



FALLBROOK PUBLIC UTILITY DISTRICT  
 BOARD OF DIRECTORS  
 REGULAR BOARD MEETING

AGENDA

MONDAY, AUGUST 26, 2019  
 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 Board Secretary at (760) 999-2704 for assistance.*

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

**I. PRELIMINARY FUNCTIONS**

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENT

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

**A. EMPLOYEE OF THE QUARTER FOR AUGUST 2019**

1. Sky Peterson, Utility Worker

**B. MANAGER'S AWARD RECIPIENTS**

1. Colter Shannon
2. Alex Galloway
3. Jamison Davis
4. Josh Couveau
5. Kevin Stamper
6. Jose Mendoza
7. Mateo Morgan

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

*All items appearing on the Consent Calendar may be disposed of by a single motion. Items shall be removed from the Consent Calendar if any member of the*

*Board of Directors, or the public, requests removal prior to a vote on a motion to approve the items. Such items shall be considered separately for action by the Board.*

C. CONSIDER APPROVAL OF MINUTES

1. July 22, 2019 Regular Meeting
2. July 22, 2019 Special Meeting
3. August 20, 2019 Special Meeting

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

D. CONSIDER ADVANCE APPROVAL TO ATTEND MEETINGS

*Recommendation: That the Board authorize advance approval for Directors' attendance to the following meetings or events:*

1. Metropolitan Water District of Southern California Tours (inspection trips) hosted by the San Diego County Water Authority delegation: (a) State Water Project/Bay-Delta, Sept. 13-14, 2019; (b) State Water Project/Bay-Delta, Oct. 18-19, 2019; (c) Colorado River Aqueduct System, Nov. 8-9, 2019; (d) Colorado River Aqueduct System, Dec. 13-14, 2019; (e) Hoover Dam & Colorado River Aqueduct System, Jan. 31-Feb. 1, 2020; (f) Hoover Dam & Colorado River Aqueduct System, May 15-16, 2020; and
2. 2019 CSDA Annual Conference and Exhibitor Showcase, Sep. 25-28, 2019, Anaheim, California.

III. **INFORMATION**----- (ITEMS E-I)

E. PRESENTATION BY MARY MACIEL, STUDENT INTERN, FALLBROOK HIGH SCHOOL

F. ENGINEERING AND OPERATIONS KEY PERFORMANCE INDICATORS

G. ANNUAL STATUS REPORT OF PARCELS WITH DEFERRED WATER AVAILABILITY / STANDBY CHARGES

H. COMMUNITY BENEFIT WATER USERS FY 2018-19 ANNUAL REPORT

I. FY 2018-19 YEAR-END BUDGET STATUS REPORT

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

J. CONSIDER PUBLICATION OF ANNUAL FINANCIAL STATEMENT

Recommendation: That the Board approve the draft financial statement developed by staff for publication in the Village News in accordance with Section 6066 of the Government Code.

K. CONSIDER THE CALL FOR BALLOTS FOR THE SAN DIEGO COUNTY CONSOLIDATED REDEVELOPMENT OVERSIGHT BOARD

Recommendation: That the Board select one nominee from the slate of candidates and authorize the Board President, or duly-appointed alternate board member, to cast its vote in the San Diego County Consolidated Redevelopment Oversight Board Election.

L. CONSIDER CALL FOR NOMINATIONS TO SOLICIT EIGHT SPECIAL DISTRICTS MEMBERS TO SERVE ON THE SPECIAL DISTRICTS ADVISORY COMMITTEE

Recommendation: Staff supports Board direction.

M. CONSIDER ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD BALLOT

Recommendation: That the Board select the Nominating Committee's Recommended Slate or select candidates from the Individual Board Candidate Nominations and authorize the Board President to cast its vote in the Association of California Water Agencies Region 10 Board Election for the 2020-2021 term.

N. CONSIDER FORMAL APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH EASTERN MUNICIPAL WATER DISTRICT AND RAINBOW MUNICIPAL WATER DISTRICT REGARDING "PLANNING PROCESS AND GENERAL TERMS FOR CONSIDERATION OF THE ANNEXATION OF RAINBOW MUNICIPAL WATER DISTRICT AND FALLBROOK PUBLIC UTILITY DISTRICT INTO EASTERN MUNICIPAL WATER DISTRICT FOR WHOLESALE IMPORTED WATER SERVICE" (MOU)

Recommendation: That the Board approve the MOU for execution by President McDougal.

O. CONSIDER PREPARATION OF RESOLUTION OF APPLICATION TO SAN DIEGO LOCAL AGENCY FORMATION COMMISSION (LAFCO) (AND RELATED MATERIALS) FOR EXCLUSION/DETACHMENT OF TERRITORY FROM SAN DIEGO COUNTY WATER AUTHORITY (SDCWA) AND ANNEXATION TO EASTERN MUNICIPAL WATER DISTRICT (EMWD)

Recommendation: Staff supports Board direction.

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

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

ADJOURN TO CLOSED SESSION

**VI. CLOSED SESSION**

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

*Two (2) Potential Cases*

2. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6

*Agency Designated Representative: Board President McDougal*

*Unrepresented Employee: General Manager*

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GC § 54957

*Title: General Manager*

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION

**VII. ADJOURNMENT OF MEETING**

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**DECLARATION OF POSTING**

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

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

August 21, 2019  
Dated / Fallbrook, CA

Mary Lou West  
Secretary, Board of Directors

## M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager, JAB  
**DATE:** August 26, 2019  
**SUBJECT:** August 2019 Employee of the Quarter

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Sky Peterson was chosen as the August 2019 Employee of the Quarter by Audrey Cerame, the previous Employee of the Quarter. Audrey chose Sky for the following reasons:

*"Sky is always very positive and friendly. He is extremely polite and always willing to help others. When the WRP underwent the digesters cleaning project for a couple of days/weeks, we needed Kyle's crew for assistance and I saw that Sky was very helpful towards all of the staff at the plant and everyone was appreciative of his work. During that time, there was an instance where I needed to have some of their equipment moved since it was blocking my sampling point, and Sky was there to help move it out of the way for me even though everyone was really busy. He even gave up his seat for me at the WRP break room when all the seats were taken. For these reasons, I choose Sky as the next EOQ."*

Sky received a Certificate of Appreciation and chose a gift valued at \$100. Additionally, Sky will have lunch with the General Manager, a member of the Board of Directors, the previous Employee of the Quarter, and a member of the Recognition Committee.

**M E M O**

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager, JAB  
**DATE:** August 26, 2019  
**SUBJECT:** Manager's Award Recipients

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Description

To recognize Manager's Award recipients.

Purpose

A main line break call came into FPUD's answering service at 7:00 p.m. on Saturday, July 27, 2019. Colter Shannon was on call and responded. The break was running approximately 200 gallons per minute. The water from the main break was washing out a power pole in close proximity. SDG&E was called to support the power pole along with underground service alert notification. FPUD crews were established to perform the water main shutdown procedures and begin repairs. Once SDG&E was on site and secured their power pole and FPUD crews shut off the water, repairs to the 8" mainline began. Colter Shannon, Alex Galloway, Jameson Davis, Josh Couveau, Kevin Stamper, Jose Mendosa, and Mateo Morgan worked tirelessly replacing a 10-foot long section of the 8" CML&C pipe in an extremely difficult location. The power pole was no more than two inches from our water main, which also was under a rod iron fence that had to be removed, as well as located at the top edge of a large embankment. Our employees persevered until water service to FPUD customers was restored at 6:00 p.m. Sunday, July 28, 2019. The crew remained on site and continued repairs until SDG&E was comfortable releasing support of the power pole at 10:00 p.m. on Sunday. All employees mentioned above returned to work without complaining the following Monday morning.

Colter Shannon, Alex Galloway, Jameson Davis, Josh Couveau, Kevin Stamper, Jose Mendosa, and Mateo Morgan will be presented with a certificate and a \$25 check.

Budgetary Impact

Seventy-five dollars (\$175) will be expensed under the Human Resources Staff Development budget for the 2019-20 fiscal year.

Recommended Action

This item is for information only; no action is required by the Board.

## M E M O

**TO:** Board of Directors  
**FROM:** Mary Lou West, Secretary  
**DATE:** August 26, 2019  
**SUBJECT:** Consider Approval of Minutes

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Recommended Action

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

1. July 22, 2019 Regular Meeting
2. July 22, 2019 Special Meeting
3. August 20, 2019 Special Meeting



Minutes of the July 22, 2019 Regular Meeting of the  
Board of Directors

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

**MINUTES**

MONDAY, JULY 22, 2019  
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 McDougal called the regular meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:01 p.m. A quorum was established, and attendance was as follows:

Board of Directors

Present: Don McDougal, Member/President  
Jennifer DeMeo, Member/Vice-President  
Ken Endter, Member  
Al Gebhart, Member  
Charley Wolk, Member

Absent: None

General Counsel/District Staff

Present: Paula de Sousa Mills, General Counsel  
Jack Bebee, General Manager  
David Shank, Assistant General Manager/CFO  
Jeff Marchand, Engineering Supervisor  
Noelle Denke, Public Affairs Specialist  
Mick Cothran, Engineering Technician  
Mary Lou West, Secretary

Also present were others, including, but not limited to: Aaron Andrews, Dave Baxter, John Duling, Donna Gebhart, Bert Hayden, Juanita Hayes, Jackie Heyneman, Jennifer Jeffries, Zach Kantor-Anaya, Kristi MacDougall, Paul Melzer, David Myers, Jerri Patchett, and Erin Wilkins.

PLEDGE OF ALLEGIANCE

President McDougal led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

MOTION: Vice-President DeMeo moved to approve the agenda as presented; Director Gebhart seconded. Motion passed; VOTE:

AYES: Directors DeMeo, Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: None

PUBLIC COMMENT

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

John Duling stepped to the podium requesting that oak trees grown as biofuel on his property be classified as an agricultural crop to qualify for agricultural water rates. The Board directed the Engineering & Operations Committee to review Mr. Duling's request and ask General Counsel for an opinion if oak trees grown as biofuel qualify as an agricultural crop.

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

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

**A. CONSIDER APPROVAL OF MINUTES**

1. June 17, 2019 Regular Board Meeting

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

**B. CONSIDER RESOLUTION NO. 4974 ADOPTING AN AMENDED CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974**

*Recommendation: That the Board adopt Resolution No. 4974 adopting the Amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.*

C. CONSIDER NOTICE OF COMPLETION FOR HARRIS PUMP STATION

*Recommendation:* That the Board authorize staff to file the Notice of Completion with the San Diego County Recorder.

D. CONSIDER RESOLUTION NO. 4975 APPROVING QUITCLAIM TO PROPERTY OWNER DAVID E. FENN

*Recommendation:* That the Board adopt Resolution No. 4975 approving the quitclaim.

MOTION: Director Endter moved to approve the Consent Calendar as presented and adopt Resolution Nos. 4974 and 4975; Director Wolk seconded. Motion passed; VOTE:

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

III. **INFORMATION / ACTION**-----**(ITEM E)**

E. HEAR REPORT ON PRELIMINARY EVALUATION OF DETACHMENT FROM THE SAN DIEGO COUNTY WATER AUTHORITY AND ANNEXATION TO EASTERN MUNICIPAL WATER DISTRICT AND CONSIDER AUTHORIZING GENERAL MANAGER TO FINALIZE AND EXECUTE A MEMORANDUM OF UNDERSTANDING WITH EASTERN MUNICIPAL WATER DISTRICT REGARDING POTENTIAL ANNEXATION

*Recommendation:* That the Board authorize the General Manager to finalize and execute MOU regarding potential annexation to EMWD.

General Manager Bebee presented a slide show of the cost savings benefits of detachment from the San Diego County Water Authority and annexation to Eastern Municipal Water District. Mr. Bebee provided discussion on the process through the San Diego and Riverside Local Agency Formation Commissions that would be necessary to effect the change.

MOTION: Director Wolk moved to authorize the General Manager to finalize and execute MOU regarding potential annexation to EMWD; Director Endter seconded. Motion passed; VOTE:

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

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

**F. CONSIDER REQUEST FROM COMMUNITY GROUPS FOR DISTRICT TO  
ACTIVATE LATENT POWERS TO SUPPORT PUBLIC COMMUNITY FACILITIES**

*Recommendation: Staff supports Board direction.*

Jerri Patchett and Jennifer Jeffries stepped to the podium to express their support of the proposal and to request that the District submit an application to the San Diego County Local Agency Formation Commission (LAFCO) to expand its latent powers to help support community facilities as part of the upcoming Municipal Sphere Review process.

General Manager Bebee stated the Board previously authorized the General Manager to submit an application to LAFCO, and this request is to reaffirm the Board's previous action.

General Counsel de Sousa Mills noted that the Board would have to adopt a Resolution of Application to activate latent powers at a noticed public hearing.

**MOTION:** Director Endter moved to support the request from community groups for the District to activate latent powers to support public community facilities; Director Wolk seconded. Motion passed; VOTE:

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

**G. CONSIDER RESOLUTION NO. 4976 OF COMMENDATION AND  
APPRECIATION TO AL GEBHART UPON HIS RETIREMENT FROM THE  
BOARD OF DIRECTORS**

*Recommendation: That the Board adopt Resolution No. 4976 of commendation and appreciation to Al Gebhart.*

The Board commended Director Gebhart for his 12 years of service on the Board and wished him well in his retirement. Aaron Andrews on behalf of Senator Brian Jones, David Baxter, Donna Gebhart, Juanita Hayes on behalf of Supervisor Jim Desmond, Zach Kantor Anaya, Kristi McDougall on behalf of Assemblywoman Marie Waldron, Paul Melzer, and David Myers thanked Director Gebhart for his contributions to the community and citizens of Fallbrook.

**MOTION:** Director Wolk moved to adopt Resolution No. 4976 of commendation and appreciation to Al Gebhart; Director Endter seconded. Motion passed; VOTE:

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

H. CONSIDER LOCAL RESOURCES PROGRAM AGREEMENT WITH THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND THE SAN DIEGO COUNTY WATER AUTHORITY

*Recommendation:* That the Board authorize the General Manger to execute the Local Resources Program agreement once the final incentive amounts are included with the Metropolitan Water District of Southern California and San Diego County Water Authority for the Santa Margarita River Conjunctive Use Project to help reduce water costs by providing a rebate on the cost of water produced from the project.

General Manager Bebee reported that the Local Resources Program Agreement will provide rebates from the Metropolitan Water District of Southern California and the San Diego County Water Authority to offset the cost of water produced from the Santa Margarita River Conjunctive Use Project.

MOTION: Director Wolk moved to authorize the General Manger to execute the Local Resources Program agreement once the final incentive amounts are included with the Metropolitan Water District of Southern California and San Diego County Water Authority for the Santa Margarita River Conjunctive Use Project to help reduce water costs by providing a rebate on the cost of water produced from the project; Director Endter seconded. Motion passed; VOTE:

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

I. CONSIDER RESOLUTION NO. 4977 APPROVING A CONSTRUCTION INSTALLMENT SALE AGREEMENT WITH THE CALIFORNIA STATE WATER RESOURCES BOARD PERTAINING TO THE FINANCING OF THE SANTA MARGARITA RIVER CONJUNCTIVE USE PROJECT (STATE REVOLVING FUND LOAN AGREEMENT); AND CONSIDER AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT FOR THE SANTA MARGARITA RIVER CONJUNCTIVE USE PROJECT

*Recommendation:* That the Board:

- a. *Adopt Resolution No. 4977 approving a Construction Installment Sale Agreement with the California State Water Resources Control Board pertaining to the financing of the Santa Margarita Conjunctive Use Project;*

MOTION: Director Wolk moved to adopt Resolution No. 4977 approving a Construction Installment Sale Agreement with the California State Water Resources Control Board pertaining to the financing of the Santa Margarita Conjunctive Use Project; Director Enter seconded. Motion passed; VOTE:

AYES: Directors DeMeo, Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: None

- b. *Consider authorization of award of the construction of the SMRCUP to the lowest responsible bidder, Filanc Alberici JV, at an amount of \$54,398,232.*

MOTION: Director Endter moved to authorize the award of construction of the SMRCUP to Filanc Alberici JV at an amount of \$54,398,232; Vice-President DeMeo seconded. Motion passed; VOTE:

AYES: Directors DeMeo, Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: None

J. CONSIDER RATIFICATION OF THE DISTRICT'S FISCAL YEAR 2019-20 ADOPTED ANNUAL BUDGET AND RESOLUTION NO. 4978 AMENDING ARTICLE 15 OF THE ADMINISTRATIVE CODE

*Recommendation: That the Board ratify the Budget and adopt Resolution No. 4978 amending Article 15 of the Administrative Code.*

Assistant General Manager/CFO Shank explained that the Administrative Code currently provides that the Board adopt the annual budget in July. The proposal is to change the Administrative Code to adopt the annual budget in June to provide adequate time to have funds appropriated for the new fiscal year.

MOTION: Vice-President DeMeo moved to ratify the District's FY 2019-20 Adopted Annual Budget and to adopt Resolution No. 4978 amending Article 15 of the Administrative Code; Director Gebhart seconded. Motion passed; VOTE:

AYES: Directors DeMeo, Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None  
ABSENT: None

- K. CONSIDER RESOLUTION NO. 4979 AMENDING ARTICLE 20 OF THE ADMINISTRATIVE CODE SETTING WASTEWATER CHARGES FOR ACCESSORY DWELLING UNITS (ADUs);

*Recommendation: The Engineering and Operations Committee is recommending the Board adopt Resolution No. 4979 amending Article 20, Section 20.7.2 of the Administrative Code to add ADUs to Class 2 in the Schedule of Equivalent Dwelling Units and Class of Service, and set an Equivalent Dwelling Unit value specifically for Accessory Dwelling Units to 0.4.*

Senior Engineering Cook stated the District's Administrative Code (Code) was silent on Accessory Dwelling Units (ADUs); and because of a relatively new state law, staff investigated options for incorporating a provision for ADUs in the Code. The Engineering & Operations Committee reviewed the proposal, and the Committee is recommending the Equivalent Dwelling Unit value be set at 0.4.

Erin Wilkins stepped to the podium to discuss the benefits of ADUs.

MOTION: Director Endter moved to adopt Resolution No. 4979 amending Article 20 of the Administrative Code; Director Wolk seconded. Motion passed;  
VOTE:

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

- L. CONSIDER ORDINANCE NO. 345 AMENDING ADMINISTRATIVE CODE ARTICLES 18, 19, AND 23 WITH CHANGES REGARDING PIPELINE EXTENSION REQUIREMENTS

*Recommendation: Engineering & Operations Committee is recommending the Board adopt Ordinance No. 345 amending Articles 18, 19 and 23 with the proposed changes.*

General Manager Bebee stated the proposal ensures that all residents in the District's service territory have the same requirements for pipeline extensions.

MOTION: Director Wolk moved to adopt Ordinance No. 345 amending Articles 18, 19 and 23 with changes regarding pipeline extension requirements; Director Endter seconded. Motion passed; ROLL CALL VOTE:

AYES: Directors DeMeo, Endter, Gebhart, McDougal, and Wolk



NOES: None  
ABSTAIN: None  
ABSENT: None

M. CONSIDER STEEL RESERVOIR COATING INSPECTION SERVICES

*Recommendation: The Engineering and Operations Committee is recommending that the Board authorize a Professional Services Contract Amendment with MCS Inspection Group for an additional \$19,710.*

General Manager Bebee stated the request is for additional funds for tank coating over the next couple of months.

MOTION: Vice-President DeMeo moved to authorize a Professional Services Contract Amendment with MCS Inspection Group for an additional \$19,710; Director Endter seconded. Motion passed; VOTE:

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

N. CONSIDER AS-NEEDED SCADA SUPPORT CONTRACT APPROVAL – SCADA INTEGRATIONS

*Recommendation: That the Board award a three-year contract, with a fourth year option, to SCADA Integrations for instrumentation, controls, and SCADA support, in the not-to-exceed amount of \$37,500 per year.*

General Manager Bebee stated the request is for as-needed SCADA support and the Engineering & Operations Committee has recommended the award.

MOTION: Vice-President DeMeo moved to award a three-year contract, with a fourth year option, to SCADA Integrations for instrumentation, controls, and SCADA support, in the not-to-exceed amount of \$37,500 per year; Director Wolk seconded. Motion passed; VOTE:

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

O. CONSIDER 2019 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS ELECTION, (SEAT B), SOUTHERN NETWORK

*Recommendation:* That the Board select one candidate from the slate of candidates in the 2019 California Special Districts Association Board of Directors Election, (Seat B), Southern Network for the 2020-2022 term and authorize the District Secretary to cast its vote by electronic ballot.

MOTION: Director Gebhart moved to authorize the District Secretary to cast the Board's vote by electronic ballot for Michael Mack of Rainbow Municipal Water District; Director Endter seconded. Motion passed; VOTE:

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

P. CONSIDER AMENDMENT TO GENERAL MANAGER EMPLOYMENT AGREEMENT WITH JACK BEBEE

*Recommendation:* That the amendment to the Employment Agreement for General Manager Jack Bebee be approved effective July 1, 2019.

General Counsel de Sousa Mills made an oral announcement pursuant to Government Code section 54953(c)(3) by reading aloud the substantive amendments to the Employment Agreement between Fallbrook Public Utility District and Jack Bebee.

