capital budget.

TK Construction, Inc. has previously done similar work for the District and their work was acceptable.



Recommended Action

That the Board authorize award of the Vista Del Rio 30-14 inch Connection Project to the apparent lowest responsible bidder of TK Construction, Inc. at an amount of \$148,000 if they are able to meet all District requirements.

## M E M O

TO: Board of Directors  
FROM: Jack Bebee, Assistant General Manager, JRB  
DATE: March 27, 2017  
SUBJECT: AMI Meter Service Replacement Program, Year 3

---

Purpose

To request board approval to purchase required meters and associated equipment to complete year three of a five year program to transition for existing drive by radio read Automatic Meter Reading (AMR) meters to fixed network Advanced Metering Infrastructure (AMI) meters that allow real time tracking and monitoring of water use.

Summary

In July 2015 the Board approved starting a 5 year program to replace existing drive-by Automatic Meter Reading (AMR) meters and associated radio based endpoints (ERT) that are exceeding their reliable lifespan and recommended replacement frequency with Advanced Metering Infrastructure (AMI) meters that allow for real time tracking. The replacement of these meters ensures that the District continues to have accurate readings of water usage by customers and also allows the District to utilize newer meter technology with real time tracking, which will provide additional tools to customers along with the implementation of WaterSmart software to track water use and identify leaks.

Meter Replacement

In 2002, the District purchased Hersey Water Meters with Itron Encoder Receiver Transmitter (ERTs). Upon installation of the new meters and ERTs, the meter reading system was converted to a drive-by system. The drive-by system provided the District with more accurate reads and reduced the amount of staff needed to collect meter reads.

The District budget includes costs to transition from the drive-by meters to a real time fixed network for the vast majority of District customers over by the end of Fiscal Year 2019/20. Currently 2430 meters out of 9600 have been replaced or 25 percent. Meter inventory is low and it is necessary to get new meters ordered to maintain the schedule to complete the replacement by 2019/20. The meter replacement is being done using District staff. Staff is working with Itron and WaterSmart in order to bring customers with the new meters on-line with real time tracking and monitoring and this should be completed over the next few weeks.

The District conducted testing and surveyed other agencies and determined the badger meters with Itron ERTs are the best solution for the District. The District worked with

the manufacturers to ensure the pricing was competitive compared to other meter systems and other Districts' pricing. The proposed pricing for the meters, ERTs and associated fixed network infrastructure is attached. The total cost is \$408,365. \$400,000 annually over 5 years was budgeted for this item.

Recommended Action

That the Board approve the purchase of Badger meters (National Meter and Automation Inc.) per attached for \$297,777.90 (including sales tax) and Inland Water Works Supply Co. for 100W ERTs per attached for \$110,587.68 (including sales tax) in order to replace existing drive-by radio read meters that have reached the end of their useful life with fixed network AMI meters that will provide additional real time water usage monitoring tools for the District customers.



3 Faraday Suite A  
Irvine, CA 92618  
Phone: 949-595-0960

**QUOTE NUMBER:** 032117RS-FPUD  
**DATE:** Tuesday, March 21, 2017  
**QUOTED BY:** Rob Sears  
**PHONE:** 949-421-7428

**BILL TO:**  
**Fallbrook Public Utility District**  
990 E. Mission Road  
Fallbrook, CA 92028  
760-728-1151

**SHIP TO:**  
**Fallbrook P.U.D.**  
990 E. Mission Road  
Fallbrook, CA 92028  
760-728-1151

| SALESPERSON | PAYMENT TERMS | SHIPPING METHOD | SHIPPING TERMS | Subject to Review After: |
|-------------|---------------|-----------------|----------------|--------------------------|
| Rob Sears   | Net 30 Days   | Best Way        | FOB Factory    | Monday, June 19, 2017    |

| QTY   | PRODUCT DESCRIPTION   | UNIT PRICE | AMOUNT        |
|-------|---|------------|---------------|
| 1,000 | Badger Recordall M35 Low Lead Bronze Disc Meter 3/4" X 7 1/2", Bronze Bottom, w/SS Thrust Roller Less Connections, HRE High Resolution Encoder (8-dial) Gallon, Plastic Lid & Shroud, Keyed Seal Screw, Itron In-Line Connector w/Cable Armor and 5' Lead                                     | \$158.00   | \$ 158,000.00 |
|       | M35 Reclaimed Option Adder  | \$4.50     |               |
| 100   | Badger Recordall M55 Low Lead Bronze Disc Meter 1" X 10 3/4", Bronze Bottom, Less Connections, HRE High Resolution Encoder (8-dial) Gallon, Plastic Lid & Shroud, Keyed Seal Screw, Itron In-Line Connector w/Cable Armor and 5' Lead   | \$206.00   | \$ 20,600.00  |
|       | M55 Reclaimed Option Adder  | \$8.50     |               |
| 40    | Badger Recordall M120 Low Lead Bronze Disc Meter 1 1/2" Elliptical Long Drilled w/Test Plug and Stainless Steel Thrust Roller, Less Connections, HRE High Resolution Encoder (8-dial) Gallon, Plastic Shroud/Plastic Lid, Keyed Seal Screw, Itron In-Line Connector w/Cable Armor and 5' Lead | \$404.00   | \$ 16,160.00  |
|       | M120 Reclaimed Option Adder   | \$13.50    |               |
| 40    | Badger Recordall M170 Low Lead Bronze Disc Meter 2" Elliptical Long Drilled w/Test Plug and Stainless Steel Thrust Roller, Less Connections, HRE High Resolution Encoder (8-dial) Gallon, Plastic Shroud/Plastic Lid, Keyed Seal Screw, Itron In-Line Connector w/Cable Armor and 5' Lead     | \$547.00   | \$ 21,880.00  |
|       | M170 Reclaimed Option Adder   | \$13.50    |               |
| 40    | Badger Recordall T160 Turbo Series Meter Low Lead Bronze 1 1/2", Elliptical w/Test Plug, Less Connections, HRE High Resolution Encoder (8-dial) Gallon, Plastic Lid & Shroud, Keyed Seal Screw, Itron In-Line Connector w/Cable Armor and 5' Lead   | \$677.00   | \$27,080.00   |
|       | T160 Reclaimed Option Adder   | \$57.50    |               |
| 40    | Badger Recordall T200 Turbo Series Meter Low Lead Bronze 2", Elliptical w/Test Plug, Less Connections, HRE High Resolution Encoder (8-dial) Gallon, Plastic Lid & Shroud, Keyed Seal Screw, Itron In-Line Connector w/ Cable Armor and 5' Lead  | \$816.00   | \$ 32,640.00  |
|       | T200 Reclaimed Option Adder   | \$57.50    |               |
|       | Lead Time: 4-6 Weeks ARO  |            |               |

Notes: Prices based on quoted quantities, Freight Included on Orders \$15,000 & Up  
**THANK YOU FOR YOUR BUSINESS!**

|                  |                      |
|------------------|----------------------|
| <b>SUBTOTAL</b>  | \$ 276,360.00        |
| <b>SALES TAX</b> | 21,417.90            |
| <b>FREIGHT</b>   | No Chg.              |
| <b>TOTAL</b>     | <b>\$ 297,777.90</b> |



## M E M O

**TO:** Board of Directors  
**FROM:** Fiscal Policy & Insurance Committee  
**DATE:** March 27, 2017  
**SUBJECT:** 2017 Treasurer's Annual Statement of Investment Policy  
Resolution No. 4909

---

Purpose

To adopt the Treasurer's Annual Statement of Investment Policy, Article 27 of the Administrative Code; and, approve Resolution No. 4909.

Summary

The Fiscal Policy and Insurance Committee met with PFM on March 6, 2017, to go over minor changes to Article 27 based on recent changes to ratings language in the California Government Code. Sarah Meacham went over the minor changes and provided the attached version.

Recommended Action

That the Board adopt the attached Resolution No. 4909, adopting the Treasurer's Annual Statement of Investment Policy for 2017.





March 6, 2017

## Memorandum

To: Marcie Eilers, Fallbrook Public Utility District

From: Sarah Meacham, PFM

Re: 2017 Investment Policy Review

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PFM Asset Management has completed the annual review of the District's Investment Policy. The Policy is in compliance with the California Government Code (Code). We have recommendations to update the Policy to reflect a recent change to ratings language in the Code. We have provided a marked up version of the District's Policy with these recommendations included.

We have revised the ratings language for commercial paper, medium-term notes, negotiable certificates of deposit, state obligations, California local agency obligations, mortgage pass-through securities, asset-backed securities and supranationals to reflect changes caused by Senate Bill 974, which took effect on January 1, 2017. This bill clarifies that the Code's rating requirements apply to the rating category required at purchase without regard to modifiers such as "+", "-", or 1, 2, and 3. This change codified the interpretation used by most public agencies. We recommend the District incorporate this Code change. This revision applies to all of the Policy's sections that specify a credit rating requirement for purchase.

We would be happy to discuss any questions there may be regarding these recommended changes to the District's Investment Policy.

**RESOLUTION NO. 4909**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
FALLBROOK PUBLIC UTILITY DISTRICT AMENDING  
ADMINISTRATIVE CODE ARTICLE 27, INVESTMENT POLICY**

\* \* \* \* \*

**WHEREAS**, the Board of Directors of the Fallbrook Public Utility District has established a general operating fund from which monies may be expended for general operating purposes; and

**WHEREAS**, the Board of Directors has, in addition, established reserve funds from which monies may be expended for specific purposes only; and

**WHEREAS**, Article 27, the Treasurer's Annual Statement of Investment Policy, authorizes investments to be made pursuant to Government Code § 53600, including acceptable investment instruments, guidelines for investments, and maturities and limits of investments; and

**WHEREAS**, the Fiscal Policy & Insurance Committee met with PFM Asset Management, the District's investment advisory firm, on March 6, 2017, that recommended the District's Investment Policy be revised to comply with California Government Code (Code) to reflect a recent change to ratings language in the Code.

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

1. Article 27, *Investment Policy*, shall be amended with the proposed revisions as shown on Attachment A and are incorporated herein.
2. The remaining provisions of Article 27 are unaffected and reconfirmed hereby.

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 27<sup>th</sup> day of March, 2017, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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

ATTEST:

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

## Attachment A



**Article 27. Investment Policy**

Sec. 27.1 General.

The District's Investment Policy and practices of the District Treasurer are based on prudent money management principles and California Government Code, specifically Sections 53600 and 53630 et. seq.

27.1.1 Delegation of Authority. The Board of Directors delegates the investment authority of the District to the Treasurer under the supervision of the General Manager. The Treasurer shall deposit money under the Treasurer's supervision and control in such institutions and upon such terms as the laws of the State of California and the Board of Directors may permit.

The Treasurer may delegate day-to-day investment decision making and execution authority to an investment advisor. Eligible investment advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The advisor will follow the Policy and such other written instructions as are provided by the District.

27.1.2 Investment Objectives. The practices of this District will always comply with the legal authority and limitations placed on it by the governing legislative bodies. The implementation of these laws, allowing for the dynamics of the money markets, will be the focus of this Investment Policy. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the objectives of this District shall be:

1. The primary objective shall be to safeguard the principal of the funds under the Treasurer's control.
2. The secondary objective shall be to meet the liquidity needs of the District.
3. The third objective shall be to achieve a return on the funds under control of the Treasurer within the parameters of prudent risk management.

27.1.3 Prudent Investor Standard. The Board of Directors, General Manager, and Treasurer adhere to the guidance provided by the "prudent investor standard," California Government Code (Section 53600.3), which obligates a fiduciary to insure that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual

investments as part of an overall strategy, investments may be acquired as authorized by law.”

Sec. 27.2 Treasurer’s Annual Statement of Investment Policy.

The following is the District’s annual statement of investment policy rendered pursuant to Section 53646 (a) of the Government Code:

27.2.1 Security of Principal Policy. The policy issues directed to protecting the District are:

- a) Limiting exposure to each type of security.
- b) Limiting exposure to each issue and issuer of debt.
- c) Determining the minimum credit requirement for each type of security at the time of purchase.

27.2.2 Liquidity Policy. The policy issues directed to provide necessary liquidity are:

- a) Limiting the length of maturity for securities in the portfolio.
- b) Limiting exposure to illiquid securities.

27.2.3 Return Policy. The policy issues directed to achieving a return are:

- a) Attaining a market rate of return taking into account the investment risk constraints and liquidity needs.
- b) Return is of least importance compared to the safety and liquidity policies described above.
- c) Majority of the investments shall be limited to low risk securities in anticipation of earning a fair return relative to the risk being taken.
- d) The performance of the portfolio shall be compared to an industry benchmark established by the Fiscal Policy and Insurance Committee and shall be reported quarterly. The Fiscal Policy and Insurance Committee shall review the performance benchmark on an annual basis to ensure that it remains appropriate for the District’s investment objectives.

27.2.4 Maturity Policy. The maximum maturity allowed by the California Government Code is five (5) years with shorter limitations specified for specific types of securities. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five-year maturity limit. Such approval must be issued no less than three (3) months prior to the purchase of any security exceeding the five-year maturity limit.

27.2.5 Prohibited Securities. The California Government Code does not authorize a local agency to invest in any of the following derivative notes:

- a) Inverse Floater
- b) Range Notes
- c) Interest-only strips derived from a pool of mortgages
- d) Any security that could result in zero interest accrual

Sec. 27.3 Internal Controls.

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed benefits likely to be derived; and, 2) the valuation of costs and benefits requires estimates and judgments by management. Accordingly, the Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

Control of Collusion: Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

Separation of Transaction Authority from Accounting and Record Keeping: By separating the person who authorizes or performs the transaction from the person who records or otherwise accounts for the transaction, a separation of duties is achieved.

Custodial Safekeeping: Securities purchased from any bank or dealer including appropriate collateral (as defined by Government Code) shall be placed with an independent third party for custodial safekeeping.

Avoidance of Physical Delivery Securities: Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

Clear Delegation of Authority to Subordinate Staff Members: Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

Written Confirmation of Telephone Transactions for Investments and/or Wire Transfers: Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.



Development of a Wire Transfer Agreement with the Lead Bank or Third Party Custodian: This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

Sec. 27.4 Permissible Investments.

Where this Policy specifies a percentage limitation for a particular security type, that percentage is applicable only on the date of purchase. Credit criteria listed in this Policy refers to the credit rating at the time the security is purchased. If an investment advisor is used and an investment's credit rating falls below the minimum rating required at the time of purchase, the investment advisor will immediately notify the Treasurer. The securities shall be reviewed and a plan of action shall be recommended by the Treasurer or investment advisor. The course of action to be followed will be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further drop, and market price of the security. The Fiscal Policy and Insurance Committee will be advised of the situation and intended course of action by e-mail or fax.

The District will limit investments in any one non-government issuer, except investment pools and money market funds, to no more than 5% regardless of security type.

Government Code 53601 addresses permissible investments. These investment categories are:

27.4.1 Government Obligations. Two categories of Government Obligations, U.S. Treasury and Agency obligations may be invested. Both are issued at the federal level. U.S. Treasury obligations are United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. Agency obligations are federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises..

Maximum Maturity: The maximum maturity of an issue shall be the current 5 year issue or an issue which at the time of the investment has a term remaining to maturity not in excess of five (5) years.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category is unlimited.

- 1) Treasury: Unlimited.
- 2) Agencies: Unlimited. No more than 75% of the portfolio value shall be invested in any single issuer.

Minimum Credit Requirement: None.

27.4.2 Banker's Acceptance. This is a draft or bill of exchange, accepted by a bank or trust company and brokered to investors in a secondary market. The purpose of the banker's acceptance (BA) is to facilitate trade and provide liquidity to the import-export markets. Acceptances are collateralized by the pledge of documents such as invoices, trust receipts, and other documents evidencing ownership and insurance of the goods financed.

Maximum Maturity: The maximum maturity of an issue shall be 180 days.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category shall be 25%.

Minimum Credit Requirement: "A-1" or equivalent by a nationally recognized statistical rating organization (NRSRO)

27.4.3 Commercial Paper. These are short-term, unsecured, promissory notes issued by firms in the open market. Commercial paper (CP) is generally backed by a bank credit facility, guarantee/bond of indemnity, or some other support agreement. The entity that issues the commercial paper must meet all of the following conditions in either paragraph a or paragraph b:

- a. The entity meets the following criteria: (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in a rating category of "A", the equivalent or higher by a NRSRO.
- b. The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (iii) has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Maximum Maturity: The maximum maturity of an issue shall be 270 days.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category shall be 25%. The District may purchase no more than 10% of the outstanding commercial paper of any single issuer.

Minimum Credit Requirements: "A-1", ~~the or~~ equivalent or higher by a NRSRO.

27.4.4 Medium-Term Notes. Corporate and depository institution debt securities issued by corporations organized and operating within the United States, or by depository institutions licensed by the U.S. (or any state) and operating within the U.S.

Maximum Maturity: The maximum maturity of an issue shall be 5 years.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category shall be 30%.

Minimum Credit Requirements: Rated in a rating category of “A”, the equivalent or higher by a NRSRO

27.4.5 Repurchase Agreements. A repurchase agreement (RP) consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the District), the other is the commitment by the seller (i.e., a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

Maximum Maturity: The maximum maturity of repurchase agreements shall be up to one year.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category shall be 10%.

Minimum Credit Requirements: None

27.4.6 Negotiable Certificates of Deposit. Certificates of deposit must be issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank.

Maximum Maturity: The maximum maturity of an issue shall be five (5) years.

Maximum Exposure to Portfolio: The maximum exposure to the portfolio for this category shall be 30%.

Minimum Credit Requirements: Rated in a rating category of “A”, the equivalent or higher for CDs issued with a long-term rating and “A-1” or higher for CDs issued with a short-term rating or their equivalents by a NRSRO.

27.4.7 State Local Agency Investment Fund (LAIF). There is no limit by law on the amount of funds that can be placed in this account. Interest is paid directly into the account by the State Local Agency Investment Fund.

27.4.8 San Diego County Treasurer’s Fund. There is no limit by law on the amount of funds that can be placed in this account. Interest is paid directly into the account by the County Treasurer.

27.4.9 Passbook and Money Market Savings Accounts. Savings accounts and/or money market accounts shall be maintained for monies that are needed on a day-to-day basis.



27.4.10 State Obligations / State of California and Other States. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state or by a department, board, agency or authority of the state.

Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.

Maximum Maturity: The maximum maturity of an issue shall be the current 5 year issue or an issue which at the time of the investment has a term remaining to maturity not in excess of five (5) years.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 27.4.10 and 27.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

Minimum Credit Requirements: Rated in a rating category of “A”, the equivalent or higher for obligations issued with a long-term rating and “A-1” for obligations issued with a short-term rating or their equivalents by a NRSRO .

27.4.11 California Local Agency Obligations. Bonds, notes warrants or other evidences of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Maximum Maturity: The maximum maturity of an issue shall be the current 5 year issue or an issue which at the time of the investment has a term remaining to maturity not in excess of five (5) years.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 27.4.10 and 27.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

Minimum Credit Requirements: Rated in a rating category of “A”, the equivalent or higher for obligations issued with a long-term rating and “A-1” for obligations issued with a short-term rating or their equivalents by a NRSRO.

27.4.12 Joint Powers Authority Pool. The investment with a Joint Powers Authority Pool is mandated by that pool. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with

the Securities and Exchange Commission; (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive; and (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category is unlimited.

Minimum Credit Requirement: None.

#### 27.4.13 Money Market Mutual Funds.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category is 20%.

Minimum Credit Requirements: A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years experience investing in instruments authorized by Sections 53601 and 53635.

A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years experience investing in money market instruments with assets under management in excess of \$500 million.

27.4.14 Mortgage Pass-Through Securities and Asset-Backed Securities. A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.

Maximum Maturity: The maximum maturity of an issue shall be the current 5 year issue or an issue which at the time of the investment has a term remaining to maturity not in excess of five (5) years.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category is 20%.

Minimum Credit Requirements: ~~Rated in a rating category of “AA”, the or equivalent or higher~~ by a NRSRO. Issuer must have at least ~~be rated in a rating category of an “A” rating or, the~~ equivalent or higher for the issuer’s debt as provided by a NRSRO.

27.4.15 Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International



Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

Maximum Maturity: The maximum maturity of an issue shall be the current 5 year issue or an issue which at the time of the investment has a term remaining to maturity not in excess of five (5) years.

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category is 30%.

Minimum Credit Requirements: Rated in a rating category of “AA”, ~~the-or~~ equivalent or higher by a NRSRO.

Approval: Investments in supranational securities may only be made with prior approval of the Fiscal Policy and Insurance Committee.

Sec. 27.5      Maturity/Limit of Investments.

With the exception of U.S. Treasury and Federal Agency securities, the maturity of a give investment will not exceed five (5) years, without prior board approval per Section 27.2.4.

Sec. 27.6      Reporting Requirements.

The Treasurer shall prepare an investment report monthly and provide it to the Board of Directors. The report will include language incorporated from AB 564 (Johnston-Stockton), adopted by the Legislature, which requires that a local agency’s Treasurer report to their governing body on a monthly or quarterly basis and provide specified information on their investment activities, including type of investment, issuer, date of maturity, par and dollar amount invested, current market value and the source of such valuation and rate of interest.

The report shall additionally include a description of contracted parties (including the lending programs), if any. The report shall also state its compliance of the portfolio with the statement of investment policy, or the manner in which the portfolio is not in compliance.

A subsidiary ledger of investments may be used in the report in accordance with accepted accounting practices.

In the event that an investment originally purchased within policy guidelines is downgraded by any one of the credit rating agencies, the Treasurer shall report it at the next regular scheduled meeting of the Board.



## ARTICLE 27

Revised in its entirety: 2/94

Adopted in current form:

1/96, 1/97, 1/98, 1/99

Sec. 27.2.4 – Rev. 1/00

Adopted in current form:

1/01

Sec. 27.4.7 – Rev. 10/01

Sec. 27.6 – Rev. 1/03

Sec. 27.2.4 – Rev. 1/07

Sec. 27.4.4 – Rev. 3/07

Sec. 27.2.3, 27.4.1(2); Sec.

27.4.2; 27.4.3; 27.4.4, &

27.4.6 – Rev. 9/07

27.2.1 – Rev. 1/10

Secs. 27.4.10-12 – Rev. 1/12

Secs. 27.2.4; 27.2.5; 27.4.5;

27.4.6; 27.4.7; 27.4.10;

27.4.11; 27.4.13; 27.4.14;

27.5 – Rev. 2/13

Secs. 27.4.6; 27.4.11 – Rev.

1/14

Secs. 27.1, 27.1.1,

Attachment A – Rev. 3/15

Secs. 27.1; 27.1.1; 27.1.2;

27.1.3; 27.2; 27.2.3; 27.2.4;

27.3; 27.4; 27.4.1; 27.4.2;

27.4.3; 27.4.4; 27.4.6;

27.4.10; 27.4.11; 27.4.12;

27.4.13; 27.4.14; 27.4.15;

27.5 – Rev. 2/16

Secs. 27.2.4; 27.4; 27.4.3;

27.4.4; 27.4.6; 27.4.10;

27.4.11; 27.4.14; 27.4.15

**ATTACHMENT A**

Fallbrook Public Utility District  
State and Federal Credit Union Deposit Restrictions  
Acknowledgement

Sections 53637 and 53648 of the California Government Code do not permit the deposit or investment of monies in a state of federal Credit Union by members of a legislative body of a local agency or by individuals of a local agency with investment decision making authority if those individuals are members of the board of directors, or any committee appointed by the board of directors or the credit committee or supervisory committee, of the state of federal credit union.

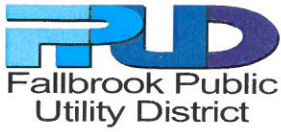
I hereby attest by my signature below that I am in compliance with the California Government Code sections 53637 and 53648. I will promptly notify the Secretary of the Fallbrook Public Utility District's Board of Directors when I am no longer in compliance with these California Government Code sections.

PRINT NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

SIGN: \_\_\_\_\_

DATE: \_\_\_\_\_



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

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

**Board of Directors:**

Milt Davies  
Jennifer DeMeo  
Al Gebhart  
Don McDougal  
Charley Wolk

**Staff:**

Brian J. Brady  
*General Manager*

Jack Bebee  
*Assistant General Manager*

Marcie Eilers  
*Admin Services Manager*

Paula de Sousa Mills  
*General Counsel*

Robert H. James  
*Of Counsel to the District*

Mary Lou Boultinghouse  
*Board Secretary*

**Treasurer's Report  
February 28, 2017**

**Money Market Account**

|                       |    |              |
|-----------------------|----|--------------|
| Disbursements         |    | 2,870,462.93 |
| Receipts              | \$ | 1,708,175.80 |
| Interest              |    |              |
| Balance as of 1/31/17 | \$ | 4,949,984.44 |
| Balance as of 2/28/17 | \$ | 3,787,697.31 |

**Operating Account**

|                       |    |              |
|-----------------------|----|--------------|
| Disbursements         | \$ | 2,104,412.77 |
| Receipts              | \$ | 2,034,065.75 |
| Balance as of 1/31/17 | \$ | 326,961.67   |
| Balance as of 2/28/17 | \$ | 256,614.65   |

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

Marcie Eilers  
February 28, 2017



| Transaction Type | Trade Date | Settle Date | Security Description                     | CUSIP     | Principal Proceeds | Accrued Interest | Total Amount |
|------------------|------------|-------------|--|-----------|--------------------|------------------|--------------|
| INTEREST         | 2/1/2017   | 2/25/2017   | FNMA SERIES 2016-M9 ASQ2                 | 3136ASPX8 | -                  | 156.19           | 156.19       |
| BUY              | 2/1/2017   | 2/3/2017    | US TREASURY NOTES                        | 912828Q78 | 147,035.16         | 541.26           | 147,576.42   |
| BUY              | 2/1/2017   | 2/3/2017    | MORGAN STANLEY BONDS                     | 61746BED4 | 216,755.00         | 1,219.17         | 217,974.17   |
| SELL             | 2/1/2017   | 2/3/2017    | FNMA BENCHMARK NOTE                      | 3135G0J53 | 148,966.50         | 654.17           | 149,620.67   |
| SELL             | 2/1/2017   | 2/3/2017    | MORGAN STANLEY CORP NOTE                 | 6174467U7 | 220,785.40         | 1,272.64         | 222,058.04   |
| INTEREST         | 2/1/2017   | 2/1/2017    | MONEY MARKET FUND                        | MONEY0002 | -                  | 6.05             | 6.05         |
| MATURITY         | 2/3/2017   | 2/3/2017    | BNP PARIBAS NY BRANCH COMM PAPER         | 09659BP38 | 490,000.00         | -                | 490,000.00   |
| BUY              | 2/3/2017   | 2/3/2017    | BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER | 065388V26 | 397,340.00         | -                | 397,340.00   |
| BUY              | 2/6/2017   | 2/6/2017    | ING (US) FUNDING LLC COMM PAPER          | 4497W0Y10 | 98,928.00          | -                | 98,928.00    |
| INTEREST         | 2/7/2017   | 2/7/2017    | FHLB NOTES                               | 3130A8PK3 | -                  | 390.63           | 390.63       |
| SELL             | 2/8/2017   | 2/9/2017    | FNMA BENCHMARK NOTE                      | 3135G0J53 | 278,667.20         | 1,267.78         | 279,934.98   |
| BUY              | 2/8/2017   | 2/9/2017    | BANK OF MONTREAL CHICAGO CERT DEPOS      | 06427KRC3 | 280,000.00         | -                | 280,000.00   |
| INTEREST         | 2/12/2017  | 2/12/2017   | CAPTIAL ONE BANK USA NA LT CD            | 14042E5N6 | -                  | 2,099.62         | 2,099.62     |
| INTEREST         | 2/12/2017  | 2/12/2017   | CAPTIAL ONE BANK USA NA LT CD            | 140420UE8 | -                  | 2,470.14         | 2,470.14     |
| SELL             | 2/13/2017  | 2/16/2017   | US TREASURY NOTES                        | 912828JL2 | 89,757.42          | 54.70            | 89,812.12    |
| BUY              | 2/13/2017  | 2/16/2017   | AMERICAN HONDA FINANCE                   | 02665WBM2 | 89,872.20          | -                | 89,872.20    |
| INTEREST         | 2/15/2017  | 2/15/2017   | TOYOTA ABS 2016-B A3                     | 89231UAD9 | -                  | 119.17           | 119.17       |
| INTEREST         | 2/15/2017  | 2/15/2017   | JOHN DEERE ABS 2016-B A3                 | 47788NAC2 | -                  | 36.46            | 36.46        |
| INTEREST         | 2/15/2017  | 2/15/2017   | CARMAX ABS 2016-3 A2                     | 14314EAB7 | -                  | 131.63           | 131.63       |
| INTEREST         | 2/15/2017  | 2/15/2017   | FORDO 2017-A A3                          | 34531EAD8 | -                  | 88.14            | 88.14        |
| INTEREST         | 2/15/2017  | 2/15/2017   | TOYOTA ABS 2016-C A3                     | 89237WAD9 | -                  | 42.75            | 42.75        |
| INTEREST         | 2/15/2017  | 2/15/2017   | HYUNDAI AUTO RECEIVABLES TRUST           | 44891EAC3 | -                  | 80.63            | 80.63        |
| PAYDOWNS         | 2/15/2017  | 2/15/2017   | CARMAX ABS 2016-3 A2                     | 14314EAB7 | 401.02             | -                | 401.02       |
| BUY              | 2/22/2017  | 3/2/2017    | JDOT 2017-A A3                           | 47787XAC1 | 29,995.73          | -                | 29,995.73    |
| SELL             | 2/24/2017  | 2/28/2017   | US TREASURY NOTES                        | 912828XE5 | 214,983.20         | 797.39           | 215,780.59   |
| BUY              | 2/24/2017  | 2/28/2017   | FNMA NOTES                               | 3135G0T29 | 214,862.40         | -                | 214,862.40   |
| INTEREST         | 2/24/2017  | 2/24/2017   | MELLON BANK (CALLABLE) CORPORATE NOTE    | 06406HCZ0 | -                  | 3,784.00         | 3,784.00     |
| INTEREST         | 2/26/2017  | 2/26/2017   | FNMA BENCHMARK NOTE                      | 3135G0J53 | -                  | 1,425.00         | 1,425.00     |
| INTEREST         | 2/28/2017  | 2/28/2017   | GOLD COAST BANK LT CD                    | 38058KCS3 | -                  | 233.59           | 233.59       |
| INTEREST         | 2/28/2017  | 2/28/2017   | US TREASURY NOTES                        | 912828D72 | -                  | 4,000.00         | 4,000.00     |



**PFM Asset Management LLC**

# FALLBROOK PUBLIC UTILITY DISTRICT

## Investment Performance Review For the Quarter Ended December 31, 2016

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**Client Management Team**

Sarah Meacham, Managing Director  
Henry Sun, Senior Analyst

**PFM Asset Management LLC**

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

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

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# Market Update



U.S. ECONOMIC & MARKET HIGHLIGHTS

Over the Last 12 Months



Economy Grew  
\$534 billion



Jobs Created  
2.3 million



New Vehicles Sold  
17.4 million



New Homes Sold  
561 thousand

Economic Highlights



Consumer Confidence  
Highest since 2001



Jobless Claims  
Lowest since 1974



Consumer Prices  
Highest since 2014



Housing Prices  
Record high

Market Highlights



Equities  
Record high



2-Yr Treasury Yield  
Highest since 2011



US Dollar  
Highest since 2003



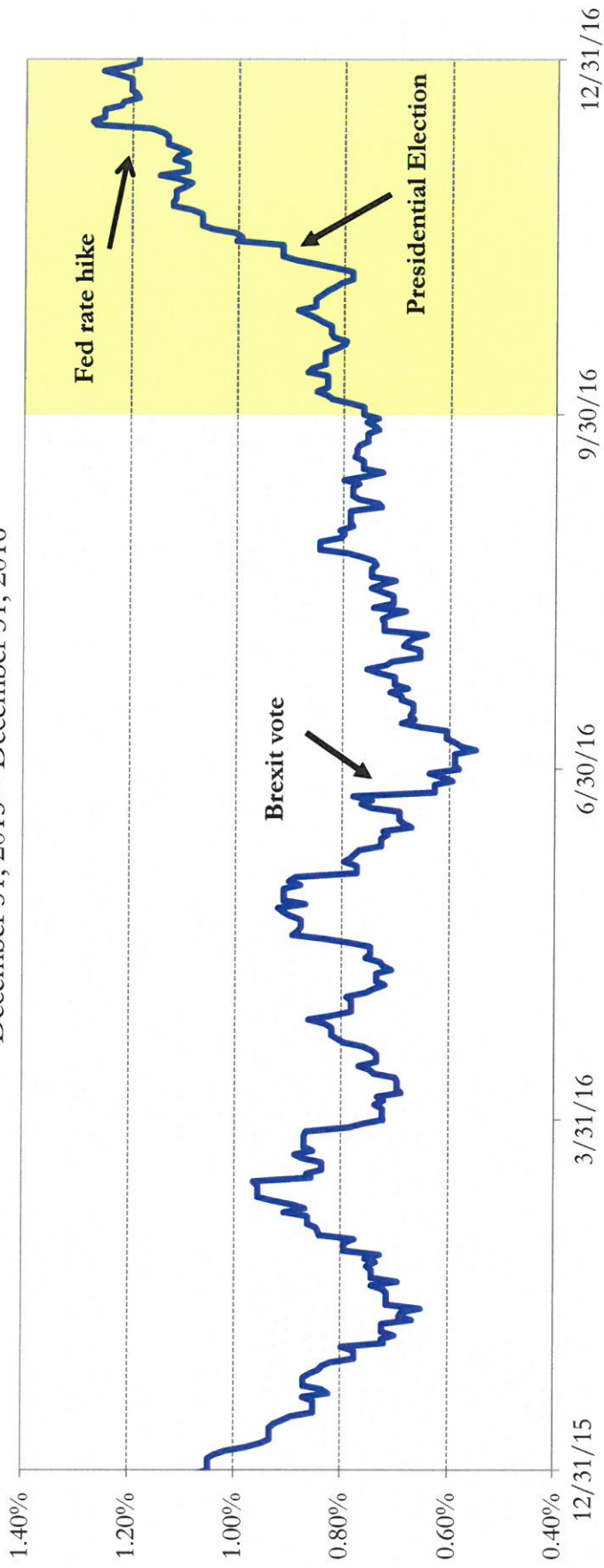
Oil  
Highest since 2015

Source: Bloomberg

## 2-YEAR TREASURY YIELDS

- The largest increase in Treasury yields in 2016 occurred during the fourth quarter as the markets reacted to the results of the U.S. Presidential election and the FOMC's decision to increase the fed funds target rate.
- After a sharp increase in November, U.S. Treasury yields adopted a more gradual pace of increases in December as markets continued to price in possible economic growth and inflation as a result of President-elect Trump's promised fiscal policies.