MOTION: Director Endter moved to approve the amendment to the Employment Agreement for General Manager Jack Bebee effective July 1, 2019; Vice-President DeMeo seconded. Motion passed; VOTE:

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

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

1. General Counsel
  - General Counsel de Sousa Mills provided information on the preliminary State Spending Plan.
2. SDCWA Representative Report
  - SDCWA Representative Bebee discussed the SDCWA's plans to address the Salton Sea, Lake Mead, and alternative conveyance.
3. General Manager

- a. Engineering and Operations Report
4. Assistant General Manager/Chief Financial Officer
  - a. Treasurer's Report
  - b. Budget Status Report
  - c. Warrant List
    - Assistant General Manager/CFO Shank reported the Treasurer's Reports were revised in accordance with modified reports received from PFM.
    - Mr. Shank highlighted areas of interest in the Budget Status Report.
5. Public Affairs Specialist
  - Public Affairs Specialist Denke provided an overview of community outreach activities.
6. Notice of Approval of Per Diem for Meetings Attended
  - President McDougal provided notice that he approved Board Members' attendance to (1) the Legislative Roundtable by Senator Brian Jones on Monday, July 15, 2019, at the San Diego County Water Authority and (2) the San Diego County Water Authority's Resilience Portfolio Presentation on Friday, July 19, 2019, at the Carlsbad Faraday Center.
7. Director Comments/Reports on Meetings Attended
  - Vice-President DeMeo reported she volunteered for the Council of Water Utilities Bylaws Committee.
8. Miscellaneous

**VI. ADJOURNMENT OF MEETING**

There being no further business to discuss, President McDougal adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 6:39 p.m.

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

ATTEST:

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

Minutes of the July 22, 2019 Special Meeting of the  
Board of Directors

FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
990 EAST MISSION ROAD  
FALLBROOK, CA 92028

SPECIAL BOARD MEETING  
JULY 22, 2019  
TO BE HELD IMMEDIATELY FOLLOWING THE  
JULY 22, 2019 REGULAR MEETING OF THE  
BOARD OF DIRECTORS

MINUTES

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I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President McDougal called the special meeting of the Board of Directors of the Fallbrook Public Utility District to order at 6:40 p.m. A quorum was established, and attendance was as follows:

Board of Directors

Present: Don McDougal, Member/President  
Jennifer DeMeo, Member/Vice-President  
Ken Endter, Member  
Charley Wolk, Member

Absent: None

General Counsel/District Staff

Present: Paula de Sousa Mills, General Counsel  
Jack Bebee, General Manager  
Mary Lou West, Secretary

PLEDGE OF ALLEGIANCE

The Board dispensed with the Pledge.

General Counsel de Sousa Mills entered into the record that four Board Members were present.

APPROVAL OF AGENDA

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

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

PUBLIC COMMENT

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

There were no members of the public present.

**II. ACTION / DISCUSSION CALENDAR -----(ITEM A)**

**A. CONSIDER PROCESS TO FILL VACANCY FOR BOARD OF DIRECTORS SUBDISTRICT NO. 1**

*Recommendation: Acknowledge resignation of Director Gebhart and consider whether to fill the vacancy in Subdistrict No. 1 by appointment or calling an election.*

President McDougal reviewed the options to fill the vacancy in Subdistrict No. 1 left by the resignation of Director Gebhart.

General Counsel de Sousa Mills discussed the legal requirements and process to fill the vacancy.

The Board concurred the appointment should be made at a special meeting in August to meet the 60-day deadline.

MOTION: Vice-President DeMeo moved to accept the resignation of Al Gebhart from Board of Directors Subdistrict No. 1, and that staff take the necessary steps to fill the vacancy by appointment at a special meeting in August; Director Endter seconded. Motion passed; VOTE:

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

**III. ADJOURNMENT OF MEETING**

There being no further business to discuss, President McDougal adjourned the special meeting of the Board of Directors of the Fallbrook Public Utility District at 6:57 p.m.

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

ATTEST:

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

Minutes of the August 20, 2019 Special Meeting of  
the Board of Directors



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

**MINUTES**

TUESDAY, AUGUST 20, 2019  
1:30 P.M.

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

---

**I. PRELIMINARY FUNCTIONS**

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

President McDougal called the special meeting of the Board of Directors of the Fallbrook Public Utility District to order at 1:30 p.m. A quorum was established, and attendance was as follows:

Board of Directors

Present: Don McDougal, Member/President  
Jennifer DeMeo, Member/Vice-President  
Dave Baxter (*officially seated at 3:25 p.m.*)  
Ken Endter, Member  
Charley Wolk, Member

Absent: None

General Counsel/District Staff

Present: Paula de Sousa Mills, General Counsel  
Jack Bebee, General Manager  
Mary Lou West, Secretary

**PLEDGE OF ALLEGIANCE**

President McDougal led the Pledge of Allegiance.

**APPROVAL OF AGENDA**

**MOTION:** Director Endter moved to approve the agenda as presented; Director Wolk seconded. Motion passed; VOTE:

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

ABSENT: None

**PUBLIC COMMENT**

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

There were no members of the public present.

**II. ACTION / DISCUSSION -----(ITEMS A–B)**

**A. CONSIDER CANDIDATES TO FILL VACANCY FOR BOARD OF DIRECTORS SUBDISTRICT NO. 1 (INTERVIEW TIMES ARE APPROXIMATE.)**

1:30 p.m.: Robert Anderson

1:50 p.m.: Dave Baxter

2:10 p.m.: Palmer Dale Diamond

2:30 p.m.: Jim Dooley

2:50 p.m.: Eric W. Strahan

3:10 p.m. Kathleen A. Thuner

**MOTION:** Director Endter moved to select Dave Baxter to fill the vacancy for Board of Directors Subdistrict No. 1; Director Wolk seconded. Motion passed; VOTE:

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

**B. CONSIDER ADOPTING RESOLUTION NO. 4980 APPOINTING A CANDIDATE TO FILL VACANCY FOR BOARD OF DIRECTORS SUBDISTRICT NO. 1**

*Recommendation: That the Board adopt Resolution No. 4980 appointing a candidate from the selection process to fill the vacancy and unexpired term for Subdistrict No. 1 on the Board of Directors of the Fallbrook Public Utility District effectively immediately.*

**MOTION:** Vice-President DeMeo moved to adopt Resolution No. 4980 appointing Dave Baxter to fill the vacancy and unexpired term for Subdistrict No. 1 on the Board of Directors of the Fallbrook Public Utility District effective immediately; Director Endter seconded. Motion passed; VOTE:

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

At 3:25 p.m., Dave Baxter was administered the Oath of Office by the Secretary and officially assumed the seat for Subdistrict No. 1.

**ADJOURN TO CLOSED SESSION**

General Counsel de Sousa Mills read aloud Closed Session Item III. 1. Following the announcement, the Board adjourned to Closed Session at 3:54 p.m.

**III. CLOSED SESSION ----- (ITEM 1)**

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

- *Two (2) Potential Cases*

**RECONVENE TO OPEN SESSION**

The Board returned from Closed Session and reconvened to Open Session at 3:53 p.m.

**REPORT FROM CLOSED SESSION (*As Necessary*)**

President McDougal announced there was no reportable action taken in Closed Session.

**III. ADJOURNMENT OF MEETING**

There being no further business to discuss, President McDougal adjourned the special meeting of the Board of Directors of the Fallbrook Public Utility District at 3:54 p.m.

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

ATTEST:

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

## M E M O

**TO:** Board of Directors  
**FROM:** Mary Lou West, Secretary *MLW*  
**DATE:** August 26, 2019  
**SUBJECT:** Consider Advance Approval to Attend Meetings

---

Purpose

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

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."

The request is for advance approval of the following:

1. Metropolitan Water District of Southern California Tours (inspection trips) hosted by the San Diego County Water Authority delegation: (a) State Water Project/Bay-Delta, Sept. 13-14, 2019; (b) State Water Project/Bay-Delta, Oct. 18-19, 2019; (c) Colorado River Aqueduct System, Nov. 8-9, 2019; (d) Colorado River Aqueduct System, Dec. 13-14, 2019; (e) Hoover Dam & Colorado River Aqueduct System, Jan. 31-Feb. 1, 2020; (f) Hoover Dam & Colorado River Aqueduct System, May 15-16, 2020.
2. 2019 California Special Districts Association Annual Conference & Exhibitor Showcase, Sep. 25-28, 2019, Anaheim, California.

Recommended Action

That the Board authorize advance approval for Directors' attendance to the following meetings or events:

1. Metropolitan Water District of Southern California Tours (inspection trips) hosted by the San Diego County Water Authority delegation: (a) State Water Project/Bay-Delta, Sept. 13-14, 2019; (b) State Water Project/Bay-Delta, Oct. 18-19, 2019; (c) Colorado River Aqueduct System, Nov. 8-9, 2019; (d) Colorado River Aqueduct System, Dec. 13-14, 2019; (e) Hoover Dam & Colorado River Aqueduct System, Jan. 31-Feb. 1, 2020; (f) Hoover Dam & Colorado River Aqueduct System, May 15-16, 2020; and
2. 2019 CSDA Annual Conference and Exhibitor Showcase, Sep. 25-28, 2019, Anaheim, California.

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## Water Authority & MWD Tours

Share This



*Tour participants experience first-hand how legislative and regulatory policies affect the availability of imported water.*

The Water Authority has a four-member delegation to the Metropolitan Water District of Southern California (MWD) Board of Directors. They are: Directors Jerry Butkiewicz, Gail Goldberg, Michael Hogan, and Tim Smith.

Each year, these directors host tours--called inspection trips--that provide elected and appointed officials, business and environmental community leaders, civic leaders, media representatives, educators, and interested stakeholders with the opportunity to learn about current and historical water issues affecting the region from both statewide and local perspectives. The tours also provide a first-hand look at the magnitude of the water delivery systems that feed Southern California by visiting numerous sites and facilities across the state.

Applications for each tour typically open about eight weeks prior to the tour date.

Tour Date	Hosting Director(s)	Location	Application Link
September 13-14, 2019	Jerry Butkiewicz and Gail Goldberg	State Water Project/ Bay Delta	Application closed
October 18-19, 2019	Michael Hogan and Tim Smith	State Water Project/ Bay Delta	Application not posted
November 8-9, 2019	Jerry Butkiewicz	Colorado River Aqueduct System	Application not posted
December 13-14, 2019	Gail Goldberg	Colorado River Aqueduct System	Application not posted
January 31- February 1, 2020	Michael Hogan	Hoover Dam and Colorado River Aqueduct System	Application not posted
May 15-16, 2020	Tim Smith	Hoover Dam and Colorado River Aqueduct System	Application not posted

STATE WATER PROJECT/BAY DELTA TOURS

### RECENT NEWS

Water Authority Board Endors Governor Newsom's Water Resilience Portfolio

**07.25.2019**

The San Diego County Water Authority's Board...

[Read more >](#)

Twin Oaks Valley Water Treatment Plant Cited for Error

**07.08.2019**

A malfunction at the Twin Oaks Valley Water Treatment Plant resulted in a...

[Read more >](#)

Water Authority Celebrates Years of Service to San Diego County

**06.27.2019**

The San Diego County Water Authority's Board...

[Read more >](#)

[More News](#)

### FIND YOUR WATER DISTRICT

Looking for water restrictions, conservation programs and incentives, to establish water service pay a bill or to contact your local water agency.

Address & Zip Code



Harvey O. Banks Pumping Plant

These tours focus on the largest state-built water and power system in the nation. Guests will also hear about the complex issues that influence how the system operates and the numerous problems affecting the Sacramento-San Joaquin Bay Delta.

Trip participants may visit key State Water Project facilities, meet with legislative representatives, and receive detailed presentations and updates from Bay Delta experts.



Learn about conserv  
incentives, progra  
resources  
and more!

Visit WaterSma

### COLORADO RIVER AQUEDUCT TOURS

These tours focus on the 242-mile-long system of pumping plants and canals that brings Colorado River water into Southern California.

These tours stop along the Lower Colorado River region and may include visits to Hoover Dam, the All-American Canal, the Coachella Canal, and other critical components of the historic Quantification Settlement Agreement. Guests may have the opportunity to visit facilities located near and in the San Diego County region, such as the Water Authority's Olivenhain Dam and Reservoir, San Vicente Dam, and Twin Oaks Valley Water Treatment Plant as well as MWD's Diamond Valley Lake and Robert A. Skinner Water Treatment Plant.



Colorado River Aqueduct

Transportation, lodging, and meals are provided by MWD. Limited seating is available on each tour. Trip participants must be 18 years of age or older, and background checks may be required to visit some secure federal, state, and local facilities.

To receive email notices about upcoming Water Authority & MWD Tours or invitations to upcoming trips, please email [MWDProgramTours@sdewa.org](mailto:MWDProgramTours@sdewa.org).

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# 2019 CSDA ANNUAL CONFERENCE & EXHIBITOR SHOWCASE ATTENDEE REGISTRATION FORM



one form per attendee, please print

### Three Ways to Register:

1. ONLINE by visiting the CSDA Annual Conference website at [conference.csdanet.net](http://conference.csdanet.net).
2. FAX your registration form to 916-520-2465.  
All faxed forms must include payment.
3. MAIL to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. Please include registration form along with payment. Check should be made payable to: California Special Districts Association.

### 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 benefits of membership, contact Member Services Director Cathrine Lemaire at [cathrinel@csda.net](mailto:cathrinel@csda.net).

### Full conference registration fee includes:

- » President's Reception with the Exhibitors Wednesday Evening
- » Keynote Sessions and Breakout Sessions
- » Continental Breakfast with the Exhibitors on Thursday
- » Lunch with the Exhibitors on Thursday
- » Mix and Mingle in the Exhibit Hall on Thursday
- » SDRMA Full Plated Breakfast on Friday
- » Legislative Update Luncheon on Friday
- » 50th Anniversary Celebration on Friday
- » Closing Breakfast on Saturday

Full conference GUEST registration includes all meal functions.


Name:		Title:		
District:				
Address:				
City:		State:	Zip:	
Phone:		Fax:		
Email:		Website:		
Member status: <input type="checkbox"/> Member <input type="checkbox"/> Non-member				
Special Needs (include dietary):				
Emergency Contact:				
CONFERENCE REGISTRATION FEES		EARLY BIRD (ON/BEFORE AUG. 23, 2019)	REGULAR (AFTER AUG. 23, 2019)	SUBTOTAL
<input type="checkbox"/> CSDA Member - Full Conference		\$625.00	\$675.00	
<input type="checkbox"/> Non-member - Full Conference		\$940.00	\$1015.00	
<input type="checkbox"/> Guest of a Member - Full Conference (Cannot be from a district/co.) <input type="checkbox"/> Vegetarian		\$300.00	\$325.00	
<input type="checkbox"/> Guest of a Non-member - Full Conference (Cannot be from a district/co.) <input type="checkbox"/> Vegetarian		\$450.00	\$485.00	
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tues. <input type="checkbox"/> Wed. <input type="checkbox"/> Thurs.		\$350.00 each day	\$375.00 each day	
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tues. <input type="checkbox"/> Wed. <input type="checkbox"/> Thurs.		\$510.00 each day	\$565.00 each day	
SEPARATE REGISTRATION FEES		MEMBER	NON-MEMBER	SUBTOTAL
<input type="checkbox"/> Pre-Conference Workshop: SDLA Module 1: Governance Foundations - Sept. 25		\$225.00	\$340.00	
<input type="checkbox"/> Pre-Conference Workshop: Developing Effective Policies... - Sept. 25		\$225.00	\$340.00	
<input type="checkbox"/> Pre-Conference Workshop: The Board and GM Working Together... - Sept. 25		\$150.00	\$225.00	
<input type="checkbox"/> Pre-Conference Tour: Orange County Water District Tour - Sept. 25		\$ 30.00 (includes transportation) (limited to 56 attendees)		
<input type="checkbox"/> SDLF Scramble for Scholarships Golf Tournament - Sept. 25		\$ 80.00 (includes lunch)		
<input type="checkbox"/> 50th Anniversary Celebration (Guests only) - Sept. 27		\$ 65.00 CSDA Member Guest \$ 98.00 Non-member Guest		
<b>TOTAL</b>				
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover				
Account name:		Account Number:		
Expiration date:		Authorized Signature:		

**Cancellations/Substitution Policy:** Cancellations must be in writing and received by CSDA no later than Friday, August 30, 2019. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after August 30, 2019. Substitutions are acceptable and must be done in writing no later than September 13, 2019 at 5:00 p.m. Please submit any cancellation notice or substitution request to [meganh@csda.net](mailto:meganh@csda.net) or fax to 916-520-2465.

**Consent to Use Photographic Images:** Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

**Anti-Discrimination and Harassment Policy:** CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at [www.csdanet.net/about-csda/who-we-are](http://www.csdanet.net/about-csda/who-we-are).

## MEMO

TO: Board of Directors  
FROM: Noelle Denke, Public Affairs Specialist   
DATE: August 26, 2019  
SUBJECT: High School Intern Program

---

Purpose

Our second Fallbrook High School intern, Mary Maciel, completed a paid, eight-week internship during summer break, 2019.

Summary

Mary will present a PowerPoint presentation illustrating what she learned and observed during her internship which began June 26. She earned \$12 per hour, working four hours per week, for eight weeks. Her presentation is the culmination of her internship.

She spent time with each department: public affairs, accounting/customer service, engineering and GIS, collections, construction and maintenance, meter system services, system operations, and at the Water Reclamation Plant. She said the internship was very valuable and recommends we do it again next year.



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## Fallbrook Public Utility District

Engineering and Operations FY19

Board Meeting August 2019

# Engineering

### Water CIP FY19

- Budget: \$17,644,888
  - SMRCUP: \$12,095,000
  - PAYGO: \$5,549,888
- PAYGO Spent: \$4,907,216
- PAYGO Percentage spent: 88%

### Wastewater CIP FY19

- Budget: \$1,395,000
- Spent: \$598,546
- Percentage spent: 43%

**\*Expenditures shown are pre-audit**

# Engineering

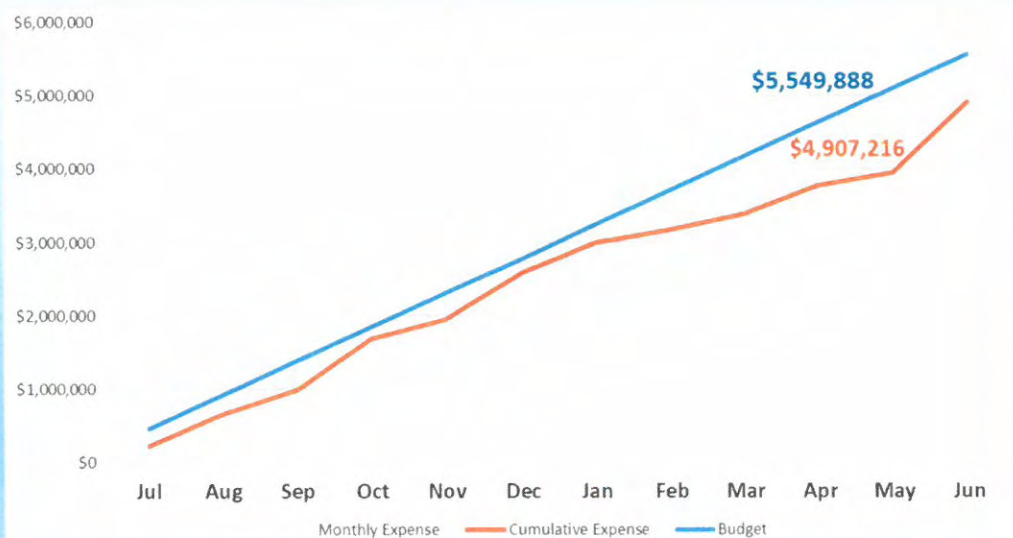
## Recycled Water CIP FY19

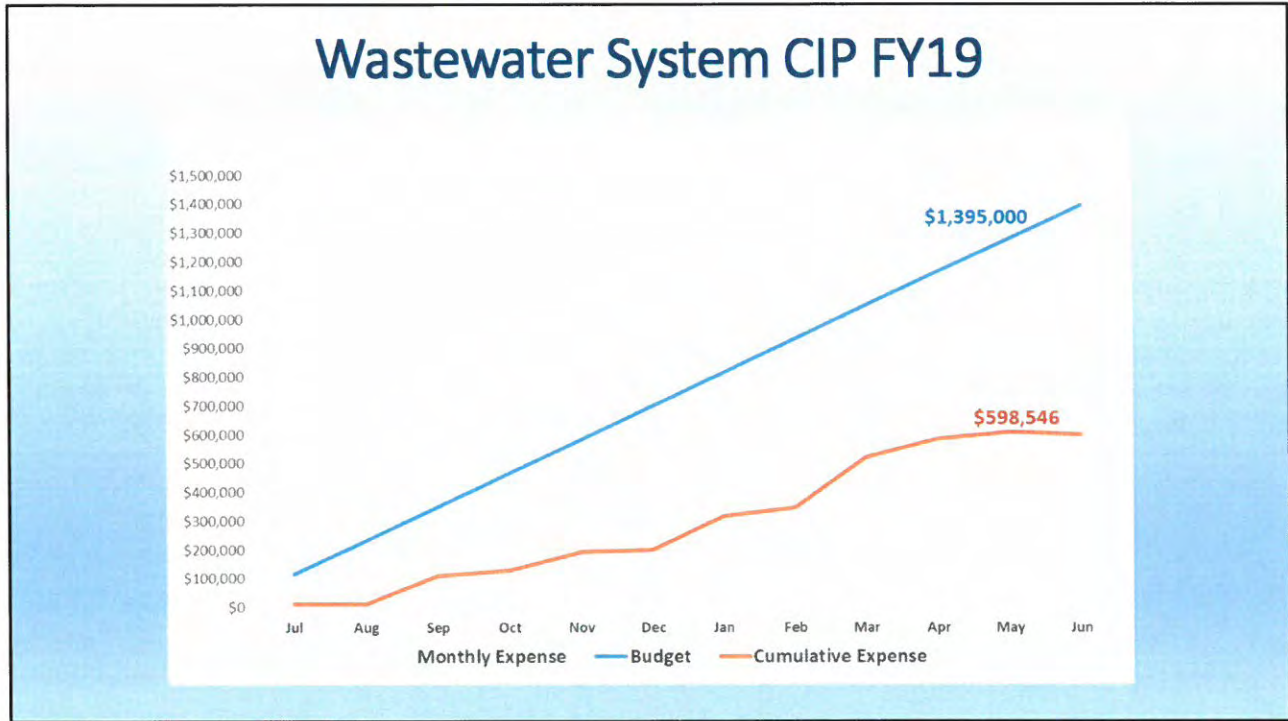
- Budget: \$580,000
- Spent thru Feb19: \$55,700
- Percentage spent: 10%

## Administrative CIP FY19

- Budget: \$275,000
- Spent: \$183,097
- Percentage spent: 66%

## Water System CIP FY19





# Wastewater

---

#### Wastewater System Violations

- State and Regional Water Quality Control Board Compliance with NPDES, WDR and General Order Permits
- Analyses are performed daily, monthly, quarterly, semi-annually and annually
- Goal: 100% compliance

#### Wastewater PMs Completed

- Servicing and inspecting pumps, motors, calibrating equipment, chlorine gas system, and site maintenance

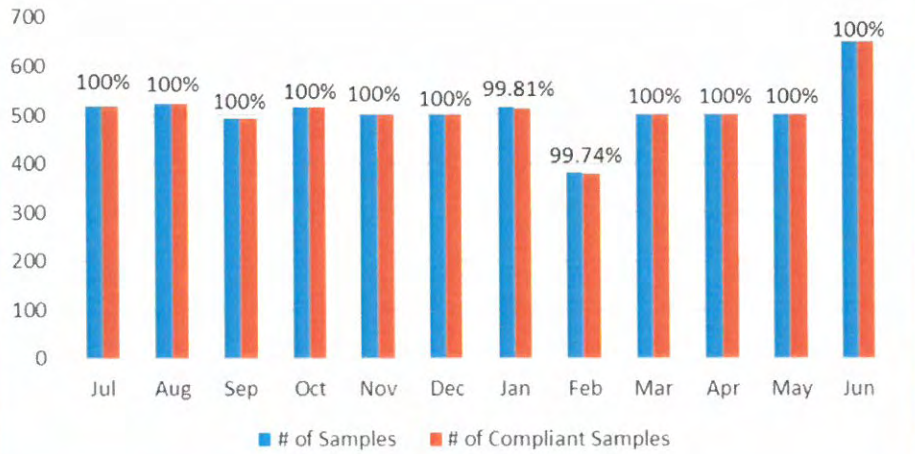
#### Energy Cost per MG

- Blowers, Natural Gas Sludge Dryer, Pumps - Hydraulics
- Solar Fields

#### Recycled Water – Time Out of Service

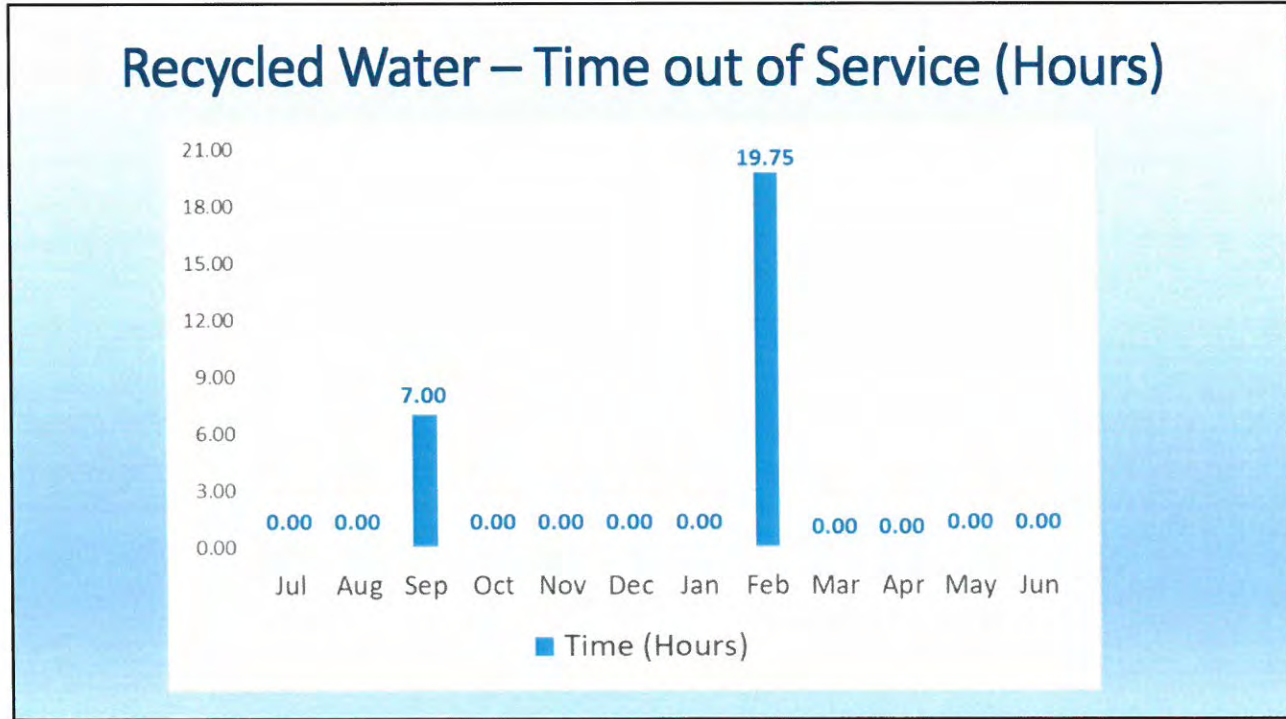
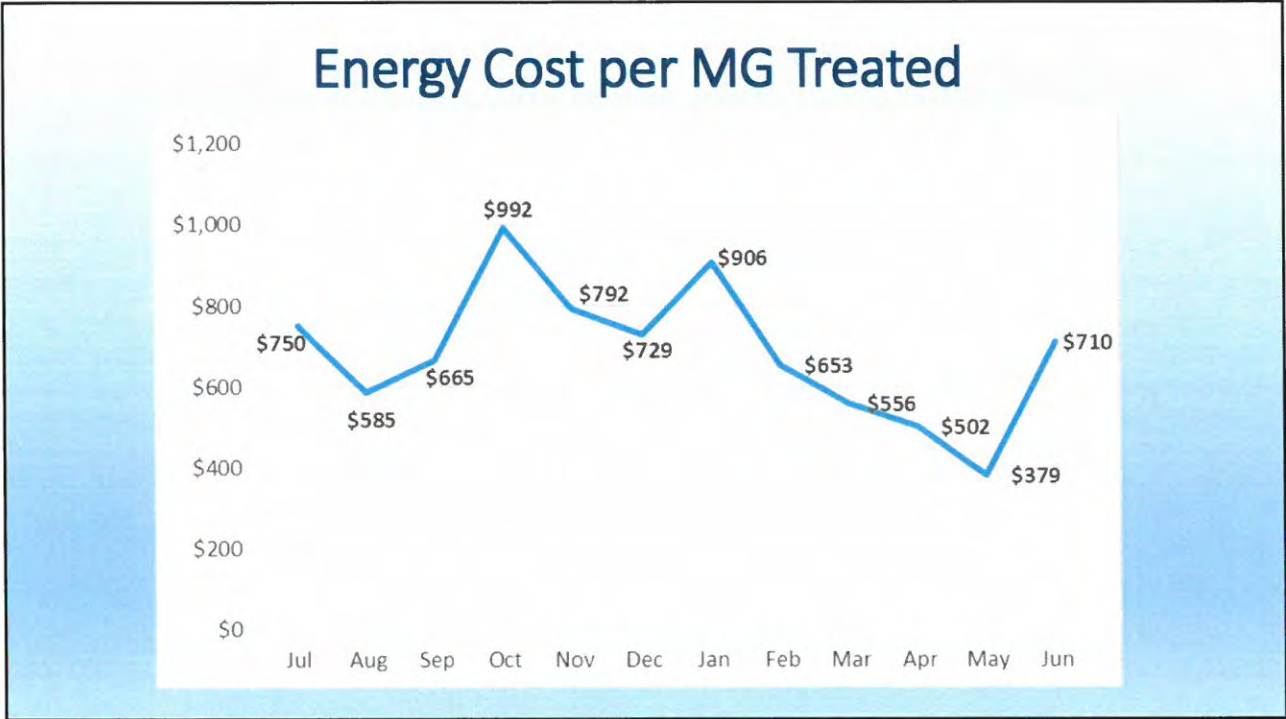
- Unplanned vs Planned

## Wastewater System Regulatory Compliance



## Preventative Maintenance Work Orders





# Collections

## Total Wastewater Spilled

- Common Gravity Sewer or Force Main
- Reportable to State and Regional board
- Controlled with main line cleaning

## Non-Recovered Wastewater Spilled

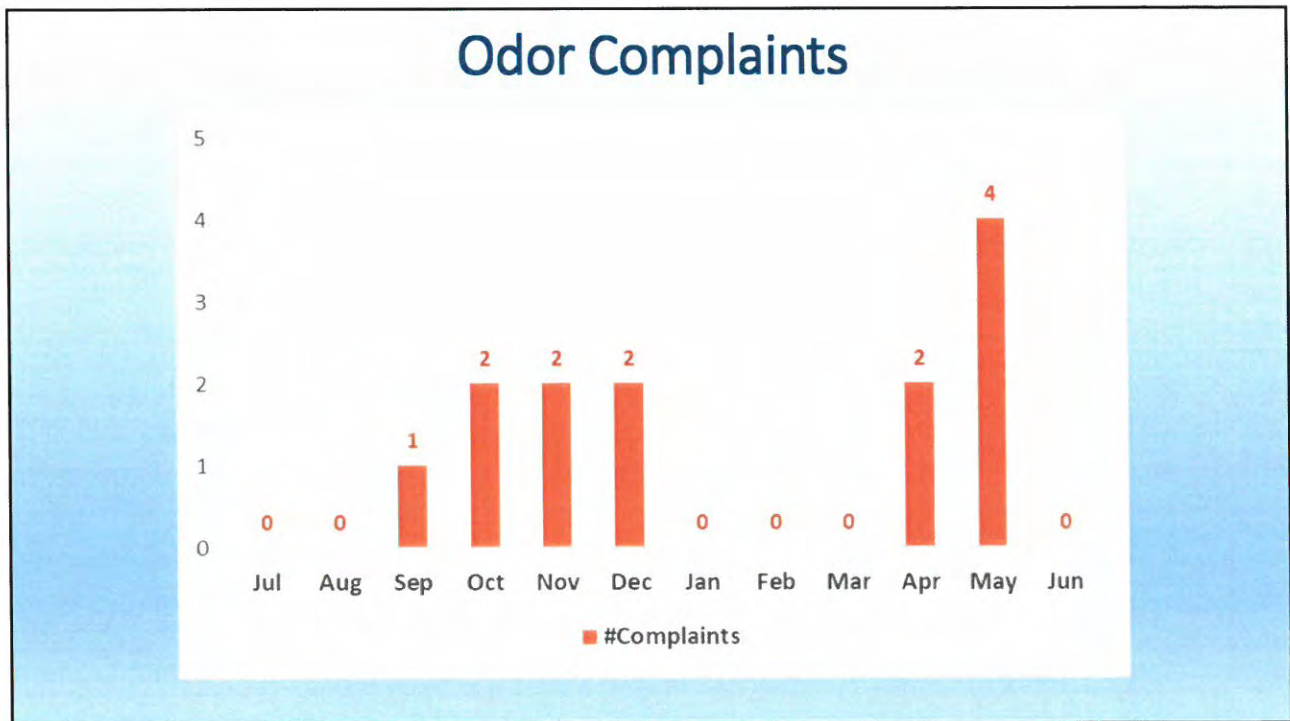
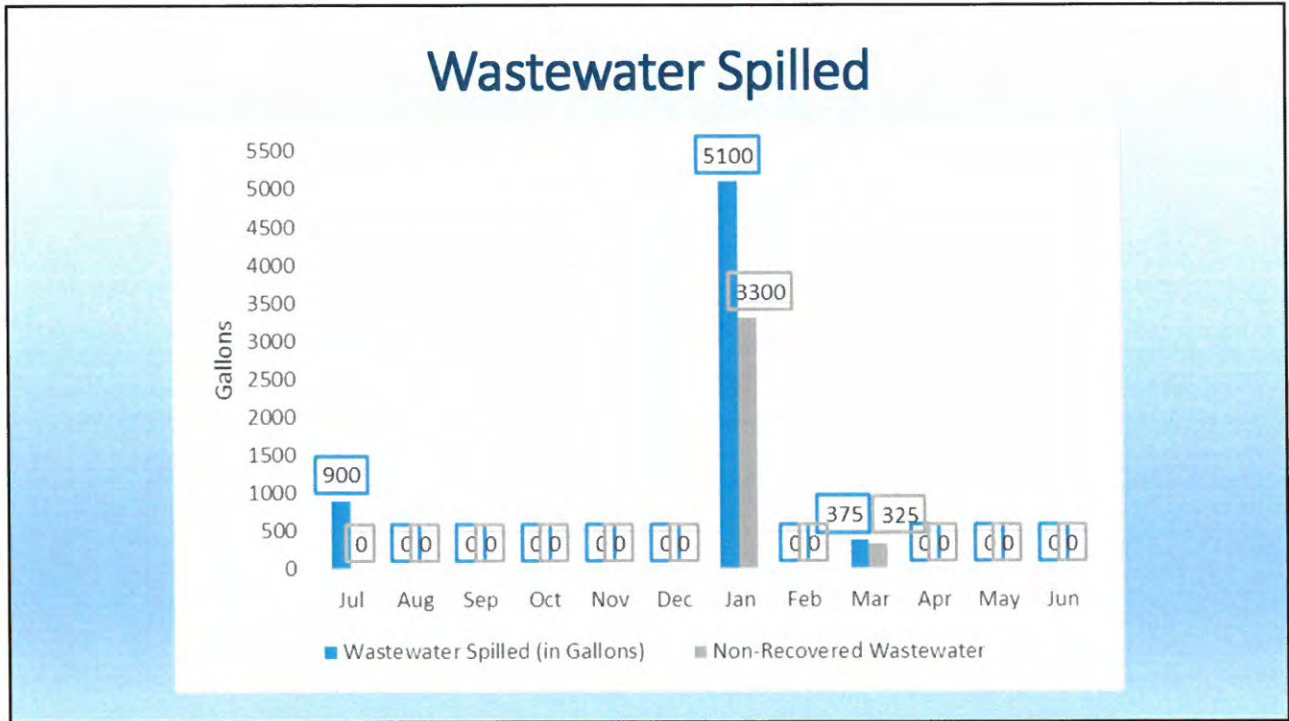
- Storm Drains, Creeks or Ponds or Ground
- Quick Response

## Odor Complaints

- Two Types- WRP or Collections System
- WRP- Process problems
- Main Line- Gravity System/Force Main or Private Pumping System

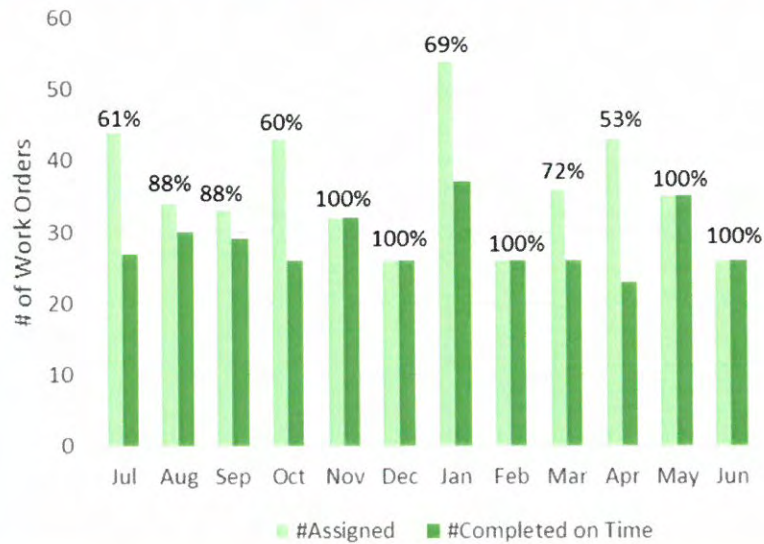
# Sewer Overflows







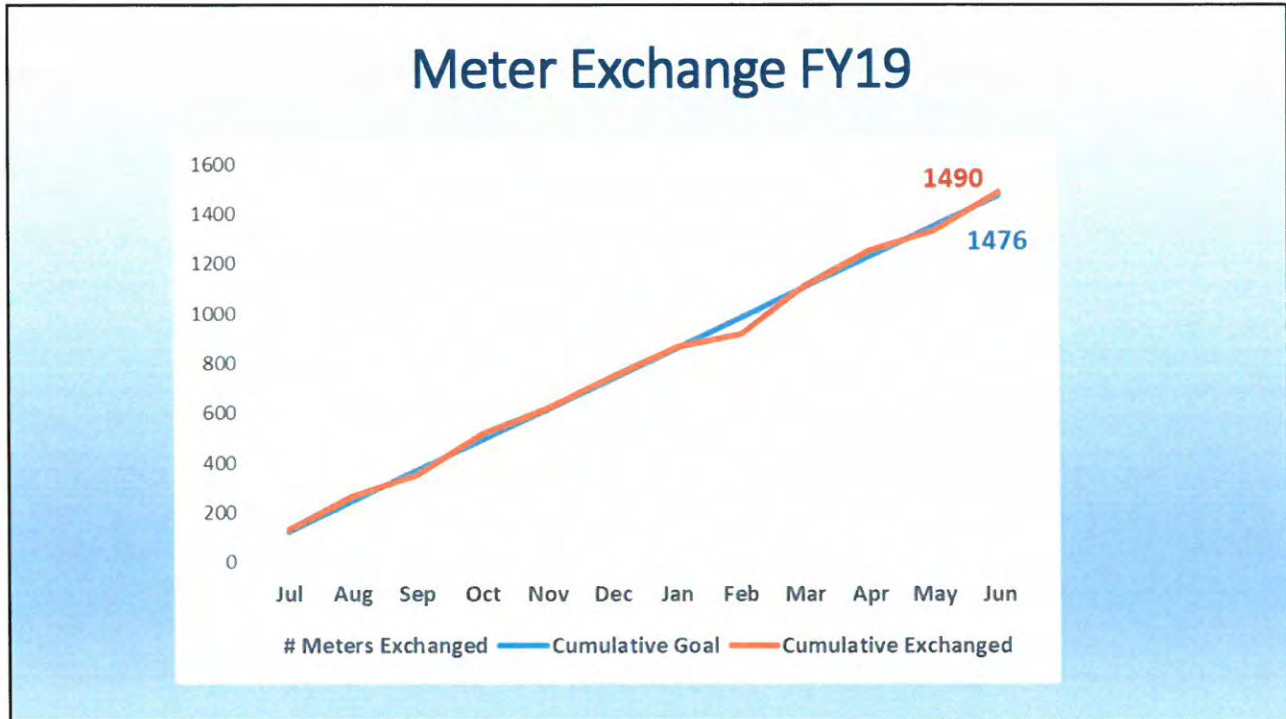
## Preventative Maintenance Work Orders



## System Services

### Meter Exchange Program

- Began in Jul 2015 with 9239 meters to exchange
- As of July 2019 – 6,583 meters exchanged
- Goals: Exchange 123 meters/month, 1476 meters/year for the remainder of program
- If all goals are met, the meter exchange program should conclude in July 2021



## System Operations

### Regulatory Compliance

- Routine water quality sampling
- UV Plant operation
- Goal: 100% complete on time