**2-Year U.S. Treasury Yield**  
December 31, 2015 – December 31, 2016

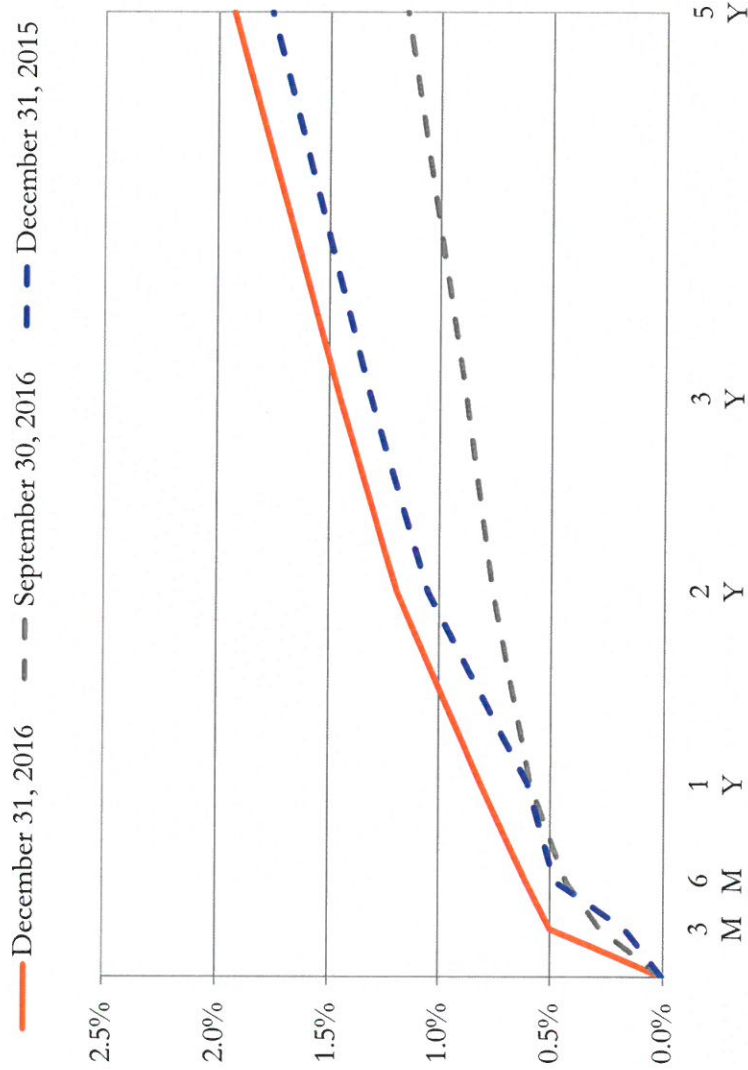


Source: Bloomberg, as of 12/31/16.

## YIELDS INCREASE ACROSS THE BOARD

- Treasury rates were volatile during the year on mixed global-economic conditions but ended the year modestly higher than they were at the end of 2015.
- Yields surged following the U.S. elections, with the longer maturities rising substantially on higher growth and inflation expectations. Shorter maturities also rose in anticipation of the Federal Reserve's December 14 rate hike.

U.S. Treasury Yield Curve



Yield Curve History

|        | 12/31/15 | 09/30/16 | 12/31/16 |
|--------|----------|----------|----------|
| 1-Mo.  | 0.13%    | 0.19%    | 0.42%    |
| 3-Mo.  | 0.17%    | 0.28%    | 0.50%    |
| 6-Mo.  | 0.48%    | 0.43%    | 0.61%    |
| 1-Yr.  | 0.60%    | 0.59%    | 0.81%    |
| 2-Yr.  | 1.05%    | 0.76%    | 1.19%    |
| 3-Yr.  | 1.31%    | 0.88%    | 1.45%    |
| 5-Yr.  | 1.76%    | 1.15%    | 1.93%    |
| 7-Yr.  | 2.09%    | 1.42%    | 2.25%    |
| 10-Yr. | 2.27%    | 1.60%    | 2.45%    |
| 30-Yr. | 3.02%    | 2.32%    | 3.07%    |

Source: Bloomberg



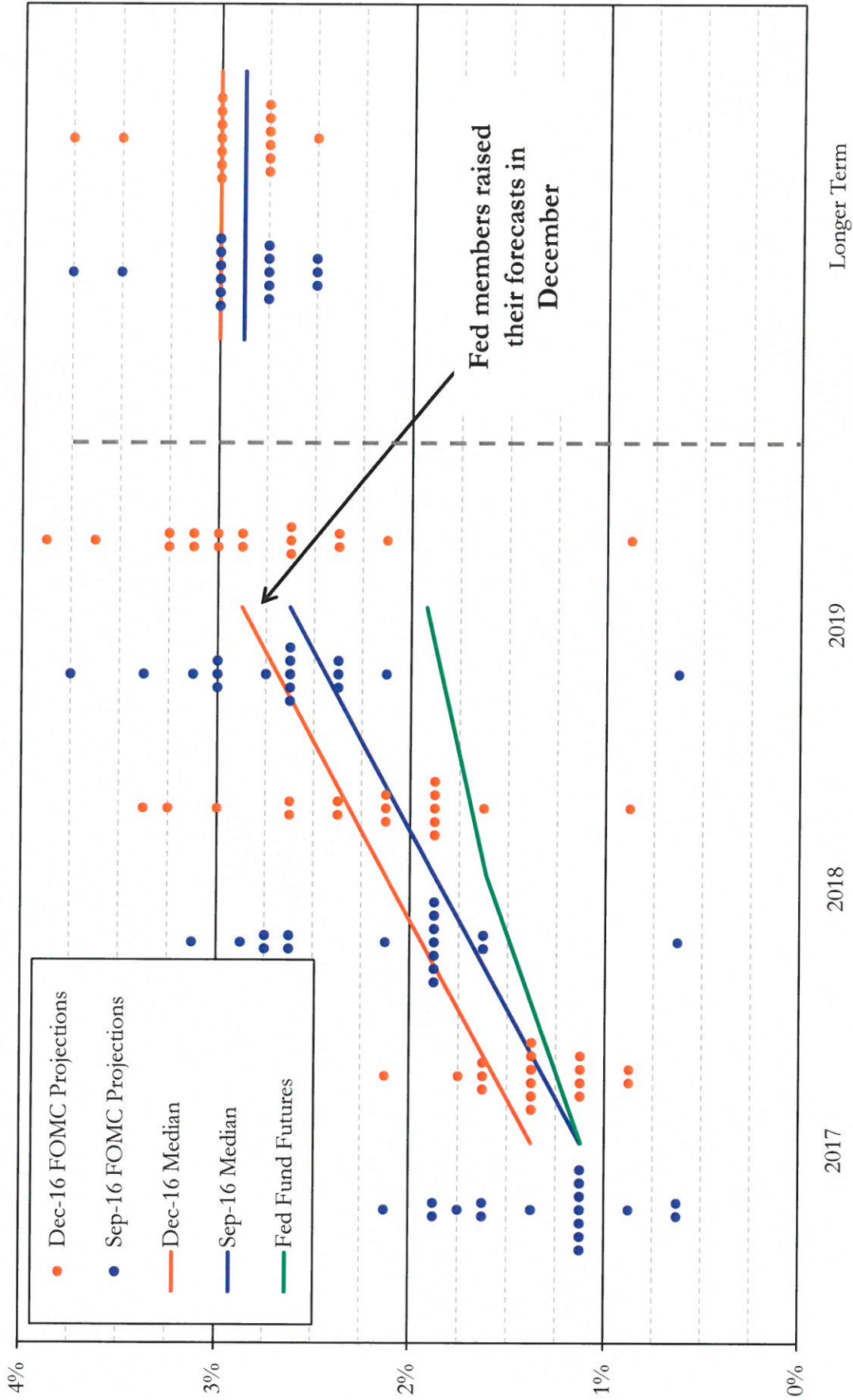
## RECENT FOMC STATEMENTS

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- **December 14, 2016 Meeting**
  - Federal Reserve raised interest rate range to **0.50% - 0.75%**.
  - **Job gains** have been solid in recent months and the unemployment rate has declined.
  - Inflation has increased somewhat since earlier this year but is still below the Fed's 2 percent longer-run objective.
- **February 1, 2017 Meeting**
  - In view of realized and expected labor market conditions and inflation, the Fed decided to **maintain the target range for the federal funds rate at 1/2 to 3/4 percent**.
  - The Fed expects that economic conditions will evolve in a manner that will warrant only **gradual increases in the federal funds rate**.
- **Janet Yellen's Report to Congress on February 14, 2017**
  - **“Waiting too long to remove accommodation would be unwise”** and may force the FOMC to raise rates rapidly, which could risk disrupting financial markets.
  - The Fed will remain nimble and may adjust their outlook in response to changing economic circumstances.

*Source: Federal Reserve*

FOCM "DOT PLOT"

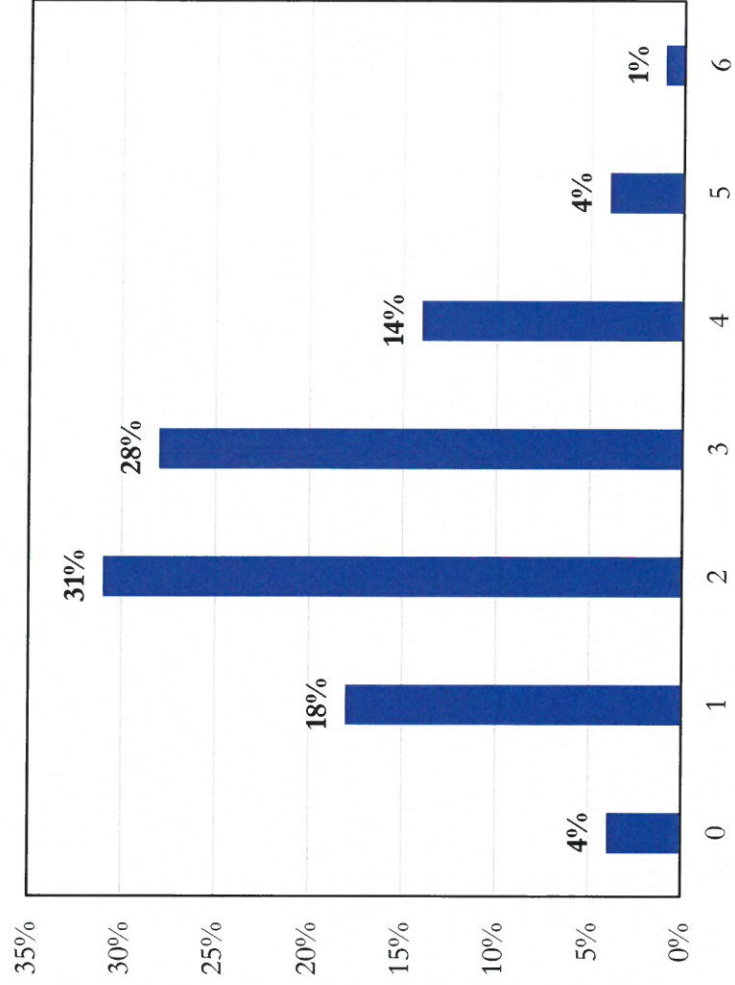


Source: Federal Reserve and Bloomberg; Fed Funds Futures as of 12/30/16. Individual dots represent each of the 17 FOMC members' judgment of the midpoint of the appropriate target range for the federal funds rate.

**PROBABILITY OF A FED RATE HIKE**

- Market-implied probabilities indicate that there is a 44% chance of the Fed raising rates at their March 15th meeting. Additionally, the market has also priced in a roughly 31% chance of two further rate hikes in 2017.

**Number of Rate Hikes Expected Through December 2017**



**Probability of at least One Rate Hike**

| Meeting  | 2/15/2017 |
|----------|-----------|
| 3/15/17  | 44%       |
| 5/3/17   | 64%       |
| 6/14/17  | 78%       |
| 7/27/17  | 82%       |
| 9/20/17  | 89%       |
| 11/1/17  | 91%       |
| 12/13/17 | 96%       |

Source: Bloomberg WTRP



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# Investment Performance Review

- The fourth quarter was dominated by the U.S. presidential election—first by general uncertainty, then more significantly by the surprise Trump victory. Yields surged in the post-election period as expectations for U.S. economic growth and inflationary expectations rose and in anticipation of a December FOMC rate hike.
- For much of the past year, we maintained a duration position generally neutral to that of the benchmark. By late October, however, uncertainty related to the election and the likelihood of a Fed rate increase reduced the attractiveness of a neutral duration position. We strategically shortened the portfolio duration in November, reducing the price sensitivity of the portfolio to interest rate changes, which is beneficial in a rising rate environment.
- Federal agency yield spreads continued to tighten over the quarter, erasing much of the value seen off and on during the year. We found it strategically advantageous to sell federal agencies to purchase U.S. Treasuries at similar yields.
- We generally maintained allocation to the corporate sector as valuations remained fair to modestly expensive amid tight yield spread levels. The sector once again outperformed comparable-maturity Treasuries during the quarter, finishing its strongest year of relative performance since 2012.
- In the fourth quarter, money market industry reform provided excellent investment opportunities, and we purchased negotiable certificates of deposits as attractive alternatives to Treasuries and agencies with longer maturities.
- In the fourth quarter, the District's portfolio had strong relative performance, outperforming its benchmark by 0.16%. This is the result of the portfolio's diversification and PFM's active management. In negative periods, returns that are "less negative" than benchmark returns contribute to increased outperformance since inception. It is important to clarify that negative returns over this period do not equate to the District realizing a loss of 0.88%. Because interest rates rose, and we have been in a prolonged low yield environment, unrealized declines in market values outweighed investment income the District received. Over the quarter, the District's portfolio realized positive income of \$59,132.54.

FALLBROOK PUBLIC UTILITY DISTRICT

- Although we enter 2017 with a high degree of political uncertainty, our expectations are for a modest uptick in economic growth in the U.S., a trend toward higher inflation, and a continued, but gradual, upward trajectory of interest rates.
- The most recent Federal Open Market Committee “dot plot” projections anticipate three Fed rate hikes in 2017 and another three hikes in 2018. Market expectations are more conservative, expecting only two hikes over this year.
- As 2017 starts with the highest yields in several years, we plan to initially position the portfolio’s duration to be aligned with that of the benchmark.
- Agency yield spreads over Treasuries remain narrow. As a result, our strategy will generally favor U.S. Treasuries over agencies unless specific issues offer identifiable value.
- Yield spreads on corporate securities also remain narrow. Identifying incremental return potential in the corporate bond sector requires careful relative value analysis. Improving corporate profits, as well as anticipated pro-business tax reform from the incoming Trump administration, support favorable fundamentals of the credit sector.
- We will continue to evaluate opportunities in the mortgage-backed security sector, purchasing those issues we believe are well structured, offer adequate yield spreads, and which have limited duration variability.
- We will continue to monitor incoming economic data, Fed policy, and market relationships, adjusting portfolio positioning as needed. This will include monitoring and assessing the policies of the incoming Trump administration for their impact on economic and market conditions.



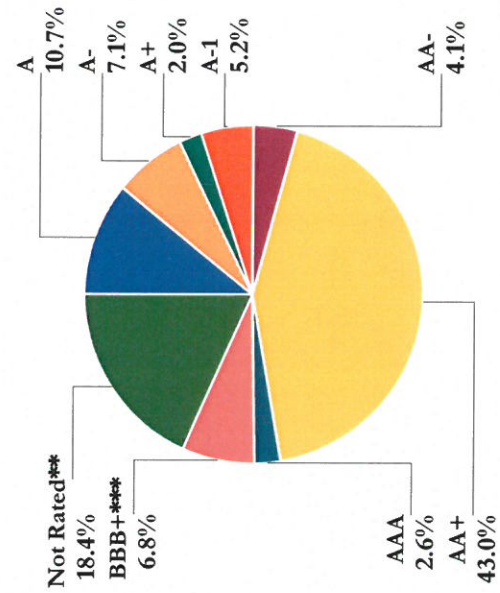
| <b>Security Type</b>    | <b>Market Value as of December 31, 2016</b> | <b>Percentage of Portfolio</b> | <b>% Change vs. 9/30/16</b> | <b>Permitted by Policy</b> | <b>In Compliance</b> |
|-------------------------|---|--------------------------------|-----------------------------|----------------------------|----------------------|
| U.S. Treasury           | \$3,462,354                                 | 24%                            | +10%                        | 100%                       | ✓                    |
| Federal Agencies        | \$2,204,199                                 | 15%                            | -9%                         | 100%                       | ✓                    |
| Federal Agency CMOs     | \$105,398                                   | 1%                             | -                           | 100%                       | ✓                    |
| Commercial Paper        | \$738,776                                   | 5%                             | -3%                         | 25%                        | ✓                    |
| Certificate of Deposit  | \$3,151,402                                 | 22%                            | +2%                         | 30%                        | ✓                    |
| Corporate Notes         | \$4,133,528                                 | 29%                            | -                           | 30%                        | ✓                    |
| Asset-Backed Securities | \$398,718                                   | 3%                             | -                           | 20%                        | ✓                    |
| Money Market Fund       | \$45,809                                    | <1%                            | -                           | 20%                        | ✓                    |
| <b>Totals</b>           | <b>\$14,240,184</b>                         | <b>100%</b>                    |                             |                            |                      |

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

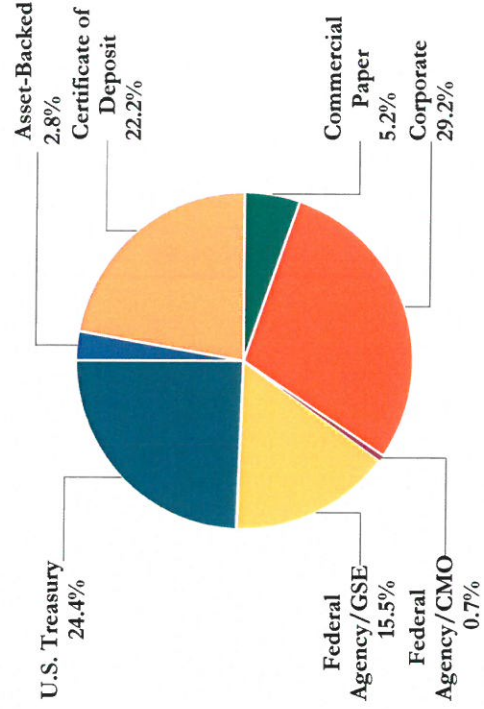
**Portfolio Statistics**  
As of December 31, 2016

|                               |            |
|-------------------------------|------------|
| Par Value:                    | 14,087,000 |
| Total Market Value:           | 14,240,184 |
| <b>Security Market Value:</b> | 14,142,766 |
| <b>Accrued Interest:</b>      | 51,609     |
| <b>Cash:</b>                  | 45,809     |
| <b>PFM</b>                    | -          |
| Amortized Cost:               | 14,225,196 |
| Yield at Market:              | 1.62%      |
| Yield at Cost:                | 1.50%      |
| Effective Duration:           | 2.59 Years |
| Duration to Worst:            | 2.63 Years |
| Average Maturity:             | 2.75 Years |
| Average Credit: *             | AA         |

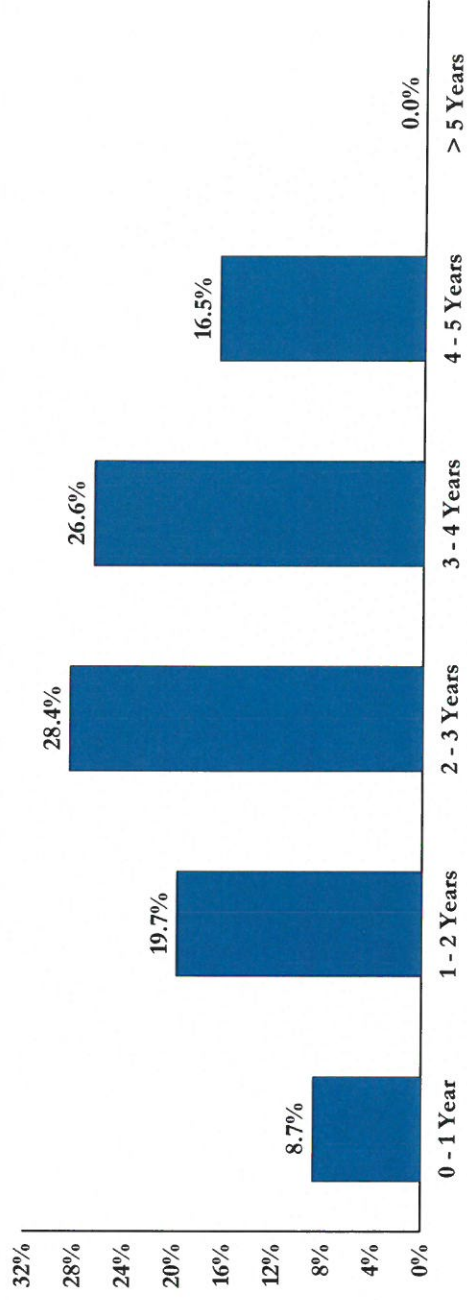
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



\*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

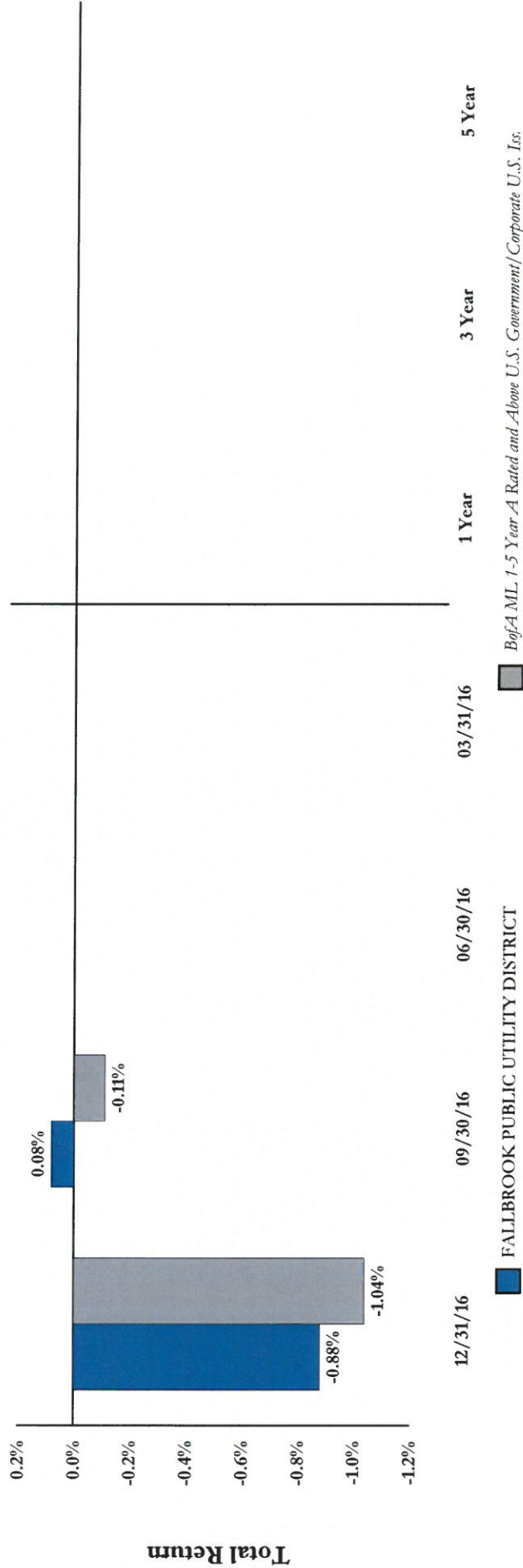
\*\*Non-negotiable CDs are FDIC-insured and not rated by S&P. John Deere ABS is rated Aaa by Moody's and AAA by Fitch.

\*\*\*Citigroup is rated BBB+ by S&P but A by Fitch, Goldman Sachs is rated BBB+ by S&P but A3 by Moody's and A by Fitch, Morgan Stanley is rated BBB+ by S&P but A3 by Moody's and A by Fitch.

FALLBROOK PUBLIC UTILITY DISTRICT

Portfolio Performance (Total Return)

| Portfolio/Benchmark   | Effective Duration | Quarter Ended |          |          |          | Annualized Return |        |
|---|--------------------|---------------|----------|----------|----------|-------------------|--------|
|   |                    | 12/31/16      | 09/30/16 | 06/30/16 | 03/31/16 | 1 Year            | 5 Year |
| <b>FALLBROOK PUBLIC UTILITY DISTRICT</b>  | 2.59               | -0.88%        | 0.08%    | -        | -        | -                 | -      |
| <i>Net of Fees *</i>  | -                  | -0.90%        | 0.05%    | -        | -        | -                 | -      |
| <b>BofA ML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index</b> | 2.61               | -1.04%        | -0.11%   | -        | -        | -                 | -      |
| <b>Difference (Gross)</b>   |                    | 0.16%         | 0.19%    | -        | -        | -                 | -      |
| <b>Difference (Net)</b>   |                    | 0.14%         | 0.16%    | -        | -        | -                 | -      |



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

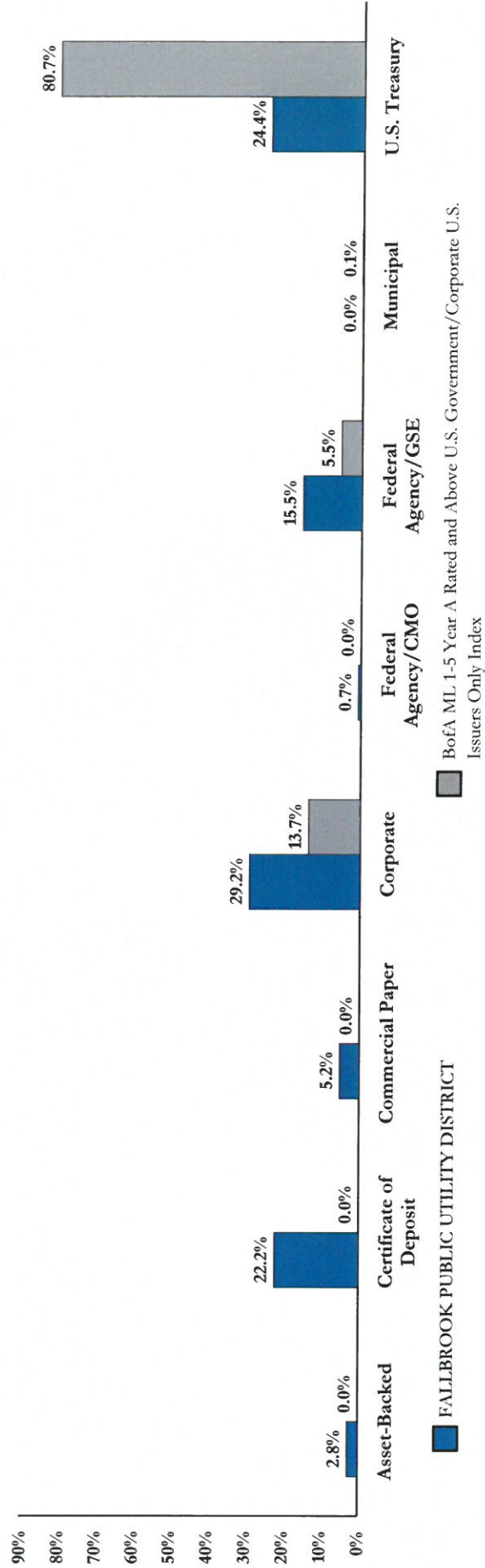


**Portfolio Earnings**  
*Quarter-Ended December 31, 2016*

|                                     | <b>Market Value Basis</b> | <b>Accrual (Amortized Cost) Basis</b> |
|-------------------------------------|---------------------------|---------------------------------------|
| <b>Beginning Value (09/30/2016)</b> | \$14,285,588.62           | \$14,203,395.50                       |
| <b>Net Purchases/Sales</b>          | \$43,036.54               | \$43,036.54                           |
| <b>Change in Value</b>              | (\$185,859.43)            | (\$21,235.84)                         |
| <b>Ending Value (12/31/2016)</b>    | \$14,142,765.73           | \$14,225,196.20                       |
| <b>Interest Earned</b>              | \$59,132.54               | \$59,132.54                           |
| <b>Portfolio Earnings</b>           | (\$126,726.89)            | \$37,896.70                           |

**Sector Allocation**  
*As of December 31, 2016*

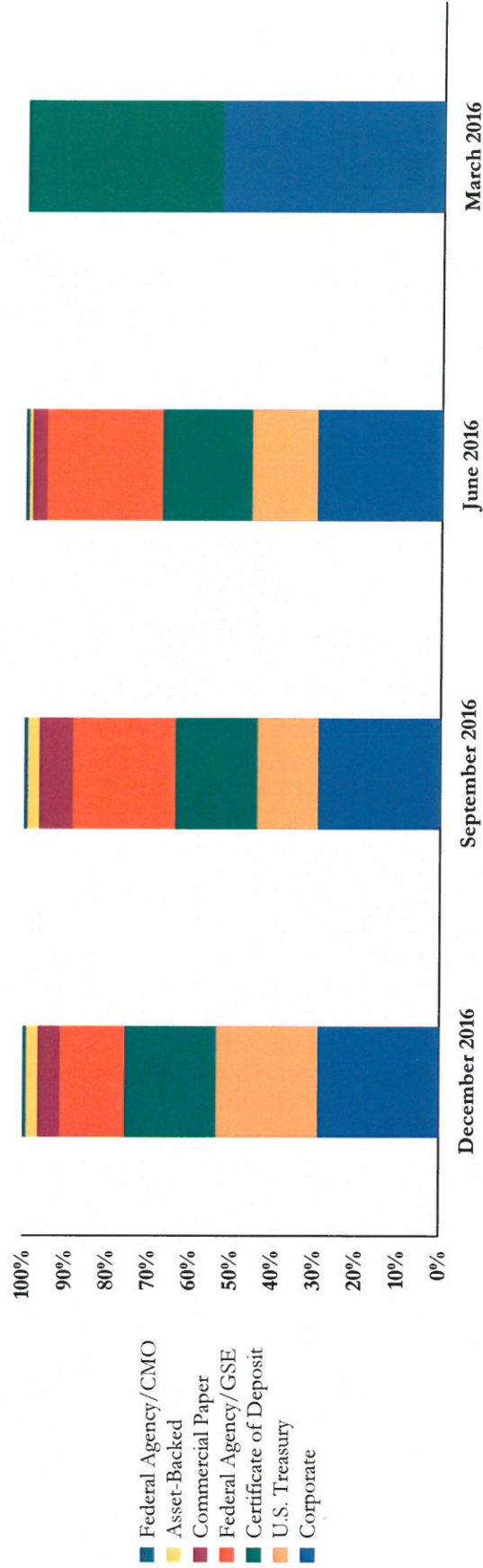
| Sector                 | Market Value (\$) | % of Portfolio | % of Benchmark |
|------------------------|-------------------|----------------|----------------|
| Corporate              | 4,110,510         | 29.2%          | 13.7%          |
| U.S. Treasury          | 3,452,284         | 24.4%          | 80.7%          |
| Certificate of Deposit | 3,139,620         | 22.2%          | -              |
| Federal Agency/GSE     | 2,197,835         | 15.5%          | 5.5%           |
| Commercial Paper       | 738,776           | 5.2%           | -              |
| Asset-Backed           | 398,499           | 2.8%           | -              |
| Federal Agency/CMO     | 105,242           | 0.7%           | -              |
| Municipal              | 0                 | -              | 0.1%           |
| <b>Total</b>           | <b>14,142,766</b> | <b>100.0%</b>  | <b>100.0%</b>  |



Detail may not add to total due to rounding.