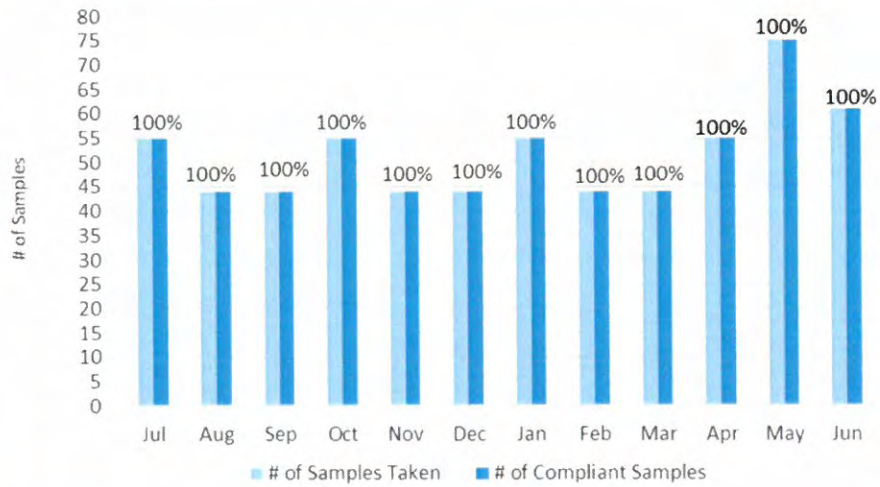
### Valve Exercising Program

- 6,804 main line valves on a 3 year cycle
- Improves valve reliability
- Goal: 189/mo. or 2.78% of total

### Preventative Maintenance Work Orders

- Pump stations, tanks, UV Plant
- Critical components stay in good working order
- Goal: 100% complete on time

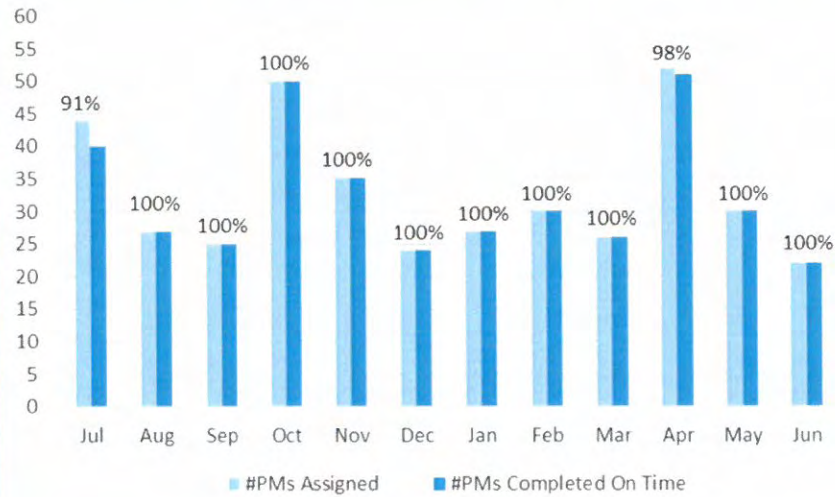
## Water System Regulatory Compliance



## Valve Exercise Program

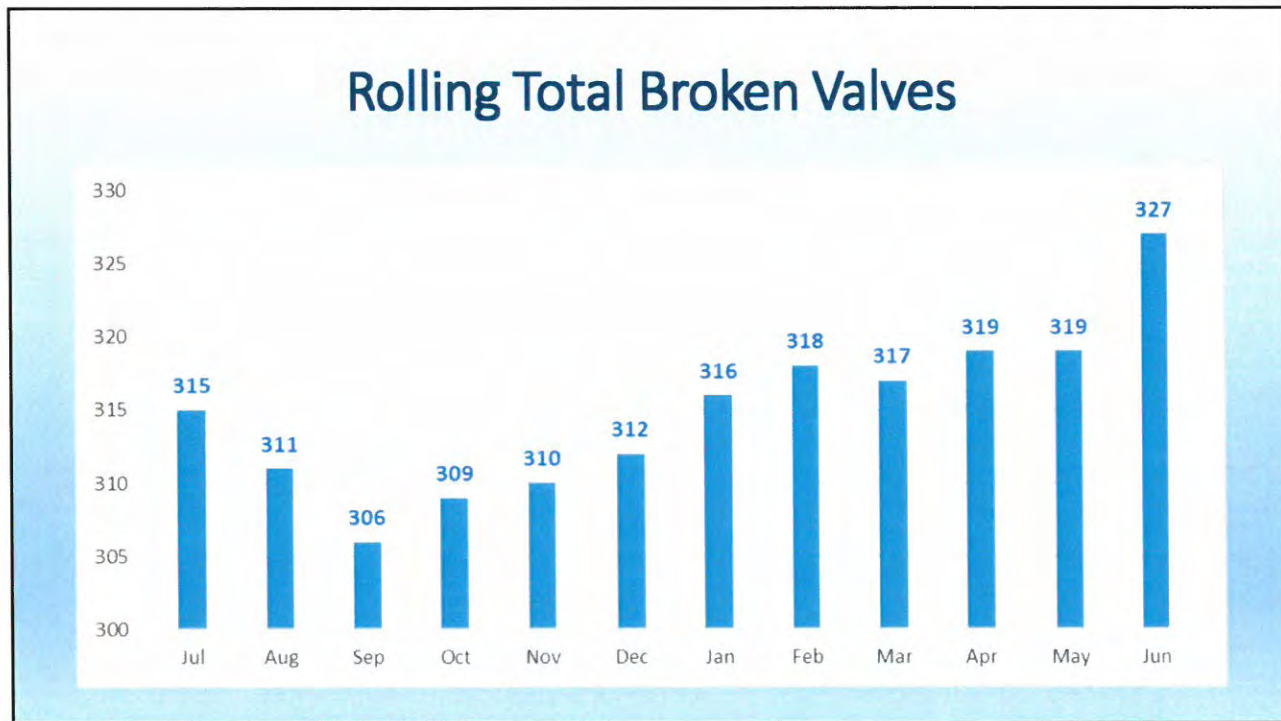
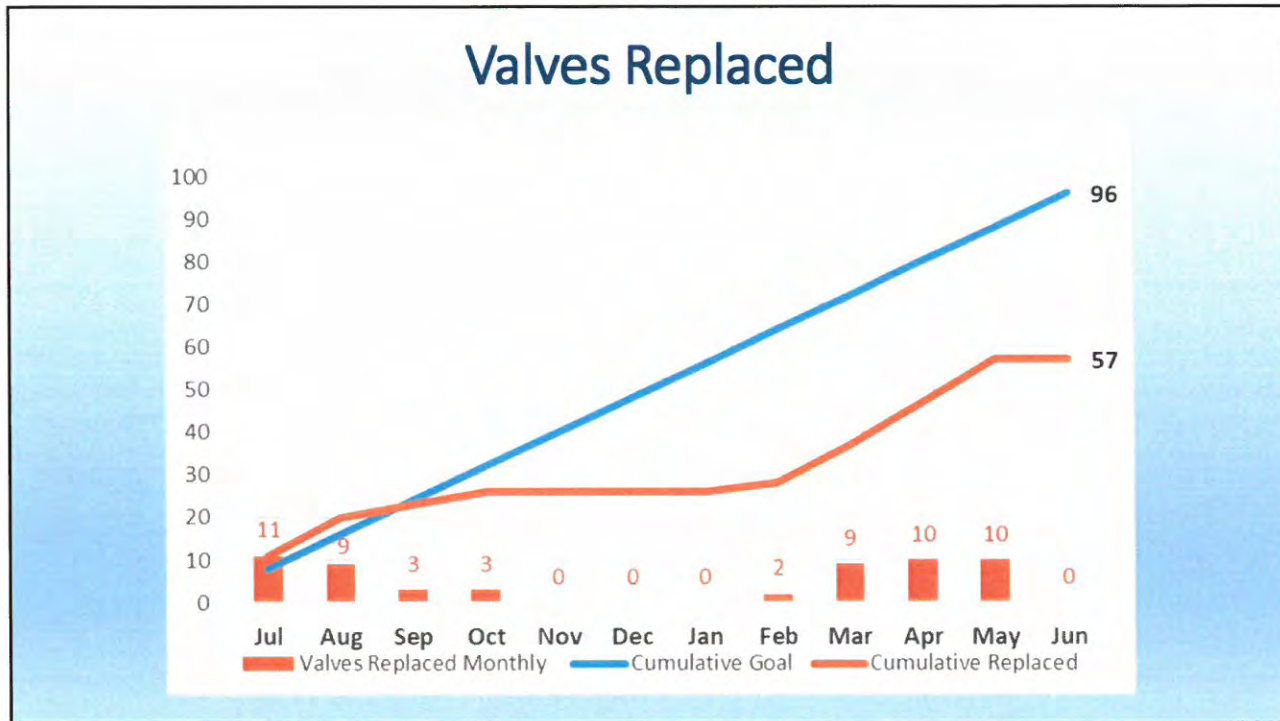


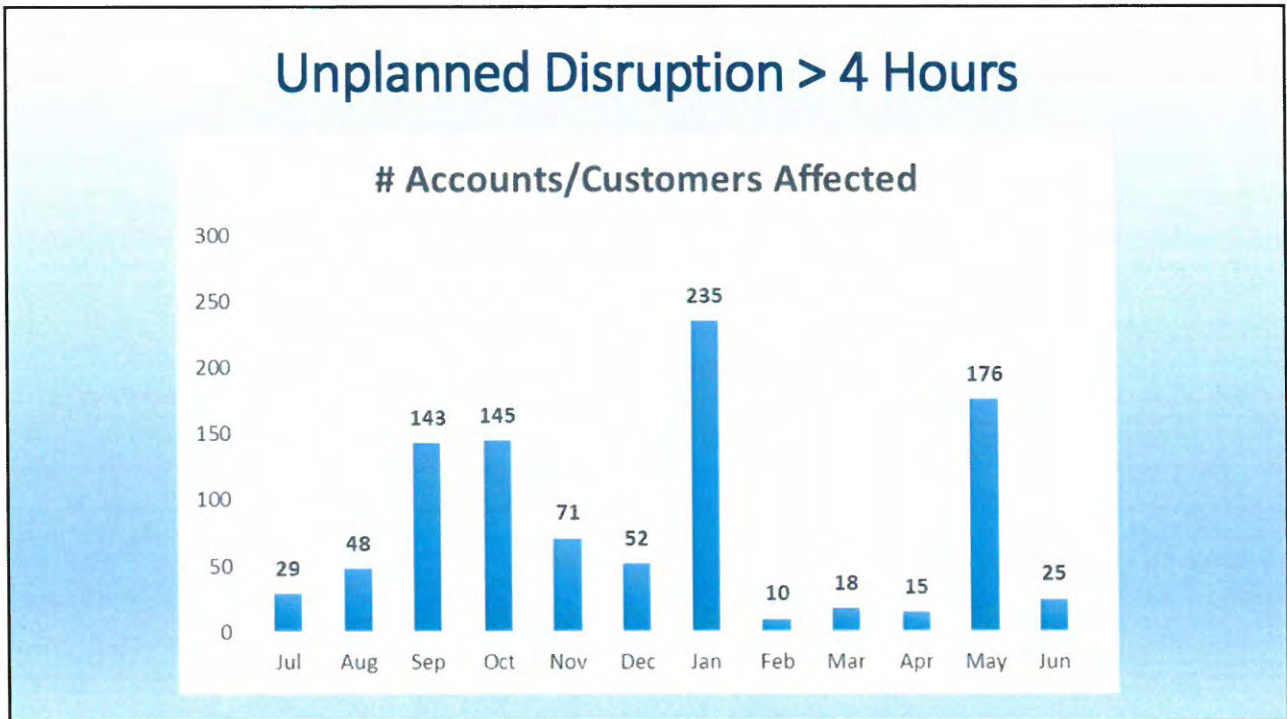
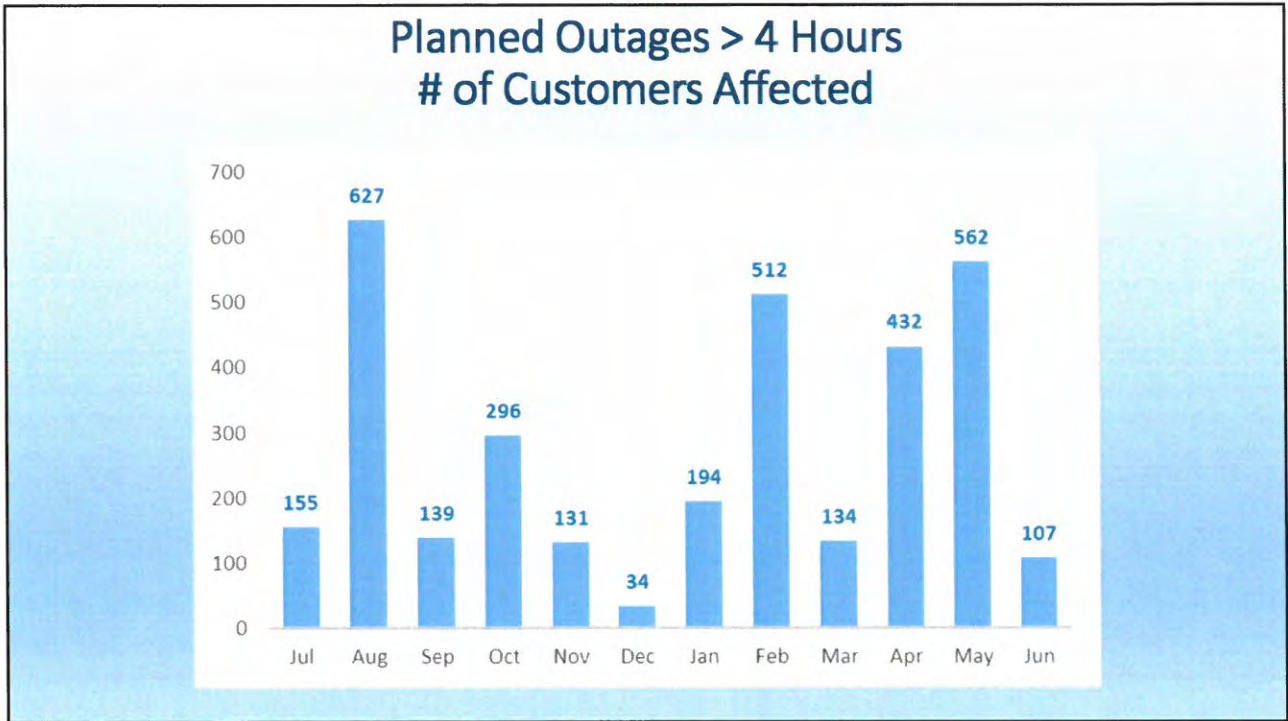
## Preventative Maintenance Work Orders



## Construction/Maintenance

- Efforts continue in replacing valves with the greatest impact on water loss and customer outages during large main breaks.
- With new valves, crews will be capable of shutting down smaller controlled areas faster, impacting fewer customers while losing less water and completing repairs sooner.
- Our goal is to replace 100 valves per year. We replaced 57 this year. We currently have 6821 valves in the system with 327 known to be broken.





## M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager, JRB  
**DATE:** August 26, 2019  
**SUBJECT:** Status Report – Parcels with Deferred Water Availability/Standby Charges

---

Purpose

To provide the Board of Directors with the report of parcels with deferred annual water standby availability charges pursuant to Article 24.5.7 of the Administrative Code.

Summary

Article 24 of the Administrative Code provides that water standby availability charges are fixed and established on all land within District boundaries, whether the water is actually used or not. However, if a parcel owner believes the amount of the water standby availability charges fixed against such parcel should be deferred, he or she may apply to the District for deferral of said charges.

Attached is the list of parcels whose owners have entered into agreements to defer water standby availability charges.

Recommended Action

This item is for information only; no action is required of the Board.

**FALLBROOK PUBLIC UTILITY DISTRICT  
STANDBY OR AVAILABILITY CHARGES  
DEFERRED PARCEL LOG  
as of 7/1/19**

<b>APN</b>	<b>OWNER OF RECORD</b>	<b>TRA</b>	<b>ACRE</b>	<b>REC DATE</b>	<b>NOTES</b>
101-170-01-00	Fallbrook Land Conservancy	75058	320.00	11/9/07	
101-170-02-00	Fallbrook Land Conservancy	75058	359.00	11/9/07	
101-170-03-00	Fallbrook Land Conservancy	75058	527.21	11/9/07	
101-361-62-00	Fallbrook Land Conservancy	75053	77.95	9/10/01	
102-490-07-00	Deuling David & Cathy Trust	75199	21.50	5/16/97	
102-490-20-00	San Diego State University Foundation	75199	31.57	5/17/04	Transfer Ownership 3/15/13; Transfer Ownership 4/26/18
102-711-09-00	Graham E. Clark, Drude M. Burke	75022	4.74	5/31/00	Transfer Ownership 8/27/02; Transfer Ownership 9/28/19
106-180-61-00	Fallbrook Land Conservancy	75010	12.90	8/11/00	



## MEMO

**TO:** Board of Directors  
**FROM:** Engineering Department  
**DATE:** August 26, 2019  
**SUBJECT:** Community Benefit Water Users FY 2018-19 Annual Report

Purpose

To update the Board with a summary of water usage and financial benefit provided to Community Benefit Water Users.

Overview

The District currently provides free or discounted water to five potable water services and one recycled service within the service area to properties that provide a community benefit. The District utilizes property tax revenues to fund this community benefit water discount. The report below lists the organizations served, location of each device, and a summary of water usage and financial benefit provided by the District.

In the fall of 2018, the Fallbrook Village Association participated in the regional Turf Removal Program, which provides \$2 per square foot to remove turf and upgrade the landscape with a stormwater mitigation feature and drought tolerant planting. Over 1,700 square feet of turf was removed at Jackie Heyneman Park, which was replaced with donated plant material planted by volunteers from the Fallbrook Village Rotary club. The Association received a rebate for over \$3400. At the park, the reduced turf area and improved water management (aided in part by FPUD's AMI water system, which sends email notifications when there are spikes in water use) has led to a 37% reduction in water use for FY 2018-19 compared to previous years, or an approximate savings of \$1800.

Usage Report

## COMMUNITY SERVICE WATER USAGE REPORT

		For FY 2018-19					
<b>POTABLE</b>		Usage				Average	
		FY 18-					
<b>Name</b>	<b>Location</b>	<b>Mtr</b>	<b>19</b>	<b>Oper.</b>	<b>Total</b>	<b>per</b>	
		<b>Size</b>	<b>(Kgal)</b>	<b>Charge</b>		<b>Month</b>	
Fallbrook Village Assoc (Heyneman Park)	502 S Mission	3/4"	496	\$2,995.32	\$542.45	\$3,537.77	\$294.81
FPUD (N End S Mission)	1200 BLK S Miss.	3/4"	5	\$28.95	\$542.45	\$571.40	\$47.62
*Community Garden	1717 Alturas	3/4"	5	\$30.75	\$46.75	\$77.50	\$77.50
<b>Potable Totals</b>			<b>501</b>	<b>\$3,024.27</b>	<b>\$1,084.90</b>	<b>\$4,109.17</b>	<b>\$419.93</b>

\*Site received the Community Service Water benefit for the month of June, 2019

RECYCLED

Name	Location	Mtr Size	Usage FY 18- 19 (Kgal)	Water	Oper. Charge	Total	Average per Month
FPUD	S Miss. Median	6"	2175	\$10,791.56	\$4,360.37	\$15,151.93	\$1,262.66
Fallbrook Sports Assoc	Sports Park	3"	5684	\$12,319.55	\$1,471.89	\$13,791.44	\$1,149.29
Fallbrook Youth Baseball	Sports Park	2"	3331	\$7,197.17	\$792.10	\$7,989.27	\$665.77
<b>Recycled Totals</b>			<b>11190</b>	<b>\$30,308.28</b>	<b>\$6,624.36</b>	<b>\$36,932.64</b>	<b>\$3,077.72</b>
<b>GRAND TOTAL</b>				<b>\$33,332.55</b>	<b>\$7,709.26</b>	<b>\$41,041.81</b>	<b>\$3,497.65</b>

*October through March Sports Park and Youth Baseball receive 75% discount, 50% discount otherwise*

Recommendation

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

## MEMO

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** August 26, 2019  
**SUBJECT:** Fiscal Year 2018-19 Year-End Budget Status Report

---

### Purpose

Provide a summary of the District's Fiscal Year 2018-2019 financial results to the Board.

### Summary

The Budget Status Report (BSR) shows the District's financial performance compared to the budget Year-to-Date and the annual budgeted amount.

Total revenues were under budget expectations due to lower water and wastewater sales levels. Water sales were 18.5% below budget largely due to the extreme wet weather the region has observed. Wastewater revenues were also down due to wet weather, which impacted the bill calculation methodology. Facility Rent and Other Non-Operating revenues, which includes Sundry Other Revenues, Portfolio Interest, Property Taxes and capacity charges, were above budget levels. The combined impact of these variances resulted in total revenues that were 10.7% under budget.

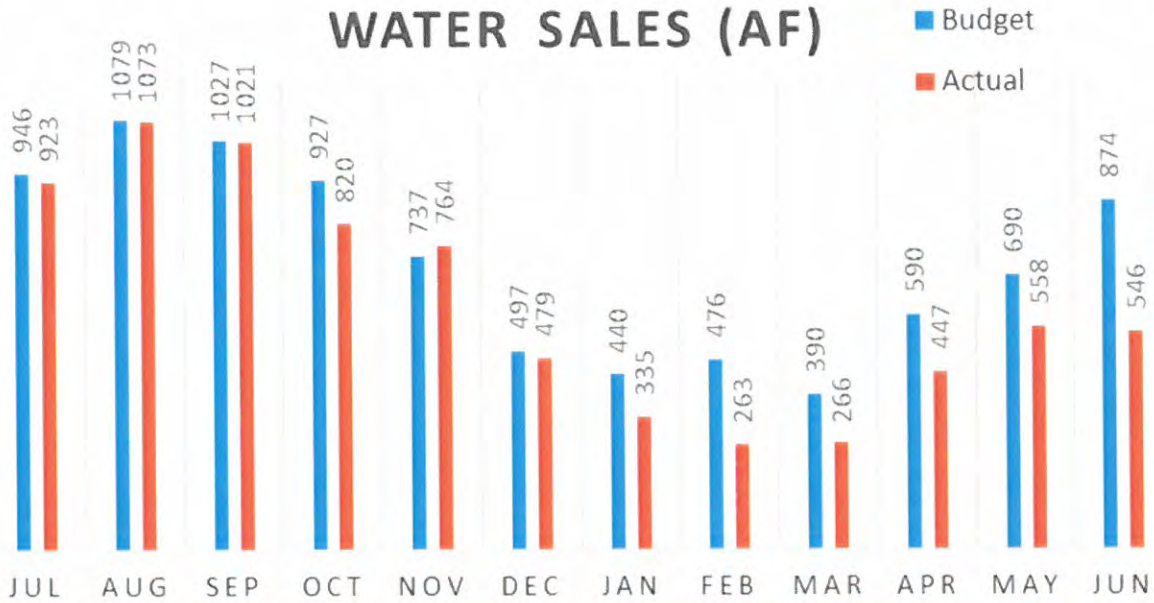
The District's expenditures overall were under budget largely due to the lower than budgeted purchased water expense, which is a result of lower water sales levels. The District's aggregated operating expenses were 0.4% or \$47,784 under budget.

Total revenue was \$32,772,331 or 10.7% under budget and total expenditures were \$28,425,731 or 6.4% under budget. Capital spending was 26% under budget. This financial performance resulted in the drawdown of \$1.4 million of District reserves. When compared to the budgeted draw of \$1.5 million, the District financial position at year-end was better than budget expectations.

### Recommended Action

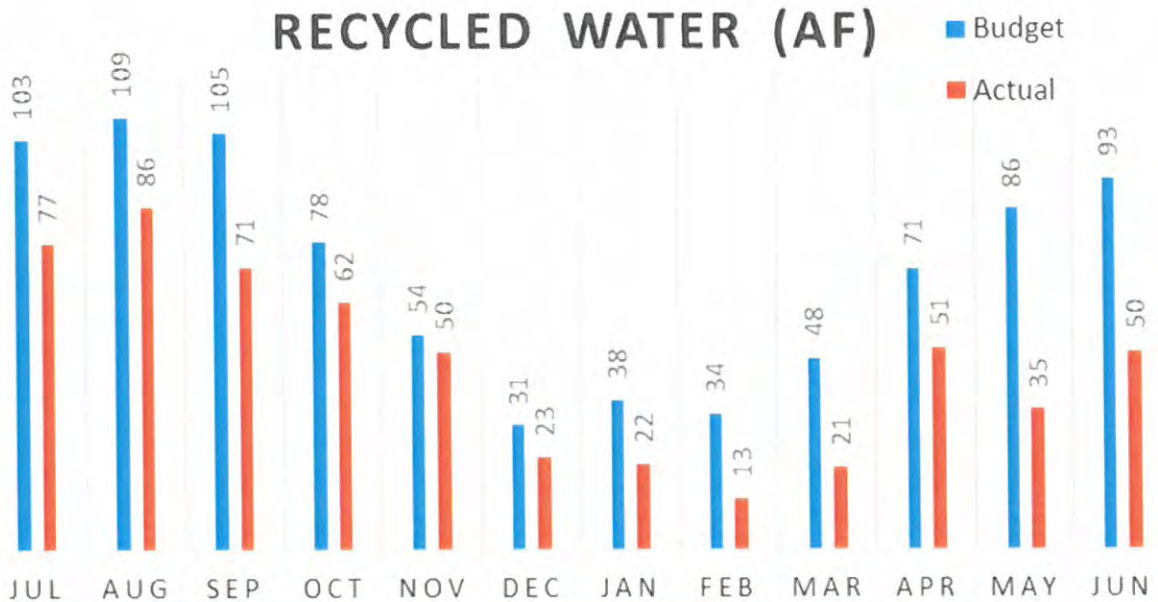
This item is for discussion only. No action is required.

## WATER SALES (AF)



Year-to-Date Actual 7,496 AF Year-to-Date Budget 8,673 AF

## RECYCLED WATER (AF)



Year-to-Date Actual 562 AF Year-to-Date Budget 850 AF

**Year End Budget Status Summary**

Favorable Variance Shown as a positive number

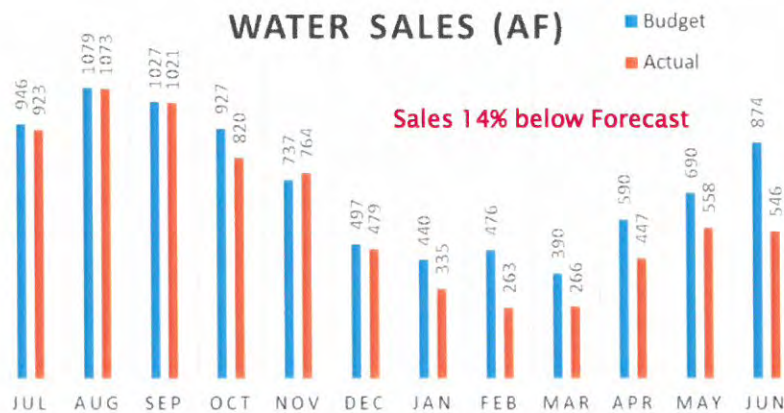
	Year Actual to Budget				Annual Budget		
	Actual*	Budget	Variance	%	Budget	Remaining Balance	%
<b>Operating Revenues:</b>						Year remaining	0.0%
Water Sales	13,165,480	16,148,015	(2,982,535)	-18.5%	16,148,015	2,982,535	18.5%
MWD Readiness to Serve	339,087	340,390	(1,303)	-0.4%	340,390	1,303	0.4%
CWA Infrastructure Access Charge	428,785	436,668	(7,883)	-1.8%	436,668	7,883	1.8%
Water Meter Service Charges	6,279,529	6,697,173	(417,644)	-6.2%	6,697,173	417,644	6.2%
Wastewater Service Charges	5,453,590	6,016,613	(563,023)	-9.4%	6,016,613	563,023	9.4%
Recycled Water Revenues	898,087	1,333,360	(435,273)	-32.6%	1,333,360	435,273	32.6%
Overuse Penalties	-	-	-	NA	-	-	NA
Sundry Other Revenue	-	306,102	(306,102)	-100.0%	306,102	306,102	100.0%
CWA Rebates	90,480	151,525	(61,045)	-40.3%	151,525	61,045	40.3%
<b>Total Operating Revenue</b>	<b>26,655,037</b>	<b>31,429,846</b>	<b>(4,774,809)</b>	<b>-15.2%</b>	<b>31,429,846</b>	<b>4,774,809</b>	<b>15.2%</b>
<b>Non Operating Revenues:</b>							
Water Capital Improvement Charge	1,305,062	1,309,424	(4,362)	-0.3%	1,309,424	4,362	0.3%
Wastewater Capital Improvement Charge	1,162,117	1,142,101	20,016	1.8%	1,142,101	(20,016)	-1.8%
Property Taxes	2,057,232	1,908,753	148,479	7.8%	1,908,753	(148,479)	-7.8%
Water Standby/Availability Charge	204,411	202,996	1,415	0.7%	203,000	(1,411)	-0.7%
Water/Wastewater Capacity Charges	194,828	134,234	60,594	45.1%	134,234	(60,594)	-45.1%
Portfolio Interest	324,181	220,444	103,737	47.1%	220,444	(103,737)	-47.1%
Pumping Capital Improvement Charge	24,338	39,073	(14,735)	-37.7%	39,073	14,735	37.7%
Federal Interest Rate Subsidy	134,924	133,917	1,007	0.8%	133,917	(1,007)	-0.8%
SRF Loan Proceeds	-	-	-	NA	-	-	NA
CSI Rebate	-	-	-	NA	-	-	NA
Facility Rents & Other Non-Operating Revenues	710,202	176,516	533,686	302.3%	176,516	(533,686)	-302.3%
<b>Total Non Operating Revenues</b>	<b>6,117,294</b>	<b>5,267,458</b>	<b>849,836</b>	<b>16.1%</b>	<b>5,267,458</b>	<b>(849,836)</b>	<b>-16.1%</b>
<b>Total Revenues</b>	<b>32,772,331</b>	<b>36,697,304</b>	<b>(3,924,973)</b>	<b>-10.7%</b>	<b>36,697,304</b>	<b>3,924,973</b>	<b>10.7%</b>
<b>Expenditures</b>							
Purchased Water Expense	11,837,893	13,743,805	1,905,912	13.9%	13,743,805	1,905,912	13.9%
MWD Readiness to Serve	340,390	340,390	-	0.0%	340,390	(0)	0.0%
CWA Infrastructure Access Charge	436,668	436,668	-	0.0%	436,668	-	0.0%
Water Services	3,251,058	3,323,618	72,560	2.2%	3,323,618	72,560	2.2%
Wastewater Services	3,003,573	2,720,453	(283,120)	-10.4%	2,720,453	(283,120)	-10.4%
Recycled Water Services	538,162	611,458	73,296	12.0%	611,458	73,296	12.0%
Administrative Services	6,257,967	6,443,015	185,048	2.9%	6,443,015	185,048	2.9%
<b>Total Operating Expenses</b>	<b>25,665,712</b>	<b>27,619,407</b>	<b>1,953,695</b>	<b>7.1%</b>	<b>27,619,407</b>	<b>1,953,695</b>	<b>7.1%</b>
<b>Debt Service Expenses</b>							
Red Mountain SRF	395,850	395,850	-	0.0%	395,850	-	0.0%
WWTP SRF	1,845,746	1,845,746	-	0.0%	1,845,746	-	0.0%
QECB Solar Debt	518,423	518,423	-	0.0%	518,423	-	0.0%
<b>Total Debt Service</b>	<b>2,760,019</b>	<b>2,760,019</b>	<b>-</b>	<b>0.0%</b>	<b>2,760,019</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>28,425,731</b>	<b>30,379,426</b>	<b>1,953,695</b>	<b>6.4%</b>	<b>30,379,426</b>	<b>1,953,695</b>	<b>6.4%</b>
CalPERS 17-18 Unfunded Actuarial Liability Lump Sum	-	-	-	NA	-	-	#DIV/0!
PARS	-	-	-	NA	-	-	#DIV/0!
<b>Net Revenue/(loss) From Operations and Debt Service</b>	<b>4,346,600</b>	<b>6,317,878</b>	<b>(1,971,278)</b>	<b>-31.2%</b>	<b>6,317,878</b>	<b>1,971,278</b>	<b>31.2%</b>
<b>Capital Investment</b>							
<b>Capital Investment</b>							
Construction Expenditures	5,744,559	7,799,888	2,055,329	26.4%	19,894,888	14,150,329	71.1%
SRF Loan Proceeds Draw (Capital Project Funds)	(1,397,959)	(1,482,010)	84,051	-5.7%	(1,482,010)	(84,051)	5.7%
<b>Net Revenue/(Loss)</b>							

\* Pre-audit numbers that may differ slightly from financial statements. Excludes the proceeds from the sale of the Santa Margarita River of \$9.3M



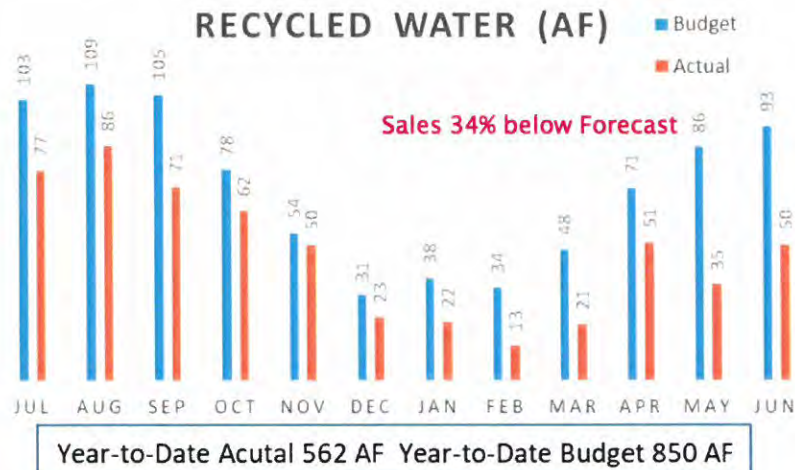
## Fallbrook Public Utility District Year-end Budget Status Report

### Water Sales Levels



Year-to-Date Actual 7,496 AF Year-to-Date Budget 8,673 AF

## Recycled Water Sales



## Year-end Budget Summary Highlights

- ▶ **Labor** - Labor costs including compensated absences were 5% under budget
- ▶ **Non-Labor** - Non-Labor was 7% over budget
  - Mostly due to utility costs for Wastewater Treatment
- ▶ **Benefits** - Benefit costs were 0.8% under budget
- ▶ **CIP** - CIP expenditures were 26% below budget
- ▶ **Net Fund Draw** - Fund withdrawals for the year were \$0.1 million under budget

# Total Revenues

	Year Actual to Budget				Annual Budget		
	Actual*	Budget	Variance	%	Budget	Remaining Balance	%
<b>Operating Revenues:</b>						Year remaining	0.0%
Water Sales	13,165,480	16,148,015	(2,982,535)	-18.5%	16,148,015	2,982,535	18.5%
MWD Readiness to Serve	339,087	340,390	(1,303)	-0.4%	340,390	1,303	0.4%
CWA Infrastructure Access Charge	428,785	436,668	(7,883)	-1.8%	436,668	7,883	1.8%
Water Meter Service Charges	6,279,529	6,697,173	(417,644)	-6.2%	6,697,173	417,644	6.2%
Wastewater Service Charges	5,453,590	6,016,613	(563,023)	-9.4%	6,016,613	563,023	9.4%
Recycled Water Revenues	898,087	1,333,360	(435,273)	-32.6%	1,333,360	435,273	32.6%
Overuse Penalties	-	-	-	NA	-	-	NA
Sundry Other Revenue	-	306,102	(306,102)	-100.0%	306,102	306,102	100.0%
CWA Rebates	90,480	151,525	(61,045)	-40.3%	151,525	61,045	40.3%
<b>Total Operating Revenue</b>	<b>26,655,037</b>	<b>31,429,846</b>	<b>(4,774,809)</b>	<b>-15.2%</b>	<b>31,429,846</b>	<b>4,774,809</b>	<b>15.2%</b>
<b>Non Operating Revenues:</b>							
Water Capital Improvement Charge	1,305,062	1,309,424	(4,362)	-0.3%	1,309,424	4,362	0.3%
Wastewater Capital Improvement Charge	1,162,117	1,142,101	20,016	1.8%	1,142,101	(20,016)	-1.8%
Property Taxes	2,057,232	1,908,753	148,479	7.8%	1,908,753	(148,479)	-7.8%
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Water/Wastewater Capacity Charges	194,828	134,234	60,594	45.1%	134,234	(60,594)	-45.1%
Portfolio Interest	324,181	220,444	103,737	47.1%	220,444	(103,737)	-47.1%
Pumping Capital Improvement Charge	24,338	39,073	(14,735)	-37.7%	39,073	14,735	37.7%
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SRF Loan Proceeds	-	-	-	NA	-	-	NA
CSI Rebate	-	-	-	NA	-	-	NA
Facility Rents & Other Non-Operating Revenues	710,202	176,516	533,686	302.3%	176,516	(533,686)	-302.3%
<b>Total Non Operating Revenues</b>	<b>6,117,294</b>	<b>5,267,458</b>	<b>849,836</b>	<b>16.1%</b>	<b>5,267,458</b>	<b>(849,836)</b>	<b>-16.1%</b>
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# Total Expenses

	Year Actual to Budget				Annual Budget		
	Actual*	Budget	Variance	%	Budget	Remaining Balance	%
<b>Expenditures</b>							
Purchased Water Expense	11,837,893	13,743,805	1,905,912	13.9%	13,743,805	1,905,912	13.9%
MWD Readiness to Serve	340,390	340,390	-	0.0%	340,390	(0)	0.0%
CWA Infrastructure Access Charge	436,668	436,668	-	0.0%	436,668	-	0.0%
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Administrative Services	6,257,967	6,443,015	185,048	2.9%	6,443,015	185,048	2.9%
<b>Total Operating Expenses</b>	<b>25,665,712</b>	<b>27,619,407</b>	<b>1,953,695</b>	<b>7.1%</b>	<b>27,619,407</b>	<b>1,953,695</b>	<b>7.1%</b>
<b>Debt Service Expenses</b>							
Red Mountain SRF	395,850	395,850	-	0.0%	395,850	-	0.0%
WWTP SRF	1,845,746	1,845,746	-	0.0%	1,845,746	-	0.0%
QECB Solar Debt	518,423	518,423	-	0.0%	518,423	-	0.0%
<b>Total Debt Service</b>	<b>2,760,019</b>	<b>2,760,019</b>	<b>-</b>	<b>0.0%</b>	<b>2,760,019</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>28,425,731</b>	<b>30,379,426</b>	<b>1,953,695</b>	<b>6.4%</b>	<b>30,379,426</b>	<b>1,953,695</b>	<b>6.4%</b>



## Total Capital Expenditures and Net Revenues

	Year Actual to Budget				Annual Budget		
	Actual*	Budget	Variance	%	Budget	Remaining Balance	%
Capital Investment							
Construction Expenditures	5,744,559	7,799,888	2,055,329	26.4%	19,894,888	14,150,329	71.1%
Net Revenue/(Loss)	(1,397,959)	(1,482,010)	84,051	-5.7%	(1,482,010)	(84,051)	5.7%

### Other Items:

- ▶ Santa Margarita Property Sale
  - Sale generated approximately \$10 million
- ▶ Pension & OPEB Trust
  - Contributed \$700,000 to the Trust this year

## Summary

- ▶ Low water sales was the driver for this year's performance
- ▶ Reduced CIP spending kept net revenues inline with the Budget (4.4% under)
- ▶ Operating expenses were 7.1% lower than budget
- ▶ Total Revenues were 10.7% under budget

## M E M O

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO  
**DATE:** August 26, 2019  
**SUBJECT:** Publication of Annual Financial Statement

---

Purpose

To consider options for publication of the District's annual financial statement in accordance with Public Utility District Act requirements.

Summary

The Public Utility District (PUD) Act requires annual publication of a financial statement for the District at the first meeting after the end of each Fiscal Year. A summary of the statutes related to the publication of the financial statement from the PUD Act are below:

**16039.**

At the first meeting after the end of each fiscal year, the board shall render and immediately cause to be published a verified statement of the financial condition of the district.

*(Added by Stats. 1953, Ch. 72.)*

**16040.**

The financial statement shall show particularly the receipts and disbursements since the publication of the last preceding statement and of the last preceding fiscal year and the source of such receipts and the purpose of such disbursements.

*(Added by Stats. 1953, Ch. 72.)*

**16041.**

Publication of the financial statement shall be made pursuant to Section 6066 of the Government Code in a newspaper of general circulation printed and published in the district, or if there is no such newspaper, in a newspaper of general circulation printed and published in a county where any part of the district is situated

Staff has developed a draft financial statement for publication for the Board's review (Attachment "A").

Recommended Action

That the Board approve the draft financial statement developed by staff for publication in the Village News in accordance with Section 6066 of the Government Code.

## **Attachment A**

# Fiscal Year 2019 Report



Fallbrook Public Utility District's fiscal year 2019-20 budget was finalized and approved in July. The budget details FPUD's strategic financial plan, providing enhanced fiscal transparency to our customers. This is a priority for the District. As part of the budgeting process, FPUD held several public budget workshops.

### 3 highlights from the budget include:



The District's operating costs were kept flat, even with rising material costs. This achievement was a result of process improvements and efficiency gains, as well as maintaining control of labor costs.



The budget includes funding for the new local water supply project, the Santa Margarita Conjunctive Use Project. This project will provide an affordable water supply, helping to mitigate the impact of rising imported water costs that get passed on to ratepayers. The river project will provide a third of our water, from our own local source here in Fallbrook.



The budget includes the continued implementation of our ongoing work to replace buried infrastructure, pipelines, valves and other equipment. We are accelerating our repair and replacement program to improve our system's reliability. Scheduled repairs are much less costly than the "Band-Aid" approach of emergency repairs.

FPUD has aging infrastructure which is reaching the end of its useful life. This is resulting in pipeline failures and associated property damage and water outages. We are addressing this by accelerating pipeline and infrastructure repairs. This accelerated repair schedule has resulted in higher overall annual expenses versus revenue. This means that FPUD used reserves to fund infrastructure projects.