Sector Allocation

| Sector                 | December 31, 2016 |               | September 30, 2016 |               | June 30, 2016 |               | March 31, 2016 |               |
|------------------------|-------------------|---------------|--------------------|---------------|---------------|---------------|----------------|---------------|
|                        | MV (\$MM)         | % of Total    | MV (\$MM)          | % of Total    | MV (\$MM)     | % of Total    | MV (\$MM)      | % of Total    |
| Corporate              | 4.1               | 29.2%         | 4.2                | 29.3%         | 4.2           | 29.8%         | 3.5            | 53.1%         |
| U.S. Treasury          | 3.5               | 24.4%         | 2.1                | 14.5%         | 2.2           | 15.7%         | 0.0            | 0.0%          |
| Certificate of Deposit | 3.1               | 22.2%         | 2.8                | 19.9%         | 3.1           | 21.8%         | 3.1            | 46.9%         |
| Federal Agency/GSE     | 2.2               | 15.5%         | 3.5                | 24.8%         | 3.9           | 27.7%         | 0.0            | 0.0%          |
| Commercial Paper       | 0.7               | 5.2%          | 1.1                | 8.0%          | 0.5           | 3.4%          | 0.0            | 0.0%          |
| Asset-Backed           | 0.4               | 2.8%          | 0.4                | 2.8%          | 0.1           | 0.8%          | 0.0            | 0.0%          |
| Federal Agency/CMO     | 0.1               | 0.7%          | 0.1                | 0.7%          | 0.1           | 0.8%          | 0.0            | 0.0%          |
| <b>Total</b>           | <b>\$14.1</b>     | <b>100.0%</b> | <b>\$14.3</b>      | <b>100.0%</b> | <b>\$14.2</b> | <b>100.0%</b> | <b>\$6.6</b>   | <b>100.0%</b> |

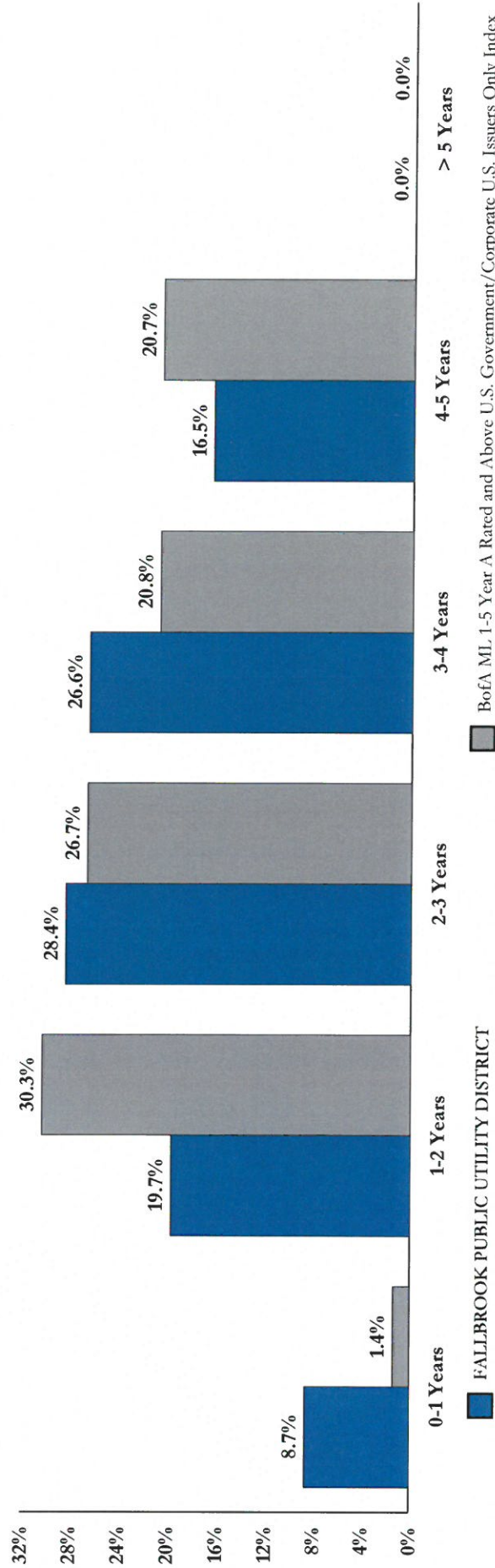


Detail may not add to total due to rounding.



**Maturity Distribution**  
 As of December 31, 2016

| Portfolio/Benchmark  | Yield at Market | Average Maturity | 0-1 Years | 1-2 Years | 2-3 Years | 3-4 Years | 4-5 Years | >5 Years |
|--|-----------------|------------------|-----------|-----------|-----------|-----------|-----------|----------|
| <b>FALLBROOK PUBLIC UTILITY DISTRICT</b>   | 1.62%           | 2.75 yrs         | 8.7%      | 19.7%     | 28.4%     | 26.6%     | 16.5%     | 0.0%     |
| BofA ML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index | 1.51%           | 2.81 yrs         | 1.4%      | 30.3%     | 26.7%     | 20.8%     | 20.7%     | 0.0%     |



**Issuer Distribution**  
*As of December 31, 2016*

| Issuer                             | Market Value (\$) | % of Portfolio |
|------------------------------------|-------------------|----------------|
| UNITED STATES TREASURY             | 3,452,284         | 24.4%          |
| FANNIE MAE                         | 1,350,500         | 9.6%           |
| FEDERAL HOME LOAN BANKS            | 656,540           | 4.6%           |
| CATERPILLAR INC                    | 567,307           | 4.0%           |
| MORGAN STANLEY                     | 567,071           | 4.0%           |
| AMERICAN EXPRESS CO                | 529,831           | 3.8%           |
| CAPITAL ONE FINANCIAL CORP         | 495,514           | 3.5%           |
| BNP PARIBAS                        | 489,651           | 3.5%           |
| JP MORGAN CHASE & CO               | 483,307           | 3.4%           |
| WELLS FARGO & COMPANY              | 385,440           | 2.7%           |
| BANK OF NEW YORK CO INC            | 350,963           | 2.5%           |
| APPLE INC                          | 328,083           | 2.3%           |
| CHEVRON CORP                       | 298,768           | 2.1%           |
| FREDDIE MAC                        | 296,037           | 2.1%           |
| GOLDMAN SACHS GROUP INC            | 287,894           | 2.0%           |
| NORDEA BANK AB                     | 282,260           | 2.0%           |
| CANADIAN IMPERIAL BANK OF COMMERCE | 282,260           | 2.0%           |
| BANK OF MONTREAL                   | 249,125           | 1.8%           |

Top 5 = 46.6%

Top 10 = 63.5%



**For the Quarter Ended December 31, 2016**  
*Portfolio Composition*

*FALLBROOK PUBLIC UTILITY DISTRICT*

| Issuer                       | Market Value (\$) | % of Portfolio |
|------------------------------|-------------------|----------------|
| SYNCHRONY BANK               | 248,723           | 1.8%           |
| STATE BANK OF INDIA          | 248,039           | 1.8%           |
| BANK OF BARODA               | 247,803           | 1.8%           |
| FIRST RESOURCE BANK          | 246,952           | 1.8%           |
| RONDOUT SAVINGS BANK         | 246,913           | 1.8%           |
| CELTIC BANK                  | 246,378           | 1.7%           |
| GOLD COAST BANK              | 246,192           | 1.7%           |
| BB&T CORPORATION             | 245,362           | 1.7%           |
| BURLINGTON NORTHERN SANTA FE | 215,087           | 1.5%           |
| TOYOTA AUTO RECEIVABLES      | 154,352           | 1.1%           |
| CARMAX AUTO OWNER TRUST      | 134,918           | 1.0%           |
| CIT BANK                     | 100,360           | 0.7%           |
| CITIGROUP INC                | 99,623            | 0.7%           |
| HYUNDAI AUTO RECEIVABLES     | 74,396            | 0.5%           |
| JOHN DEERE OWNER TRUST       | 34,833            | 0.3%           |
| <b>Grand Total:</b>          | <b>14,142,766</b> | <b>100.0%</b>  |



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# Portfolio Holdings



## Managed Account Detail of Securities Held

For the Month Ending December 31, 2016

### FPUD - INVESTMENT PORTFOLIO

| Security Type/Description<br>Dated Date/Coupon/Maturity      | CUSIP     | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|--|-----------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>U.S. Treasury Bond / Note</b>                             |           |               |                   |               |                |                     |                |                     |                     |                     |
| US TREASURY NOTES<br>DTD 01/31/2013 1.375% 01/31/2020        | 912828UL2 | AA+           | Aaa               | 05/03/16      | 05/06/16       | 197,201.37          | 1.07           | 1,122.04            | 196,822.52          | 194,261.15          |
| US TREASURY NOTES<br>DTD 06/01/2015 1.500% 05/31/2020        | 912828XE5 | AA+           | Aaa               | 09/01/16      | 09/02/16       | 533,469.73          | 1.06           | 692.31              | 532,735.96          | 523,400.33          |
| US TREASURY NOTES<br>DTD 06/01/2015 1.500% 05/31/2020        | 912828XE5 | AA+           | Aaa               | 06/27/16      | 06/29/16       | 588,903.32          | 0.87           | 758.24              | 587,126.69          | 573,247.98          |
| US TREASURY NOTE<br>DTD 06/30/2015 1.625% 06/30/2020         | 912828XH8 | AA+           | Aaa               | 11/01/16      | 11/02/16       | 325,300.00          | 1.16           | 14.36               | 325,070.16          | 320,150.08          |
| US TREASURY NOTE<br>DTD 12/02/2013 2.000% 11/30/2020         | 912828A42 | AA+           | Aaa               | 04/27/16      | 04/29/16       | 752,299.22          | 1.31           | 1,283.52            | 749,101.59          | 737,556.96          |
| US TREASURY NOTES<br>DTD 06/02/2014 2.000% 05/31/2021        | 912828WN6 | AA+           | Aaa               | 10/04/16      | 10/05/16       | 413,828.13          | 1.23           | 703.30              | 413,133.24          | 402,453.20          |
| US TREASURY N/B<br>DTD 07/31/2014 2.250% 07/31/2021          | 912828WY2 | AA+           | Aaa               | 11/22/16      | 11/23/16       | 301,268.75          | 1.78           | 2,777.65            | 301,134.45          | 299,620.88          |
| US TREASURY NOTES<br>DTD 09/02/2014 2.000% 08/31/2021        | 912828D72 | AA+           | Aaa               | 12/01/16      | 12/05/16       | 401,406.25          | 1.92           | 2,718.23            | 401,386.48          | 401,593.60          |
| <b>Security Type Sub-Total</b>                               |           |               |                   |               |                | <b>3,513,676.77</b> | <b>1.27</b>    | <b>10,069.65</b>    | <b>3,506,511.09</b> | <b>3,452,284.18</b> |
| <b>Federal Agency Collateralized Mortgage Obligation</b>     |           |               |                   |               |                |                     |                |                     |                     |                     |
| FNMA SERIES 2016-M9 ASQ2<br>DTD 06/01/2016 1.785% 06/01/2019 | 3136ASPX8 | AA+           | Aaa               | 06/09/16      | 06/30/16       | 106,049.95          | 1.05           | 156.19              | 105,839.43          | 105,241.80          |
| <b>Security Type Sub-Total</b>                               |           |               |                   |               |                | <b>106,049.95</b>   | <b>1.05</b>    | <b>156.19</b>       | <b>105,839.43</b>   | <b>105,241.80</b>   |
| <b>Federal Agency Bond / Note</b>                            |           |               |                   |               |                |                     |                |                     |                     |                     |
| FHLLB NOTES<br>DTD 07/08/2016 0.625% 08/07/2018              | 3130A8PK3 | AA+           | Aaa               | 08/01/16      | 08/02/16       | 423,491.25          | 0.80           | 1,062.50            | 423,799.42          | 421,622.10          |
| FHLLB NOTES<br>DTD 12/08/2016 1.250% 01/16/2019              | 3130AAE46 | AA+           | Aaa               | 12/07/16      | 12/08/16       | 234,990.60          | 1.25           | 187.67              | 234,990.60          | 234,917.99          |



## Managed Account Detail of Securities Held

For the Month Ending December 31, 2016

### FPUD - INVESTMENT PORTFOLIO

| Security Type / Description<br>Dated Date / Coupon / Maturity                | CUSIP     | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost       | YTM at Cost | Accrued Interest | Amortized Cost      | Market Value        |  |
|--|-----------|------------|----------------|------------|-------------|---------------------|-------------|------------------|---------------------|---------------------|--|
| <b>Federal Agency Bond / Note</b>  |           |            |                |            |             |                     |             |                  |                     |                     |  |
| FNMA BENCHMARK NOTE<br>DTD 02/23/2016 1.000% 02/26/2019                      | 3135G0153 | AA+        | Aaa            | 04/27/16   | 04/29/16    | 998,230.00          | 1.06        | 3,472.22         | 998,648.86          | 993,783.00          |  |
| FILMC REFERENCE NOTE<br>DTD 07/20/2016 0.875% 07/19/2019                     | 3137EAE1  | AA+        | Aaa            | 07/19/16   | 07/20/16    | 299,274.00          | 0.96        | 1,173.96         | 299,381.03          | 296,037.30          |  |
| FANNIE MAE GLOBAL NOTES<br>DTD 10/25/2016 1.000% 10/24/2019                  | 3135GOR39 | AA+        | Aaa            | 10/24/16   | 10/25/16    | 254,224.80          | 1.10        | 467.50           | 254,271.56          | 251,474.88          |  |
| <b>Security Type Sub-Total</b>   |           |            |                |            |             | <b>2,210,210.65</b> | <b>1.02</b> | <b>6,363.85</b>  | <b>2,211,091.47</b> | <b>2,197,835.27</b> |  |
| <b>Corporate Note</b>  |           |            |                |            |             |                     |             |                  |                     |                     |  |
| MORGAN STANLEY CORP NOTE<br>DTD 04/25/2013 2.125% 04/25/2018                 | 6174467U7 | BBB+       | A3             | 07/13/16   | 07/18/16    | 222,382.60          | 1.50        | 857.08           | 221,779.96          | 220,876.48          |  |
| APPLE INC GLOBAL NOTES<br>DTD 05/06/2014 2.100% 05/06/2019                   | 037833AO3 | AA+        | Aa1            | 05/29/14   | 05/29/14    | 329,582.50          | 1.80        | 1,042.71         | 327,230.04          | 328,083.28          |  |
| CHEVRON CORP NOTES<br>DTD 05/16/2016 1.561% 05/16/2019                       | 166764BH2 | AA-        | Aa2            | 05/09/16   | 05/16/16    | 300,000.00          | 1.56        | 585.38           | 300,000.00          | 298,767.90          |  |
| CITIGROUP INC CORP NOTES<br>DTD 06/09/2016 2.050% 06/07/2019                 | 172967KS9 | BBB+       | Baa1           | 06/02/16   | 06/09/16    | 99,948.00           | 2.07        | 136.67           | 99,957.46           | 99,622.50           |  |
| BURLINGTON NRTH CORP<br>DTD 09/24/2009 4.700% 10/01/2019                     | 12189TBC7 | A          | A3             | 06/03/16   | 06/08/16    | 220,780.00          | 1.48        | 2,350.00         | 217,315.70          | 215,086.80          |  |
| CATERPILLAR FINANCIAL CORP NOTES<br>DTD 12/01/2014 2.250% 12/01/2019         | 14912L6F3 | A          | A3             | 04/24/15   | 04/24/15    | 577,181.40          | 1.76        | 1,059.38         | 572,834.80          | 567,306.90          |  |
| MELLON BANK (CALLABLE) CORPORATE<br>NOTE<br>DTD 02/24/2015 2.150% 02/24/2020 | 06406HCZ0 | A          | A1             | 07/07/15   | 07/07/15    | 352,148.30          | 2.14        | 2,669.82         | 352,105.02          | 350,963.36          |  |
| JP MORGAN CHASE & CO NOTES<br>DTD 07/22/2010 4.400% 07/22/2020               | 46625HHS2 | A-         | A3             | 04/27/16   | 04/29/16    | 493,065.30          | 2.31        | 8,842.17         | 487,271.00          | 483,306.92          |  |
| WELLS FARGO & COMPANY NOTES<br>DTD 12/07/2015 2.550% 12/07/2020              | 94974BGR5 | A          | A2             | 04/27/16   | 04/29/16    | 391,579.65          | 2.16        | 654.50           | 390,662.70          | 385,440.06          |  |





## Managed Account Detail of Securities Held

For the Month Ending December 31, 2016

### FPUD - INVESTMENT PORTFOLIO

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|---|-----------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Corporate Note</b>   |           |               |                   |               |                |                     |                |                     |                     |                     |
| MORGAN STANLEY CORP NOTES<br>DTD 04/21/2016 2.500% 04/21/2021                   | 61746BEA0 | BBB+          | A3                | 05/10/16      | 05/13/16       | 352,009.00          | 2.38           | 1,701.39            | 351,766.44          | 346,194.80          |
| GOLDMAN SACHS GRP INC CORP NT<br>(CALLABLE)<br>DTD 04/25/2016 2.625% 04/25/2021 | 38141GVU5 | BBB+          | A3                | 08/10/16      | 08/15/16       | 296,693.20          | 2.11           | 1,395.63            | 296,172.45          | 287,894.31          |
| AMERICAN EXPRESS CREDIT CORP NOTES<br>DTD 05/05/2016 2.250% 05/05/2021          | 0258MOEB1 | A-            | A2                | 05/05/16      | 05/10/16       | 286,558.95          | 2.13           | 997.50              | 286,367.69          | 281,603.94          |
| BRANCH BANKING & TRUST CORP NOTE<br>DTD 05/10/2016 2.050% 05/10/2021            | 05531FAV5 | A-            | A2                | 05/10/16      | 05/16/16       | 249,835.00          | 2.06           | 726.04              | 249,855.17          | 245,362.25          |
| <b>Security Type Sub-Total</b>  |           |               |                   |               |                | <b>4,171,763.90</b> | <b>1.98</b>    | <b>23,018.27</b>    | <b>4,153,318.43</b> | <b>4,110,509.50</b> |
| <b>Commercial Paper</b>   |           |               |                   |               |                |                     |                |                     |                     |                     |
| BNP PARIBAS NY BRANCH COMM PAPER<br>-- 0.000% 02/03/2017                        | 09659BP38 | A-1           | P-1               | 05/09/16      | 05/10/16       | 486,155.54          | 1.06           | 0.00                | 489,528.38          | 489,650.63          |
| BANK OF MONTREAL CHICAGO COMM<br>PAPER<br>-- 0.000% 04/21/2017                  | 06366GRM3 | A-1           | P-1               | 07/25/16      | 07/26/16       | 247,907.78          | 1.13           | 0.00                | 249,144.45          | 249,125.00          |
| <b>Security Type Sub-Total</b>  |           |               |                   |               |                | <b>734,063.32</b>   | <b>1.08</b>    | <b>0.00</b>         | <b>738,672.83</b>   | <b>738,775.63</b>   |
| <b>Certificate of Deposit</b>   |           |               |                   |               |                |                     |                |                     |                     |                     |
| GOLD COAST BANK LT CD<br>DTD 12/30/2013 1.200% 10/30/2017                       | 38058KCS3 | NR            | NR                | 12/31/13      | 12/31/13       | 245,000.00          | 1.13           | 16.11               | 245,000.00          | 246,191.68          |
| CELTIC BANK LT CD<br>DTD 12/20/2013 1.250% 12/20/2017                           | 15118RJL2 | NR            | NR                | 12/21/13      | 12/21/13       | 245,000.00          | 1.22           | 100.68              | 245,000.00          | 246,378.37          |
| CIT BANK LT CD<br>DTD 03/13/2013 1.100% 03/13/2018                              | 17284A6P8 | NR            | NR                | 03/14/13      | 03/14/13       | 100,000.00          | 1.08           | 331.51              | 100,000.00          | 100,360.30          |
| RONDOUT SAVINGS BANK LT CD<br>DTD 01/23/2015 1.350% 07/23/2018                  | 776322AP4 | NR            | NR                | 01/24/15      | 01/24/15       | 245,000.00          | 1.32           | 1,467.99            | 245,000.00          | 246,912.72          |



## Managed Account Detail of Securities Held

For the Month Ending December 31, 2016

### FPUD - INVESTMENT PORTFOLIO

| Security Type/Description      | Dated Date/Coupon/Maturity       | CUSIP     | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost       | YTM at Cost | Accrued Interest | Amortized Cost      | Market Value        |
|--------------------------------|----------------------------------|-----------|------------|----------------|------------|-------------|---------------------|-------------|------------------|---------------------|---------------------|
| <b>Certificate of Deposit</b>  |                                  |           |            |                |            |             |                     |             |                  |                     |                     |
| FIRST RESOURCE BANK LT CD      | DTD 01/28/2015 1.300% 07/30/2018 | 336177AQ3 | NR         | NR             | 01/29/15   | 01/29/15    | 245,000.00          | 1.10        | 1,369.99         | 245,000.00          | 246,951.92          |
| CAPITAL ONE BANK USA NA LT CD  | DTD 08/12/2015 1.700% 08/13/2018 | 14042E5N6 | NR         | NR             | 08/12/15   | 08/12/15    | 245,000.00          | 1.40        | 1,620.36         | 245,000.00          | 246,784.34          |
| SYNCHRONY BANK LT CD           | DTD 10/25/2013 2.150% 10/25/2018 | 36157OSM0 | NR         | NR             | 10/25/13   | 10/25/13    | 245,000.00          | 2.05        | 981.34           | 245,000.00          | 248,723.02          |
| BANK OF BARODA LT CD           | DTD 10/28/2013 2.050% 10/29/2018 | 0606246K4 | NR         | NR             | 10/29/13   | 10/29/13    | 245,000.00          | 1.96        | 894.42           | 245,000.00          | 247,802.56          |
| CANADIAN IMPERIAL BANK NY CD   | DTD 12/05/2016 1.760% 11/30/2018 | 13606A5Z7 | A+         | Aa3            | 12/01/16   | 12/05/16    | 280,000.00          | 1.78        | 369.60           | 279,789.73          | 282,259.60          |
| NORDEA BANK FINLAND NY CD      | DTD 12/05/2016 1.760% 11/30/2018 | 65558LWA6 | AA-        | Aa3            | 12/01/16   | 12/05/16    | 280,000.00          | 1.74        | 369.60           | 280,000.00          | 282,259.60          |
| STATE BANK OF INDIA LT CD      | DTD 12/18/2013 2.050% 12/18/2018 | 856283VY9 | NR         | NR             | 12/19/13   | 12/19/13    | 245,000.00          | 1.96        | 192.64           | 245,000.00          | 248,039.47          |
| AMERICAN EXPRESS BK FSB LT CD  | DTD 07/24/2014 2.000% 07/24/2019 | 02587CAJ9 | NR         | NR             | 07/25/14   | 07/25/14    | 245,000.00          | 1.92        | 2,161.37         | 245,000.00          | 248,227.39          |
| CAPITAL ONE BANK USA NA LT CD  | DTD 08/12/2015 2.000% 08/12/2019 | 140420UE8 | NR         | NR             | 08/12/15   | 08/12/15    | 245,000.00          | 1.94        | 1,906.30         | 245,000.00          | 248,729.39          |
| <b>Security Type Sub-Total</b> |                                  |           |            |                |            |             | <b>3,109,781.60</b> | <b>1.61</b> | <b>11,781.91</b> | <b>3,109,789.73</b> | <b>3,139,620.36</b> |

### Asset-Backed Security / Collateralized Mortgage Obligation

|                          |                                  |           |     |     |          |          |            |      |       |            |            |
|--------------------------|----------------------------------|-----------|-----|-----|----------|----------|------------|------|-------|------------|------------|
| CARMAX ABS 2016-3 A2     | DTD 07/20/2016 1.170% 08/15/2019 | 14314EAB7 | AAA | NR  | 07/14/16 | 07/20/16 | 134,988.98 | 1.18 | 70.20 | 134,990.66 | 134,918.31 |
| TOYOTA ABS 2016-B A3     | DTD 05/11/2016 1.300% 04/15/2020 | 89231UAD9 | AAA | Aaa | 05/02/16 | 05/11/16 | 109,994.38 | 1.30 | 63.56 | 109,995.46 | 109,647.35 |
| JOHN DEERE ABS 2016-B A3 | DTD 07/27/2016 1.250% 06/15/2020 | 47788NAC2 | NR  | Aaa | 07/19/16 | 07/27/16 | 34,997.21  | 1.25 | 19.44 | 34,997.58  | 34,833.22  |
| TOYOTA ABS 2016-C A3     | DTD 08/10/2016 1.140% 08/15/2020 | 89237WAD9 | AAA | Aaa | 08/01/16 | 08/10/16 | 44,998.79  | 1.14 | 22.80 | 44,998.93  | 44,704.43  |





**Managed Account Detail of Securities Held**

For the Month Ending December 31, 2016

**FPUD - INVESTMENT PORTFOLIO**

| Security Type / Description  | Dated Date / Coupon / Maturity | CUSIP     | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost          | YTM at Cost  | Accrued Interest   | Amortized Cost         | Market Value           |  |
|--|--------------------------------|-----------|------------|----------------|------------|-------------|------------------------|--------------|--------------------|------------------------|------------------------|--|
| <b>Asset-Backed Security / Collateralized Mortgage Obligation</b>  |                                |           |            |                |            |             |                        |              |                    |                        |                        |  |
| HYUNDAI AUTO RECEIVABLES TRUST<br>DTD 09/21/2016 1.290% 04/15/2021 |                                | 44891EAC3 | AAA        | Aaa            | 09/14/16   | 09/21/16    | 74,989.91              | 1.30         | 43.00              | 74,990.59              | 74,395.68              |  |
| <b>Security Type Sub-Total</b>                                     |                                |           |            |                |            |             | <b>399,969.27</b>      | <b>1.24</b>  | <b>219.00</b>      | <b>399,973.22</b>      | <b>398,498.99</b>      |  |
| <b>Managed Account Sub-Total</b>                                   |                                |           |            |                |            |             | <b>14,245,515.46</b>   | <b>1.50</b>  | <b>51,608.87</b>   | <b>14,225,196.20</b>   | <b>14,142,765.73</b>   |  |
| <b>Securities Sub-Total</b>  |                                |           |            |                |            |             | <b>\$14,245,515.46</b> | <b>1.50%</b> | <b>\$51,608.87</b> | <b>\$14,225,196.20</b> | <b>\$14,142,765.73</b> |  |
| <b>Accrued Interest</b>  |                                |           |            |                |            |             |                        |              |                    |                        | <b>\$51,608.87</b>     |  |
| <b>Total Investments</b>   |                                |           |            |                |            |             |                        |              |                    |                        | <b>\$14,194,374.60</b> |  |



## Glossary

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

## Glossary

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

## Important Disclosures

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

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





### Managed Account Summary Statement

For the Month Ending February 28, 2017

#### FPUD - INVESTMENT PORTFOLIO - 28710100

| Transaction Summary - Managed Account |   |
|---------------------------------------|---|
| <b>Opening Market Value</b>           | <b>\$14,194,022.67</b>                            |
| Maturities/Calls                      | (490,401.02)                                      |
| Principal Dispositions                | (953,159.72)                                      |
| Principal Acquisitions                | 1,444,792.76                                      |
| Unsettled Trades                      | 29,995.73   |
| Change in Current Value               | 24,485.99   |
| <b>Closing Market Value</b>           | <b>Up \$55,700 over 1/31/17 → \$14,249,736.41</b> |

| Earnings Reconciliation (Cash Basis) - Managed Account |                    |
|--|--------------------|
| Interest/Dividends/Coupons Received                    | 19,110.68          |
| Less Purchased Interest Related to Interest/Coupons    | (1,760.43)         |
| Plus Net Realized Gains/Losses                         | (5,831.94)         |
| <b>Total Cash Basis Earnings</b>                       | <b>\$11,518.31</b> |

| Earnings Reconciliation (Accrual Basis)              |                    |
|--|--------------------|
| Ending Amortized Value of Securities                 | 14,283,259.46      |
| Ending Accrued Interest                              | 52,123.81          |
| Plus Proceeds from Sales                             | 957,206.40         |
| Plus Proceeds of Maturities/Calls/Principal Payments | 490,401.02         |
| Less Cost of New Purchases                           | 15,064.00          |
| Less Beginning Amortized Value of Securities         | (1,476,548.92)     |
| Less Beginning Accrued Interest                      | (14,262,250.42)    |
|  | (48,855.13)        |
| <b>Total Accrual Basis Earnings</b>                  | <b>\$10,400.22</b> |

| Cash Transactions Summary - Managed Account |                |
|---|----------------|
| Maturities/Calls                            | 490,000.00     |
| Sale Proceeds                               | 957,206.40     |
| Coupon/Interest/Dividend Income             | 15,064.00      |
| Principal Payments                          | 401.02         |
| Security Purchases                          | (1,446,553.19) |
| Net Cash Contribution                       | 0.00           |
| Reconciling Transactions                    | 0.00           |

| Cash Balance                |                    |
|-----------------------------|--------------------|
| <b>Closing Cash Balance</b> | <b>\$43,159.18</b> |

← At 2/28/17



## Portfolio Summary and Statistics

For the Month Ending February 28, 2017

### FPUD - INVESTMENT PORTFOLIO - 28710100

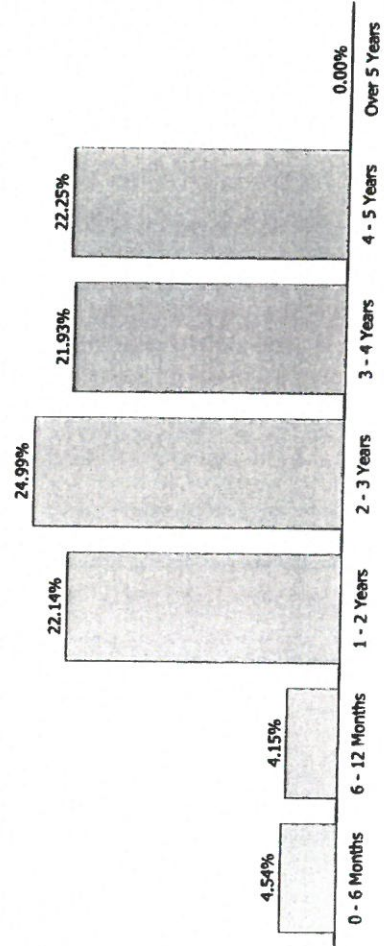
#### Account Summary

| Description  | Par Value            | Market Value         | Percent        |
|--|----------------------|----------------------|----------------|
| U.S. Treasury Bond / Note                                  | 3,620,000.00         | 3,629,783.31         | 25.47          |
| Federal Agency Collateralized Mortgage Obligation          | 105,000.00           | 105,097.81           | 0.74           |
| Federal Agency Bond / Note                                 | 1,295,000.00         | 1,284,867.49         | 9.02           |
| Corporate Note   | 4,167,000.00         | 4,218,652.06         | 29.60          |
| Commercial Paper   | 750,000.00           | 746,603.50           | 5.24           |
| Certificate of Deposit                                     | 3,590,000.00         | 3,621,649.60         | 25.42          |
| Asset-Backed Security / Collateralized Mortgage Obligation | 644,598.98           | 643,082.64           | 4.51           |
| <b>Managed Account Sub-Total</b>                           | <b>14,171,598.98</b> | <b>14,249,736.41</b> | <b>100.00%</b> |
| Accrued Interest   |                      | 52,123.81            |                |
| <b>Total Portfolio</b>                                     | <b>14,171,598.98</b> | <b>14,301,860.22</b> |                |

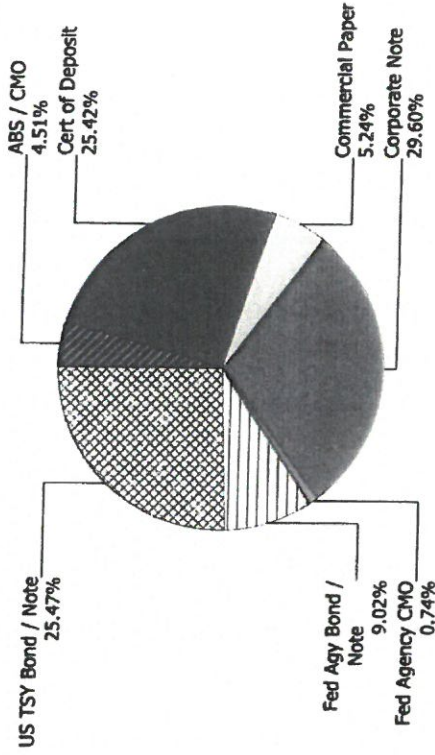
**Market Value is greater than Par Value**