As shown in the table below, for the past fiscal year, \$1.4 million in reserves was used to fund infrastructure projects. In accordance with FPUD's adopted financial plan, over the next few years, the District will be working to hold down operating costs while also continuing to fund infrastructure needs and rebuild our reserves.

### Fiscal Year 2018-2019 Results (Millions)

Total Operating and Non-Operating Revenues	\$32.8
Total Operating and Debt Service Expenditures	\$28.4
Total Capital Improvement Expenditures	\$5.8
Fund Withdrawals	\$1.4

## M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager  
**DATE:** August 26, 2019  
**SUBJECT:** Consider the Call for Ballots for the San Diego County Consolidated Redevelopment Oversight Board

---

Purpose

To cast the San Diego County Consolidated Redevelopment Oversight Board Election Ballot and Vote Certification.

Summary

The San Diego Local Agency Formation Commission (LAFCO) has issued a Call for Ballots with respect to electing one special district representative among three nominated candidates to serve on the San Diego County Consolidated Redevelopment Oversight Board. The three nominees are (1) William R. (Bob) Ayres, Grossmont Healthcare District; (2) Mark Baker, Lakeside Fire Protection District; and (3) Mitch Thompson, Otay Water District. The District is eligible to cast one vote for one nominee.

The Special Districts Advisory Committee formed a Nominating Committee to review the three candidates' qualifications and to consider making a recommendation as part of the balloting process. The Nominating Committee believed all three candidates were equally qualified, and as such, is encouraging districts to cast its ballot for the nominee of their choice. Ballots are due to LAFCO no later than Friday, August 30, 2019.

The San Diego County Consolidated Redevelopment Oversight Board Election Ballot and Vote Certification is attached (Attachment A) for the Board's information. Additionally, all three candidates' statements are attached (Attachment B).

Recommended Action

That the Board select one nominee from the slate of candidates and authorize the Board President, or duly-appointed alternate board member, to cast its vote in the San Diego County Consolidated Redevelopment Oversight Board Election.

## **Attachment A**



**San Diego County**  
**Local Agency Formation Commission**  
 Regional Service Planning | Subdivision of the State of California

**CALL FOR BALLOTS**

July 5, 2019

**TO:** Independent Special Districts of San Diego County

**FROM:** Tamaron Lockett, Executive Assistant  
 San Diego County Local Agency Formation Commission

**SUBJECT:** Call for Ballots |  
 San Diego County Consolidated Redevelopment Oversight Board

This notice serves as a call for ballots pursuant to California Government Code 56332(f) with respect to electing one special district representative among the three nominated candidates to serve on the San Diego County Consolidated Redevelopment Oversight Board. All independent special districts in San Diego County are eligible to cast one vote through their presiding officers or their alternates as designed by the governing bodies.

The official ballot is attached. Ballots must be signed by the presiding officers or their designees and returned to San Diego LAFCO no later than **Friday, August 30, 2019**. A ballot received without a signature will not be counted. Should LAFCO receive a quorum of 30 ballots by the August 30<sup>th</sup> deadline the nominee with the most votes will be appointed. Should LAFCO not receive a quorum of ballots by the deadline an automatic 60-day extension to October 30<sup>th</sup> is required.

Last, and consistent with adopted policy, the Special Districts Advisory Committee formed a Nominating Committee to review all three candidates' qualifications and consider making a recommendation as part of the balloting process. The Nominating Committee believes all three candidates are equally qualified, and as such recommends each independent special district cast their ballot as they see fit.

Ballots and/or any related questions should be directed by e-mail to Tammy Lockett at [tamaron.lockett@sdcounty.ca.gov](mailto:tamaron.lockett@sdcounty.ca.gov).

Attachment: as stated

**Administration**  
 Keene Simonds, Executive Officer  
 County Operations Center  
 9335 Hazard Way, Suite 200  
 San Diego, California 92123  
 T 858.614.7755 F 858.614.7766  
[www.sdlafco.org](http://www.sdlafco.org)

**Jim Desmond**  
 County of San Diego  
**Dianne Jacob, Vice Chair**  
 County of San Diego  
**Greg Cox, Alternate**  
 County of San Diego

**Mary Casillas Salas**  
 City of Chula Vista  
**Bill Wells**  
 City of El Cajon  
**Serge Dedina, Alternate**  
 City of Imperial Beach

**Mark Kersey**  
 City of San Diego  
**Chris Cate, Alternate**  
 City of San Diego

**Jo MacKenzie, Chair**  
 Vista Irrigation  
**Barry Willis**  
 Alpine Fire Protection  
**Erin Lump, Alternate**  
 Rincon del Diablo MWD

**Andy Vanderlaan**  
 General Public  
**Harry Mathis, Alternate**  
 General Public

ATTACHMENT A

SAN DIEGO COUNTY CONSOLIDATED REDEVELOPMENT OVERSIGHT BOARD  
ELECTION BALLOT and VOTE CERTIFICATION

VOTE FOR ONLY ONE NOMINEE

- William R. (Bob) Ayres** (Grossmont Healthcare District)
- Mark Baker** (Lakeside Fire Protection District)
- Mitch Thompson** (Otay Water District)

I hereby certify that I cast the votes of the \_\_\_\_\_  
(Name of District)

for the Consolidated Redevelopment Oversight Board Election as:

- the presiding officer, or
- the duly-appointed alternate board member.

\_\_\_\_\_  
(Signature)

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

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

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

NOTE: The Nominating Committee believes all three candidates are equally qualified and recommends each special district proceed with voting as they see fit. Additionally, a candidate's forum is tentatively scheduled for August 15, 2019 as part of the quarterly meeting of the San Diego Chapter of the California Association of Special Districts (SDCSDA). Separate confirmation of the candidate's forum will be provided by SDCSDA.

Return Ballot and Vote Certification Form to:  
San Diego LAFCO  
Tamaron Luckett  
9335 Hazard Way, Suite 200  
San Diego, CA 92123  
(858) 614-7755 (office) · (858) 614-7766 (FAX)  
Email: [tamaron.luckett@sdcounty.ca.gov](mailto:tamaron.luckett@sdcounty.ca.gov)



## **Attachment B**

# William R. Ayres

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**Objective** Senior corporate financial manager with particular expertise in Special Assets and Management. Proven ability in financial analysis, cash flow forecasting, and internal controls, budgeting. Superior presentation, negotiation, and business development skills and expert witness consultation.

**Experience** W.R. Ayres Consulting LLC.

Currently providing consulting and expert witness services to various banking institutions and for a Bankruptcy Trustee/Receiverships.

2005-March 2009 Retired Coronado First Bank  
San Diego, CA

**Executive Vice President-Chief Credit Officer**

Responsible for the Management of the Credit Portfolio of the bank. Participates in the development and recommendation of loan growth objectives, policies and procedures that meet compliance regulations and maximize yield while maintaining quality control and minimizing loss; approves significant loans; represents the Bank in the business community, promotes Bank services, establishes and maintains relationships with customers and develops relationships with prospective customers. Maintain open and good communication with banking regulators. Chaired the Bank loan committee meetings.

June 2007 retired full time and worked part time as the bank Community Reinvestment Act Representative until March 2009.

1993-2005-Retired Scripps Bank/U.S. Bank San Diego, CA

**Special Assets Manager- Senior Vice President**

Responsible for Development, direction and control of collection activities of the Bank Special Assets to ensure adherence to Banks policies and procedures. Additionally, responsible for the liquidation of the Banks REO and coordination to retain legal counsel and manage legal proceedings including bankruptcy and receiverships.

- Received superior audit results from the FDIC and the Office Comptroller Currency Examiners on proper identification and management of criticized and classified assets. Last exam in May of 2003 resulted in no risk rating changes.
- Managed the credit review function for Scripps Bank reporting to the Board of Directors until such time the increase in loan volume necessitated utilizing outside credit review.
- Developed and implemented problem loan reporting system for bank wide

use.

- Increased annual recoveries of charged off loans by initiating legal proceedings with resulting repayment plans.
- Minimized losses and reduced classified assets by having borrowers refinance with alternative lending sources and one-off note sales.

1990–1993                      Dai-Ichi Kangyo Bank of CA.      San Diego, CA

**Regional Vice President and Manager**

Responsible for overall management of the San Diego Region, branch loan portfolio and operations.

- Increased branch profitability while reducing classified assets to zero.
- Raised audit standards to above average by improving internal controls.
- Developed and implemented cross training program for all employees.
- Instituted budget controls resulting in significant annual savings.

1989–1990                      Federal Deposit Insurance Corporation, Irvine CA.

**Credit Specialist/Managing Agent**

Responsible for management of failed Savings and loan institutions ranging in size from \$40 million to \$12 Billion in the Western Region of the United States.

- Developed and implemented workout plans and liquidation strategies to maximize settlements.
- Prepared institutions and assets for bulk and individual sales. Asset types included complex commercial real estate, corporate loans, total portfolio, and total institutional sales.
- Delegated credit authority up to \$10 million.

1966–1989                      Bank of America                      Throughout California

**Vice President Executive Account Officer- San Diego CA 1985-1989**

Responsible for management of a large portfolio of complex commercial, industrial and agricultural borrowers. Worked with corporate executives and legal counsel to negotiate successful resolutions to restructured and classified assets.

- Achieved over 80% reduction in classified assets with no legal ramifications.

**Vice President Manager of Business Banking Palm Springs, CA. 1984-1985**

Responsible for managing the commercial loan portfolio and Business Banking unit for the Palm Springs Area Management Group comprising eleven branches. Accountable for the marketing and business development.

- Doubled business in established customer base by increasing assets.
- Developed and implemented a computerized database-marketing program to identify target markets, customers and prospects.

**Corporate Account Officer-Los Angeles, CA. San Francisco, CA. San Diego, CA. 1966-1984**

Various positions of increasing responsibility.

**Education**

Southern Methodist University, Dallas TX. Southwestern Graduate School of Banking

B.S. San Diego State University, San Diego, CA. Liberal Arts and Science

A.A. Grossmont College, San Diego, CA. Aerospace-Aeronautics

Qualified Expert Witness-Superior Court San Diego CA.

**Affiliations and Organizations**

- Past President, current member, Grossmont Healthcare District Board of Directors.
- Past Chair Board of Directors, Lambs Players Theatre. Current Endowment Board Member.
- Past Board Member Southern Methodist University Graduate School of Banking.
- East County Economic Development Corporation Gillespie Field Committee.
- Past Board Member, Oversight Board La Mesa Successor Agency.
- San Diego Receivers Forum.

**Interests**

- United States Cycling Federation
- Retired Pilot.
- Writing-Published Author.
- Golf.

**References**

Available upon request.



April 23, 2019

Jo MacKenzie, Chair  
Keene Simonds, Executive Officer  
San Diego County Local Agency Formation Commission  
County Operations Center  
9335 Hazard Way, Suite 200  
San Diego, California 92123

Dear Ms. MacKenzie / Mr. Simonds,

I am submitting my interest in filling the vacant seat representing Special Districts on the Countywide Redevelopment Successor Agency Oversight Board for the County of San Diego.

I believe I can bring a unique perspective to the Oversight Board having served in two agencies over my career that had Redevelopment Agencies. While Fire Chief for the Lakeside Fire Protection District (2004-2010) I was a member of the Advisory Committee for the Upper San Diego River Improvement Project RDA (USDRIP). And prior to that assignment I was a Fire Captain with the City of Cathedral City (1987-1994) and had a front row seat as to how an RDA can positively affect a community.

While with Cathedral City I learned how an RDA can bring vital infrastructure projects to the community along with partnering with the private sector to bring new businesses to the community along with increased employment opportunities and increased local tax revenue. With this experience and knowledge, I was able to contribute to the USDRIP RDA on several occasions including partnering with the RDA to bring a new and relocated fire station / fire administrative offices / firefighter training tower to the community of Lakeside within the boundaries of the USDRIP RDA. Which also had the side benefit of then allowing the Fire District to relocate another fire station to an underserved portion of the community.

Working with the Lakeside Fire Protection District's budget allowed me to better understand how the property tax increment reallocations occur within an RDA and the affects it has on the various agencies and school districts within those boundaries.

I also bring to the seat a wealth of knowledge and experiences developed over 44 years of public service. Starting as a firefighter with then the California Division of Forestry (Cal Fire/San Diego) I rose through the ranks in several agencies becoming the fire chief of the Lakeside Fire Protection District. After retiring (2010) I have continued to serve the community of Lakeside by being an elected Director for the Lakeside Fire Protection District (2012 -- present). I have developed and administered budgets for both municipalities and special districts for the past 22 years.

While Fire Chief and as a Director for the Lakeside Fire District, I have been an active member sitting as a Director for the Fire Districts Association of California (FDAC), serving as its President for two years along with participating on FDAC's Legislative Task Force advocating for fire and special districts in Sacramento.

I look forward to serving on the Oversight Board and protecting the interests of all the special districts throughout San Diego County that have relationships with Redevelopment Agencies.

Respectfully submitted,

*Mark T. Baker*

Mark T. Baker  
Director  
Lakeside Fire Protection District



**Mitch Thompson**

August 15, 2019

Ms. Jo MacKenzie, Chair  
Mr. Keene Simonds, Executive Director  
San Diego County Local Agency Formation Commission  
9335 Hazard Way, Suite 200  
San Diego, California 92123

Dear Ms. MacKenzie / Mr. Simonds,

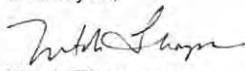
I am interested in serving on the Countywide Redevelopment Successor Agency Oversight Board "RSOAB" as the representative of the California Special Districts Association. I currently serve as President of the Board of Directors of the Otay Water District. I have been on the Otay Water Board for eight years. I believe I am the most qualified of the candidates. Attached please find a copy of my resume. The following positions are representative of my prior experience in the area of Redevelopment and Redevelopment Oversight:

- Served several years as member of the Chula Vista Redevelopment Oversight Board
- Former Chula Vista City Council Member and Redevelopment Commissioner
- Former 10-year Member of the City-County Reinvestment Task Force
- Former SVP and Commercial Lender with Bank of America lending specifically on public private partnerships. Oversaw more than \$500 Million in lending.
- Former County staff person on the County's Housing Mortgage Revenue bond Program and Industrial Development Program.
- Active Realtor focused on income property transactions utilizing public subsidies
- Former Chula Vista Planning Commissioner.

I have also been involved in a number of land sale transactions involving the disposition of public assets, something that is the main focus of the work of the RSOAB.

Finally, I have been endorsed for this position by San Diego County Supervisor Greg Cox, former Chula Vista Mayor Cheryl Cox and California State Senator Ben Hueso.

Thank you,

  
Mitch Thompson



**MITCHELL L. THOMPSON**  
760 Arroyo Court  
Chula Vista, CA 91910-6602  
(619) 274-3251  
[mitchthompsonmitch@gmail.com](mailto:mitchthompsonmitch@gmail.com)

### PROFESSIONAL & RELATED OBJECTIVES

To remain active in civic issues of importance that affect the community I live in and give back to my community. To use my many years of experience in banking, finance and development to assist quality real estate redevelopment and affordable housing organizations to further their corporate, public and charitable missions through the acquisition, development and operation of quality real estate developments. To make a significant contribution and difference in the field of community & economic development. To mentor young professionals in the field of housing & community economic development and spur future contributions to the field.

### EXPERIENCE

#### Principal & Investor, Thompson Real Estate & Finance Consulting

April 2004-  
Present

Real estate investment, development, management and brokerage as well as real estate finance and management consulting for market rate and affordable housing developers, non-profit housing and community development agencies and local government agencies in California. Purchased approximately 37 properties between 2008 and 2018. Affordable housing clients have included: California Community Economic Development Association, Casa Familiar, Los Angeles Housing Partnership, Concerned Citizens of South Central Los Angeles, Wesley House Student Housing, Inc. (affiliate of United Methodist Church), Colonia Barrios Seniors, Inc., Southern California Housing Development Corp., New Capital Corp., New Economics for Women, San Diego Community Housing Corporation, San Diego Interfaith Housing, Pan Asian Consortium for Employment, Cabrillo Community Economic Development Corporation, West Valley Community Development Corp., Kitchen Development Co., San Diego Urban League, City of Chula Vista, Coachella Valley Housing Coalition, Visionary Homebuilders of America, Fresno West Coalition for Economic Development, LINC Housing Corporation, Steadfast Residential Development, South Bay Community Services, McMillin Development Co., Little Tokyo Towers, among others. Closed over forty transactions in the 14+ years of operation.

#### Vice President & Member, Board of Directors, Otay Municipal Water District

June 2012-  
Present

Voted President of Board of Directors in 2015 and 2019. Elected to serve for a second four-year term beginning December, 2016 after being appointed to fill a vacant Board seat in June of 2012. Serving on the Finance & Administration and Desalination Subcommittees as well as the Boards of Water Conservation Garden and the Chula Vista Redevelopment Oversight Committee.

#### Executive Vice President/Development, Acquisition, Asset Management & Finance Director New Economics for Women (NEW)

April 2004-  
June, 2014

Responsible for overseeing real estate financing, acquisition asset management & development for one of the prominent non-profit developers in the greater Los Angeles area. NEW owns and manages nearly 800 units of affordable housing and has commercial development experiences as well. Accomplishments included the successful financial restructuring of two projects in default, completion of construction on three tax credit projects, acquisition of two new development properties, completion of two innovative joint venture partnerships with for-profit developers, oversight of NEW's asset management division, merger with another non-profit, financing of one office/retail project, among others.

#### Council Member, City of Chula Vista

August 2009-  
July 2010

Appointed to serve the remaining term for Council Member John McCann, who was called to military duty by the United States Navy. serving as a member of the Public Safety Subcommittee and Western Revitalization Subcommittee.

#### Senior Vice President/ Executive Director, Housing & Community Development MAAC Project

December 2001-  
March 2004

Responsible for managing a staff of 55 responsible for development and management of all housing & community development programs and projects for one of the largest non-profits in San Diego County. Accomplishments during my tenure include the following: increased staffing from 15 to 55; started a property management company which won four San Diego Apartment Association Awards; purchased two new apartment complexes; expanded MAAC's resident services particularly in the area of computer technology; completed the first New Markets Tax Credit financing plan in San Diego County for a 115,000 foot Latino supermarket shopping center; acquired two development sites, a mixed use seniors housing site and the shopping center site; successfully started a first-rate bilingual single family homeownership and counseling program; started a small business technical assistance program to help local businesses; completed a mixed use Charter School/commercial development in Chula Vista where now 300 young men and women are attending an alternative high school--and excelling; completed strategic planning for a comprehensive program for Logan called California Works for Better Health, which included a community based workforce training center;



**Vice President/ Western States Regional Manager**  
National Equity Fund

February 2001-  
December 2001

Responsible for originations and asset management for the largest syndicator of low-income housing tax credits in the U.S. Managerial responsibility included a staff of 18 in five offices covering from the Rockies and Texas to the Pacific Ocean. The portfolio included approximately 200 multi-family property investments. The western states annual originations totaled approximately 35 projects and \$140 million in investments.

**Senior Vice President/ Western Regional Manager for Community Development Equity**  
Bank of America Community Development Corporation

May 1998-  
February 2001

Responsible for start-up operations on the West Coast for Bank of America Community Development Corporation (BACDC). BACDC is a non-banking affiliate responsible for carrying out joint venture real estate developments with local CBO's. Successfully opened and staffed four offices in Seattle, Bay Area, Los Angeles and San Diego. Within 18 months we were able to have ten developments underway. Also responsible for development and implementation of the Bank's comprehensive America Block by Block Program in two of the four 1999 targeted communities within the Bank's 19 state franchise.

**Senior Vice President/ National Product Development and Loan Administration Manager**  
Bank of America Community Development Bank

May 1997-  
April 1998

Managed a staff of 50 in affordable housing product development and loan administration functions for Bank of America Community Development Bank. Functions included portfolio and conduit term lending functions; tax exempt bonds, special programs as well as our internal documentation and loan administration functions. Successfully negotiated agreements with Fannie Mae, SAMCO and Century Housing Corporation, among others. Successfully led a Bank team that negotiated a 10-year Community Development Plan with the California Reinvestment Committee. The Plan was the result of community pressures in California that came out of the 1998 Bank of America/NationsBank Merger.

**Vice President/ Southwest Regional Lending Manager**  
Bank of America Community Development Bank

January 1996-  
May 1997

Managed seven loan production offices in Southern California, Arizona, New Mexico, and Texas for Bank of America Community Development Bank, and Bank of America, FSB Community Development Division. Opened two new offices and more than doubled loan production over prior year.

**Vice President/ San Diego Field Office Manager**  
Bank of America Community Development Bank

October 1989-  
December 1995

Manage the San Diego loan production office for Bank of America Community Development Bank, a newly formed state-chartered community development bank providing development, construction and permanent financing for non-profit and other affordable housing and economic development projects in California. Responsibilities include: supervise staff of three; credit analysis and administration for commercial financing requests for affordable housing projects; housing program loan product development and marketing for bank. The Bank opened for business in April 1990.

**Significant Accomplishments:**

- Personally financed over \$50 Million in Affordable Housing Loans since inception of Bank. Loan sizes ranged from \$115,000 to \$11,000,000.
- Was among original eight staff hired to start the Bank. Bank's assets have grown from \$4MM to \$80MM in five years.
- Named "Lender of the Year" in October, 1994 by the Non-profit Federation for Housing and Community Development of San Diego County

**Housing Coordinator**  
City of Chula Vista

December 1988-  
October 1989

Supervised a staff of three which managed the City's Housing & Community Development Programs including the following: Community Development Block Grant Program; Neighborhood Revitalization Program; Administration of the Redevelopment Agency Low-Income Housing Set Aside Funds; Mobilehome Space Rent Arbitration Ordinance; Mobilehome Relocation Ordinance; Inclusionary Housing Programs; Acquisition and Management of City owned Affordable Housing; Rental Rehabilitation Program; Land Banking Program.

**Housing Development and Finance Manager**  
Housing & Community Development Department, County of San Diego

July 1979-  
December 1988

Supervised a staff of six responsible for the administration of housing development and financing programs for the County of San Diego. Responsibilities included: management of \$5 million CDBG Housing Development Fund; Public Housing Development Program; Mobilehome Occupant Assistance Program; Administration of County and Various Smaller City Density Bonus Programs; Single Family Bond Program; Multifamily Bond Program; Industrial Development Bond Program.

**Significant Accomplishments:**

- Provided \$62 million in bond financing which produced 1500 multifamily units in the unincorporated area and smaller cities in San Diego County.

- Provided \$31.8 million in tax-exempt bond financing to provide below-market rate loans to 375 first-time homebuyers in 13 new housing developments in San Diego County
- Entered into regulatory agreements with developers of 25 different rental housing developments consisting of approximately 2,000 units under various local density bonus programs
- Implemented the first of its kind "Mobilehome Occupant Assistance Program" to provide equity sharing loans to lower-income residents in mobilehome parks converting to resident ownership. The program assisted in the conversion of twelve mobilehome parks, including over 2,000 spaces, to resident ownership. Secured two-thirds of all funding available under the State's Mobilehome Park Assistance Program. Received a U.S. Department of Housing & Urban Development National Recognition Award in 1987.
- Completed the County's first Industrial Development Bond Sale

### **EDUCATION**

Bachelor of Arts, University of California, San Diego, 1977 Double Degree in Political Science & Urban Studies. Magna Cum Laude.

### **VOLUNTEER, PROFESSIONAL ASSOCIATIONS AND CERTIFICATES**

- President & Vice President, Otay Municipal Water District, (2016-2018)
- Chairman, Chula Vista City Manager's Council of Economic Advisors (2010-2015)
- Licensed Real Estate Agent, Neighborhood Real Estate Services (2006-Present)
- Member, City of Chula Vista Mobilehome Rent Review Commission (2010-2012)
- Board Member, Neighborhood National Bank (2013-2016)
- Board Member, Southwestern Community College Foundation (2010-present)
- Member, San Diego City-County Reinvestment Task Force (2010-2013)
- Planning Commissioner, City of Chula Vista (2009-2010)
- Member, National Association of Realtors (2006-present)
- Committee Member, Government Affairs Committee, Pacific Southwest Association of Realtors (2011-present)
- Member, Crossroads II Community Planning Group (2008-2010)
- Member, Northwest Civic Association (2007- 2012)
- Member Southwest Civic Association (2007- 2012)
- Chairman, General Plan Update Committee, City of Chula Vista (2003 to 2006)
- Member & Secretary, South Bay Forum Political Action Committee (2001 to 2012)
- Speaker/Trainer, California Revitalization Initiative, CCEDA, OCC & Federal Reserve (2005 to 2008)
- Treasurer, San Diego Capital Collaborative (2003 to 2005)
- Founding Member, San Diego Housing Federation (1992-2005)
- Member, Board of Directors, California Community Economic Development Association (2002 to 2005)
- Member, Board of Directors, South Bay Community Services (1997 to 2002)
- Member, Board of Directors, San Diego Neighborhood Funders (1999 to 2001)
- Member, Board of Directors, MAAC Project, San Diego, California (1998 to 2001)
- Member, Local Initiative Support Corp San Diego Advisory Committee, Chair, Loan and Grants Subcommittee (1990 to 2001)
- Member, UCSD Undergraduate Scholarship Council (1997 to 2001)
- Founding Chair, San Diego Foundation Non-profit Core Operating Support Program (1991 to 1998)
- Founding Board Member, San Diego Federation for Non-profit Housing & Community Development (1992 to 1997)
- Vice Chairman, San Diego County Housing & Community Development Citizens Advisory Committee by Supervisor Brian Bilbray (1988 to 1994)
- Mayoral Appointee, City of Chula Vista Housing Advisory Committee (1989 to 1994)
- Member, City of San Diego Housing Trust Fund Advisory Committee (1990)
- Member, Southern California Association of Non-Profit Housing (1990 to 2007)
- Volunteer, San Diego/Tijuana Chapter, Habitat for Humanity: Site Selection Committee on an ongoing basis; House Leader, Jimmy Carter Work Project, June, 1990 in Tijuana, Mexico (1990 to 1993)
- Member, National Association of Housing & Redevelopment Officials (NAHRO, 1981 to 1987)
- Public Housing Manager Certification, NAHRO (1984)
- Member, San Diego Apartment Association (SDAA) (1979 to 1988)
- Instructor, SDAA, Government Housing, Certified Apartment Manager Program (DRE Approved, 1983-1988)
- Lecturer, at conferences and workshops offered by the following organizations: US Federal Reserve; Calif. Community & Economic Development Assoc.; National Council of La Raza; Calif. Assoc. of Realtors; Golden State Mobilehome Owners League; National Assoc. of Housing and Redevelopment Officials; US Dept of Housing and Urban Development; Chula Vista Mobilehome Issues Committee; San Diego Housing Commission, and; the San Diego Apartment Assoc.
- Authored the following Reports/Publications: Options for Land Dedication for University Housing in the Eastern Territories of Chula Vista (2006); San Diego County Housing Element of the General Plan, 1985-90 (contributor); San Diego County Housing Authority 1983 Public Housing Development Proposal; San Diego County Housing Authority Grievance Procedures; San Diego County Housing Authority Policies Regarding Admissions and Occupancy of Assisted Housing ; 1982-85 & 1985-88 Housing Assistance Plan for San Diego Urban County; 1985 San Diego County Annual Policy Report Under Section 103A of the Internal Revenue Code; 1985 San Diego County Mobilehome Survey; The Impact of Local Growth Control Measures on Affordable Housing in San Diego County

### **REFERENCES**

Available upon request.

## M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager, JAB  
**DATE:** August 26, 2019  
**SUBJECT:** Consider Call for Nominations to Solicit Eight Special Districts Members to Serve on the Special Districts Advisory Committee

Purpose

To consider nominating a district-elected, appointed officer, or staff member of the Fallbrook Public Utility District to the San Diego Local Agency Formation Commission (LAFCO) Special Districts Advisory Committee.

Summary

The attached Call for Nominations from LAFCO (Attachment A) is to solicit eight special districts members to serve on the Special Districts Advisory Committee. The Advisory Committee consists of 16 members that serve four-year terms. Eight out of 16 incumbents' terms expire October 2019. The eight incumbents whose terms expire in October are as follows:

Incumbent	District
Jack Bebee	Fallbrook Public Utility District
Fred Cox	Rancho Santa Fe Fire Protection District
Tom Kennedy	Rainbow Municipal Water District
Tom Pocklington	Bonita-Sunnyside Fire Protection District
Mark Robak	Otay Water District
Greg Thomas	Rincon del Diablo Municipal Water District
Robert Thomas	Pomerado Cemetery District
Kimberly Thorner	Olivenhain Municipal Water District

The nomination form must be signed by the District's presiding officer, or their alternate, and nominations and resumes must be returned to LAFCO no later than 5:00 p.m. on Monday, September 23, 2019. A candidates' forum will be held, in conjunction with the California Special Districts Association Quarterly Dinner, following the deadline for nominations.

Recommendation

Staff supports Board direction.

## **Attachment A**



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

August 12, 2019

**TO:** Independent Special Districts in San Diego County

**FROM:** Tamaron Lockett, Executive Assistant

**SUBJECT:** **Call for Nominations | San Diego Local Agency Formation Commission Special Districts Advisory Committee**

This notice serves as a call to nominations pursuant to Government Code Section 56332(1) to solicit eight special districts members to serve on the Special Districts Advisory Committee.

The advisory committee consists of 16 members that serve four-year terms. Candidates' eligibility for nomination to LAFCO's advisory committee: (1) may be either a district elected or appointed officer and a staff member; and (2) the number of candidates representing the same agency shall be limited to one. The new term of the advisory committee member expires October 2023. The eight incumbent's terms expire as follows:

Term expire	Incumbent	District
October 2019	Jack Bebee	Fallbrook Public Utility District
October 2019	Fred Cox	Rancho Santa Fe Fire Protection District
October 2019	Tom Kennedy	Rainbow Municipal Water District
October 2019	Tom Pocklington	Bonita-Sunnyside Fire Protection District
October 2019	Mark Robak	Otay Water District
October 2019	Greg Thomas	Rincon del Diablo Municipal Water District
October 2019	Robert Thomas	Pomerado Cemetery District
October 2019	Kimberly Thorner	Olivenhain Municipal Water District

State law specifies only the presiding officer or their alternate as designated by the governing board must sign the nomination form. Attached is nomination form (**Attachment A**).

**Administration**  
Keene Simonds, Executive Officer  
County Operations Center  
9335 Hazard Way, Suite 200  
San Diego, California 92123  
T 858.614.7755 F 858.614.7766  
www.sdlafco.org

Jim Desmann  
County of San Diego

Dwayne Jacob, Vice Chair  
County of San Diego

Greg Cox, Alternate  
County of San Diego

Mary Casillas Salas  
City of Chula Vista

Bill Wells  
City of El Cajon

Sage Dedina, Alternate  
City of Imperial Beach

Mark Kersey  
City of San Diego

Chris Cate, Alternate  
City of San Diego

Jo Mackenzie, Chair  
Vista Irrigation

Barry Wills  
Alpine Fire Protection

Erin Lump, Alternate  
Rincon del Diablo MWD

Andy Vanderhau  
General Public

Harry Mathis, Alternate  
General Public

- Nominations and a limited **two-page** resume indicating the candidate's District and LAFCO experience must be returned to San Diego LAFCO **no later** than 5:00 p.m. on **Monday, September 23, 2019**. Nominations received after this deadline will be invalid.
- Nominations and resumes may be submitted by mail, courier, hand delivered to the San Diego Officer at 9335 Hazard Way, Suite 200, San Diego, CA 92123 or via email to [tamaron.luckett@sdcounty.ca.gov](mailto:tamaron.luckett@sdcounty.ca.gov), if necessary to meet the submission deadline, but the original form must be submitted.

After nominations and resumes are received it is anticipated a candidates' forum will be held in conjunction with the California Special Districts Association Quarterly Dinner with confirmation being provided under separate/future cover. Should you have any questions, please contact me at (858) 614-7755.

Respectfully,

Tamaron Lockett  
Executive Assistant

Attachment:

a) Nomination Form

**ATTACHMENT A**

**NOMINATION OF THE SPECIAL DISTRICT REPRESENTATIVES  
FOR THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION  
SPECIAL DISTRICTS ADVISORY COMMITTEE**

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

Candidate for the San Diego Local Agency Formation Commission as a special district advisory committee member.

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

- The nominee is either a district elected or appointed officer and a staff member.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

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

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

**PLEASE ATTACH RESUME FOR NOMINEE**

- Limit two pages
- Must be submitted with Nomination Form

**M E M O**

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager, JRB  
**DATE:** August 26, 2019  
**SUBJECT:** Consider Association of California Water Agencies Region 10 Board Ballot

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Purpose

To vote for candidates to the Association of California Water Agencies (ACWA) Region 10 Board for the 2020-2021 term.

Summary

Region 10 board members are elected to represent the issues, concerns, and needs of the region. The region chair and vice chair will serve on ACWA's Board of Directors for the 2020-2021, and the newly-elected chair will communicate the region board's committee recommendations to the ACWA President.

The Official Region 10 Board Ballot provides two voting options: (1) concur with the Region 10 Nominating Committee's recommended slate or (2) vote for individual candidates listed in Individual Board Candidate Nominations. The Official Region 10 Board Ballot identifies candidates by name and agency (Attachment A).

The District received two letters (Attachment B) requesting candidate support as follows: (1) Jim Atkinson, Director, Mesa Water District and (2) Charles T. Gibson, Board Member, Santa Margarita Water District.

Completed ballots must be return to ACWA by September 30, 2019.

Recommended Action

That the Board select the Nominating Committee's Recommended Slate or select candidates from the Individual Board Candidate Nominations and authorize the Board President to cast its vote in the Association of California Water Agencies Region 10 Board Election for the 2020-2021 term.



## **Attachment A**

CLEAR FORM



**Please return completed ballot by September 30, 2019**

E-mail: [regionelections@acwa.com](mailto:regionelections@acwa.com)  
 Mail: ACWA  
 910 K Street, Suite 100  
 Sacramento, CA 95814

**General Voting Instructions:**

- 1 You may either vote for the slate recommended by the Region 10 Nominating Committee or vote for individual region board members (please note rules & regulations for specific qualifications). Mark the appropriate box to indicate your decision.
- 2 Complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

**Region 10 Rules & Regulations:**

The chair and vice chair shall be from different counties. The 2020-2021 Term shall consist of a Chair and 2 Board Members from San Diego County and a Vice Chair and 3 Board Members from Orange County. At least one of the chair or vice chair positions must be an elected/appointed director from a member agency.

1

**Nominating Committee's Recommended Slate**

I concur with the Region 10 Nominating Committee's recommended slate below.

**CHAIR: DeAna Verbeke**, Board Member, Helix Water District (San Diego County)

**VICE CHAIR: Cathy Green**, Director, Orange County Water District (Orange County)

**BOARD MEMBERS:**

- **Jim Atkinson**, Director, Mesa Water District (Orange County)
- **Betty Evans**, Director/Vice President, Vallecitos Water District (San Diego County)
- **Charles T. Gibson**, Board Member, Santa Margarita Water District (Orange County)
- **Sauna Lorange**, Department Director, City of San Diego Public Utilities (San Diego County)
- **George Murdoch**, Director, East Orange County Water District (Orange County)

OR

**Individual Board Candidate Nominations**

(See Rules & Regulations before selecting)

I do not concur with the Region 10 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

**CANDIDATES FOR CHAIR: (CHOOSE ONE)**

- Sauna Lorange**, Dept. Director, City of San Diego Public Utilities (San Diego County)
- DeAna Verbeke**, Board Member, Helix Water District (San Diego County)

**CANDIDATES FOR VICE CHAIR: (CHOOSE ONE)**

- Cathy Green**, Director, Orange County Water District (Orange County)

**CANDIDATES FOR BOARD MEMBERS: (MAX OF 5 CHOICES)**

- Jim Atkinson**, Director, Mesa Water District (Orange County)
- Betty Evans**, Director/Vice President, Vallecitos Water District (San Diego County)
- Charles T. Gibson**, Board Member, Santa Margarita Water District (Orange County)
- Cathy Green**, Director, Orange County Water District (Orange County)
- Hayden Hamilton**, Director, Rainbow Municipal Water District (San Diego County)
- Sauna Lorange**, Dept. Director, City of San Diego Public Utilities (San Diego County)
- Mark Monin**, Vice President, El Toro Water District (Orange County)
- George Murdoch**, Director, East Orange County Water District (Orange County)
- Peer Swan**, Board Director, Irvine Ranch Water District (Orange County)
- Richard L. Vasquez**, Vice President, Board of Directors, Division 2, Vista Irrigation District (San Diego County)
- DeAna Verbeke**, Board Member, Helix Water District (San Diego County)

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AGENCY NAME

AUTHORIZED REPRESENTATIVE

DATE

## **Attachment B**



**MesaWater**  
DISTRICT

*Dedicated to  
Satisfying our Community's  
Water Needs*

**BOARD OF DIRECTORS**

**Shawn Dewane**  
*President  
Division V*

**Marice H. DePasquale**  
*Vice President  
Division III*

**Jim Atkinson**  
*Director  
Division IV*

**Fred R. Bockmiller, P.E.**  
*Director  
Division I*

**James R. Fisler**  
*Director  
Division II*

**Paul E. Shoenberger, P.E.**  
*General Manager*

**Denise Garcia**  
*District Secretary*

**Marwan Khalifa, CPA, MBA**  
*District Treasurer*

**Atkinson, Andelson,  
Loya, Ruud & Romo**  
*Legal Counsel*

1965 Placentia Avenue  
Costa Mesa, CA 92627  
tel 949.631.1200  
fax 949.574.1036  
info@MesaWater.org  
**MesaWater.org**

August 5, 2019

Subject: **Re-Elect Jim Atkinson to the ACWA Region 10 Board**

Dear Colleagues,

On behalf of Mesa Water District (Mesa Water®), it is a great honor to recommend Director Jim Atkinson for re-election to one of the Orange County seats on the Association of California Water Agencies (ACWA) Region 10 Board. We are fortunate to have such a qualified candidate in Jim Atkinson, who has the Mesa Water Board's unanimous support for him to continue serving in this role.

Jim Atkinson has served on Mesa Water's Board of Directors for over 21 years and, during that time, he has made fair and informed decisions that have greatly benefited constituents shared by Mesa Water® and fellow water providers throughout Orange County. Also, since 1998, Jim Atkinson has participated in the Water Advisory Committee of Orange County (WACO), which he now chairs.

Additionally, he has served on: ACWA's Region 10 Board (2015-present); ACWA's Groundwater Committee (2016-present); and, ACWA's Water Quality Committee (2012-present) for Region 10 as one of two Orange County representatives. Furthermore, since 2017, Jim Atkinson has served on the Urban Water Institute Board; and, he has worked with the Mountain Counties Water Resources Association to establish the California-United Water Conference (2018-present) to engender collaborative solutions to challenges of mutual concern among water agencies in Southern and Northern California.

Due to his public service experience -- and his 30-year career at The Aerospace Corporation in El Segundo, working as the Laboratory Operations Business Manager -- Jim Atkinson possesses the qualifications, knowledge, and understanding of the many business, government, and water-related issues facing ACWA Region 10. Attached is Jim Atkinson's Statement of Qualifications for re-election to the ACWA Region 10 Board. Most importantly, Director Atkinson has proven leadership abilities that can guide ACWA Region 10 to continued success in providing excellent added value to the member agencies it serves.

If you have any questions or requests for additional information, please feel free to contact our External Affairs Manager, Stacy Taylor, by calling 949.631.1201 or emailing [StacyT@MesaWater.org](mailto:StacyT@MesaWater.org). Thank you for your consideration in re-electing Jim Atkinson.

Sincerely,

Shawn Dewane  
Mesa Water Board President

Paul E. Shoenberger, P.E.  
Mesa Water General Manager

c: Mesa Water Board of Directors

# Re-Elect Jim Atkinson to ACWA Region 10 Board

## Jim Atkinson, Director, Mesa Water District



**OBJECTIVE:** To further the goals of ACWA Region 10 in best serving its members -- and the industry as a whole -- by applying my analytical skills, and my water industry leadership experience, as a member of the ACWA Region 10 Board.

### **STATEMENT OF QUALIFICATIONS:**

- Mesa Water District Director since 1998
- Four-term Mesa Water® Board President ('02, '03, '08, 2017-18)
- ACWA Region 10 Board Member, 2015-present
- ACWA Groundwater Committee, 2016-present
- ACWA Water Quality Committee, 2012-present
- California-United Water Conference co-founder, 2018-present (includes serving on the Planning Committee)
- Southern California Water Coalition, 2010-present
- Water Advisory Committee Orange County Chair (2019), Vice Chair (2018), participant (1998-present)
- Urban Water Institute Board Member, 2017-present
- Laboratory Operations Business Manager, The Aerospace Corp.

**BIOGRAPHY:** Initially elected in 1998 to Mesa Water's Board of Directors, and re-elected each term since, Jim Atkinson represents Division 4 which includes the Costa Mesa communities of College Park, Mesa del Mar, and Monticello, as well as John Wayne Airport and the OC Fairgrounds. Having been Mesa Water's Board President for four prior terms -- in 2002, 2003, 2008, and 2017-18 -- Director Atkinson currently serves as Vice Chairman of the District's Engineering & Operations Committee.

Additionally, Director Atkinson has served (since 2015) as one of seven board members on the Association of California Water Agencies (ACWA) Region 10 Board, as well as on ACWA's Groundwater Committee and Water Quality Committee. He currently Chairs the Water Advisory Committee Orange County and is a Board Member of the Urban Water Institute, and he serves on the Planning Committee for the California-United Water Conference as one of its co-founders. He also represents Mesa Water at the Municipal Water District of Orange County and Orange County Water District.

Director Atkinson has previously chaired Mesa Water's Audit Ad Hoc, Engineering & Operations, Executive, Human Resources, Legislative & Public Affairs, and Public Information Committees. Additionally, as a Costa Mesa resident for over 30 years, he has served as a Vice President and Director of the Mesa del Mar Homeowners Association and as a Leadership Tomorrow Board member from 2002 to 2006 (after completing the program in 2001), where his role included hosting an educational Water Workshop day.