**Unsettled Trades**      **30,000.00**      **29,995.73**

#### Maturity Distribution



#### Sector Allocation



#### Characteristics

|                                   |                             |       |
|-----------------------------------|-----------------------------|-------|
| Yield to Maturity at Cost         | <b>Was 1.55% at 1/31/17</b> | 1.62% |
| Yield to Maturity at Market       |                             | 1.61% |
| Duration to Worst                 |                             | 2.63  |
| Weighted Average Days to Maturity | <b>Holding steady</b>       | 1014  |





## Managed Account Issuer Summary

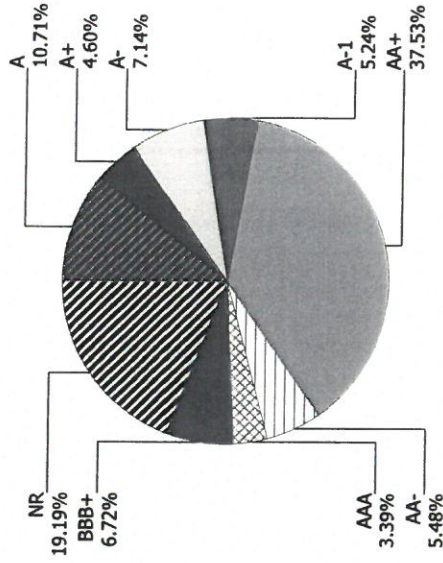
For the Month Ending February 28, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

Issuer Summary

Credit Quality (S&P Ratings)

| Issuer                             | Market Value of Holdings | Percent |
|------------------------------------|--------------------------|---------|
| AMERICAN EXPRESS CO                | 531,095.07               | 3.73    |
| AMERICAN HONDA FINANCE             | 90,173.70                | 0.63    |
| APPLE INC                          | 328,541.20               | 2.31    |
| BANK OF BARODA                     | 247,701.13               | 1.74    |
| BANK OF MONTREAL                   | 532,451.20               | 3.74    |
| BANK OF NEW YORK CO INC            | 353,910.30               | 2.49    |
| BB&T CORPORATION                   | 247,101.75               | 1.74    |
| BURLINGTON NORTHERN SANTA FE       | 214,931.40               | 1.51    |
| CANADIAN IMPERIAL BANK OF COMMERCE | 282,225.72               | 1.98    |
| CAPTIAL ONE FINANCIAL CORP         | 495,323.86               | 3.48    |
| CARMAX AUTO OWNER TRUST            | 134,487.02               | 0.95    |
| CATERPILLAR INC                    | 569,975.39               | 4.01    |
| CELTIC BANK                        | 246,540.07               | 1.73    |
| CHEVRON CORP                       | 299,449.80               | 2.11    |
| CIT BANK                           | 100,371.00               | 0.71    |
| CITIBANK CREDIT CARD ISSUANCE      | 120,206.39               | 0.85    |
| CITIGROUP INC                      | 100,067.00               | 0.70    |
| FANNIE MAE                         | 854,283.11               | 6.01    |
| FEDERAL HOME LOAN BANKS            | 239,162.19               | 1.68    |
| FIRST RESOURCE BANK                | 246,909.78               | 1.74    |
| FORD CREDIT AUTO OWNER TRUST       | 94,969.84                | 0.67    |
| FREDDIE MAC                        | 296,520.00               | 2.09    |
| GOLD COAST BANK                    | 246,301.93               | 1.73    |
| GOLDMAN SACHS GROUP INC            | 290,159.50               | 2.04    |
| HYUNDAI AUTO RECEIVABLES           | 74,349.38                | 0.52    |
| ING GROUP NV                       | 99,042.70                | 0.70    |
| JOHN DEERE OWNER TRUST             | 34,803.63                | 0.24    |
| JP MORGAN CHASE & CO               | 487,043.83               | 3.43    |
| MITSUBISHI UFJ FINANCIAL GROUP INC | 397,850.80               | 2.80    |
| MORGAN STANLEY                     | 567,183.54               | 3.99    |
| NORDEA BANK AB                     | 282,225.72               | 1.98    |
| RONDOUT SAVINGS BANK               | 246,872.29               | 1.74    |







Managed Account Issuer Summary

For the Month Ending February 28, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

| Issuer                  | Market Value of Holdings | Percent        |
|-------------------------|--------------------------|----------------|
| STATE BANK OF INDIA     | 247,925.55               | 1.74           |
| SVENSKA HANDELSBANKEN   | 199,891.20               | 1.41           |
| SYNCHRONY BANK          | 248,541.48               | 1.75           |
| TOYOTA AUTO RECEIVABLES | 154,270.65               | 1.08           |
| UNITED STATES TREASURY  | 3,629,783.31             | 25.53          |
| WELLS FARGO & COMPANY   | 387,098.25               | 2.72           |
| <b>Total</b>            | <b>\$14,219,740.68</b>   | <b>100.00%</b> |

← Largest percent of portfolio



### Managed Account Detail of Securities Held

For the Month Ending February 28, 2017

#### FPUD - INVESTMENT PORTFOLIO - 28710100

| Security Type/Description                                | Dated Date/Coupon/Maturity       | CUSIP     | Par Rating          | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost       | YTM at Cost | Accrued Interest | Amortized Cost      | Market Value        |
|--|----------------------------------|-----------|---------------------|------------|----------------|------------|-------------|---------------------|-------------|------------------|---------------------|---------------------|
| <b>U.S. Treasury Bond / Note</b>                         |                                  |           |                     |            |                |            |             |                     |             |                  |                     |                     |
| US TREASURY NOTES  | DTD 01/31/2013 1.375% 01/31/2020 | 912828UJL | 105,000.00          | AA+        | Aaa            | 05/03/16   | 05/06/16    | 106,185.35          | 1.07        | 115.66           | 105,930.68          | 104,737.50          |
| US TREASURY NOTES  | DTD 06/01/2015 1.500% 05/31/2020 | 912828XE5 | 360,000.00          | AA+        | Aaa            | 06/27/16   | 06/29/16    | 368,704.69          | 0.87        | 1,350.00         | 367,236.50          | 359,240.76          |
| US TREASURY NOTES  | DTD 06/01/2015 1.500% 05/31/2020 | 912828XE5 | 525,000.00          | AA+        | Aaa            | 09/01/16   | 09/02/16    | 533,469.73          | 1.06        | 1,968.75         | 532,374.41          | 523,892.78          |
| US TREASURY NOTES  | DTD 06/30/2015 1.625% 06/30/2020 | 912828XH8 | 320,000.00          | AA+        | Aaa            | 11/01/16   | 11/02/16    | 325,300.00          | 1.16        | 861.88           | 324,837.96          | 320,424.96          |
| US TREASURY NOTE   | DTD 12/02/2013 2.000% 11/30/2020 | 912828A42 | 730,000.00          | AA+        | Aaa            | 04/27/16   | 04/29/16    | 752,299.22          | 1.31        | 3,650.00         | 748,328.54          | 738,240.97          |
| US TREASURY NOTES  | DTD 05/02/2016 1.375% 04/30/2021 | 912828078 | 150,000.00          | AA+        | Aaa            | 02/01/17   | 02/03/17    | 147,035.16          | 1.86        | 689.40           | 147,083.91          | 147,550.80          |
| US TREASURY NOTES  | DTD 05/02/2016 1.375% 04/30/2021 | 912828078 | 335,000.00          | AA+        | Aaa            | 01/03/17   | 01/05/17    | 328,326.17          | 1.86        | 1,539.66         | 328,553.53          | 329,530.12          |
| US TREASURY NOTES  | DTD 06/02/2014 2.000% 05/31/2021 | 912828WN6 | 400,000.00          | AA+        | Aaa            | 10/04/16   | 10/05/16    | 413,828.13          | 1.23        | 2,000.00         | 412,662.76          | 403,359.20          |
| US TREASURY N/B  | DTD 07/31/2014 2.250% 07/31/2021 | 912828WY2 | 295,000.00          | AA+        | Aaa            | 11/22/16   | 11/23/16    | 301,268.75          | 1.78        | 531.73           | 300,927.54          | 300,197.02          |
| US TREASURY NOTES  | DTD 09/02/2014 2.000% 08/31/2021 | 912828D72 | 400,000.00          | AA+        | Aaa            | 12/01/16   | 12/05/16    | 401,406.25          | 1.92        | 21.74            | 401,343.23          | 402,609.20          |
| <b>Security Type Sub-Total</b>                           |                                  |           | <b>3,620,000.00</b> |            |                |            |             | <b>3,677,823.45</b> | <b>1.38</b> | <b>12,728.82</b> | <b>3,669,279.06</b> | <b>3,629,783.31</b> |
| <b>Federal Agency Collateralized Mortgage Obligation</b> |                                  |           |                     |            |                |            |             |                     |             |                  |                     |                     |
| FNMA SERIES 2016-M9 ASQ2                                 | DTD 06/01/2016 1.785% 06/01/2019 | 3136ASPX8 | 105,000.00          | AA+        | Aaa            | 06/09/16   | 06/30/16    | 106,049.95          | 1.05        | 156.19           | 105,770.07          | 105,097.81          |
| <b>Security Type Sub-Total</b>                           |                                  |           | <b>105,000.00</b>   |            |                |            |             | <b>106,049.95</b>   | <b>1.05</b> | <b>156.19</b>    | <b>105,770.07</b>   | <b>105,097.81</b>   |
| <b>Federal Agency Bond / Note</b>                        |                                  |           |                     |            |                |            |             |                     |             |                  |                     |                     |



## Managed Account Detail of Securities Held

For the Month Ending February 28, 2017

### FPUD - INVESTMENT PORTFOLIO - 28710100

| Security Type / Description | Dated Date / Coupon / Maturity   | CUSIP     | Federal Agency Bond / Note | Par        | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|-----------------------------|----------------------------------|-----------|----------------------------|------------|------------|----------------|------------|-------------|---------------|-------------|------------------|----------------|--------------|
| FHLB NOTES                  | DTD 07/08/2016 0.625% 08/07/2018 | 3130A8PK3 |                            | 125,000.00 | AA+        | Aaa            | 08/01/16   | 08/02/16    | 124,556.25    | 0.80        | 52.08            | 124,683.45     | 124,180.13   |
| FHLB NOTES                  | DTD 12/08/2016 1.250% 01/16/2019 | 3130AAE46 |                            | 115,000.00 | AA+        | Aaa            | 12/07/16   | 12/08/16    | 114,995.40    | 1.25        | 179.69           | 114,995.57     | 114,982.06   |
| FNMA BENCHMARK NOTE         | DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 |                            | 285,000.00 | AA+        | Aaa            | 04/27/16   | 04/29/16    | 284,495.55    | 1.06        | 39.58            | 284,644.39     | 283,352.70   |
| FHLMC REFERENCE NOTE        | DTD 07/20/2016 0.875% 07/19/2019 | 3137EAE81 |                            | 300,000.00 | AA+        | Aaa            | 07/19/16   | 07/20/16    | 299,274.00    | 0.96        | 306.25           | 299,421.05     | 296,520.00   |
| FANNIE MAE GLOBAL NOTES     | DTD 10/25/2016 1.000% 10/24/2019 | 3135G0R39 |                            | 255,000.00 | AA+        | Aaa            | 10/24/16   | 10/25/16    | 254,224.80    | 1.10        | 892.50           | 254,314.07     | 251,638.85   |
| FNMA NOTES                  | DTD 02/28/2017 1.500% 02/28/2020 | 3135G0T29 |                            | 215,000.00 | AA+        | Aaa            | 02/24/17   | 02/28/17    | 214,862.40    | 1.52        | 8.96             | 214,862.53     | 214,193.75   |

| Security Type Sub-Total | 1,295,000.00 | 1,292,408.40 | 1.11 | 1,479.06 | 1,292,921.06 | 1,284,867.49 |
|-------------------------|--------------|--------------|------|----------|--------------|--------------|
|-------------------------|--------------|--------------|------|----------|--------------|--------------|

| Corporate Note                   | Security Type                    | Par       | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|----------------------------------|----------------------------------|-----------|------------|----------------|------------|-------------|---------------|-------------|------------------|----------------|--------------|
| APPLE INC GLOBAL NOTES           | DTD 05/06/2014 2.100% 05/06/2019 | 037833A03 | AA+        | Aa1            | 05/29/14   | 05/29/14    | 329,582.50    | 1.80        | 2,180.21         | 327,074.69     | 328,541.20   |
| CHEVRON CORP NOTES               | DTD 05/16/2016 1.561% 05/16/2019 | 166764BH2 | AA-        | Aa2            | 05/09/16   | 05/16/16    | 300,000.00    | 1.56        | 1,365.88         | 300,000.00     | 299,449.80   |
| CITIGROUP INC CORP NOTES         | DTD 06/09/2016 2.050% 06/07/2019 | 172967KS9 | BBB+       | Baa1           | 06/02/16   | 06/09/16    | 99,948.00     | 2.07        | 478.33           | 99,960.31      | 100,067.00   |
| BURLINGTON NRTH CORP             | DTD 09/24/2009 4.700% 10/01/2019 | 12189TBC7 | A          | A3             | 06/03/16   | 06/08/16    | 220,780.00    | 1.48        | 3,916.67         | 216,287.16     | 214,931.40   |
| CATERPILLAR FINANCIAL CORP NOTES | DTD 12/01/2014 2.250% 12/01/2019 | 14912L6F3 | A          | A3             | 04/24/15   | 04/24/15    | 577,181.40    | 1.76        | 3,178.13         | 572,397.12     | 569,975.39   |
| AMERICAN HONDA FINANCE           | DTD 02/16/2017 2.000% 02/14/2020 | 02665WBM2 | A+         | A1             | 02/13/17   | 02/16/17    | 89,872.20     | 2.05        | 75.00            | 89,873.77      | 90,173.70    |





## Managed Account Detail of Securities Held

For the Month Ending February 28, 2017

### FPUD - INVESTMENT PORTFOLIO - 28710100

| Security Type/Description                | Dated Date/Coupon/Maturity | CUSIP     | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost       | YTM at Cost | Accrued Interest | Amortized Cost      | Market Value        |
|--|----------------------------|-----------|------------|----------------|------------|-------------|---------------------|-------------|------------------|---------------------|---------------------|
| <b>Corporate Note</b>                    |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| MELLON BANK (CALLABLE) CORPORATE NOTE    | 06406HC20                  | 06406HC20 | A          | A1             | 07/07/15   | 07/07/15    | 352,148.30          | 2.14        | 147.16           | 352,099.64          | 353,910.30          |
| DTD 02/24/2015 2.150% 02/24/2020         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| JP MORGAN CHASE & CO NOTES               | 46625HHS2                  | 46625HHS2 | A-         | A3             | 04/27/16   | 04/29/16    | 493,065.30          | 2.31        | 2,168.83         | 485,815.86          | 487,043.83          |
| DTD 07/22/2010 4.400% 07/22/2020         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| WELLS FARGO & COMPANY NOTES              | 94974BGR5                  | 94974BGR5 | A          | A2             | 04/27/16   | 04/29/16    | 391,579.65          | 2.16        | 2,290.75         | 390,431.81          | 387,098.25          |
| DTD 12/07/2015 2.550% 12/07/2020         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| MORGAN STANLEY CORP NOTES                | 61746BEA0                  | 61746BEA0 | BBB+       | A3             | 05/10/16   | 05/13/16    | 352,009.00          | 2.38        | 3,159.72         | 351,701.39          | 348,440.40          |
| DTD 04/21/2016 2.500% 04/21/2021         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| GOLDMAN SACHS GRP INC CORP NT (CALLABLE) | 38141GVU5                  | 38141GVU5 | BBB+       | A3             | 08/10/16   | 08/15/16    | 296,693.20          | 2.11        | 2,664.38         | 295,939.76          | 290,159.50          |
| DTD 04/25/2016 2.625% 04/25/2021         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| AMERICAN EXPRESS CREDIT CORP NOTES       | 0258M0EB1                  | 0258M0EB1 | A-         | A2             | 05/05/16   | 05/10/16    | 286,558.95          | 2.13        | 2,066.25         | 286,317.49          | 283,016.40          |
| DTD 05/05/2016 2.250% 05/05/2021         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| BRANCH BANKING & TRUST CORP NOTE         | 05531FAV5                  | 05531FAV5 | A-         | A2             | 05/10/16   | 05/16/16    | 249,835.00          | 2.06        | 1,580.21         | 249,860.48          | 247,101.75          |
| DTD 05/10/2016 2.050% 05/10/2021         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| MORGAN STANLEY BONDS                     | 61746BED4                  | 61746BED4 | BBB+       | A3             | 02/01/17   | 02/03/17    | 216,755.00          | 2.96        | 1,668.33         | 216,805.61          | 218,743.14          |
| DTD 11/17/2016 2.625% 11/17/2021         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| <b>Security Type Sub-Total</b>           |                            |           |            |                |            |             | <b>4,256,008.50</b> | <b>2.06</b> | <b>26,939.85</b> | <b>4,234,565.09</b> | <b>4,218,652.06</b> |
| <b>Commercial Paper</b>                  |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| BANK OF MONTREAL CHICAGO COMM PAPER      | 06366GRM3                  | 06366GRM3 | A-1        | P-1            | 07/25/16   | 07/26/16    | 247,907.78          | 1.13        | 0.00             | 249,603.34          | 249,710.00          |
| -- 0.000% 04/21/2017                     |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER | 06538BV26                  | 06538BV26 | A-1        | P-1            | 02/03/17   | 02/03/17    | 397,340.00          | 1.34        | 0.00             | 397,724.22          | 397,850.80          |
| DTD 02/03/2017 0.000% 08/02/2017         |                            |           |            |                |            |             |                     |             |                  |                     |                     |
| ING (US) FUNDING LLC COMM PAPER          | 4497W0Y10                  | 4497W0Y10 | A-1        | P-1            | 02/06/17   | 02/06/17    | 98,928.00           | 1.46        | 0.00             | 99,020.00           | 99,042.70           |
| DTD 02/06/2017 0.000% 11/01/2017         |                            |           |            |                |            |             |                     |             |                  |                     |                     |



**Managed Account Detail of Securities Held**

For the Month Ending February 28, 2017

**FPUD - INVESTMENT PORTFOLIO - 28710100**

| Security Type/Description           | Dated Date/Coupon/Maturity       | CUSIP     | Par        | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost     | YTM at Cost | Accrued Interest | Amortized Cost    | Market Value      |
|-------------------------------------|----------------------------------|-----------|------------|------------|----------------|------------|-------------|-------------------|-------------|------------------|-------------------|-------------------|
| <b>Certificate of Deposit</b>       |                                  |           |            |            |                |            |             |                   |             |                  |                   |                   |
| GOLD COAST BANK LT CD               | DTD 12/30/2013 1.200% 10/30/2017 | 38058KCS3 | 245,000.00 | NR         | NR             | 12/31/13   | 12/31/13    | 245,000.00        | 1.13        | 8.05             | 245,000.00        | 246,301.93        |
| CELTIC BANK LT CD                   | DTD 12/20/2013 1.250% 12/20/2017 | 15118RJL2 | 245,000.00 | NR         | NR             | 12/21/13   | 12/21/13    | 245,000.00        | 1.22        | 595.72           | 245,000.00        | 246,540.07        |
| CIT BANK LT CD                      | DTD 03/13/2013 1.100% 03/13/2018 | 17284A6P8 | 100,000.00 | NR         | NR             | 03/14/13   | 03/14/13    | 100,000.00        | 1.08        | 509.32           | 100,000.00        | 100,371.00        |
| RONDOUT SAVINGS BANK LT CD          | DTD 01/23/2015 1.350% 07/23/2018 | 77632ZAP4 | 245,000.00 | NR         | NR             | 01/24/15   | 01/24/15    | 245,000.00        | 1.32        | 335.28           | 245,000.00        | 246,872.29        |
| FIRST RESOURCE BANK LT CD           | DTD 01/28/2015 1.300% 07/30/2018 | 336177A03 | 245,000.00 | NR         | NR             | 01/29/15   | 01/29/15    | 245,000.00        | 1.10        | 279.23           | 245,000.00        | 246,909.78        |
| CAPTIAL ONE BANK USA NA LT CD       | DTD 08/12/2015 1.700% 08/13/2018 | 14042ESN6 | 245,000.00 | NR         | NR             | 08/12/15   | 08/12/15    | 245,000.00        | 1.40        | 193.99           | 245,000.00        | 246,762.78        |
| SYNCHRONY BANK LT CD                | DTD 10/25/2013 2.150% 10/25/2018 | 36157QSM0 | 245,000.00 | NR         | NR             | 10/25/13   | 10/25/13    | 245,000.00        | 2.05        | 1,832.80         | 245,000.00        | 248,541.48        |
| BANK OF BARODA LT CD                | DTD 10/28/2013 2.050% 10/29/2018 | 0606246K4 | 245,000.00 | NR         | NR             | 10/29/13   | 10/29/13    | 245,000.00        | 1.96        | 1,706.27         | 245,000.00        | 247,701.13        |
| CANADIAN IMPERIAL BANK NY CD        | DTD 12/05/2016 1.760% 11/30/2018 | 13606ASZ7 | 280,000.00 | A+         | Aa3            | 12/01/16   | 12/05/16    | 279,781.60        | 1.78        | 1,177.24         | 279,807.51        | 282,225.72        |
| NORDEA BANK FINLAND NY CD           | DTD 12/05/2016 1.760% 11/30/2018 | 65558LWA6 | 280,000.00 | AA-        | Aa3            | 12/01/16   | 12/05/16    | 280,000.00        | 1.74        | 1,177.24         | 280,000.00        | 282,225.72        |
| STATE BANK OF INDIA LT CD           | DTD 12/18/2013 2.050% 12/18/2018 | 856283VY9 | 245,000.00 | NR         | NR             | 12/19/13   | 12/19/13    | 245,000.00        | 1.96        | 1,004.50         | 245,000.00        | 247,925.55        |
| SVENSKA HANDELSBANKEN NY LT CD      | DTD 01/12/2017 1.890% 01/10/2019 | 86958JHB8 | 200,000.00 | AA-        | Aa2            | 01/10/17   | 01/12/17    | 200,000.00        | 1.91        | 504.00           | 200,000.00        | 199,891.20        |
| BANK OF MONTREAL CHICAGO CERT DEPOS | DTD 02/09/2017 1.880% 02/07/2019 | 06427KRC3 | 280,000.00 | A+         | Aa3            | 02/08/17   | 02/09/17    | 280,000.00        | 1.90        | 292.44           | 280,000.00        | 282,741.20        |
| AMERICAN EXPRESS BK FSB LT CD       | DTD 07/24/2014 2.000% 07/24/2019 | 02587CAJ9 | 245,000.00 | NR         | NR             | 07/25/14   | 07/25/14    | 245,000.00        | 1.92        | 483.29           | 245,000.00        | 248,078.67        |
| <b>Security Type Sub-Total</b>      |                                  |           |            |            |                |            |             |                   |             |                  |                   |                   |
|                                     |                                  |           |            |            |                |            |             | <b>744,175.78</b> | <b>1.28</b> | <b>0.00</b>      | <b>746,347.56</b> | <b>746,603.50</b> |





## Managed Account Detail of Securities Held

For the Month Ending February 28, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

| Security Type/Description<br>Dated Date/Coupon/Maturity<br>Certificate of Deposit | CUSIP            | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date   | Settle<br>Date  | Original<br>Cost       | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost      | Market<br>Value        |
|---|------------------|---------------|-------------------|-----------------|-----------------|------------------------|----------------|---------------------|------------------------|------------------------|
| CAPTIAL ONE BANK USA NA LT CD<br>DTD 08/12/2015 2.000% 08/12/2019                 | 140420UE8        | NR            | NR                | 08/12/15        | 08/12/15        | 245,000.00             | 1.94           | 228.22              | 245,000.00             | 248,561.08             |
| <b>Security Type Sub-Total</b>  |                  |               |                   |                 |                 | <b>3,589,781.60</b>    | <b>1.65</b>    | <b>10,327.59</b>    | <b>3,589,807.51</b>    | <b>3,621,649.60</b>    |
| <b>Asset-Backed Security / Collateralized Mortgage Obligation</b>                 |                  |               |                   |                 |                 |                        |                |                     |                        |                        |
| CARMAX ABS 2016-3 A2<br>DTD 07/20/2016 1.170% 08/15/2019                          | 14314EAB7        | AAA           | NR                | 07/14/16        | 07/20/16        | 134,587.99             | 1.18           | 69.99               | 134,590.29             | 134,487.02             |
| TOYOTA ABS 2016-B A3<br>DTD 05/11/2016 1.300% 04/15/2020                          | 89231UAD9        | AAA           | Aaa               | 05/02/16        | 05/11/16        | 109,994.38             | 1.30           | 63.56               | 109,995.73             | 109,607.10             |
| JOHN DEERE ABS 2016-B A3<br>DTD 07/27/2016 1.250% 06/15/2020                      | 47788NAC2        | NR            | Aaa               | 07/19/16        | 07/27/16        | 34,997.21              | 1.25           | 19.44               | 34,997.71              | 34,803.63              |
| TOYOTA ABS 2016-C A3<br>DTD 08/10/2016 1.140% 08/15/2020                          | 89237WAD9        | AAA           | Aaa               | 08/01/16        | 08/10/16        | 44,998.79              | 1.14           | 22.80               | 44,998.99              | 44,663.55              |
| CCCIT 2017-A2 A2<br>DTD 01/26/2017 1.740% 01/17/2021                              | 17305EG7         | AAA           | Aaa               | 01/19/17        | 01/26/17        | 119,977.02             | 1.75           | 203.00              | 120,000.00             | 120,206.39             |
| <b>JDOT 2017-A A3<br/>DTD 03/02/2017 1.780% 04/15/2021</b>                        | <b>47787XAC1</b> | <b>NR</b>     | <b>Aaa</b>        | <b>02/22/17</b> | <b>03/02/17</b> | <b>29,995.73</b>       | <b>1.79</b>    | <b>0.00</b>         | <b>29,995.73</b>       | <b>29,995.73</b>       |
| HYUNDAI AUTO RECEIVABLES TRUST<br>DTD 09/21/2016 1.290% 04/15/2021                | 44891EAC3        | AAA           | Aaa               | 09/14/16        | 09/21/16        | 74,989.91              | 1.30           | 43.00               | 74,991.01              | 74,349.38              |
| FORDO 2017-A A3<br>DTD 01/25/2017 1.670% 06/15/2021                               | 34531EAD8        | NR            | Aaa               | 01/18/17        | 01/25/17        | 94,999.65              | 1.67           | 70.51               | 94,999.65              | 94,969.84              |
| <b>Security Type Sub-Total</b>  |                  |               |                   |                 |                 | <b>644,540.68</b>      | <b>1.42</b>    | <b>492.30</b>       | <b>644,569.11</b>      | <b>643,082.64</b>      |
| <b>Managed Account Sub-Total</b>  |                  |               |                   |                 |                 | <b>14,310,788.36</b>   | <b>1.62</b>    | <b>52,123.81</b>    | <b>14,283,259.46</b>   | <b>14,249,736.41</b>   |
| <b>Securities Sub-Total</b>   |                  |               |                   |                 |                 | <b>\$14,310,788.36</b> | <b>1.62%</b>   | <b>\$52,123.81</b>  | <b>\$14,283,259.46</b> | <b>\$14,249,736.41</b> |
| <b>Accrued Interest</b>   |                  |               |                   |                 |                 |                        |                |                     |                        | <b>\$52,123.81</b>     |
| <b>Total Investments</b>  |                  |               |                   |                 |                 |                        |                |                     |                        | <b>\$14,301,860.22</b> |





**Managed Account Detail of Securities Held**

For the Month Ending **February 28, 2017**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

Bolded items are forward settling trades.



## Managed Account Fair Market Value & Analytics

For the Month Ending February 28, 2017

### FPUD - INVESTMENT PORTFOLIO - 28710100

| Security Type/Description                                | Dated Date/Coupon/Maturity       | CUSIP     | Par                 | Broker   | Next Call Date | Market Price | Market Value        | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | Duration to Worst at Mkt | YTM         |
|--|----------------------------------|-----------|---------------------|----------|----------------|--------------|---------------------|--------------------|-----------------------|--------------------|--------------------------|-------------|
| <b>U.S. Treasury Bond / Note</b>                         |                                  |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| US TREASURY NOTES  | DTD 01/31/2013 1.375% 01/31/2020 | 912828UL2 | 105,000.00          | RBC CAP  |                | 99.75        | 104,737.50          | (1,447.85)         | (1,193.18)            | 2.85               | 2.85                     | 1.46        |
| US TREASURY NOTES  | DTD 06/01/2015 1.500% 05/31/2020 | 912828XE5 | 360,000.00          | CITIGRP  |                | 99.79        | 359,240.76          | (9,463.93)         | (7,995.74)            | 3.15               | 3.15                     | 1.57        |
| US TREASURY NOTES  | DTD 06/01/2015 1.500% 05/31/2020 | 912828XE5 | 525,000.00          | TD SEC U |                | 99.79        | 523,892.78          | (9,576.95)         | (8,481.63)            | 3.15               | 3.15                     | 1.57        |
| US TREASURY NOTES  | DTD 06/30/2015 1.625% 06/30/2020 | 912828XH8 | 320,000.00          | HSBC     |                | 100.13       | 320,424.96          | (4,875.04)         | (4,413.00)            | 3.23               | 3.23                     | 1.58        |
| US TREASURY NOTE   | DTD 12/02/2013 2.000% 11/30/2020 | 912828A42 | 730,000.00          | CITIGRP  |                | 101.13       | 738,240.97          | (14,058.25)        | (10,087.57)           | 3.59               | 3.59                     | 1.69        |
| US TREASURY NOTES  | DTD 05/02/2016 1.375% 04/30/2021 | 912828O78 | 150,000.00          | CITIGRP  |                | 98.37        | 147,550.80          | 515.64             | 466.89                | 4.01               | 4.01                     | 1.78        |
| US TREASURY NOTES  | DTD 05/02/2016 1.375% 04/30/2021 | 912828O78 | 335,000.00          | MERRILL  |                | 98.37        | 329,530.12          | 1,203.95           | 976.59                | 4.01               | 4.01                     | 1.78        |
| US TREASURY NOTES  | DTD 06/02/2014 2.000% 05/31/2021 | 912828WV6 | 400,000.00          | MORGANST |                | 100.84       | 403,359.20          | (10,468.93)        | (9,303.56)            | 4.04               | 4.04                     | 1.79        |
| US TREASURY N/B  | DTD 07/31/2014 2.250% 07/31/2021 | 912828WY2 | 295,000.00          | BNP PARI |                | 101.76       | 300,197.02          | (1,071.73)         | (730.52)              | 4.19               | 4.19                     | 1.83        |
| US TREASURY NOTES  | DTD 09/02/2014 2.000% 08/31/2021 | 912828D72 | 400,000.00          | MORGANST |                | 100.65       | 402,609.20          | 1,202.95           | 1,265.97              | 4.29               | 4.29                     | 1.85        |
| <b>Security Type Sub-Total</b>                           |                                  |           | <b>3,620,000.00</b> |          |                |              | <b>3,629,783.31</b> | <b>(48,040.14)</b> | <b>(39,495.75)</b>    | <b>3.66</b>        | <b>3.66</b>              | <b>1.70</b> |
| <b>Federal Agency Collateralized Mortgage Obligation</b> |                                  |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| FNMA SERIES 2016-M9 ASQ2                                 | DTD 06/01/2016 1.785% 06/01/2019 | 3136ASPX8 | 105,000.00          | CSFB     |                | 100.09       | 105,097.81          | (952.14)           | (672.26)              | 1.14               | 2.06                     | 1.68        |
| <b>Security Type Sub-Total</b>                           |                                  |           | <b>105,000.00</b>   |          |                |              | <b>105,097.81</b>   | <b>(952.14)</b>    | <b>(672.26)</b>       | <b>1.14</b>        | <b>2.06</b>              | <b>1.68</b> |
| <b>Federal Agency Bond / Note</b>                        |                                  |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| FHLB NOTES   | DTD 07/08/2016 0.625% 08/07/2018 | 3130A8PK3 | 125,000.00          | TD SEC U |                | 99.34        | 124,180.13          | (376.12)           | (503.32)              | 1.43               | 1.43                     | 1.08        |
| FHLB NOTES   | DTD 12/08/2016 1.250% 01/16/2019 | 3130AAE46 | 115,000.00          | BAML     |                | 99.98        | 114,982.06          | (13.34)            | (13.51)               | 1.85               | 1.85                     | 1.26        |



**Managed Account Fair Market Value & Analytics**

For the Month Ending February 28, 2017

**FPUF - INVESTMENT PORTFOLIO - 28710100**

| Security Type/Description             | Dated Date/Coupon/Maturity       | CUSIP     | Par                 | Broker   | Next Call Date | Market Price | Market Value        | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | Duration to Worst at Mkt | YTM         |
|---------------------------------------|----------------------------------|-----------|---------------------|----------|----------------|--------------|---------------------|--------------------|-----------------------|--------------------|--------------------------|-------------|
| <b>Federal Agency Bond / Note</b>     |                                  |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| FNMA BENCHMARK NOTE                   | DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 | 285,000.00          | NOMURA   |                | 99.42        | 283,352.70          | (1,142.85)         | (1,291.69)            | 1.97               | 1.97                     | 1.29        |
| FHLMC REFERENCE NOTE                  | DTD 07/20/2016 0.875% 07/19/2019 | 3137EAEB1 | 300,000.00          | TD SEC U |                | 98.84        | 296,520.00          | (2,754.00)         | (2,901.05)            | 2.35               | 2.35                     | 1.37        |
| FANNIE MAE GLOBAL NOTES               | DTD 10/25/2016 1.000% 10/24/2019 | 3135G0R39 | 255,000.00          | TD SEC U |                | 98.68        | 251,638.85          | (2,585.95)         | (2,675.22)            | 2.60               | 2.60                     | 1.51        |
| FNMA NOTES                            | DTD 02/28/2017 1.500% 02/28/2020 | 3135G0T29 | 215,000.00          | JPM_CHAS |                | 99.63        | 214,193.75          | (668.65)           | (668.78)              | 2.92               | 2.92                     | 1.63        |
| <b>Security Type Sub-Total</b>        |                                  |           | <b>1,295,000.00</b> |          |                |              | <b>1,284,867.49</b> | <b>(7,540.91)</b>  | <b>(8,053.57)</b>     | <b>2.28</b>        | <b>2.28</b>              | <b>1.39</b> |
| <b>Corporate Note</b>                 |                                  |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| APPLE INC GLOBAL NOTES                | DTD 05/06/2014 2.100% 05/06/2019 | 037833A03 | 325,000.00          | NEW ACCT |                | 101.09       | 328,541.20          | (1,041.30)         | 1,466.51              | 2.12               | 2.12                     | 1.59        |
| CHEVRON CORP NOTES                    | DTD 05/16/2016 1.561% 05/16/2019 | 166764BH2 | 300,000.00          | WELLSFAR |                | 99.82        | 299,449.80          | (550.20)           | (550.20)              | 2.16               | 2.16                     | 1.65        |
| CITIGROUP INC CORP NOTES              | DTD 06/09/2016 2.050% 06/07/2019 | 172967KS9 | 100,000.00          | CITIGRP  |                | 100.07       | 100,067.00          | 119.00             | 106.69                | 2.20               | 2.20                     | 2.02        |
| BURLINGTON NRTH CORP                  | DTD 09/24/2009 4.700% 10/01/2019 | 12189TBC7 | 200,000.00          | GOLDMAN  |                | 107.47       | 214,931.40          | (5,848.60)         | (1,355.76)            | 2.41               | 2.41                     | 1.74        |
| CATERPILLAR FINANCIAL CORP NOTES      | DTD 12/01/2014 2.250% 12/01/2019 | 14912L6F3 | 565,000.00          | NEW ACCT |                | 100.88       | 569,975.39          | (7,206.01)         | (2,421.73)            | 2.65               | 2.65                     | 1.92        |
| AMERICAN HONDA FINANCE                | DTD 02/16/2017 2.000% 02/14/2020 | 02665WBM2 | 90,000.00           | MIZUHO   |                | 100.19       | 90,173.70           | 301.50             | 299.93                | 2.86               | 2.86                     | 1.93        |
| MELLON BANK (CALLABLE) CORPORATE NOTE | DTD 02/24/2015 2.150% 02/24/2020 | 06406HC20 | 352,000.00          | NEW ACCT | 01/24/20       | 100.54       | 353,910.30          | 1,762.00           | 1,810.66              | 2.88               | 2.80                     | 1.96        |
| JP MORGAN CHASE & CO NOTES            | DTD 07/22/2010 4.400% 07/22/2020 | 46625HHS2 | 455,000.00          | BONY     |                | 107.04       | 487,043.83          | (6,021.47)         | 1,227.97              | 3.16               | 3.16                     | 2.24        |
| WELLS FARGO & COMPANY NOTES           | DTD 12/07/2015 2.550% 12/07/2020 | 94974BGR5 | 385,000.00          | WELLSFAR |                | 100.55       | 387,098.25          | (4,481.40)         | (3,333.56)            | 3.56               | 3.56                     | 2.40        |
| MORGAN STANLEY CORP NOTES             | DTD 04/21/2016 2.500% 04/21/2021 | 61746BEA0 | 350,000.00          | SCOTIA   |                | 99.55        | 348,440.40          | (3,568.60)         | (3,260.99)            | 3.88               | 3.88                     | 2.61        |





## Managed Account Fair Market Value & Analytics

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### FPUD - INVESTMENT PORTFOLIO - 28710100

| Security Type/Description                | Dated Date/Coupon/Maturity | CUSIP     | Par                 | Broker   | Next Call Date | Market Price | Market Value        | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | Duration to Worst at Mkt | YTM         |
|--|----------------------------|-----------|---------------------|----------|----------------|--------------|---------------------|--------------------|-----------------------|--------------------|--------------------------|-------------|
| <b>Corporate Note</b>                    |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| GOLDMAN SACHS GRP INC CORP NT (CALLABLE) |                            | 38141GVU5 | 290,000.00          | JPMCHASE | 03/25/21       | 100.06       | 290,159.50          | (6,533.70)         | (5,780.26)            | 3.89               | 3.81                     | 2.61        |
| DTD 04/25/2016 2.625% 04/25/2021         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| AMERICAN EXPRESS CREDIT CORP NOTES       |                            | 0258M0EB1 | 285,000.00          | GOLDMAN  |                | 99.30        | 283,016.40          | (3,542.55)         | (3,301.09)            | 3.94               | 3.94                     | 2.43        |
| DTD 05/05/2016 2.250% 05/05/2021         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| BRANCH BANKING & TRUST CORP NOTE         |                            | 05531FAV5 | 250,000.00          | KEYBAN   |                | 98.84        | 247,101.75          | (2,733.25)         | (2,758.73)            | 3.97               | 3.97                     | 2.34        |
| DTD 05/10/2016 2.050% 05/10/2021         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| MORGAN STANLEY BONDS                     |                            | 61746BED4 | 220,000.00          | MORGAN_S |                | 99.43        | 218,743.14          | 1,988.14           | 1,937.53              | 4.38               | 4.38                     | 2.75        |
| DTD 11/17/2016 2.625% 11/17/2021         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| <b>Security Type Sub-Total</b>           |                            |           | <b>4,167,000.00</b> |          |                |              | <b>4,218,652.06</b> | <b>(37,356.44)</b> | <b>(15,913.03)</b>    | <b>3.16</b>        | <b>3.15</b>              | <b>2.16</b> |
| <b>Commercial Paper</b>                  |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| BANK OF MONTREAL CHICAGO COMM PAPER      |                            | 06366GRM3 | 250,000.00          | BMO      |                | 99.88        | 249,710.00          | 1,802.22           | 106.66                | 0.14               | 0.14                     | 0.80        |
| -- 0.000% 04/21/2017                     |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER |                            | 06538BV26 | 400,000.00          | BTM      |                | 99.46        | 397,850.80          | 510.80             | 126.58                | 0.42               | 0.42                     | 1.25        |
| DTD 02/03/2017 0.000% 08/02/2017         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| ING (US) FUNDING LLC COMM PAPER          |                            | 4497W0Y10 | 100,000.00          | BONY     |                | 99.04        | 99,042.70           | 114.70             | 22.70                 | 0.67               | 0.67                     | 1.41        |
| DTD 02/06/2017 0.000% 11/01/2017         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| <b>Security Type Sub-Total</b>           |                            |           | <b>750,000.00</b>   |          |                |              | <b>746,603.50</b>   | <b>2,427.72</b>    | <b>255.94</b>         | <b>0.36</b>        | <b>0.36</b>              | <b>1.13</b> |
| <b>Certificate of Deposit</b>            |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| GOLD COAST BANK LT CD                    |                            | 38058KCS3 | 245,000.00          | NEW ACCT |                | 100.53       | 246,301.93          | 1,301.93           | 1,301.93              | 0.67               | 0.67                     | 0.38        |
| DTD 12/30/2013 1.200% 10/30/2017         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| CELTIC BANK LT CD                        |                            | 15118RJL2 | 245,000.00          | NEW ACCT |                | 100.63       | 246,540.07          | 1,540.07           | 1,540.07              | 0.81               | 0.81                     | 0.45        |
| DTD 12/20/2013 1.250% 12/20/2017         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| CIT BANK LT CD                           |                            | 17284A6P8 | 100,000.00          | NEW ACCT |                | 100.37       | 100,371.00          | 371.00             | 371.00                | 1.03               | 1.03                     | 0.72        |
| DTD 03/13/2013 1.100% 03/13/2018         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |
| ROUNDOUT SAVINGS BANK LT CD              |                            | 776322AP4 | 245,000.00          | NEW ACCT |                | 100.76       | 246,872.29          | 1,872.29           | 1,872.29              | 1.39               | 1.39                     | 0.78        |
| DTD 01/23/2015 1.350% 07/23/2018         |                            |           |                     |          |                |              |                     |                    |                       |                    |                          |             |



## Managed Account Fair Market Value & Analytics

For the Month Ending February 28, 2017

### FPUD - INVESTMENT PORTFOLIO - 28710100

| Security Type / Description         | Dated Date / Coupon / Maturity | CUSIP      | Par                 | Broker | Next Call Date | Market Price | Market Value        | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | Duration to Worst at Mkt | YTM         |
|-------------------------------------|--------------------------------|------------|---------------------|--------|----------------|--------------|---------------------|--------------------|-----------------------|--------------------|--------------------------|-------------|
| <b>Certificate of Deposit</b>       |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| FIRST RESOURCE BANK LT CD           | 336177AO3                      | 245,000.00 | NEW ACCT            | 100.78 | 246,909.78     | 1,909.78     | 1,909.78            | 1.41               | 1.41                  | 1.41               | 1.41                     | 0.73        |
| DTD 01/28/2015 1.300% 07/30/2018    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| CAPITAL ONE BANK USA NA LT CD       | 14042E5N6                      | 245,000.00 | NEW ACCT            | 100.72 | 246,762.78     | 1,762.78     | 1,762.78            | 1.45               | 1.45                  | 1.45               | 1.45                     | 1.17        |
| DTD 08/12/2015 1.700% 08/13/2018    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| SYNCHRONY BANK LT CD                | 36157OSM0                      | 245,000.00 | NEW ACCT            | 101.45 | 248,541.48     | 3,541.48     | 3,541.48            | 1.65               | 1.65                  | 1.65               | 1.65                     | 1.17        |
| DTD 10/25/2013 2.150% 10/25/2018    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| BANK OF BARODA LT CD                | 0606246K4                      | 245,000.00 | NEW ACCT            | 101.10 | 247,701.13     | 2,701.13     | 2,701.13            | 1.66               | 1.66                  | 1.66               | 1.66                     | 1.28        |
| DTD 10/28/2013 2.050% 10/29/2018    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| CANADIAN IMPERIAL BANK NY CD        | 13606A5Z7                      | 280,000.00 | GOLDMAN             | 100.79 | 282,225.72     | 2,444.12     | 2,444.12            | 1.74               | 1.74                  | 1.74               | 1.74                     | 1.05        |
| DTD 12/05/2016 1.760% 11/30/2018    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| NORDEA BANK FINLAND NY CD           | 65558LWA6                      | 280,000.00 | MERRILL             | 100.79 | 282,225.72     | 2,225.72     | 2,225.72            | 1.74               | 1.74                  | 1.74               | 1.74                     | 1.05        |
| DTD 12/05/2016 1.760% 11/30/2018    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| STATE BANK OF INDIA LT CD           | 856283VY9                      | 245,000.00 | NEW ACCT            | 101.19 | 247,925.55     | 2,925.55     | 2,925.55            | 1.79               | 1.79                  | 1.79               | 1.79                     | 1.28        |
| DTD 12/18/2013 2.050% 12/18/2018    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| SVENSKA HANDELSBANKEN NY LT CD      | 86958JH88                      | 200,000.00 | MERRILL             | 99.95  | 199,891.20     | (108.80)     | (108.80)            | 1.85               | 1.85                  | 1.85               | 1.85                     | 1.77        |
| DTD 01/12/2017 1.890% 01/10/2019    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| BANK OF MONTREAL CHICAGO CERT DEPOS | 06427KRC3                      | 280,000.00 | GOLDMAN             | 100.98 | 282,741.20     | 2,741.20     | 2,741.20            | 1.93               | 1.93                  | 1.93               | 1.93                     | 1.31        |
| DTD 02/09/2017 1.880% 02/07/2019    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| AMERICAN EXPRESS BK FSB LT CD       | 02587CAJ9                      | 245,000.00 | NEW ACCT            | 101.26 | 248,078.67     | 3,078.67     | 3,078.67            | 2.38               | 2.38                  | 2.38               | 2.38                     | 1.38        |
| DTD 07/24/2014 2.000% 07/24/2019    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| CAPITAL ONE BANK USA NA LT CD       | 140420UE8                      | 245,000.00 | NEW ACCT            | 101.45 | 248,561.08     | 3,561.08     | 3,561.08            | 2.44               | 2.44                  | 2.44               | 2.44                     | 1.33        |
| DTD 08/12/2015 2.000% 08/12/2019    |                                |            |                     |        |                |              |                     |                    |                       |                    |                          |             |
| <b>Security Type Sub-Total</b>      |                                |            | <b>3,590,000.00</b> |        |                |              | <b>3,621,649.60</b> | <b>31,868.00</b>   | <b>31,842.09</b>      | <b>1.62</b>        | <b>1.62</b>              | <b>1.06</b> |

| <b>Asset-Backed Security / Collateralized Mortgage Obligation</b> |           |            |         |       |            |          |          |      |      |      |      |      |
|---|-----------|------------|---------|-------|------------|----------|----------|------|------|------|------|------|
| CARMAX ABS 2016-3 A2  | 14314EAB7 | 134,598.98 | CSFB    | 99.92 | 134,487.02 | (100.97) | (103.27) | 0.60 | 0.60 | 0.60 | 2.27 | 1.21 |
| DTD 07/20/2016 1.170% 08/15/2019                                  |           |            |         |       |            |          |          |      |      |      |      |      |
| TOYOTA ABS 2016-B A3  | 89231UAD9 | 110,000.00 | CITIGRP | 99.64 | 109,607.10 | (387.28) | (388.63) | 1.40 | 1.40 | 1.40 | 2.14 | 1.47 |
| DTD 05/11/2016 1.300% 04/15/2020                                  |           |            |         |       |            |          |          |      |      |      |      |      |
| JOHN DEERE ABS 2016-B A3  | 47788NAC2 | 35,000.00  | RBC CAP | 99.44 | 34,803.63  | (193.58) | (194.08) | 1.40 | 1.40 | 1.40 | 2.37 | 1.49 |
| DTD 07/27/2016 1.250% 06/15/2020                                  |           |            |         |       |            |          |          |      |      |      |      |      |



**Managed Account Fair Market Value & Analytics**

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**FPUD - INVESTMENT PORTFOLIO - 28710100**

| Asset-Backed Security / Collateralized Mortgage Obligation |                              |                  |                        |                |                |              |                        |                      |                       |                    |                          |              |
|--|------------------------------|------------------|------------------------|----------------|----------------|--------------|------------------------|----------------------|-----------------------|--------------------|--------------------------|--------------|
| Security Type/Description                                  | Dated Date/Coupon/Maturity   | CUSIP            | Par                    | Broker         | Next Call Date | Market Price | Market Value           | Unreal G/L On Cost   | Unreal G/L Amort Cost | Effective Duration | Duration to Worst at Mkt | YTM          |
| TOYOTA ABS 2016-C A3                                       | 08/10/2016 1.140% 08/15/2020 | 89237WAD9        | 45,000.00              | MITSU          |                | 99.25        | 44,663.55              | (335.24)             | (335.44)              | 1.58               | 2.58                     | 1.43         |
| CCCT 2017-AZ A2  | 01/26/2017 1.740% 01/17/2021 | 17305EGA7        | 120,000.00             | CITIGRP        |                | 100.17       | 120,206.39             | 229.37               | 206.39                | 1.85               | 2.08                     | 1.66         |
| <b>JDOT 2017-A A3</b>                                      | <b>03/02/2017 1.780%</b>     | <b>47787XAC1</b> | <b>30,000.00</b>       | <b>MERRILL</b> |                | <b>99.99</b> | <b>29,995.73</b>       | <b>0.00</b>          | <b>0.00</b>           | <b>2.10</b>        | <b>2.10</b>              | <b>1.79</b>  |
| <b>04/15/2021</b>  |                              |                  |                        |                |                |              |                        |                      |                       |                    |                          |              |
| HYUNDAI AUTO RECEIVABLES TRUST                             | 09/21/2016 1.290% 04/15/2021 | 44891EAC3        | 75,000.00              | JPMCHASE       |                | 99.13        | 74,349.38              | (640.53)             | (641.63)              | 2.16               | 3.52                     | 1.54         |
| FORDO 2017-A A3  | 01/25/2017 1.670% 06/15/2021 | 34531EAD8        | 95,000.00              | CITIGRP        |                | 99.97        | 94,969.84              | (29.81)              | (29.81)               | 1.91               | 3.23                     | 1.68         |
| <b>Security Type Sub-Total</b>                             |                              |                  | <b>644,598.98</b>      |                |                |              | <b>643,082.64</b>      | <b>(1,458.04)</b>    | <b>(1,486.47)</b>     | <b>1.53</b>        | <b>2.52</b>              | <b>1.50</b>  |
| <b>Managed Account Sub-Total</b>                           |                              |                  | <b>14,171,598.98</b>   |                |                |              | <b>14,249,736.41</b>   | <b>(61,051.95)</b>   | <b>(33,523.05)</b>    | <b>2.58</b>        | <b>2.63</b>              | <b>1.61</b>  |
| <b>Securities Sub-Total</b>                                |                              |                  | <b>\$14,171,598.98</b> |                |                |              | <b>\$14,249,736.41</b> | <b>(\$61,051.95)</b> | <b>(\$33,523.05)</b>  | <b>2.58</b>        | <b>2.63</b>              | <b>1.61%</b> |
| <b>Accrued Interest</b>                                    |                              |                  |                        |                |                |              | <b>\$52,123.81</b>     |                      |                       |                    |                          |              |
| <b>Total Investments</b>                                   |                              |                  |                        |                |                |              | <b>\$14,301,860.22</b> |                      |                       |                    |                          |              |

Bolded items are forward settling trades.





**Managed Account Security Transactions & Interest**

For the Month Ending February 28, 2017

**FPUD - INVESTMENT PORTFOLIO - 28710100**

| Transaction Type                  | Trade Settle    | Security Description                              | CUSIP            | Par                 | Principal Proceeds    | Accrued Interest  | Total                 | Realized G/L Cost | Realized G/L Amort Cost | Sale Method |
|-----------------------------------|-----------------|---|------------------|---------------------|-----------------------|-------------------|-----------------------|-------------------|-------------------------|-------------|
| BUY                               |                 |   |                  |                     |                       |                   |                       |                   |                         |             |
|                                   | 02/01/17        | 02/03/17 MORGAN STANLEY BONDS                     | 61746BED4        | 220,000.00          | (216,755.00)          | (1,219.17)        | (217,974.17)          |                   |                         |             |
|                                   |                 | DTD 11/17/2016 2.625% 11/17/2021                  |                  |                     |                       |                   |                       |                   |                         |             |
|                                   | 02/01/17        | 02/03/17 US TREASURY NOTES                        | 912828078        | 150,000.00          | (147,035.16)          | (541.26)          | (147,576.42)          |                   |                         |             |
|                                   |                 | DTD 05/02/2016 1.375% 04/30/2021                  |                  |                     |                       |                   |                       |                   |                         |             |
|                                   | 02/03/17        | 02/03/17 BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER | 06538BV26        | 400,000.00          | (397,340.00)          | 0.00              | (397,340.00)          |                   |                         |             |
|                                   |                 | DTD 02/03/2017 0.000% 08/02/2017                  |                  |                     |                       |                   |                       |                   |                         |             |
|                                   | 02/06/17        | 02/06/17 ING (US) FUNDING LLC COMM PAPER          | 4497W0Y10        | 100,000.00          | (98,928.00)           | 0.00              | (98,928.00)           |                   |                         |             |
|                                   |                 | DTD 02/06/2017 0.000% 11/01/2017                  |                  |                     |                       |                   |                       |                   |                         |             |
|                                   | 02/08/17        | 02/09/17 BANK OF MONTREAL CHICAGO CERT DEPOS      | 06427KRC3        | 280,000.00          | (280,000.00)          | 0.00              | (280,000.00)          |                   |                         |             |
|                                   |                 | DTD 02/09/2017 1.880% 02/07/2019                  |                  |                     |                       |                   |                       |                   |                         |             |
|                                   | 02/13/17        | 02/16/17 AMERICAN HONDA FINANCE                   | 02665WBM2        | 90,000.00           | (89,872.20)           | 0.00              | (89,872.20)           |                   |                         |             |
|                                   |                 | DTD 02/16/2017 2.000% 02/14/2020                  |                  |                     |                       |                   |                       |                   |                         |             |
|                                   | <b>02/22/17</b> | <b>03/02/17 JDOT 2017-A A3</b>                    | <b>47787XAC1</b> | <b>30,000.00</b>    | <b>(29,995.73)</b>    | <b>0.00</b>       | <b>(29,995.73)</b>    |                   |                         |             |
|                                   |                 | DTD 03/02/2017 1.780% 04/15/2021                  |                  |                     |                       |                   |                       |                   |                         |             |
|                                   | 02/24/17        | 02/28/17 FNMA NOTES                               | 3135G0T29        | 215,000.00          | (214,862.40)          | 0.00              | (214,862.40)          |                   |                         |             |
|                                   |                 | DTD 02/28/2017 1.500% 02/28/2020                  |                  |                     |                       |                   |                       |                   |                         |             |
| <b>Transaction Type Sub-Total</b> |                 |   |                  | <b>1,485,000.00</b> | <b>(1,474,788.49)</b> | <b>(1,760.43)</b> | <b>(1,476,548.92)</b> |                   |                         |             |

| Transaction Type | Trade Settle | Security Description                    | CUSIP     | Par        | Principal Proceeds | Accrued Interest | Total    | Realized G/L Cost | Realized G/L Amort Cost | Sale Method |
|------------------|--------------|---|-----------|------------|--------------------|------------------|----------|-------------------|-------------------------|-------------|
| INTEREST         |              |   |           |            |                    |                  |          |                   |                         |             |
|                  | 02/01/17     | 02/01/17 MONEY MARKET FUND              | MONEY0002 | 0.00       | 0.00               | 6.05             | 6.05     |                   |                         |             |
|                  |              | FNMA SERIES 2016-M9 ASQ2                | 3136ASPX8 | 105,000.00 | 0.00               | 156.19           | 156.19   |                   |                         |             |
|                  |              | DTD 06/01/2016 1.785% 06/01/2019        |           |            |                    |                  |          |                   |                         |             |
|                  | 02/07/17     | 02/07/17 FHLB NOTES                     | 3130A8PK3 | 125,000.00 | 0.00               | 390.63           | 390.63   |                   |                         |             |
|                  |              | DTD 07/08/2016 0.625% 08/07/2018        |           |            |                    |                  |          |                   |                         |             |
|                  | 02/12/17     | 02/12/17 CAPITAL ONE BANK USA NA LT CD  | 14042E5N6 | 245,000.00 | 0.00               | 2,099.62         | 2,099.62 |                   |                         |             |
|                  |              | DTD 08/12/2015 1.700% 08/13/2018        |           |            |                    |                  |          |                   |                         |             |
|                  | 02/12/17     | 02/12/17 CAPITAL ONE BANK USA NA LT CD  | 140420UE8 | 245,000.00 | 0.00               | 2,470.14         | 2,470.14 |                   |                         |             |
|                  |              | DTD 08/12/2015 2.000% 08/12/2019        |           |            |                    |                  |          |                   |                         |             |
|                  | 02/15/17     | 02/15/17 HYUNDAI AUTO RECEIVABLES TRUST | 44891EAC3 | 75,000.00  | 0.00               | 80.63            | 80.63    |                   |                         |             |
|                  |              | DTD 09/21/2016 1.290% 04/15/2021        |           |            |                    |                  |          |                   |                         |             |





**Managed Account Security Transactions & Interest**

For the Month Ending February 28, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

| Transaction Type                  | Trade    | Settle   | Security Description                  | CUSIP     | Par                 | Principal Proceeds | Accrued Interest | Total             | Realized G/L Cost | Realized G/L Amort Cost | Sale Method |
|-----------------------------------|----------|----------|---------------------------------------|-----------|---------------------|--------------------|------------------|-------------------|-------------------|-------------------------|-------------|
| <b>INTEREST</b>                   |          |          |                                       |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/15/17 | 02/15/17 | TOYOTA ABS 2016-B A3                  | 89231UAD9 | 110,000.00          | 0.00               | 119.17           | 119.17            |                   |                         |             |
|                                   |          |          | DTD 05/11/2016 1.300% 04/15/2020      |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/15/17 | 02/15/17 | CARMAX ABS 2016-3 A2                  | 14314EAB7 | 135,000.00          | 0.00               | 131.63           | 131.63            |                   |                         |             |
|                                   |          |          | DTD 07/20/2016 1.170% 08/15/2019      |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/15/17 | 02/15/17 | JOHN DEERE ABS 2016-B A3              | 47788NAC2 | 35,000.00           | 0.00               | 36.46            | 36.46             |                   |                         |             |
|                                   |          |          | DTD 07/27/2016 1.250% 06/15/2020      |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/15/17 | 02/15/17 | TOYOTA ABS 2016-C A3                  | 89237WAD9 | 45,000.00           | 0.00               | 42.75            | 42.75             |                   |                         |             |
|                                   |          |          | DTD 08/10/2016 1.140% 08/15/2020      |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/15/17 | 02/15/17 | FORDO 2017-A A3                       | 34531EAD8 | 95,000.00           | 0.00               | 88.14            | 88.14             |                   |                         |             |
|                                   |          |          | DTD 01/25/2017 1.670% 06/15/2021      |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/24/17 | 02/24/17 | MELLON BANK (CALLABLE) CORPORATE NOTE | 06406HCZ0 | 352,000.00          | 0.00               | 3,784.00         | 3,784.00          |                   |                         |             |
|                                   |          |          | DTD 02/24/2015 2.150% 02/24/2020      |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/26/17 | 02/26/17 | FNMA BENCHMARK NOTE                   | 31356DJ53 | 285,000.00          | 0.00               | 1,425.00         | 1,425.00          |                   |                         |             |
|                                   |          |          | DTD 02/23/2016 1.000% 02/26/2019      |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/28/17 | 02/28/17 | US TREASURY NOTES                     | 912828D72 | 400,000.00          | 0.00               | 4,000.00         | 4,000.00          |                   |                         |             |
|                                   |          |          | DTD 09/02/2014 2.000% 08/31/2021      |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/28/17 | 02/28/17 | GOLD COAST BANK LT CD                 | 38058KCS3 | 245,000.00          | 0.00               | 233.59           | 233.59            |                   |                         |             |
|                                   |          |          | DTD 12/30/2013 1.200% 10/30/2017      |           |                     |                    |                  |                   |                   |                         |             |
| <b>Transaction Type Sub-Total</b> |          |          |                                       |           | <b>2,497,000.00</b> | <b>0.00</b>        | <b>15,064.00</b> | <b>15,064.00</b>  |                   |                         |             |
| <b>MATURITY</b>                   |          |          |                                       |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/03/17 | 02/03/17 | BNP PARIBAS NY BRANCH COMM PAPER      | 09659BP38 | 490,000.00          | 490,000.00         | 0.00             | 490,000.00        | 3,844.46          | 0.00                    |             |
|                                   |          |          | 0.000% 02/03/2017                     |           |                     |                    |                  |                   |                   |                         |             |
| <b>Transaction Type Sub-Total</b> |          |          |                                       |           | <b>490,000.00</b>   | <b>490,000.00</b>  | <b>0.00</b>      | <b>490,000.00</b> | <b>3,844.46</b>   | <b>0.00</b>             |             |
| <b>PAYDOWNS</b>                   |          |          |                                       |           |                     |                    |                  |                   |                   |                         |             |
|                                   | 02/15/17 | 02/15/17 | CARMAX ABS 2016-3 A2                  | 14314EAB7 | 401.02              | 401.02             | 0.00             | 401.02            | 0.03              | 0.00                    |             |
|                                   |          |          | DTD 07/20/2016 1.170% 08/15/2019      |           |                     |                    |                  |                   |                   |                         |             |
| <b>Transaction Type Sub-Total</b> |          |          |                                       |           | <b>401.02</b>       | <b>401.02</b>      | <b>0.00</b>      | <b>401.02</b>     | <b>0.03</b>       | <b>0.00</b>             |             |
| <b>SELL</b>                       |          |          |                                       |           |                     |                    |                  |                   |                   |                         |             |





**Managed Account Security Transactions & Interest**

For the Month Ending February 28, 2017

**FPUD - INVESTMENT PORTFOLIO - 28710100**

| Transaction Type<br>Trade Settle   | Security Description   | CUSIP      | Par               | Principal<br>Proceeds | Accrued<br>Interest | Total                | Realized G/L<br>Cost | Realized G/L<br>Amort Cost | Sale<br>Method |
|------------------------------------|--|------------|-------------------|-----------------------|---------------------|----------------------|----------------------|----------------------------|----------------|
| 02/01/17 02/03/17                  | FNMA BENCHMARK NOTE<br>DTD 02/23/2016 1.000% 02/26/2019      | 3135G0J53  | 150,000.00        | 148,966.50            | 654.17              | 149,620.67           | (768.00)             | (839.10)                   | FIFO           |
| 02/01/17 02/03/17                  | MORGAN STANLEY CORP NOTE<br>DTD 04/25/2013 2.125% 04/25/2018 | 6174467U7  | 220,000.00        | 220,785.40            | 1,272.64            | 222,058.04           | (1,597.20)           | (875.41)                   | FIFO           |
| 02/08/17 02/09/17                  | FNMA BENCHMARK NOTE<br>DTD 02/23/2016 1.000% 02/26/2019      | 3135G0J53  | 280,000.00        | 278,667.20            | 1,267.78            | 279,934.98           | (837.20)             | (972.80)                   | FIFO           |
| 02/13/17 02/16/17                  | US TREASURY NOTES<br>DTD 01/31/2013 1.375% 01/31/2020        | 912828U1L2 | 90,000.00         | 89,757.42             | 54.70               | 89,812.12            | (1,258.60)           | (1,049.98)                 | FIFO           |
| 02/24/17 02/28/17                  | US TREASURY NOTES<br>DTD 06/01/2015 1.500% 05/31/2020        | 912828XE5  | 215,000.00        | 214,983.20            | 797.39              | 215,780.59           | (5,215.43)           | (4,342.20)                 | FIFO           |
| <b>Transaction Type Sub-Total</b>  |  |            | <b>955,000.00</b> | <b>953,159.72</b>     | <b>4,046.68</b>     | <b>957,206.40</b>    | <b>(9,676.43)</b>    | <b>(8,079.49)</b>          |                |
| <b>Managed Account Sub-Total</b>   |  |            |                   | <b>(31,227.75)</b>    | <b>17,350.25</b>    | <b>(13,877.50)</b>   | <b>(5,831.94)</b>    | <b>(8,079.49)</b>          |                |
| <b>Total Security Transactions</b> |  |            |                   | <b>(\$31,227.75)</b>  | <b>\$17,350.25</b>  | <b>(\$13,877.50)</b> | <b>(\$5,831.94)</b>  | <b>(\$8,079.49)</b>        |                |

Bolded items are forward settling trades.



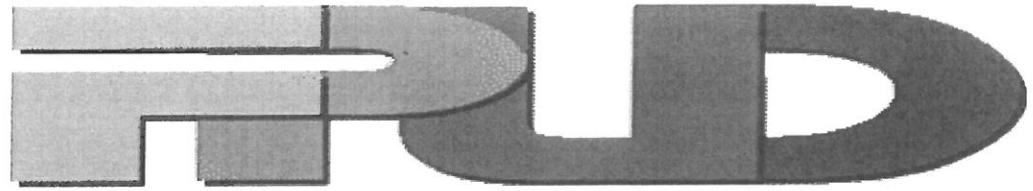
**Fallbrook Public Utility District  
2016-17 Budget Overview-Through 2/28/17**

|  | 2016-2017<br>Adopted Budget | 2016-2017<br>Actual YTD | 2016-17<br>Projected | Change from<br>Projected to<br>Adopted Budget | Percent<br>Change from<br>Prior Budget |
|--|-----------------------------|-------------------------|----------------------|---|--|
| <b>REVENUES:</b>   |                             |                         |                      |   |  |
| Water and Recycled Sales                                   | 9,740                       | 6,710                   | 9,319                | (421)   | -4.3%                                  |
| Operating Revenues:  |                             |                         |                      |   |  |
| Water Sales  | 14,854,447                  | 9,625,830               | 13,950,478           | (903,969)                                     | -6.1%                                  |
| MWD Readiness to Serve                                     | 398,232                     | 337,824                 | 506,735              | 108,503                                       | 27.2%                                  |
| CWA Infracture Access Charge                               | 398,056                     | 264,495                 | 396,742              | (1,314)                                       | -0.3%                                  |
| Meter Service Charges                                      | 5,338,784                   | 3,618,422               | 5,427,632            | 88,848  | 1.7%                                   |
| Wastewater Service Charges                                 | 5,804,379                   | 3,715,923               | 5,573,885            | (230,494)                                     | -4.0%                                  |
| Overuse Penalties  | 0                           | 0                       | 0                    | -   | 0.0%                                   |
| Sundry Other Revenue                                       | 306,100                     | 192,671                 | 289,006              | (17,094)                                      | -5.6%                                  |
| CWA Rebates  | 148,000                     | 89,280                  | 124,000              | (24,000)                                      | -16.2%                                 |
| Total Operating Revenue                                    | 27,247,998                  | 17,844,444              | 26,268,479           | (979,519)                                     | -3.6%                                  |
| Non Operating Revenues:                                    |                             |                         |                      |   |  |
| Capital Improvement Charge                                 | 2,282,000                   | 1,520,214               | 2,280,321            | (1,679)                                       | -0.1%                                  |
| Property Taxes   | 1,814,077                   | 1,126,278               | 1,814,077            | -   | 0.0%                                   |
| Water Standby/Availability Charge                          | 203,000                     | 116,779                 | 203,000              | -   | 0.0%                                   |
| Water/Wastewater Capacity Charges                          | 107,315                     | 193,757                 | 193,757              | 86,442  | 80.5%                                  |
| Portfolio Interest   | 175,000                     | 149,433                 | 224,149              | 49,149  | 28.1%                                  |
| Pumping Charge   | 60,000                      | 27,432                  | 38,100               | (21,900)                                      | -36.5%                                 |
| Prop 84 & 50 Funds   | 0                           | 490,385                 | 490,385              | 490,385                                       | 100.0%                                 |
| SRF Loan Proceeds  | 0                           | 0                       | 0                    | -   | 0.0%                                   |
| CSI Rebate   | 559,450                     | 234,930                 | 234,930              | (324,520)                                     | -58.0%                                 |
| Facility Rents & Other Non Operating Revenues              | 185,000                     | 113,388                 | 170,081              | (14,919)                                      | -8.1%                                  |
| Total Non Operating Revenues                               | 5,385,842                   | 3,972,596               | 5,648,801            | 262,959                                       | 4.9%                                   |
| <b>Total Budgeted Revenues</b>                             | <b>32,633,840</b>           | <b>21,817,040</b>       | <b>31,917,280</b>    | <b>(716,560)</b>                              | <b>-2.2%</b>                           |
| <b>EXPENDITURES:</b>                                       |                             |                         |                      |   |  |
| Operating Expenses:  |                             |                         |                      |   |  |
| Purchased Water Expense                                    | 12,263,929                  | 8,627,916               | 12,504,226           | 240,297                                       | 2.0%                                   |
| MWD Readiness to Serve                                     | 398,232                     | 265,488                 | 398,232              | -   | 0.0%                                   |
| CWA Infracture Access Charge                               | 398,056                     | 261,210                 | 398,056              | -   | 0.0%                                   |
| Production-Water Quality & Treatment                       | 1,270,610                   | 682,514                 | 1,023,771            | (246,839)                                     | -19.4%                                 |
| Distribution   | 2,047,562                   | 978,847                 | 1,468,270            | (579,292)                                     | -28.3%                                 |
| Customer Service   | 1,290,349                   | 802,331                 | 1,203,497            | (86,852)                                      | -6.7%                                  |
| General Administration                                     | 5,182,798                   | 3,071,254               | 4,606,881            | (575,917)                                     | -11.1%                                 |
| Collection, Treatment & Disposal                           | 2,818,664                   | 1,631,352               | 2,447,028            | (371,636)                                     | -13.2%                                 |
| Total Operating Expenses                                   | 25,670,200                  | 16,320,912              | 24,049,961           | (1,620,239)                                   | -6.3%                                  |
| Debt Service Expenses                                      |                             |                         |                      |   |  |
| Red Mountain SRF   | 395,893                     | 197,925                 | 395,893              | -   | 0.0%                                   |
| WWTP SRF   | 1,845,745                   | 0                       | 1,845,745            | -   | 0.0%                                   |
| QECB Solar Debt  | 349,024                     | 180,420                 | 349,024              | -   | 0.0%                                   |
| CalPERS 15-16 Unfunded Actuarial Liability Lump Sum        | 466,860                     | 466,860                 | 466,860              | -   | 0.0%                                   |
| Prefund FY 16-17 CalPERS UAL Lump Sum Pymt to PARS         | 0                           | 500,000                 | 500,000              | 500,000                                       | 100.0%                                 |
| Total Debt Service Expenses                                | 3,057,522                   | 1,345,205               | 3,557,522            | 500,000                                       | 16.4%                                  |
| <b>Net Revenue/(loss) From Operations and Debt Service</b> | <b>3,906,118</b>            | <b>4,150,922</b>        | <b>4,309,797</b>     | <b>403,679</b>                                | <b>10.3%</b>                           |
| Capital Project Expenses-completed and ongoing projects    | 5,966,926                   | 3,547,635               | 6,081,660            | 114,734                                       | 1.9%                                   |
| <b>NET REVENUES &amp; EXPENDITURES</b>                     | <b>(2,060,808)</b>          | <b>603,288</b>          | <b>(1,771,863)</b>   | <b>288,945</b>                                | <b>-14.0%</b>                          |
| Estimated Reserves as of 7/1/16                            | 14,841,858                  | 14,988,998              | 14,841,858           | -   |  |
| Estimated Reserves as of 6/30/17                           | 12,781,050                  | 15,592,286              | 13,069,995           | 288,945                                       | 2.3%                                   |

**Fallbrook Public Utility District  
2016-17 Budget Overview-Through 2/28/17**

|   | 2016-2017<br>Adopted Budget | 2016-2017<br>Actual YTD | 2016-17<br>Projected | Change from<br>Projected to<br>Adopted Budget |
|---|-----------------------------|-------------------------|----------------------|---|
| <b>Labor Costs:</b>   |                             |                         |                      |   |
| Annual Wages  | 5,698,680                   | 3,768,657               | 5,763,828            | 65,148  |
| <b>Direct Benefits:</b>   |                             |                         |                      |   |
| Medical/Dental/Vision   | 964,259                     | 632,710                 | 949,065              | (15,194)                                      |
| Other Post Employment Benefits (OPEB) contribution  | 150,000                     | 150,000                 | 150,000              | -   |
| Life Insurance/Long Term Disability   | 38,418                      | 24,000                  | 36,000               | (2,418)                                       |
| Uniforms/Safety Equipment   | 38,317                      | 28,840                  | 43,260               | 4,943   |
| Auto Allowance & Rec Fund   | 18,700                      | 18,210                  | 18,331               | (369)   |
| <b>Total Wages &amp; Direct Benefits</b>  | <b>6,908,374</b>            | <b>4,622,417</b>        | <b>6,960,484</b>     | <b>52,110</b>                                 |
| <b>Indirect Benefits:</b>   |                             |                         |                      |   |
| CalPERS/401A*   | 897,630 *                   | 362,286                 | 884,652              | (12,978)                                      |
| CalPERS Lump Sum Unfunded Liability Payment   | 459,468                     | 459,468                 | 459,468              | -   |
| CalPERS Side Fund Payoff**  | 485,000 **                  | 485,000                 | 485,000              | -   |
| CalPERS Unfunded Liability contribution   | 100,000 ***                 | 100,000                 | 100,000              | -   |
| FICA/Social Security  | 419,177                     | 251,066                 | 420,983              | 1,806   |
| Workers Comp Premiums   | 130,558                     | 101,168                 | 134,800              | 4,242   |
| Other-Unemployment Insurance  | 0                           | 11,734                  | 11,734               | 11,734  |
| **Reimburse Reserves for 6/30/14 Side Fund Payoff   |                             | 0                       | 0                    | -   |
| ***Actuarial Unfunded Liability of \$9.8M   |                             | 0                       | 0                    | -   |
| <b>Total Indirect Benefits</b>  | <b>2,491,833</b>            | <b>1,770,722</b>        | <b>2,496,638</b>     | <b>4,805</b>                                  |
| <b>Total Wages and Fringe Benefits</b>  | <b>9,400,207</b>            | <b>6,393,139</b>        | <b>9,457,121</b>     | <b>56,915</b>                                 |
| <br>*Employer Contribution 10.808% for Misc Members<br>and 6.93% for PEPRA Members                          |                             |                         |                      |   |
| <br>**Reimburse Reserves for 6/30/14 Side Fund Payoff<br>Balance remaining is \$2,058,848 as of 6/30/16     |                             |                         |                      |   |
| <br>***Unfunded Actuarial Liability (UAL) of \$9.8M. This<br>action prefunds a portion of the UAL into PARS |                             |                         |                      |   |

General Ledger  
Balance Sheet  
Consolidated



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

User: marcie  
 Printed: 3/22/2017 3:05:36 PM  
 Period 01 - 08  
 Fiscal Year 2017

| Description                          | End Bal               |
|--------------------------------------|-----------------------|
| <b>Asset</b>                         |                       |
| Cash and Investments                 | 18,180,548.89         |
| Cash With Treasurer's Fund           | 8,213,013.69          |
| Receivables                          | 4,317,459.65          |
| Inventory                            | 1,591,634.91          |
| Other Current Assets                 | 1,275,968.56          |
| Restricted Cash & Investments        | 389,066.00            |
| Board Designated Assets              | 961,393.00            |
| Capital Assets-Being Depreciated     | 160,707,286.46        |
| Capital Assets-Not Being Depreciated | 16,171,643.17         |
| Accumulated Depreciation             | -64,348,906.74        |
| <b>Asset</b>                         | <b>147,459,107.59</b> |
| <b>Liability</b>                     |                       |
| Accounts Payable                     | -6,038,028.11         |
| Cash Due to Other Funds              | -8,185,001.74         |
| Accrued Wages                        | -23,980.66            |
| Compensated Absences                 | -1,078,979.12         |
| Construction and Other Deposits      | -7,499.88             |
| Accrued Interest Payable             | -73,748.98            |
| HRA Liability                        | -151,635.95           |
| OPEB Liability                       | -634,637.00           |
| Retention Payable                    | -146,169.52           |
| Other Long Term Liabilities          | -46,036,223.19        |
| <b>Liability</b>                     | <b>-62,375,904.15</b> |
| <b>Fund Balance</b>                  |                       |
| Fund Balance                         | -82,055,631.30        |
| <b>Fund Balance</b>                  | <b>-82,055,631.30</b> |
| Ret Earnings Total                   | 3,027,572.14          |
| Liab Fund Bal and Ret Earnings Total | -147,459,107.59       |



2/28/2017

Treasurer's Warrant No. Feb

TO: Treasurer of the Fallbrook Public Utility District

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

**Payroll -2/17**

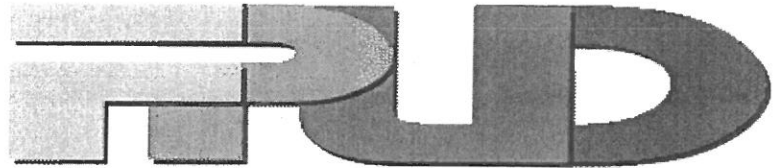
**Computer Check Register**

|            |                   |
|------------|-------------------|
| Payroll #1 | 144,272.43        |
| Payroll #2 | <u>132,071.67</u> |
|            | <u>276,344.10</u> |

# Accounts Payable

## Checks by Date - Summary by Check Date

User: paula  
Printed: 3/1/2017 6:09 AM



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

| Check No | Vendor No | Vendor Name                      | Check Date | Check Amount |
|----------|-----------|----------------------------------|------------|--------------|
| ACH      | 06758     | US TREASURY - PAYROLL TAXES      | 02/01/2017 | 61,645.88    |
| ACH      | 06759     | STATE OF CA - PR TAXES           | 02/01/2017 | 8,452.27     |
| ACH      | 06760     | STATE OF CA - SDI                | 02/01/2017 | 2,036.59     |
| ACH      | 06761     | LINCOLN FINANCIAL GROUP          | 02/01/2017 | 5,692.84     |
| ACH      | 06763     | PERS - PAYROLL                   | 02/01/2017 | 36,080.55    |
| 74148    | 00101     | ACWA JPIA                        | 02/01/2017 | 87,439.74    |
| 74149    | 06403     | APPLEONE EMPLOYMENT SERVICES     | 02/01/2017 | 424.78       |
| 74150    | 02805     | ASBURY ENVIRONMENTAL SERVICES    | 02/01/2017 | 175.00       |
| 74151    | 06696     | AT & T MOBILTIY                  | 02/01/2017 | 55.74        |
| 74152    | 05088     | AT&T                             | 02/01/2017 | 500.83       |
| 74153    | 06235     | JACK BEBEE                       | 02/01/2017 | 101.10       |
| 74154    | 06599     | JON BERGHOLZ                     | 02/01/2017 | 31.24        |
| 74155    | 02743     | BEST BEST & KRIEGER              | 02/01/2017 | 9,783.87     |
| 74156    | 00898     | BP BATTERY                       | 02/01/2017 | 95.01        |
| 74157    | 06012     | CALIFORNIA DEPT OF CSS           | 02/01/2017 | 231.00       |
| 74158    | 03978     | CAMERON WELDING SUPPLY           | 02/01/2017 | 170.44       |
| 74159    | 05714     | CNTY OF SAN DIEGO DEPT PUB WRK   | 02/01/2017 | 662.50       |
| 74160    | 06675     | CORODATA SHREDDING, INC          | 02/01/2017 | 54.50        |
| 74161    | 02586     | COSTCO MEMBERSHIP                | 02/01/2017 | 962.43       |
| 74162    | 02925     | DATA NET SOLUTIONS               | 02/01/2017 | 3,760.00     |
| 74163    | 05180     | NOELLE DENKE                     | 02/01/2017 | 83.32        |
| 74164    | 91123     | DIGITAL DEPLOYMENT, INC.         | 02/01/2017 | 550.00       |
| 74165    | 02372     | DION INTERNATIONAL               | 02/01/2017 | 2,820.61     |
| 74166    | 05177     | DOWNEY BRAND, LLP                | 02/01/2017 | 481.00       |
| 74167    | 02582     | EMPLOYMENT DEVELOPMENT DEPT      | 02/01/2017 | 2,530.00     |
| 74168    | 05588     | ESCONDIDO METAL SUPPLY           | 02/01/2017 | 506.86       |
| 74169    | 04494     | FEDERAL EXPRESS CORPORATION      | 02/01/2017 | 71.66        |
| 74170    | 00152     | FPUD EMPL ASSOCIATION            | 02/01/2017 | 925.32       |
| 74171    | 91126     | FRIENDS OF THE FALLBROOK COMM    | 02/01/2017 | 144.07       |
| 74172    | 90906     | BRETT GRAHAM                     | 02/01/2017 | 190.00       |
| 74173    | 02170     | GRAINGER, INC.                   | 02/01/2017 | 239.02       |
| 74174    | 06577     | INFOSEND INC                     | 02/01/2017 | 1,579.64     |
| 74175    | 05505     | TODD JESTER                      | 02/01/2017 | 374.00       |
| 74176    | 90924     | LAW OFFICES OF STEPHEN V. LOPARJ | 02/01/2017 | 1,653.00     |
| 74177    | 03765     | LENNIHAN LAW                     | 02/01/2017 | 1,936.62     |
| 74178    | 90887     | LLOYD PEST CONTROL               | 02/01/2017 | 198.00       |
| 74179    | 05655     | DON MCDOUGAL                     | 02/01/2017 | 50.29        |
| 74180    | 06596     | MCS INSPECTION GROUP             | 02/01/2017 | 4,026.00     |
| 74181    | 06014     | KERRY MEHRENS                    | 02/01/2017 | 371.94       |
| 74182    | 06338     | MYTHOS TECHNOLOGY INC            | 02/01/2017 | 438.04       |
| 74183    | 00718     | NATIONWIDE RETIREMENT SOLUTIO    | 02/01/2017 | 2,108.07     |
| 74184    | 91125     | NCCERT                           | 02/01/2017 | 100.00       |
| 74185    | 06487     | ALISA NICHOLS                    | 02/01/2017 | 192.30       |
| 74186    | 90939     | PCM SALES, INC.                  | 02/01/2017 | 269.11       |
| 74187    | 06199     | PLUMBERS DEPOT INC               | 02/01/2017 | 160.49       |
| 74188    | 04662     | QUALITY FENCE COMPANY, INC.      | 02/01/2017 | 125.00       |
| 74189    | 91077     | RED WING SHOE STORE              | 02/01/2017 | 837.77       |



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| 74190               | 91071     | JACOB ROBINSON                  | 02/01/2017 | 160.00       |
| 74191               | 05636     | SAM'S CLUB                      | 02/01/2017 | 2,574.01     |
| 74192               | 00231     | SAN DIEGO COUNTY WATER AUTH     | 02/01/2017 | 744,034.17   |
| 74193               | 00236     | SCRAPPYS                        | 02/01/2017 | 772.94       |
| 74194               | 90925     | SHERWIN-WILLIAMS                | 02/01/2017 | 108.73       |
| 74195               | 05883     | TESTAMERICA LABORATORIES, INC.  | 02/01/2017 | 481.98       |
| 74196               | 91107     | TIME WARNER CABLE ENTERPRISES,  | 02/01/2017 | 101.60       |
| 74197               | 00250     | TRY ENTERPRISES                 | 02/01/2017 | 2,507.50     |
| 74198               | 06005     | UNIFIRST CORP.                  | 02/01/2017 | 424.99       |
| 74199               | 04330     | UNION BANK                      | 02/01/2017 | 1,238.00     |
| 74200               | 06211     | UNITED IMAGING                  | 02/01/2017 | 1,190.21     |
| 74201               | 00233     | WAXIE SANITARY SUPPLY           | 02/01/2017 | 2,152.38     |
| 74202               | 91100     | WESTIN ENGINEERING, INC.        | 02/01/2017 | 4,510.74     |
| 74203               | 02570     | CHERYL WILLIAMS                 | 02/01/2017 | 568.76       |
| Total for 2/1/2017: |           |                                 |            | 1,002,144.45 |
| 74204               | 91129     | JENNIFER DEMEO                  | 02/02/2017 | 366.75       |
| Total for 2/2/2017: |           |                                 |            | 366.75       |
| 74205               | 01460     | AFLAC                           | 02/09/2017 | 1,766.86     |
| 74206               | 00160     | WILLIAM AHREND                  | 02/09/2017 | 107.75       |
| 74207               | UB*00023  | ANDERSON-SCHIERHOLZ             | 02/09/2017 | 1,063.63     |
| 74208               | UB*00026  | VEARL & MELANIE ARIVETT         | 02/09/2017 | 122.45       |
| 74209               | 06374     | BOOT BARN INC.                  | 02/09/2017 | 150.65       |
| 74210               | 05615     | BOOT WORLD INC.                 | 02/09/2017 | 184.53       |
| 74211               | 06256     | MARYLOU BOULTINGHOUSE           | 02/09/2017 | 78.01        |
| 74212               | 06402     | BRIAN BRADY                     | 02/09/2017 | 31.80        |
| 74213               | 91118     | BULLDOG TOWING                  | 02/09/2017 | 5,180.00     |
| 74214               | 06676     | CAROLLO ENGINEERS, INC          | 02/09/2017 | 1,810.30     |
| 74215               | 01719     | MICKEY M. CASE                  | 02/09/2017 | 60.00        |
| 74216               | UB*00019  | AMANDA CASTILLE                 | 02/09/2017 | 128.11       |
| 74217               | 91128     | CENTER FOR HEARING HEALTH, INC. | 02/09/2017 | 981.00       |
| 74218               | 01657     | CLAIREMONT EQUIPMENT CO         | 02/09/2017 | 1,427.87     |
| 74219               | 00129     | CLINICAL LABORATORY             | 02/09/2017 | 1,206.00     |
| 74220               | 00370     | CROP PRODUCTION SERVICES, INC.  | 02/09/2017 | 629.00       |
| 74221               | 02925     | DATA NET SOLUTIONS              | 02/09/2017 | 2,764.75     |
| 74222               | UB*00022  | DUSTIN & LINDSEY DAVIS          | 02/09/2017 | 41.24        |
| 74223               | 05192     | DIAMOND ENVIRONMENTAL SERVIC    | 02/09/2017 | 503.74       |
| 74224               | 04425     | DOMINICK'S SANDWICHES           | 02/09/2017 | 71.19        |
| 74225               | 91095     | EAGLE PAVING COMPANY, INC       | 02/09/2017 | 148,795.00   |
| 74226               | 05588     | ESCONDIDO METAL SUPPLY          | 02/09/2017 | 439.02       |
| 74227               | 05006     | JEFF EVANS                      | 02/09/2017 | 2,619.74     |
| 74228               | 02647     | FALLBROOK AWARDS                | 02/09/2017 | 64.80        |
| 74229               | 00169     | FALLBROOK OIL COMPANY           | 02/09/2017 | 3,503.75     |
| 74230               | 01155     | FALLBROOK REFUSE                | 02/09/2017 | 45.00        |
| 74231               | 00170     | FALLBROOK WASTE & RECYCLING     | 02/09/2017 | 549.70       |
| 74232               | 01432     | FERGUSON WATERWORKS #1083       | 02/09/2017 | 5,896.08     |
| 74233               | 06286     | GARDA CL WEST, INC.             | 02/09/2017 | 228.46       |
| 74234               | 91039     | GEORGE W. WEIR ASPHALT CONSTRU  | 02/09/2017 | 8,490.30     |
| 74235               | 00182     | GLENNIE'S OFFICE PRODUCTS, INC  | 02/09/2017 | 34.32        |
| 74236               | 05995     | GOVERNMENT FINANCE OFFICERS A   | 02/09/2017 | 310.00       |
| 74237               | 06722     | CHRIS HAMILTON                  | 02/09/2017 | 331.96       |
| 74238               | UB*00020  | DRODERICK & GADREAL HARDING     | 02/09/2017 | 43.46        |
| 74239               | 03276     | HOME DEPOT CREDIT SERVICES      | 02/09/2017 | 4,639.61     |
| 74240               | 90971     | HYDROPLANT HYDROSEEDING, INC    | 02/09/2017 | 882.00       |

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| 74241                | 06577     | INFOSEND INC                    | 02/09/2017 | 1,358.19     |
| 74242                | 00190     | JCI JONES CHEMICALS INC.        | 02/09/2017 | 3,076.96     |
| 74243                | 04027     | JOES HARDWARE                   | 02/09/2017 | 905.29       |
| 74244                | 05401     | JOE'S PAVING                    | 02/09/2017 | 11,691.00    |
| 74245                | 04926     | KONICA MINOLTA PREMIER FINANCE  | 02/09/2017 | 3,334.31     |
| 74246                | UB*00021  | KRESSIN FAMILY TRUST            | 02/09/2017 | 20.45        |
| 74247                | UB*00018  | CARON LIEBER                    | 02/09/2017 | 9.64         |
| 74248                | 04638     | LOWE'S CORPORATION              | 02/09/2017 | 1,320.72     |
| 74249                | 06123     | MACIAS GINI & O'CONNELL         | 02/09/2017 | 8,500.00     |
| 74250                | 06338     | MYTHOS TECHNOLOGY INC           | 02/09/2017 | 5,481.77     |
| 74251                | 90932     | NAPA AUTO PARTS                 | 02/09/2017 | 1,458.48     |
| 74252                | UB*00025  | TAMARA & JOHN NAVY              | 02/09/2017 | 139.87       |
| 74253                | 05104     | NCL OF WISCONSIN INC            | 02/09/2017 | 881.41       |
| 74254                | 06708     | NINYO & MOORE                   | 02/09/2017 | 19,800.00    |
| 74255                | 01267     | PACIFIC PIPELINE                | 02/09/2017 | 18,316.78    |
| 74256                | 91007     | PFM ASSET MANGEMENT LLC         | 02/09/2017 | 1,215.84     |
| 74257                | 00216     | PINE TREE LUMBER                | 02/09/2017 | 340.13       |
| 74258                | 04662     | QUALITY FENCE COMPANY, INC.     | 02/09/2017 | 625.00       |
| 74259                | 05442     | QUEXION, LLC                    | 02/09/2017 | 74.95        |
| 74260                | 06237     | LARRY RAGSDALE                  | 02/09/2017 | 91.69        |
| 74261                | 91077     | RED WING SHOE STORE             | 02/09/2017 | 106.59       |
| 74262                | UB*00024  | JOE ROBERTSON                   | 02/09/2017 | 99.65        |
| 74263                | 02958     | RSIS INC                        | 02/09/2017 | 1,305.00     |
| 74264                | 00232     | SAN DIEGO GAS & ELECTRIC        | 02/09/2017 | 61,080.11    |
| 74265                | 00236     | SCRAPPYS                        | 02/09/2017 | 772.94       |
| 74266                | 00159     | SUPERIOR READY MIX              | 02/09/2017 | 552.30       |
| 74267                | 00621     | TERRA TECHNOLOGY ENGINEERING    | 02/09/2017 | 527.60       |
| 74268                | 05883     | TESTAMERICA LABORATORIES, INC.  | 02/09/2017 | 1,178.10     |
| 74269                | 91130     | THE LINCOLN NATIONAL LIFE INSUR | 02/09/2017 | 3,412.10     |
| 74270                | 06608     | THE ROTARY CLUB OF FALLBROOK    | 02/09/2017 | 203.00       |
| 74271                | 00724     | UNDERGROUND SERVICE ALERT       | 02/09/2017 | 297.00       |
| 74272                | 06005     | UNIFIRST CORP.                  | 02/09/2017 | 421.91       |
| 74273                | 05909     | WAGNER & BONSIGNORE, CONSULTI   | 02/09/2017 | 252.50       |
| 74274                | 05528     | WATER ENVIRONMENT FEDERATION    | 02/09/2017 | 362.00       |
| 74275                | 01847     | WATEREUSE ASSOCIATION           | 02/09/2017 | 963.00       |
| 74276                | 00233     | WAXIE SANITARY SUPPLY           | 02/09/2017 | 349.42       |
| 74277                | 06231     | WESTERN WATER WORKS SUPPLY CC   | 02/09/2017 | 7,216.02     |
| Total for 2/9/2017:  |           |                                 |            | 352,923.80   |
| ACH                  | 06758     | US TREASURY - PAYROLL TAXES     | 02/13/2017 | 1,221.37     |
| ACH                  | 06759     | STATE OF CA - PR TAXES          | 02/13/2017 | 162.61       |
| ACH                  | 06760     | STATE OF CA - SDI               | 02/13/2017 | 36.63        |
| Total for 2/13/2017: |           |                                 |            | 1,420.61     |
| ACH                  | 00152     | FPUD EMPL ASSOCIATION           | 02/15/2017 | 925.32       |
| ACH                  | 06758     | US TREASURY - PAYROLL TAXES     | 02/15/2017 | 56,988.39    |
| ACH                  | 06759     | STATE OF CA - PR TAXES          | 02/15/2017 | 7,633.34     |
| ACH                  | 06760     | STATE OF CA - SDI               | 02/15/2017 | 1,901.15     |
| ACH                  | 06761     | LINCOLN FINANCIAL GROUP         | 02/15/2017 | 5,762.84     |
| ACH                  | 06763     | PERS - PAYROLL                  | 02/15/2017 | 35,942.48    |
| Total for 2/15/2017: |           |                                 |            | 109,153.52   |
| 74287                | 00101     | ACWA JPIA                       | 02/16/2017 | 82,061.73    |

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| 74288    | 04995     | AMERICAN MESSAGING                  | 02/16/2017 | 102.46       |
| 74289    | 02743     | BEST BEST & KRIEGER                 | 02/16/2017 | 2,657.14     |
| 74290    | 06713     | BISHOP'S TREE SERVICE, INC.         | 02/16/2017 | 2,000.00     |
| 74291    | 06256     | MARYLOU BOULTINGHOUSE               | 02/16/2017 | 5.99         |
| 74292    | 00898     | BP BATTERY                          | 02/16/2017 | 208.39       |
| 74293    | 06424     | CAEATFA FUND                        | 02/16/2017 | 2,168.10     |
| 74294    | 06012     | CALIFORNIA DEPT OF CSS              | 02/16/2017 | 231.00       |
| 74295    | 06336     | CAPITAL ONE COMMERCIAL              | 02/16/2017 | 4,209.24     |
| 74296    | 01719     | MICKEY M. CASE                      | 02/16/2017 | 78.00        |
| 74297    | 09705     | CSDA SAN DIEGO CHAPTER              | 02/16/2017 | 30.00        |
| 74298    | 91129     | JENNIFER DEMEO                      | 02/16/2017 | 24.36        |
| 74299    | 05180     | NOELLE DENKE                        | 02/16/2017 | 80.29        |
| 74300    | 03087     | MARCELLA M. EILERS                  | 02/16/2017 | 792.10       |
| 74301    | 03391     | ELECTRICAL SALES INC                | 02/16/2017 | 1,271.66     |
| 74302    | 06303     | EXECUTIVE LANDSCAPE INC.            | 02/16/2017 | 417.50       |
| 74303    | 09523     | FALLBROOK EQUIP RENTALS             | 02/16/2017 | 1,132.20     |
| 74304    | 01099     | FALLBROOK IRRIGATION INC            | 02/16/2017 | 434.45       |
| 74305    | 01582     | FALLBROOK MUFFLER                   | 02/16/2017 | 125.00       |
| 74306    | 90945     | FALLBROOK RADIATOR                  | 02/16/2017 | 30.00        |
| 74307    | 01155     | FALLBROOK REFUSE                    | 02/16/2017 | 210.16       |
| 74308    | 01432     | FERGUSON WATERWORKS #1083           | 02/16/2017 | 4,913.40     |
| 74309    | UB*00028  | KAREN & DENNIS GALLEGOS             | 02/16/2017 | 386.34       |
| 74310    | 09517     | GENCO                               | 02/16/2017 | 248.90       |
| 74311    | 02170     | GRAINGER, INC.                      | 02/16/2017 | 910.21       |
| 74312    | 91083     | NIKOLAY ILIEV                       | 02/16/2017 | 300.00       |
| 74313    | 06463     | IOTUM INC.                          | 02/16/2017 | 12.24        |
| 74314    | 06267     | J2 GLOBAL IRELAND LIMITED           | 02/16/2017 | 59.91        |
| 74315    | 90944     | ROBERT H JAMES                      | 02/16/2017 | 950.00       |
| 74316    | 90916     | KELLY LAUGHLIN                      | 02/16/2017 | 46.01        |
| 74317    | 90887     | LLOYD PEST CONTROL                  | 02/16/2017 | 169.00       |
| 74318    | 06263     | LOS ANGELES FREIGHTLINER, LLC       | 02/16/2017 | 398.07       |
| 74319    | 03944     | MISSION RESOURCE CONSV DISTRICT     | 02/16/2017 | 31.25        |
| 74320    | 90932     | NAPA AUTO PARTS                     | 02/16/2017 | 48.47        |
| 74321    | 00718     | NATIONWIDE RETIREMENT SOLUTIONS     | 02/16/2017 | 2,108.07     |
| 74322    | 06298     | ONESOURCE DISTRIBUTORS, LLC         | 02/16/2017 | 436.16       |
| 74323    | 05033     | PACKARD GOVERNMENT AFFAIRS          | 02/16/2017 | 5,000.00     |
| 74324    | 06199     | PLUMBERS DEPOT INC                  | 02/16/2017 | 663.74       |
| 74325    | 02662     | QUALITY CHEVROLET                   | 02/16/2017 | 213.83       |
| 74326    | 06056     | R & B FILTRATION                    | 02/16/2017 | 682.04       |
| 74327    | 91077     | RED WING SHOE STORE                 | 02/16/2017 | 476.50       |
| 74328    | 06485     | FABRIENNE ROBINSON                  | 02/16/2017 | 560.00       |
| 74329    | 06703     | S & C ELECTRIC COMPANY              | 02/16/2017 | 7,003.75     |
| 74330    | 06401     | SONSRAY MACHINERY LLC               | 02/16/2017 | 653.63       |
| 74331    | 90929     | SOUTHWEST ANSWERING SERVICE, INC.   | 02/16/2017 | 1,063.84     |
| 74332    | 00159     | SUPERIOR READY MIX                  | 02/16/2017 | 662.55       |
| 74333    | 05883     | TESTAMERICA LABORATORIES, INC.      | 02/16/2017 | 2,922.14     |
| 74334    | 04543     | THE GOODYEAR TIRE & RUBBER CO.      | 02/16/2017 | 2,593.97     |
| 74335    | 91130     | THE LINCOLN NATIONAL LIFE INSURANCE | 02/16/2017 | 3,412.10     |
| 74336    | 05403     | THE SAN DIEGO UNION-TRIBUNE CO.     | 02/16/2017 | 293.40       |
| 74337    | 06454     | TRIMARK ASSOCIATES INC              | 02/16/2017 | 120.00       |
| 74338    | 00250     | TRY ENTERPRISES                     | 02/16/2017 | 1,670.00     |
| 74339    | 06005     | UNIFIRST CORP.                      | 02/16/2017 | 400.35       |
| 74340    | 00458     | VERIZON WIRELESS                    | 02/16/2017 | 1,586.88     |
| 74341    | 06436     | WATER/WASTEWATER DESIGN ASSOCIATION | 02/16/2017 | 4,800.00     |
| 74342    | 02570     | CHERYL WILLIAMS                     | 02/16/2017 | 1,050.00     |
| 74343    | UB*00027  | EDWARD WOZNIAK                      | 02/16/2017 | 547.51       |



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| 74344    | 02805     | ASBURY ENVIRONMENTAL SERVICES     | 02/22/2017           | 702.40       |
| 74345    | 05088     | AT&T                              | 02/22/2017           | 857.87       |
| 74346    | 06235     | JACK BEBEE                        | 02/22/2017           | 655.01       |
| 74347    | 06402     | BRIAN BRADY                       | 02/22/2017           | 135.66       |
| 74348    | 03003     | CALIFORNIA ASSOCIATION OF SANIT   | 02/22/2017           | 8,570.00     |
| 74349    | 03134     | CALIFORNIA WATER ENVIRONMENT      | 02/22/2017           | 83.00        |
| 74350    | 03978     | CAMERON WELDING SUPPLY            | 02/22/2017           | 514.16       |
| 74351    | 91127     | CARBONYTE SYSTEMS, INC            | 02/22/2017           | 1,008.18     |
| 74352    | 03205     | CITY OF OCEANSIDE                 | 02/22/2017           | 2,189.58     |
| 74353    | 06358     | CLEVER PROMOTIONS, INC            | 02/22/2017           | 726.00       |
| 74354    | 02176     | CORELOGIC SOLUTIONS, LLC          | 02/22/2017           | 225.00       |
| 74355    | 00425     | C/O VALLECITOS WATER DISTRICT CO  | 02/22/2017           | 25.00        |
| 74356    | 06620     | DCH CHRYSLER JEEP DODGE OF        | 02/22/2017           | 59.48        |
| 74357    | 04074     | DEAN'S CERTIFIED WELDING, INC.    | 02/22/2017           | 960.00       |
| 74358    | 05180     | NOELLE DENKE                      | 02/22/2017           | 419.81       |
| 74359    | 06020     | E.S. BABCOCK & SONS, INC.         | 02/22/2017           | 1,825.25     |
| 74360    | 03087     | MARCELLA M. EILERS                | 02/22/2017           | 41.64        |
| 74361    | 03391     | ELECTRICAL SALES INC              | 02/22/2017           | 317.98       |
| 74362    | 06303     | EXECUTIVE LANDSCAPE INC.          | 02/22/2017           | 1,072.00     |
| 74363    | 09523     | FALLBROOK EQUIP RENTALS           | 02/22/2017           | 300.00       |
| 74364    | 04494     | FEDERAL EXPRESS CORPORATION       | 02/22/2017           | 23.41        |
| 74365    | 02170     | GRAINGER, INC.                    | 02/22/2017           | 96.89        |
| 74366    | 05380     | HACH CO                           | 02/22/2017           | 1,421.56     |
| 74367    | 06577     | INFOSEND INC                      | 02/22/2017           | 2,162.87     |
| 74368    | 06359     | INFRASTRUCTURE ENGINEERING CO     | 02/22/2017           | 2,382.40     |
| 74369    | 06380     | JANI-KING OF CALIFORNIA, INC - SA | 02/22/2017           | 2,117.39     |
| 74370    | 90924     | LAW OFFICES OF STEPHEN V. LOPAR   | 02/22/2017           | 29.00        |
| 74371    | 03765     | LENNIHAN LAW                      | 02/22/2017           | 1,869.84     |
| 74372    | 06633     | MAINTENANCE CONNECTION INC        | 02/22/2017           | 756.20       |
| 74373    | 91029     | MALLORY SAFETY AND SUPPLY CO      | 02/22/2017           | 87.82        |
| 74374    | 02618     | MC MASTER-CARR                    | 02/22/2017           | 499.83       |
| 74375    | 03201     | NATIONAL SAFETY COMPLIANCE INC    | 02/22/2017           | 60.00        |
| 74376    | 01267     | PACIFIC PIPELINE                  | 02/22/2017           | 1,725.17     |
| 74377    | 00215     | PETTY CASH                        | 02/22/2017           | 64.98        |
| 74378    | 04662     | QUALITY FENCE COMPANY, INC.       | 02/22/2017           | 125.00       |
| 74379    | 04075     | RAYNE WATER SYSTEMS               | 02/22/2017           | 125.00       |
| 74380    | 06485     | FABRIENNE ROBINSON                | 02/22/2017           | 45.04        |
| 74381    | 02958     | RSIS INC                          | 02/22/2017           | 2,699.00     |
| 74382    | 02854     | STEVE RUCKER                      | 02/22/2017           | 39.31        |
| 74383    | 00191     | SAN DIEGO COUNTY TREASURER        | 02/22/2017           | 31.52        |
| 74384    | 00236     | SCRAPPYS                          | 02/22/2017           | 100.00       |
| 74385    | 06737     | SIMPSON SANDBLASTING & SPECIAL    | 02/22/2017           | 153,378.61   |
| 74386    | 04820     | KEVIN STAMPER                     | 02/22/2017           | 163.14       |
| 74387    | 00159     | SUPERIOR READY MIX                | 02/22/2017           | 2,563.12     |
| 74388    | 02815     | SWRCB ACCOUNTING OFFICE           | 02/22/2017           | 11,130.63    |
| 74389    | 06735     | TCN, INC.                         | 02/22/2017           | 70.36        |
| 74390    | 91130     | THE LINCOLN NATIONAL LIFE INSUR   | 02/22/2017           | 3,332.00     |
| 74391    | 04159     | THOMSON REUTERS - WEST            | 02/22/2017           | 81.89        |
| 74392    | 06005     | UNIFIRST CORP.                    | 02/22/2017           | 400.72       |
| 74393    | 04313     | USA BLUE BOOK                     | 02/22/2017           | 910.28       |
| 74394    | 04290     | VILLAGE NEWS, INC.                | 02/22/2017           | 495.00       |
| 74395    | 05909     | WAGNER & BONSIGNORE, CONSULTI     | 02/22/2017           | 176.25       |
| 74396    | 91046     | JARED WALTERS                     | 02/22/2017           | 163.14       |
| 74397    | 02570     | CHERYL WILLIAMS                   | 02/22/2017           | 363.13       |

| <u>Check No</u> | <u>Vendor No</u> | <u>Vendor Name</u> | <u>Check Date</u>          | <u>Check Amount</u> |
|-----------------|------------------|--------------------|----------------------------|---------------------|
|                 |                  |                    | Total for 2/22/2017:       | 210,378.52          |
|                 |                  |                    | Report Total (255 checks): | 1,822,051.68        |

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

Brian Brady

General Manager



Status of Key Projects

**WRP Construction**

|                           |  |
|---------------------------|--|
| Awarded Construction Cost | \$ 25,507,000.00   |
| Change Orders             | \$ 966.31  |
| Total Cost                | \$ 25,507,966.31   |
| Total Completed           | \$ 25,507,966.31   |
| Percent Complete          | 100%   |
| End Date                  | 12/24/2015   |
| Days Added                | 0  |
| Funding Source            | SRF Loan: \$25.3 Million Balance Wastewater (60%) and Recycled Water (40%) Capital |

**SMRCUP Design**

|                      |  |
|----------------------|--|
| Awarded Design Cost* | \$ 3,205,140.00  |
| Contract Ammendments | \$ (158,131.00)  |
| Total Cost           | \$ 3,047,009.00  |
| Total Completed      | \$ 1,405,765   |
| Percent Complete     | 46%  |
| End Date             | 5/1/2016   |
| Days Added           | 0  |
| Funding Source       | * Only Preliminary Design and Design Task was Authorized for \$2,273,096<br>Prop 50 Grant: \$2.4 Million Balance Water Capital |

**Recycled Waterline Extension East**

|                           |   |
|---------------------------|---|
| Awarded Construction Cost | \$ 1,724,618.00                                   |
| Change Orders             | \$ -  |
| Total Cost                | \$ 1,724,618.00                                   |
| Total Completed           | \$ 1,724,618.00                                   |
| Percent Complete          | 100%  |
| End Date                  | 12/15/2015  |
| Days Added                | 0   |
| Funding Source            | Prop 84 Grant: \$742,000 Balance Recycled Capital |

**Plant 2 Force Main Replacement**

|                            |                    |
|----------------------------|--------------------|
| Awarded Construction Cost* | \$ 490,850.00      |
| Change Orders              | \$ -               |
| Total Cost                 | \$ 64,192.00       |
| Total Completed            | \$ -               |
| Percent Complete           | 0%                 |
| End Date                   | 3/8/2016           |
| Days Added                 |                    |
| *Pending Board Approval    |                    |
| Funding Source             | Wastewater Capital |

**Valve Replacement Projecy FY 16**

|                           |               |
|---------------------------|---------------|
| Awarded Construction Cost | \$ 342,000.00 |
| Change Orders             | \$ -          |
| Total Cost                | \$ 342,000.00 |
| Total Completed           | \$ -          |
| Percent Complete          | 0%            |
| End Date                  | 5/25/2016     |
| Days Added                |               |
| Funding Source            | Water Capital |

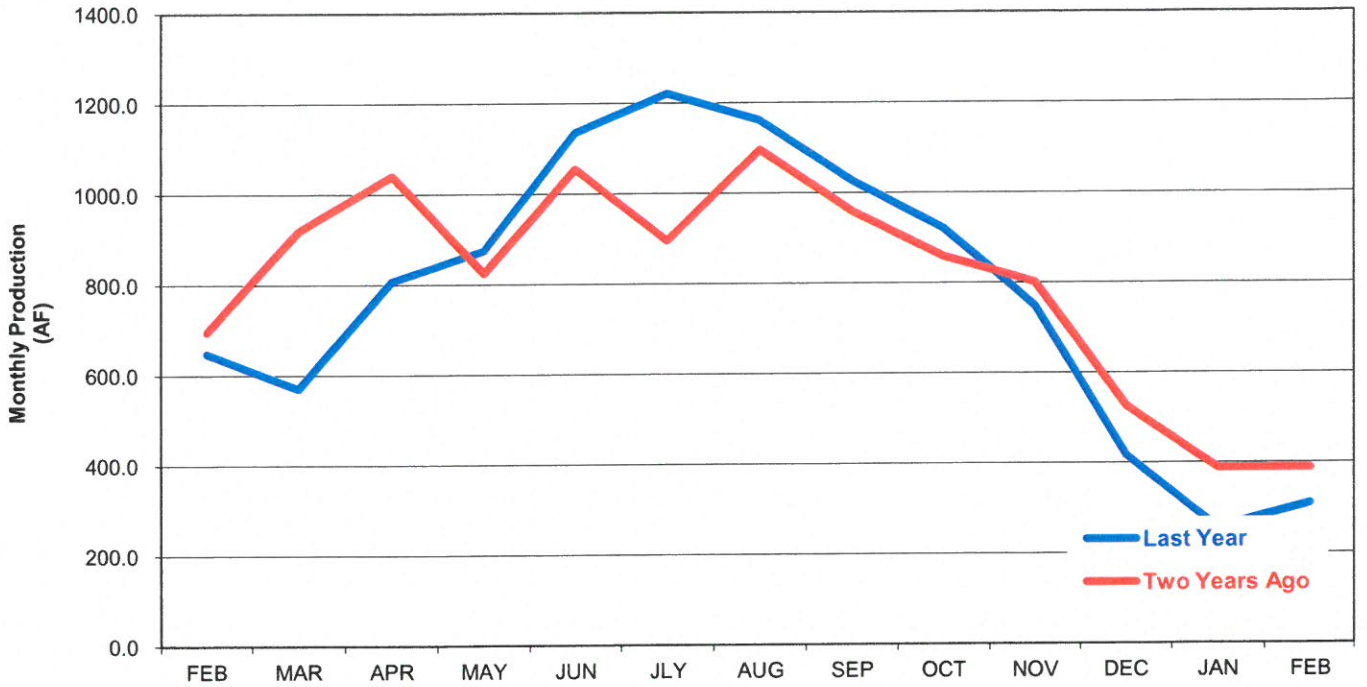
**Daily Pump Station Replacement**

|                           |               |
|---------------------------|---------------|
| Awarded Construction Cost | \$ 806,000.00 |
| Change Orders             | \$ -          |
| Total Cost                | \$ 806,000.00 |
| Total Completed           | \$ 87,162.00  |
| Percent Complete          | 11%           |
| End Date                  | 5/2/2016      |
| Days Added                |               |
| Funding Source            | Water Capital |

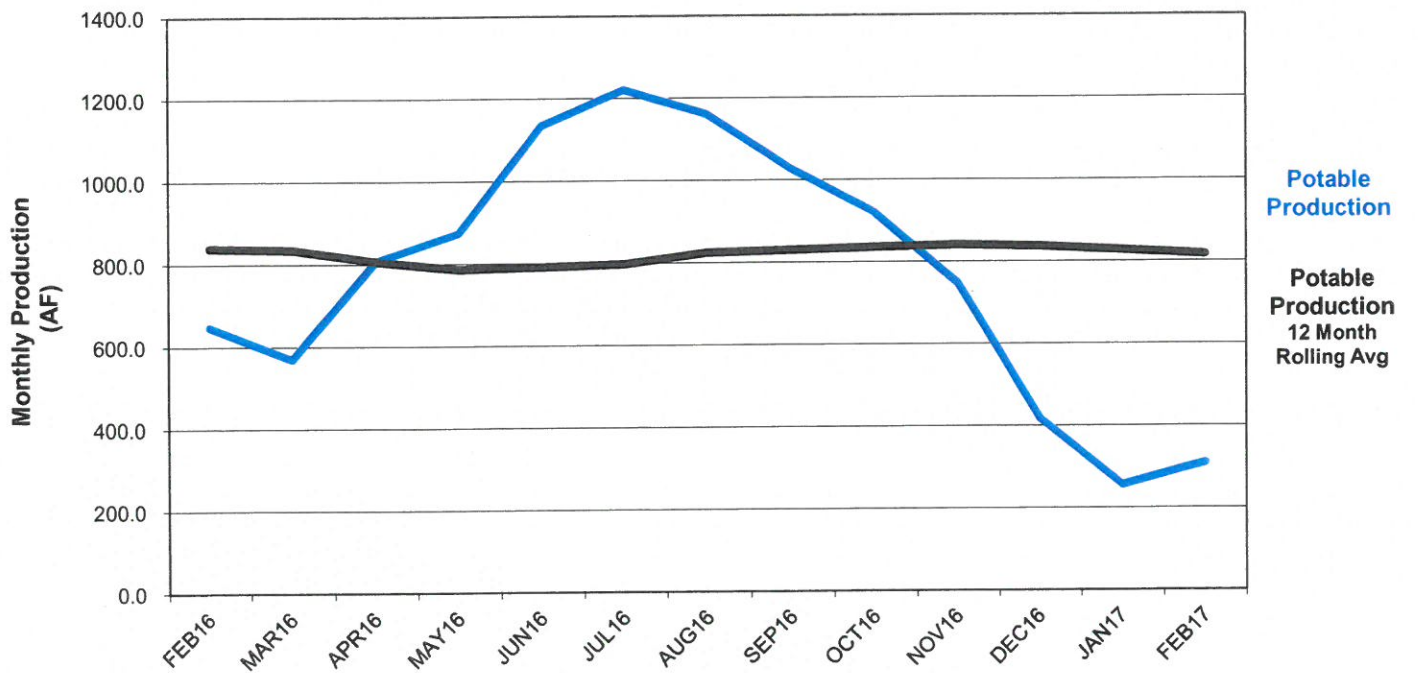
**Toyon and 2 MG Coating**

|                           |               |
|---------------------------|---------------|
| Awarded Construction Cost | \$ 599,922.00 |
| Change Orders             | \$ -          |
| Total Cost                | \$ 599,922.00 |
| Total Completed           | \$ -          |
| Percent Complete          | 0%            |
| End Date                  | 8/27/2016     |
| Days Added                |               |
| Funding Source            | Water Capital |

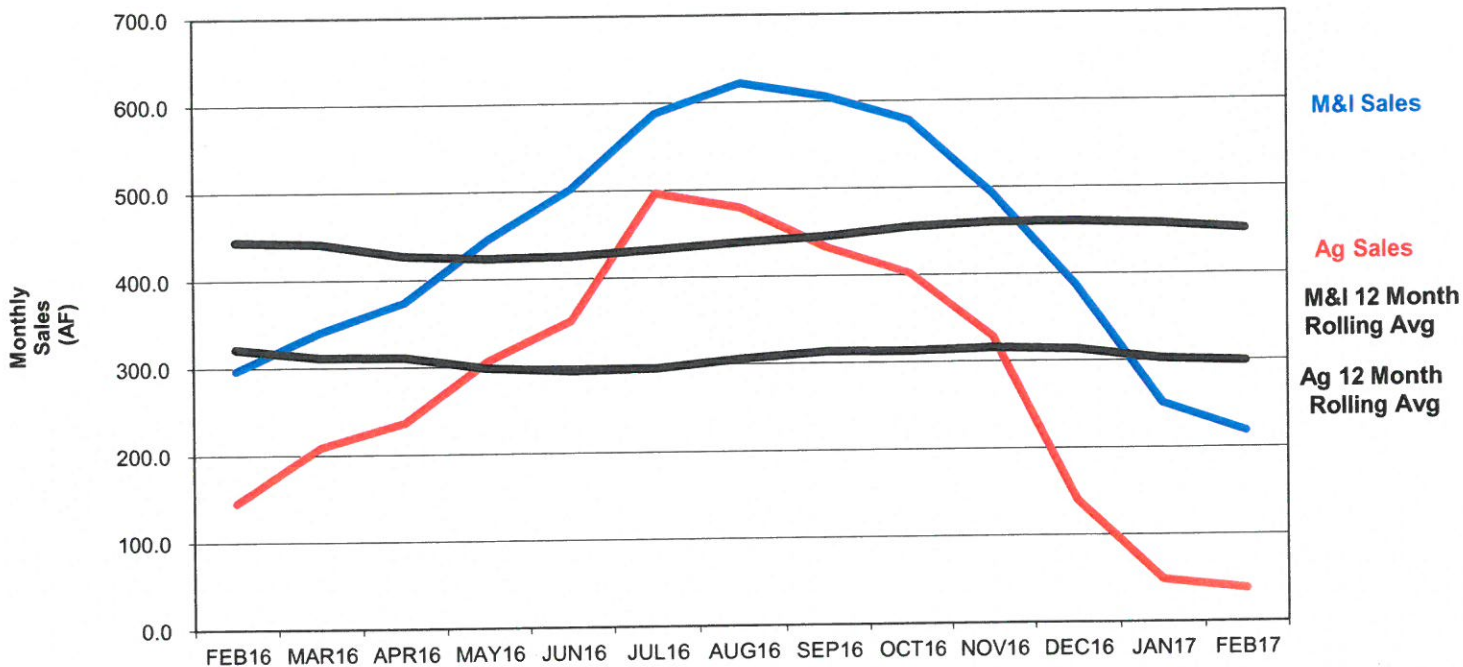
### Fallbrook Public Utility District Annual Production



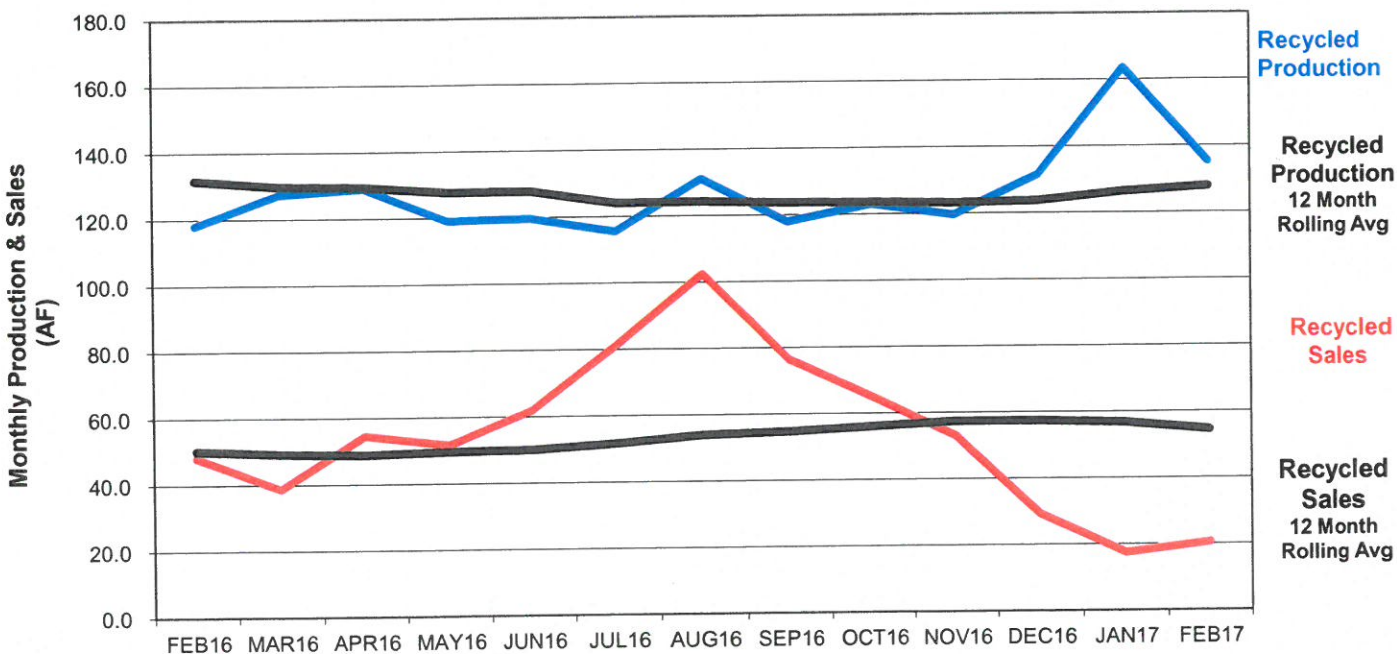
### Fallbrook Public Utility District Total Potable Production



### Fallbrook Public Utility District Ag and M&I Sales

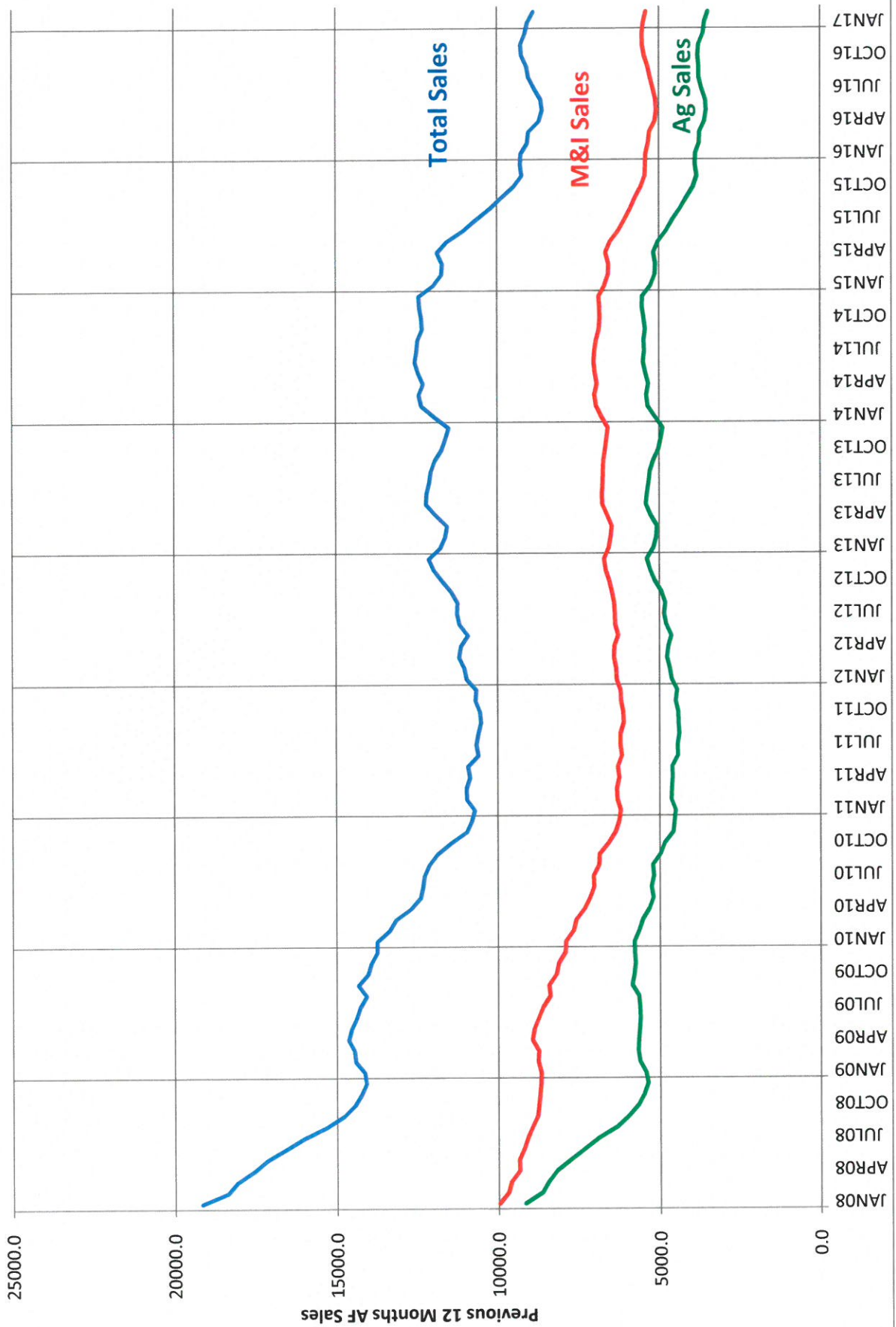


### Fallbrook Public Utility District Recycled Water Production & Sales

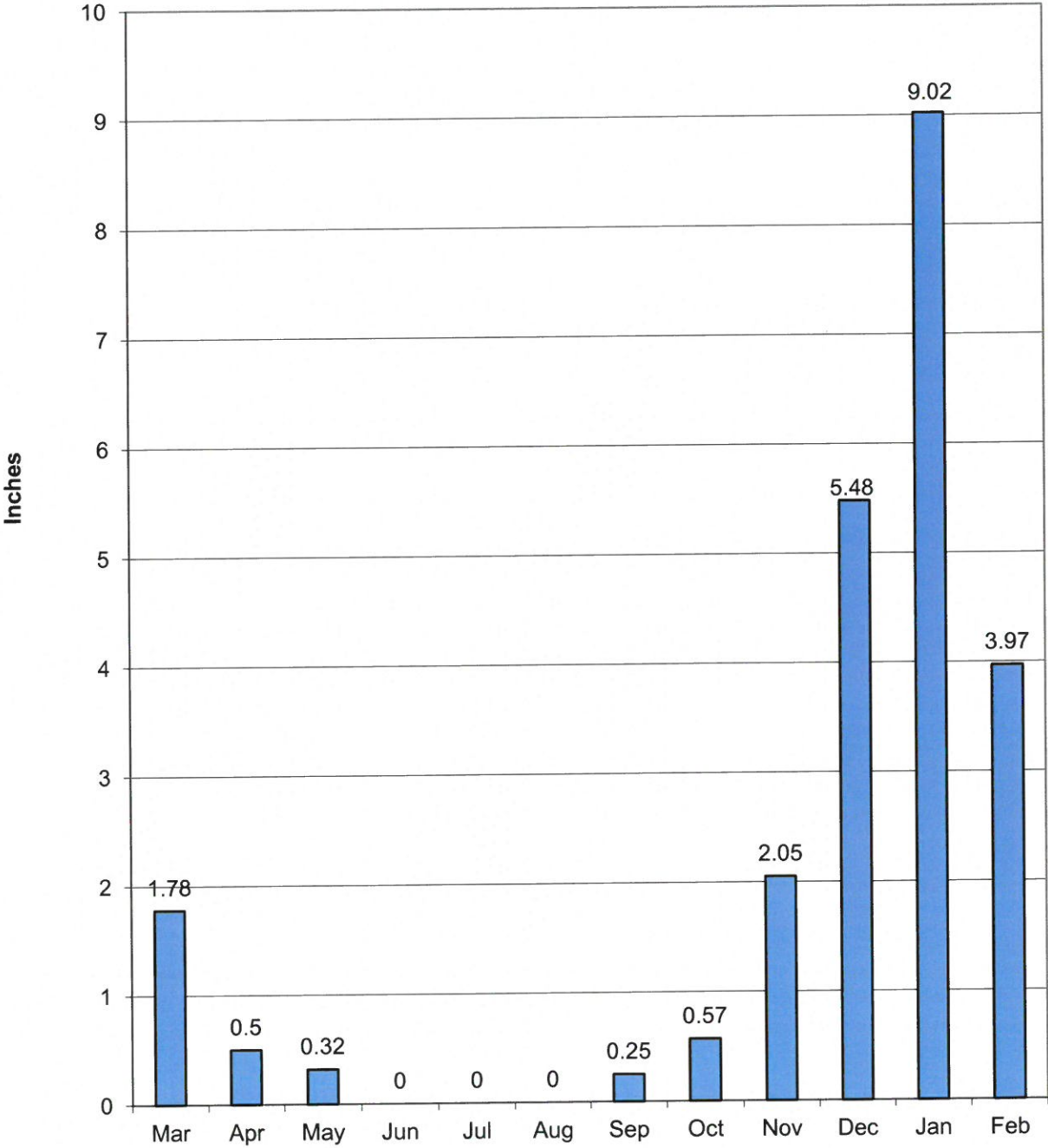




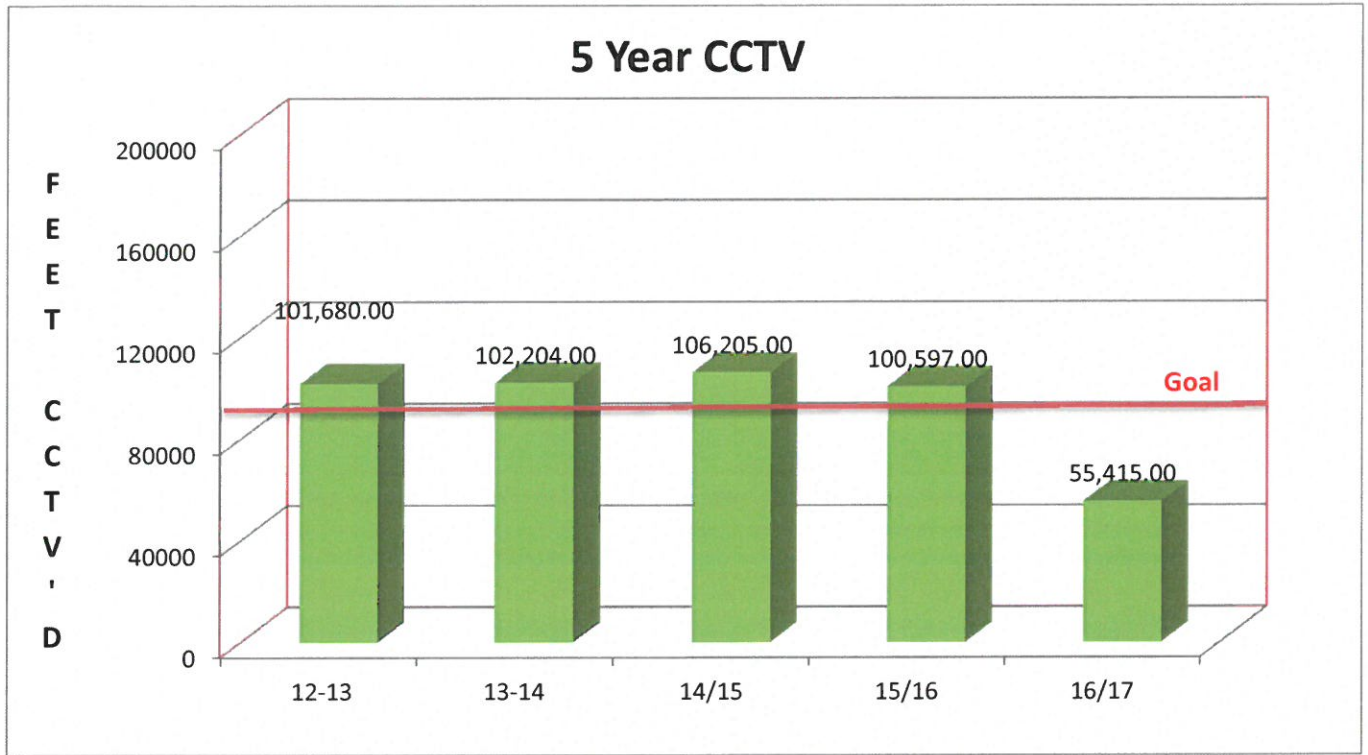
# FPUD 12 Month Running Water Sales



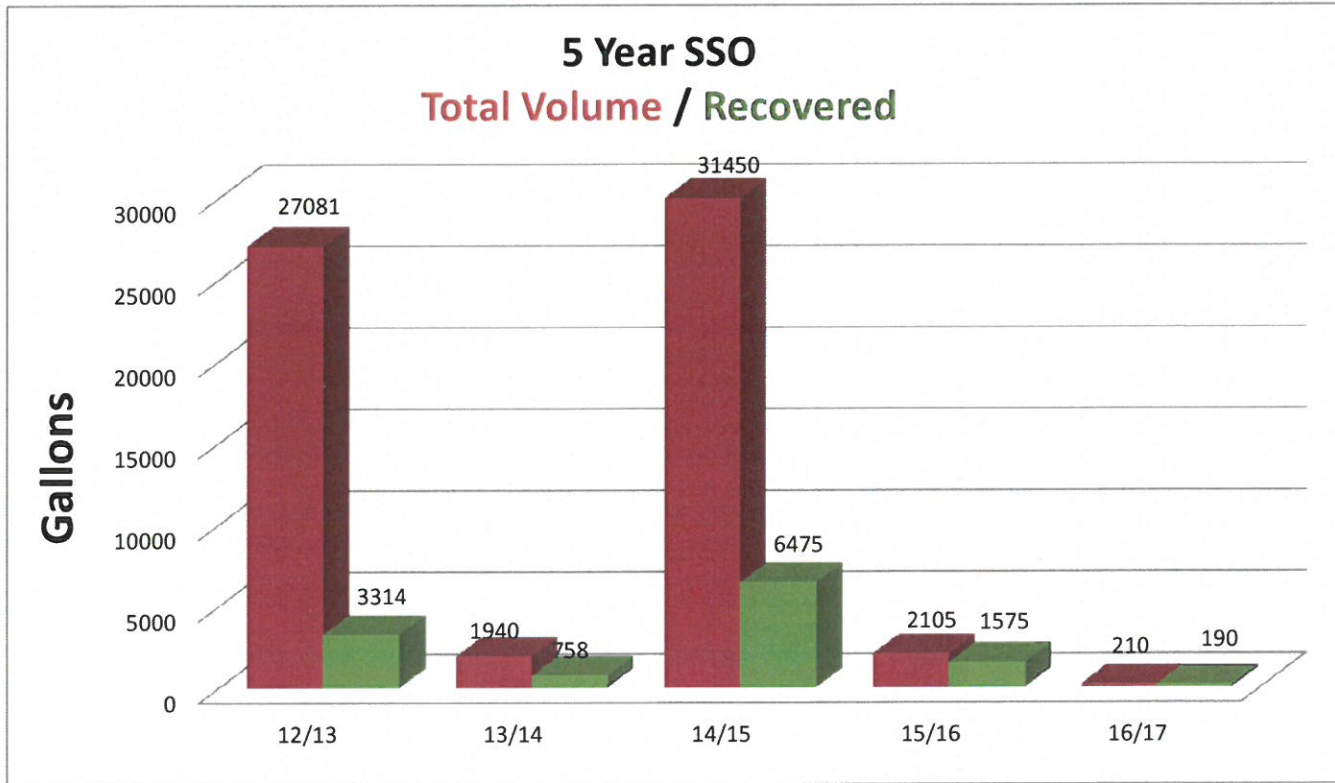
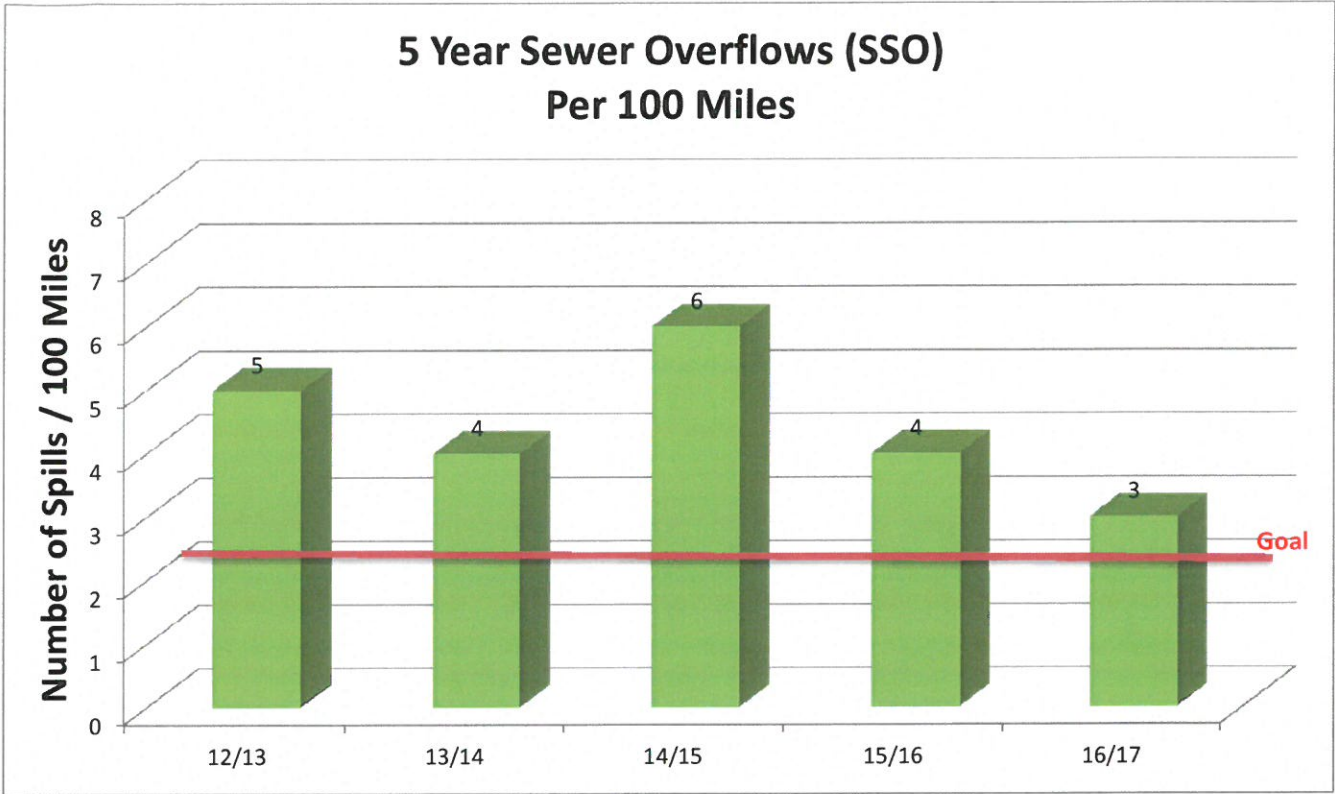
# Fallbrook Rainfall In The Last 12 Months



# COLLECTION MONTHLY REPORT

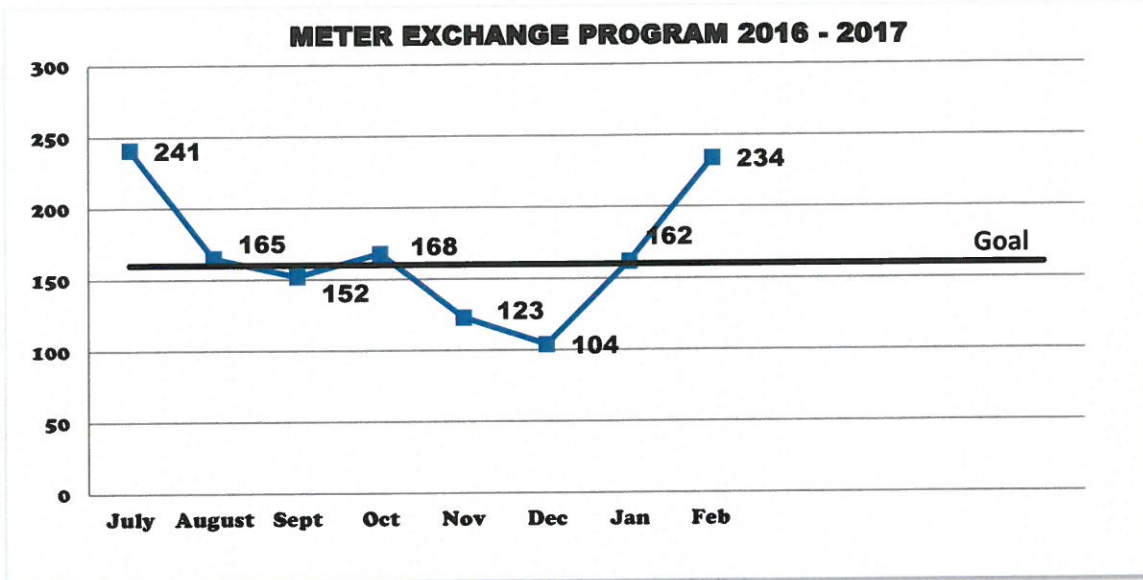


## COLLECTION MONTH REPORT

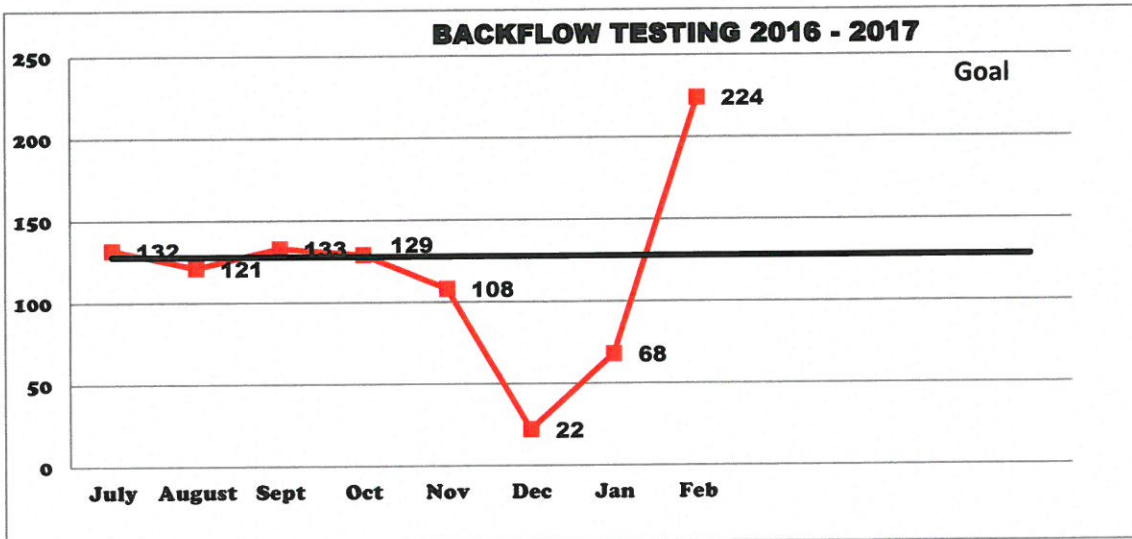




**DEPT 5  
MONTHLY REPORTS**



|                                    |        |
|------------------------------------|--------|
| <b>TOTAL # METERS TO EXCHANGE:</b> | 1920   |
| <b>TOTAL # METERS EXCHANGED:</b>   | 1349   |
| <b>METERS LEFT TO EXCHANGE:</b>    | 571    |
| <b>PERCENTAGE REMAINING</b>        | 29.74% |



|   |        |
|---|--------|
| <b>TOTAL TESTED GOAL:</b>                   | 1505   |
| <b>TOTAL TESTED TO DATE:</b>                | 937    |
| <b>TOTAL NUMBER OF DEVICES ON STAND BY:</b> | 126    |
| <b>DEVICES REMAINING TO TEST:</b>           | 442    |
| <b>PERCENTAGE REMAINING</b>                 | 29.37% |

## System Operations Report - February 2017

| Item                               | February-17 | Year to Date |
|------------------------------------|-------------|--------------|
| Valve Exercising Goal              | 189         | 378          |
| Valves Exercised                   | 123         | 276          |
| Percentage Complete                | 65.1%       | 73.0%        |
| Valves Replace                     | 1           | 15           |
| Broken Valves Identified in System | 13          | 299          |
| Main Line leaks                    | 4           | 9            |
| Service Line Leaks                 | 1           | 4            |
| Approx. Gallons Lost Flushing      | 25,325      | 91,225       |
| Approx. Gallons Lost to Leaks      | 152,045     | 152,045      |
| Sewer Leaks                        | 0           | 0            |



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: MILT DAVIES

Name & Location of Function: SDCWA: WORKPLACE HARASSMENT  
DISCRIMINATION AND RETALIATION

Date(s) of Attendance: 3/9/17

Purpose of Function: Training

Sponsoring Organization: SDCWA

Summary of Conference or Meeting: Discussed Protected Classes,  
unlawful conduct, harassment, abusive  
conduct, duties of a supervisor, unlawful  
discrimination, retaliation. Good review

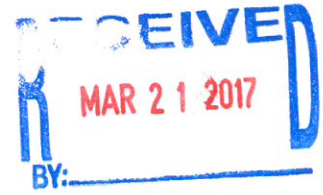
Director Signature: M. Davies

Date: 3-9-17

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Milt Davies

Name & Location of Function: March 17, 2017 County of San Diego Workshop by the  
Parks and Recreation Department

Date(s) of Attendance: March 17, 2017

Purpose of Function: Community Workshop

Sponsoring Organization: County of San Diego, Parks and Recreation Department

Summary of Conference or Meeting:

The Workshop was held to determine public interest in potentially establishing a Landscape  
Maintenance District in the Fallbrook area.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Director Signature: *M Davies*

Date: 3-21-17

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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: Special District Leadership Academy, Embassy Suites, La Jolla, CA

Date(s) of Attendance: February 26th thru March 1

Purpose of Function: training for Board Members and Managers relating to Special District Governance

Sponsoring Organization: California Special District Association (CSDA)

Summary of Conference or Meeting:

Sunday, February 26 - Registration and Networking Reception

Monday February 27 - Building A Foundation for Good Governance with David Aranda  
Fulfilling Your District's Mission with Martin Rauch  
Reception

Tuesday, February 28 - Get the Word Out! with Martin Rauch  
Defining Board and Staff Roles with Oliver Yee

Wednesday, March 1 - Show Me the Money! District Finances with Justin Williams  
Graduation - Certificate Distribution

CSDA staff were welcoming and answered all my questions. I recommend all our board members attend. The training was valuable for experienced as well as newly elected members.

Director Signature:   
Jennifer DeMeo

Date: 3/2/2017

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## MaryLou Boultinghouse

---

**From:** Charley [bejoca@sbcglobal.net]  
**Sent:** Monday, March 20, 2017 1:01 PM  
**To:** Jennifer Demeo  
**Cc:** MaryLou Boultinghouse  
**Subject:** Re: Per Diem Request

Yes

Sent from my iPhone

> On Mar 20, 2017, at 12:57 PM, Jennifer DeMeo <[jendemeo@gmail.com](mailto:jendemeo@gmail.com)> wrote:

>

> Hi Charley,

>

> On Wednesday March 8, I participated in the Webinar offered on the San Jose ruling by Best Best & Krieger on the Public Records Act. I am also attending the COWA meeting on the 21st. Can these be added to the agenda for per diem compensation?

>

> See you at the Board meeting.

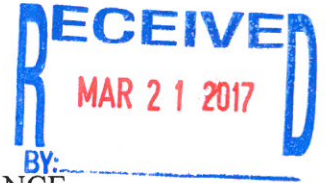
>

> Thanks,

>

> Jen DeMeo

FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: Do You Know One Way to San Jose  
Webinar - Home Office

Date(s) of Attendance: March 8, 2017

Purpose of Function: Webinar - Do You Know One Way to San Jose  
Public Records Act

Sponsoring Organization: Best Best Krueger

Summary of Conference or Meeting:

Briefing on email privacy ruling  
by BB+K

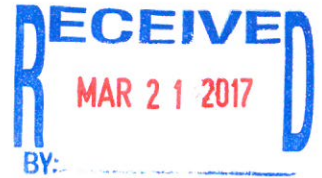
Director Signature: [Handwritten Signature]

Date: 3/21/17

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer De Meo

Name & Location of Function: COWA Monthly Meeting  
Stoneridge Country Club

Date(s) of Attendance: 3/21/2017

Purpose of Function: Monthly Meeting - Educational

Sponsoring Organization: COWA

Summary of Conference or Meeting:

Lee Brown spoke about One  
Certificate of Water Management  
Certificate Program, It was  
very interesting

Director Signature: [Signature]

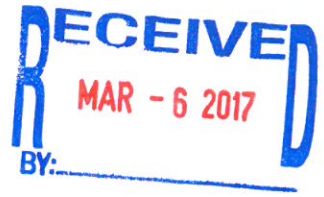
Date: 3/21/17

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: ALVIN W. GERHART

Name & Location of Function: SPECIAL DISTRICT LEADERSHIP ACADEMY  
4550 LA JOLLA VILLAGE DR SAN DIEGO CA 92122

Date(s) of Attendance: 2/26 - 3/1/17

Purpose of Function: COMPREHENSIVE GOVERNANCE LEADERSHIP

Sponsoring Organization: CA. SPECIAL DISTRICTS ASSOCIATION.

Summary of Conference or Meeting:

It was a very good meeting it it  
showed the fiduciary responsibility of the director  
and board. The importance of reviewing the policies and  
procedures for General Manager, finance, Human Resources  
Risk management, Brown Act and interaction of the staff  
with the board. It also show how boards and it's  
members should spend time to review all of these items  
and adjust them as needed, annually and not rely on  
staff. Every board member should attend.

Director Signature: AW Gerhart

Date: 3/6/17

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: AL GEBHART

Name & Location of Function: Fallbrook Webinar

Date(s) of Attendance: 3/7/17

Purpose of Function: General Manager Evaluations

Sponsoring Organization: FPUD

Summary of Conference or Meeting:

This was a very good session. The program points out the need for GM evaluations.

The need for an organized, orderly professional approach to the executive.

It points out the need to have a system and perform it at least once a year, but more often would be or could be beneficial as a tool.

Director Signature: Al Gebhart

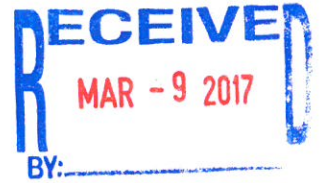
Date: 3/7/17

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Al Gebhart

Name & Location of Function: Financial Management  
for Special Districts Cucamonga Valley Water District

Date(s) of Attendance: 3/8/17

Purpose of Function: Financial Management.

Sponsoring Organization: FPOD

Summary of Conference or Meeting:

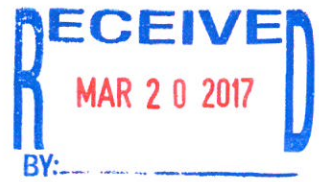
This was a good program to attend to help  
understand what, how much and when to spend  
funds. Review of Red flag items in your  
budget. How to show the budget to  
the public and board. What items should  
you have in your budget, law and extra  
to best plan a short and long term budget  
including capital improvement programs)

Director Signature: Al Gebhart

Date: 3/8/17

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: ALVIN W. GEBHART

Name & Location of Function: FPUD ROOM

Date(s) of Attendance: 3/17/17

Purpose of Function: follow/HEAR possibility of Lightning District

Sponsoring Organization: FPUD

Summary of Conference or Meeting:

The public who did attended  
all but one wanted to move along for this  
possibility. I was hoping for more information  
and third party information.  
I would hope we could develop a presentation  
that was third party and the possibility of  
non-county agencies holding the funds

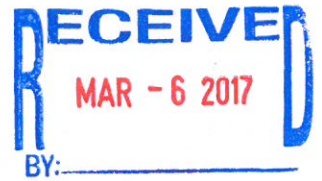
Director Signature: Alvin Gebhart

Date: 3/20/17

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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: Home Office on line training on "Harassment Prevention for Supervisors CA-2017"

Date(s) of Attendance: March 4, 2017

Purpose of Function: Complete mandatory training

Sponsoring Organization: California Chamber of Commerce

Summary of Conference or Meeting:

Take a two hour on-line course from the California Chamber of Commerce on "Harassment Prevention for Supervisors". This is a requirement for board members.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

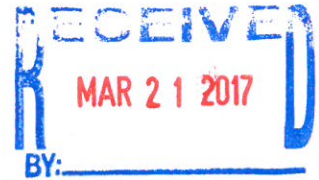
Director Signature: Don B. McDougal

Date: 3/4/2017

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Don McDougal

Name & Location of Function: March 17, 2017 County of San Diego Workshop by the  
Parks and Recreation Department

Date(s) of Attendance: March 17, 2017

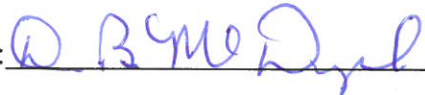
Purpose of Function: Community Workshop

Sponsoring Organization: County of San Diego, Parks and Recreation Department

Summary of Conference or Meeting:

The Workshop was held to determine public interest in potentially establishing a Landscape  
Maintenance District in the Fallbrook area.

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\_\_\_\_\_

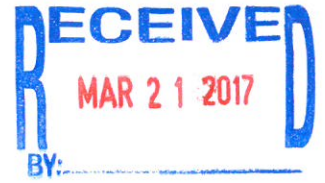
Director Signature: 

Date: MAR 21 2017

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Charley Wolk

Name & Location of Function: March 17, 2017 County of San Diego Workshop by the  
Parks and Recreation Department

Date(s) of Attendance: March 17, 2017

Purpose of Function: Community Workshop

Sponsoring Organization: County of San Diego, Parks and Recreation Department

Summary of Conference or Meeting:

The Workshop was held to determine public interest in potentially establishing a Landscape  
Maintenance District in the Fallbrook area.

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

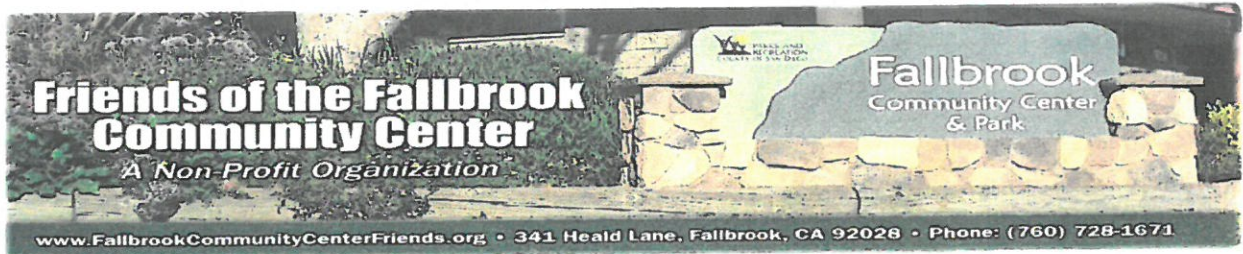
A handwritten signature in black ink that reads "CWolk".

Date: 3-21-17

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March 15, 2017

Fallbrook Public Utility District  
P.O. Box 2290  
Fallbrook, CA 92088

Dear Fallbrook Public Utility District:

The Friends of the Fallbrook Community Center wanted to thank you for your generous donation to support the Holiday Tree Lighting event on December 2, 2016.

This free event had over 3,600 people in attendance and included food, live entertainment, and crafts for children and adults alike! Your generous contribution allowed us to provide additional safety elements for the event. As a result, we were able to provide the community with a well-lit and safe environment throughout the duration of the event which contributed to an accident free evening and zero reported injuries.

We appreciate your generosity and look forward to continuing our partnership into the coming years!

Sincerely,

ANN WADE, President  
Friends of the Fallbrook Community Center  
Tax ID #95-3618959



## MaryLou Boultinghouse

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**From:** ACWABOX Mail [acwabox@acwa.com]  
**Sent:** Tuesday, March 21, 2017 2:18 PM  
**Subject:** ACWA Special Webinar Briefing: ACWA Seeking Support for its' Policy Statement on Bay-Delta Flow Requirements



***Registration Deadline: March 28, 2017***

***ACWA Special Webinar Briefing:***

***ACWA Seeking Support for its' Policy Statement on Bay-Delta Flow Requirements***

***Wednesday, March 29, 2017***

ACWA's Board of Directors has adopted a strong policy statement urging the State Water Resources Control Board to set aside its problematic "unimpaired flow" approach to setting new water quality objectives in the Bay-Delta watershed.

The statement, adopted in a special meeting by conference call on March 10, calls on the State Water Board to heed Gov. Jerry Brown's call for negotiated agreements, which have proven successful in achieving positive ecological outcomes while maintaining water supply reliability. ACWA believes the state's policy on flows should embrace a collaborative, comprehensive approach that protects and promotes both water supply reliability and ecosystem health.

The State Water Board staff proposal to base new water quality objectives on a "percentage of unimpaired flow" could lead to widespread fallowing of agricultural land and negatively affect water reliability for much of the state's population. The singular focus on unimpaired flow is incompatible with the state's policy of coequal goals and other broader policy commitments in the Brown Administration's California Water Action Plan.

ACWA submitted the policy statement to the State Water Board along with its formal comment letter on the Phase 1 update to the Bay-Delta Water Quality Control Plan.

To demonstrate the broadest support possible for ACWA's policy statement, ACWA is requesting its member agencies to adopt a resolution in support of ACWA's policy statement on Bay-Delta flow requirements.

ACWA members can learn more about the policy statement and why it is important during a members-only webinar being offered twice on Wednesday, March 29, beginning at either 10 a.m. or 2 p.m.

**Morning Webinar**

**Wednesday, March 29**

**10:00 a.m. – 11:30 a.m.**

Registration link:

<https://attendee.gotowebinar.com/register/8738154638342802434>

**Afternoon Webinar**

Wednesday, March 29

**2:00 p.m. - 3:30 p.m.**

Registration link: <https://attendee.gotowebinar.com/register/6224829386921427458>

To view the agenda for each webinar, please click [here](#).

These webinars are for **ACWA members only**. Participants must pre-register for these webinars no later than **Tuesday, March 28 at 5:00 p.m.** We cannot guarantee participation after this date and time.

For registration questions, please contact Ana Javid at [anaj@acwa.com](mailto:anaj@acwa.com) or (916) 441-4545.

For policy questions, please contact Rebecca Franklin at [rebeccaf@acwa.com](mailto:rebeccaf@acwa.com) or (916) 441-4545.



**LOG OF BOARD REQUESTS**  
**March 27, 2017 Regular Board Meeting**

| Item No. | Date Requested            | Requestor and Request  | Action by Staff/Schedule  | Date Completed                            |
|----------|---------------------------|--|---|---|
| 1        | 1) 12/12/16<br>2) 2/25/16 | <u>Charley Wolk:</u><br>Requested 1) a workshop be held to provide sufficient time for discussion of matters relating to the Santa Margarita River property and 2) a meeting with legal representation re: property. | <u>Jack Bebee</u><br>We are waiting to receive comments from resource agencies on the management plan and to complete an initial review with project partners. Workshop is anticipated in April 2017.   |   |
| 5        | 1/27/17                   | <u>Al Gebhart:</u><br>Requested that staff prepare rate models based on decreased water sales over five years, to include funding of the CUP.  | Request has been included in Raffelis rate model analysis. Fiscal Policy & Insurance Committee recommended projection with 9,000, 7,000 and 5,000 AFY sales. Committee review scheduled for March 6, 2017; Board review March 20, 2017. Postponed by President Wolk. Rescheduling for mid-May 2017. |   |
| 6        | GM Target Activities      | <u>Board: SMR CUP</u><br>Maintain current schedule for finalizing MOU and EIS with USMC and necessary work with California SWRCB.  | <u>Status: On-going.</u><br>(a) EIR to Board for certification by September 2016. Complete.<br>(b) Final Settlement Agreement to Board by May 2017.<br>(c) Prepare quarterly reports to Board. Last quarterly report given February 2017.   |   |
| 7        | GM Target Activities      | <u>Board: Finalize SMR CUP financing plan (options) by November 2016.</u>  | <u>Status: Ongoing discussions with Fiscal Policy and Insurance Committee. Resolutions for SRF funding approved by Board at January 2017 meeting and sent to state.</u>   | 2/8/17:<br>Application submitted to SWRCB |
| 9        | GM Target Activities      | <u>Board: Investigate the economics of Cadiz Project water transfers.</u>  | Reported to Board with findings February 27, 2017. Complete. On-going discussions with Cadiz. Report back to Board by April 2017.   |   |
| 10       | GM Target Activities      | <u>Board: General Manager to actively participate in SDCWA board policy discussion.</u>  | <u>Status: On-going.</u>  |   |
| 12       | GM Target Activities      | <u>Board: Urban Water Standards (SWRCB); Urban Advisory Group (UAG) process. Targeted community outreach to be developed working with Conservation Committee.</u>  | <u>Status: On-going. Status of SWRCB guidelines to Board by November 2016 (complete). Comment period extended by SWRCB until March 2017. Next Board update in March 2017. This activity to be combined with outcome of B-3 (Urban Water Standards), now targeted for March 2017.</u>                |   |

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| 13       | GM Target Activities | <u>Board:</u> Metropolitan (new fixed charge on treated water)  | <u>Status:</u> Complete/monitor on-going. Board briefed on 1/23/17. On-going analysis and development of rate alternatives w/SDCWA general managers group. Report progress to Board in April 2017.  |                |
| 14       | GM Target Activities | <u>Board:</u> SDG&E General Rate Case re: Solar Contracts   | <u>Status:</u> Water district consortium coordinating with BB&K special counsel. CPUC hearings originally scheduled for 10/17-10/21/2016. Opening briefs now set for 1/20/17 and reply briefs for 2/10/17. Proposed decision scheduled for February 27, 2017 unlikely. Update Board in April 2017.  |                |
| 22       | GM Target Activities | <u>Board:</u> Explore functional consolidation opportunities with neighboring water districts (Valley Center, Yuima, Rainbow) in areas of information services, engineering, technical assistance, equipment sharing.<br><u>Board:</u> Update FPUD website. | <u>Status:</u> General Managers are meeting in January 2017 to establish scope. At request of VCMWD and RMWD general managers, meeting postponed to March 2017.   |                |
| 23       | GM Target Activities | <u>Board:</u> Update FPUD website.  | (a) Report to Board by October 2016. Complete. Migration of data from existing site to new test site is complete.<br>(b) Work with Conservation Committee to update District website (branding and content) including plan to hire an outside vendor to complete the project. Outside vendor retained and developing website.<br>(c) Place all relevant District information on the website (transparency).<br>(d) Website developed. Beta testing through February. Staff training March 1 <sup>st</sup> -9 <sup>th</sup> . Launch in March. |                |
| 24       | GM Target Activities | <u>Board:</u> Update FPUD board room audio-visual equipment in conjunction with North County Fire.  | <u>Status:</u> Upgrade to projection equipment complete. Audio equipment vendor proposal to be funded through MOU with NC Fire.   |                |
| 26       | GM Target Activities | <u>Board:</u> Complete general office space planning. Report to Board by October 2016.  | <u>Status:</u> This activity was delayed by three months. Plans and budget transmitted to Board in January 2017. On-going construction, as available, during rainy season.  |                |
| 27       | GM Target Activities | <u>Board:</u> Develop Managerial and Supervisory Succession Plan.   | <u>Status:</u> Present draft plan to Personnel Committee in March 2017.   |                |

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| 29       | GM Target Activities | <u>Board:</u> Address District uniform standards. Brief Personnel Committee by November 2016.   | <u>Status:</u> This activity delayed by three months. Will brief Personnel Committee in March 2017.  |                |
| 31       | GM Target Activities | <u>Board:</u> Provide Board with a General Manager evaluation form.   | <u>Status:</u> Review with Personnel Committee in March 2017.  |                |
| 32       | GM Target Activities | <u>Board:</u> Establish a 5-year strategic plan with 6 month updates. Complete by first quarter 2017.   | <u>Status:</u> On-going; on schedule.  |                |
| 34       | September 2016       | <u>Directors Gebhart and McDougal:</u> Work with San Diego County Parks & Recreation Department to schedule Workshop in Fallbrook to gage community interest in a Landscape Maintenance District. | <u>Status:</u> Working with County Parks & Recreation; completed Workshop in FPUD boardroom March 17, 2017. Now working on PPT presentation for follow-up meetings with community.   |                |
| 35       | 2/23/17              | <u>Director Volk:</u> Asked to speak with Brian or Jack concerning closure of the parking lot at the Sandia Creek trailhead. Referred to Jason Cavender for response.                             | <u>Jason Cavender:</u> I just spoke to Charley, and he has some concerns regarding the parking lot closure at the trailhead. He said that many people are still using the trail, that he has observed considerable traffic on Sandia Creek due to the parking lot closure, and that he feels that the closure is creating a considerable hazard. I explained that the Trails Council requested the closure until damage to the trail is repaired, and that I will call Donna tomorrow to get an update on the repairs. Charley feels that if the parking lot can't be opened soon, additional signage may be needed to warn people away from the trail. I told him I'd contact the Trails Council and provide him with a status report on the repairs, and let Brian know about this issue. Update (3/21/17): Trails and parking lot open. |                |
| 36       | February 2017        | <u>FP&amp;I Committee:</u> Revise purchasing guidelines (Articles 14).  | Being reviewed by BB&K. Scheduled for April board meeting.   |                |

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