With Master of Business Administration and Bachelor of Science degrees from the University of La Verne, Director Atkinson worked as the Laboratory Operations Business Manager at The Aerospace Corporation for over 30 years. His experiences there included Business Administration of the Research Laboratory Operations, as well as Construction Management and Facilities Management. Through this employment, he attended earthquake response and recovery training at the California Specialized Training Institute's Emergency Operations Center. He was also an International Code Conference (ICC) Certified Member and an ICC Certified Plumbing Inspector.

His hobby of racing model sailboats with International One Meter boats led to Director Atkinson's 2011 appointment to Region 6 Director of the American Model Yachting Association (AMYA) Board.

BOARD OF DIRECTORS

SAUNDRA F. JACOBS  
BETTY H. OLSON, Ph.D.  
CHARLES GIBSON  
JUSTIN McCUSKER

DANIEL R. FERONS  
GENERAL MANAGER



## Santa Margarita Water District

August 2, 2019

The Honorable Don McDougal  
Board President  
Fallbrook Public Utility District  
990 E. Mission Rd  
Fallbrook, CA 92028

RE: ACWA Region 10 Board

Dear President McDougal:

I am delighted to announce my candidacy for re-election to the ACWA Region 10 Board of Directors. I would be honored to have your support again for this important seat.

Since my election to the Santa Margarita Water District Board of Directors in 2012, I have actively participated in ACWA at both the Region 10 level and on the statewide Federal Affairs Committee. Over my last two terms on the Region 10, I have heard the unique water policy needs of our region and have contributed in helping address them. I have worked to develop the Region's work programs, policy initiatives and educational events. I also serve as an alternate to the ACWA Board representing Region 10 and participating in State-level meetings in that capacity. Currently, I am the designated Region 10 Director to report on federal matters in my capacity on ACWA's statewide Federal Affairs Committee.

I look forward to continuing my contributions to ACWA through my technical skills as a policymaker and manager--applying my 30 years of experience in both the public and private sectors. I have worked toward the mutual goals of water reliability and efficient water use. I also coordinate with leaders throughout ACWA's other regions, including those in allied industries, and nationally.

I have enclosed some background information on my experience as well as my platform for re-election to the Region 10 Board. I would be delighted to appear at one of your upcoming meetings to discuss my candidacy and answer any questions you may have. It would be my honor to serve you and our organizations again and I humbly ask for your vote and support.

I hope you will contact me at 949/485-0658 or at [charlesg@smwd.com](mailto:charlesg@smwd.com) if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Charles T. Gibson".

Charles T. "Chuck" Gibson  
Santa Margarita Water District  
Board of Directors

c: Mr. Jack Bebee, General Manager

## **Charles T. “Chuck” Gibson**

Candidate for re-election, ACWA Region 10 Board of Directors

### Special District Organizations

- Santa Margarita Water District, Board Member (Current; Elected Board Member since 2012)
- Association of California Water Agencies (ACWA) Region 10, Alternate Board Member (Current; since 2016)
- ACWA Region 10 Federal Affairs Committee, Member (Current, since 2012)
- California Special Districts Association, Member
- Orange County Water Association, Member
- Santiago Aqueduct Commission, Alternate Board Member
- San Juan Basin Authority, Alternate Board Member
- Santa Margarita Dana Point Authority, Board Member
- California Sanitation Risk Management Authority, Alternate Board Member

### Professional Organizations

- Co-founded community civic council
- Experience homeowner’s association director

### Platform

Since my election as Director of Santa Margarita Water District in 2012, I have actively participated in ACWA at both the Region 10 level and on the statewide Federal Affairs Committee. Over the last two terms, I have been on the Region 10 Board of Directors. I participated in meetings, helped develop the Region’s work program and events, occasionally attended state board meetings as an alternate representing Region 10. Currently, I am also the designated Region 10 Director to report on federal matters, as well as serving on ACWA's statewide Federal Affairs Committee. I coordinate with other committee members including representatives of Metropolitan Water District of Southern California and Municipal Water District of Orange County and member agencies toward the mutual goals of water reliability and to strengthen water use efficiency measures, particularly through conservation programs and recycled water projects. I continue to coordinate with other leaders throughout ACWA's regions, including those in allied industries, and with others in the west and nationally to provide cost effective, reliable water. I seek to continue to contribute to ACWA using my technical skills as a policymaker and manager, applying over 30 years of experience in the private sector and public sector combined.

## M E M O

**TO:** Board of Directors  
**FROM:** Paula de Sousa Mills, General Counsel  
**DATE:** August 26, 2019  
**SUBJECT:** Consider Formal Approval of Memorandum of Understanding with Eastern Municipal Water District and Rainbow Municipal Water District regarding “Planning Process and General Terms for Consideration of the Annexation of Rainbow Municipal Water District and Fallbrook Public Utility District Into Eastern Municipal Water District for Wholesale Imported Water Service“ (MOU)

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Purpose

For the Board to consider formally approving the above referenced MOU (Attachment A) with Eastern Municipal Water District (EMWD) and Rainbow Municipal Water District (RMWD) on issues to be further analyzed, evaluated and considered related to the possible exclusion/detachment of FPUD from San Diego County Water Authority (SDCWA) and annexation to EMWD.

Summary and Background

At the regular Board Meeting on July 22, 2019, the Board received an oral presentation regarding the potential exclusion/detachment from SDCWA and annexation to EMWD. The presentation included an overview of the proposed terms of an MOU between EMWD, RMWD and FPUD outlining issues to be further analyzed, evaluated and considered related to the proposed SDCWA exclusion/detachment and annexation to EMWD.

Because the MOU was still being developed, only a brief summary of the terms was presented to the Board. In the interest of transparency, now that the terms of the MOU have been finalized (EMWD's Board approved the execution of the MOU on August 7, 2019 and RMWD approved on July 23rd), the final MOU is being presented to the Board for formal consideration.

The approval of the MOU is exempt from environmental review under the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. pursuant to State CEQA Guidelines section 15378 (not a project subject to CEQA review). FPUD will comply with CEQA with regard to any potential future activities related to the MOU that may be deemed a “project” under CEQA.

Recommended Action

That the Board approve the MOU for execution by President McDougal.



## **Attachment A**

## MEMORANDUM OF UNDERSTANDING

### PLANNING PROCESS AND GENERAL TERMS FOR CONSIDERATION OF THE ANNEXATION OF RAINBOW MUNICIPAL WATER DISTRICT AND FALLBROOK PUBLIC UTILITY DISTRICT INTO EASTERN MUNICIPAL WATER DISTRICT FOR WHOLESALE IMPORTED WATER SERVICE

This Memorandum of Understanding (“MOU”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between **EASTERN MUNICIPAL WATER DISTRICT** (“Eastern”), **RAINBOW MUNICIPAL WATER DISTRICT** (“Rainbow”), and **FALLBROOK PUBLIC UTILITY DISTRICT** (“Fallbrook”). Eastern, Rainbow, and Fallbrook may be collectively referred to herein as the “Parties.”

#### RECITALS

WHEREAS, Rainbow and Fallbrook each provide retail water service within individual areas of service located within San Diego County, California as generally depicted on **Exhibit A**, attached hereto and incorporated herein; and

WHEREAS, Eastern provides both retail and wholesale water service within Riverside County, California, as additionally depicted on Exhibit A, and is a member agency of the Metropolitan Water District of Southern California (“Metropolitan”); and

WHEREAS, Rainbow and Fallbrook are wholesale water customers of the San Diego County Water Authority (“San Diego CWA”), also a member agency of Metropolitan, and are geographically adjacent to Eastern; and

WHEREAS, Eastern and San Diego CWA each acquire imported water from Metropolitan and make imported water supplies, and other water supplies, available on a wholesale basis to retail water agencies within their respective service areas; and

WHEREAS, Rainbow and Fallbrook contemplate detachment from San Diego CWA and have initiated discussions with Eastern regarding the opportunity for annexation to Eastern for the direct receipt of Metropolitan water deliveries in lieu of water supplies currently provided to them by San Diego CWA; and

WHEREAS, the Parties desire to work cooperatively to explore, analyze, plan, and consider the aforementioned annexation opportunity; and

WHEREAS, the purpose of this Memorandum of Understanding (MOU) is to formalize the mutual understandings between the Parties for the exploration, planning, and consideration of Rainbow and Fallbrook’s annexation to Eastern for the receipt of wholesale water deliveries.

Memorandum of Understanding – Annexation of Rainbow Municipal Water District and Fallbrook Public Utilities District into Eastern Municipal Water District for Wholesale Imported Water Service

**NOW, THEREFORE**, in consideration of the Recitals and mutual understanding of the Parties as expressed herein, the Parties agree to pursue the aforementioned opportunity in accordance with the following considerations:

1. Rainbow and Fallbrook will, each, be responsible for all costs and obligations associated with their respective detachment(s) from San Diego CWA and annexation into Eastern, including, but not limited to processing costs and other costs or obligations as required by law.
2. Rainbow and Fallbrook will continue to own and retain capacity in wholesale imported water system points of connection.
3. Imported water supplies from Metropolitan will be delivered to Rainbow and Fallbrook through wholesale water system points of connection in which Rainbow and Fallbrook own capacity, and will be billed by Eastern at Metropolitan's then current and applicable Full Service rate (currently \$1,050 per acre-foot for Tier 1 Full Service Treated Water and \$731 per acre-foot for Tier 1 Full Service Untreated Water) plus Eastern's then current commodity rate (Rate Code E302, currently \$11 per acre-foot), or any subsequent replacement rates thereof.
4. It is anticipated that no new or additional infrastructure or capital facilities will be required to support the changes in wholesale imported water service contemplated herein. Any new or additional facilities as may be required shall be funded, owned, operated, and maintained by Rainbow or Fallbrook, as appropriate.
5. If deemed necessary, Rainbow and Fallbrook may pursue an agreement with San Diego CWA to receive deliveries of wholesale imported water through the San Diego CWA owned aqueduct.
6. As Rainbow and Fallbrook currently exist within the service area of Metropolitan, no additional fees for annexation to Eastern will be required by Eastern.
7. Eastern will not charge a connection capacity fee for new water meters that may be installed in Rainbow or Fallbrook.
8. Rainbow and Fallbrook in collaboration with Eastern will prepare and process an application for detachment from the San Diego CWA and annexation into Eastern through the San Diego County Local Agency Formation Commission (LAFCO). Concurrently, Eastern in collaboration with Rainbow and Fallbrook will prepare and process an application for a conforming change to Eastern's

Memorandum of Understanding – Annexation of Rainbow Municipal Water District and Fallbrook Public Utilities District into Eastern Municipal Water District for Wholesale Imported Water Service

Sphere of Influence through the Riverside County LAFCO. Parties shall coordinate with these LAFCOs on the proper timing of the applications.

9. Rainbow and Fallbrook will be responsible for any and all LAFCO fees covering detachment from San Diego CWA, annexation to Eastern, and conforming changes to Eastern's Sphere of Influence.
10. Eastern will coordinate with Metropolitan to seek a determination of changes to the administration of pertinent programs, benefits, fees, charges, and other such rights and obligations as may be necessary or useful to the potential detachment of Rainbow and Fallbrook from San Diego CWA and annexation into Eastern, and as pursuant to the Metropolitan Water District Act, Metropolitan's Administrative Code, or other Metropolitan adopted rules or policies. Subject to such determination by Metropolitan, the Parties propose the following:
  - a. Metropolitan's Readiness-to-Serve and Capacity Charges attributable to the Rainbow or Fallbrook areas of San Diego CWA shall be transferred from San Diego CWA to Eastern, and payable by Rainbow and Fallbrook to Eastern in a manner consistent with that by which Metropolitan allocates such costs to its member agencies.
  - b. Standby Charge revenue collected by Metropolitan within and attributable to the Rainbow or Fallbrook areas of San Diego CWA shall be made available to Eastern to utilize as credits to offset Rainbow and Fallbrook's portion of Eastern's Readiness-to-Serve Charge as provided for by law and under Metropolitan's Administrative Code.
  - c. Tier 1 supply allocation and Purchase Order obligations attributable to the Rainbow and/or Fallbrook areas of San Diego CWA shall be transferred from San Diego CWA to Eastern.
  - d. Any basis for Metropolitan imposed water supply contingencies such as cutbacks, curtailments, or tier based allocation adjustments under Metropolitan's Water Supply Allocation Plan (WSAP) or other Metropolitan Board adopted supply allocation plan attributable to the Rainbow or Fallbrook areas of San Diego CWA shall be transferred from San Diego CWA to Eastern. If Metropolitan has limited supply allocations to Eastern, supply to all Eastern's wholesale customers, including Rainbow and Fallbrook, shall be allocated using a formula and methodology established by Eastern, which will be based upon Metropolitan's WSAP or other Metropolitan Board adopted supply

Memorandum of Understanding – Annexation of Rainbow Municipal Water District and Fallbrook Public Utilities District into Eastern Municipal Water District for Wholesale Imported Water Service

- allocation plan in effect at the time of such allocation. Any new or additional water supply projects, programs, or other measures implemented by Eastern that would benefit Rainbow and/or Fallbrook in terms of supply reliability enhancement under Metropolitan's WSAP or other Metropolitan Board adopted supply allocation plan in effect at the time of such allocation may, at Eastern's discretion, be offered to Rainbow or Fallbrook for consideration and financial participation.
- e. Any Metropolitan incentive program agreements that are in place with Rainbow or Fallbrook and administered through San Diego CWA will be transferred to Eastern. Eastern will communicate, make available, and administer any future Metropolitan incentive programs on behalf of Rainbow and Fallbrook.
  - f. Assessed valuation and service area population attributable to the Rainbow or Fallbrook areas of San Diego CWA will be reassigned from San Diego CWA to Eastern as it pertains to Metropolitan representation, pursuant to the provisions of the Metropolitan Water District Act, Water Code Appendix Section 109-1 et seq.
  - g. Preferential Rights attributable to the Rainbow or Fallbrook areas of San Diego CWA will be reassigned from San Diego CWA to Eastern, pursuant to the provisions of the Metropolitan Water District Act Sections 109-135.
  - h. Any other right or obligation established by Metropolitan's rules and policies, including the Metropolitan Water District Act and Metropolitan's Administrative Code, that Metropolitan determines should be transferred or reassigned from San Diego CWA to Eastern and effectuated by the Parties as a result of the detachment and annexation contemplated herein.
11. Any reallocation of property tax revenue will be determined through the San Diego LAFCO and Riverside LAFCO process for detachment and annexation.
  12. This MOU shall remain in effect for a period of two years following the date of final execution unless: a) replaced by a subsequent written agreement between the Parties; or b) sooner terminated by any of the Parties through and upon written notice to the other Parties.
  13. Rainbow and Fallbrook shall each indemnify, defend, and hold Eastern harmless from and against any and all claims, liabilities, penalties, fines, or actions caused by, resulting from, or claimed to have been caused by or

Memorandum of Understanding – Annexation of Rainbow Municipal Water District and Fallbrook Public Utilities District into Eastern Municipal Water District for Wholesale Imported Water Service

resulting from, Eastern's execution of this MOU, Eastern's performance of annexation-related obligations, or its assistance to Rainbow or Fallbrook to effectuate the purposes of this MOU. Rainbow and Fallbrook hereby further agree to defend, indemnify, and hold Eastern, its agents, officers, and employees, free and harmless from and against any of the foregoing liabilities, claims, or any cost or expense that is incurred by Eastern on account of any of the foregoing liabilities, including liabilities or claims as a result of Rainbow or Fallbrook's actions hereunder. Eastern's representation in any such defense or indemnification shall be conditioned upon Eastern's timely written tender of any such claim to Rainbow and Fallbrook. Eastern shall consult with Rainbow and Fallbrook in the selection of its legal representation in any such defense, with the final selection of attorneys at Eastern's sole, reasonable discretion, and with great weight given to Rainbow and Fallbrook's recommendations. Rainbow and Fallbrook shall have no duty to pay or reimburse legal fees independently incurred by Eastern. Rainbow and Fallbrook's obligation to defend, indemnify, and hold Eastern harmless for any matters pertaining to the detachment from San Diego CWA and annexation into EMWD contemplated herein shall survive expiration or termination of this MOU.

14. Subject to the approval of the Parties and their respective Board of Directors following completion of the exploration, planning, and analysis contemplated herein, the obligations, commitments, and responsibilities of the Parties, as then determined and as defined in this MOU, shall be defined through a subsequent agreement for implementation.
15. This MOU and the rights of the Parties hereto shall be governed by and enforced in accordance with the laws of the State of California. Venue of any action brought hereunder will be in Riverside County, California.
16. This MOU may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.
17. The individuals executing this MOU represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this MOU on behalf of the respective legal entities of the parties.
18. This MOU may be amended by a writing signed by all of the Parties.
19. Potential future activities identified in this MOU that if implemented may be deemed "projects" under the California Environmental Quality Act (CEQA) shall require the Parties' future compliance with CEQA. Such compliance may include, but is not limited to, a determination that the environmental

Memorandum of Understanding – Annexation of Rainbow Municipal Water District and Fallbrook Public Utilities District into Eastern Municipal Water District for Wholesale Imported Water Service

impacts of potential activities have been adequately considered and mitigated in compliance with CEQA and any and all applicable environmental laws.

In witness whereof, the Parties have executed this MOU as of the date last executed.

**Eastern Municipal Water District**

**Rainbow Municipal Water District**

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

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

Paul D. Jones II, P.E., General Manager

Tom Kennedy, General Manager

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Fallbrook Public Utilities District**

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

Jack Bebee, General Manager Don McDougal, Board President

Dated: \_\_\_\_\_

## M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager, JRB  
**DATE:** August 26, 2019  
**SUBJECT:** Consider Preparation of Resolution of Application to San Diego Local Agency Formation Commission (LAFCO) (and related materials) for exclusion/detachment of territory from San Diego County Water Authority (SDCWA) and annexation to Eastern Municipal Water District (EMWD)

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Purpose

For the Board to consider initiating the process for preparation of a Resolution of Application (and related materials) to San Diego Local Agency Formation Commission (LAFCO) for exclusion/detachment of territory from San Diego County Water Authority (SDCWA) and annexation to Eastern Municipal Water District (EMWD).

Summary and Background

At the regular Board meeting on July 22, 2019, the Board directed the General Manager to continue to work on establishing potential terms of detachment with SDCWA. Staff met with representatives from SDCWA, RMWD, and their respective counsel on July 30, 2019. In this meeting, counsel for both FPUD and RMWD identified their understanding of the process for exclusion/detachment under the County Water Authority Act. SDCWA's General Counsel indicated that he did not necessarily concur with FPUD's interpretation. Further, SDCWA representatives noted that SDCWA had not yet evaluated the impacts to SDCWA of a proposed exclusion/detachment by FPUD/RMWD. Ultimately, the SDCWA Chair requested that FPUD and RMWD provide a proposal for exclusion/detachment. Following the July 30, 2019 meeting, the SDCWA Acting General Manager sent correspondence to all SDCWA Board Members and General Managers expressing concerns with our proposed exclusion/detachment and provided a chart of the financial impacts associated with a proposed exclusion/detachment. (Attachment A.) In addition, we recently received correspondence from SDCWA's General Counsel relative to a closed session item and a denial of my request to address the full SDCWA Board, as a SDCWA Director, on the subject of exclusion/detachment and the email from the SDCWA Acting General Manager. (Attachment B.) Further, FPUD was copied on a letter sent by SDCWA to EMWD Board of Directors. (Attachment C.)

In order to move forward with the exclusion/detachment of FPUD from SDCWA, applications must be prepared for presentation to both Riverside LAFCO (by EMWD for a sphere of influence amendment to EMWD) and San Diego LAFCO (by FPUD for exclusion/detachment of FPUD from SDCWA/ annexation to EMWD). FPUD Staff's goal is to continue to attempt to work with SDCWA to develop potential terms of



exclusion/detachment with SDCWA that would be used as part of developing the application documents to be submitted to San Diego LAFCO.

#### Options on Next Steps

Given the current status on working on potential terms of exclusion with SDCWA there are a two of options for the Board to consider:

1. Direct staff to continue to work with SDCWA on identifying potential terms of exclusion/detachment and do not begin preparation of the Resolution of Application for exclusion/detachment (and related materials) for submission to San Diego LAFCO at this time.
2. Direct staff to continue to work with SDCWA on identifying potential terms of exclusion/detachment and also begin preparation of the Resolution of Application for exclusion/detachment (and related materials) for submission to San Diego LAFCO, for consideration by the Board at a future Board Meeting, even if no consensus is reached with SDCWA regarding terms and conditions for exclusion/detachment.

#### Recommended Action

Staff supports Board direction.

Attachment A

## Jack Bebee

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**From:** Kerl, Sandy <SKerl@sdcwa.org>  
**Sent:** Monday, August 5, 2019 5:25 PM  
**To:** All Board and General Managers  
**Subject:** EMWD Aug 7, 2019 Board Item re: Potential Annexation  
**Attachments:** EMWD 08072019 Board Item IVA Materials.pdf

**Importance:** High

Board Members:

Last week on Tuesday, July 30, the Officers, Mark Hattam and I met with Rainbow and Fallbrook's General Managers and their legal counsel to discuss the potential de-annexation and how they believe the process should go in general. We plan on having a follow-up meeting.

On Friday, August 2, Eastern Municipal Water District published its agenda for their August 7 meeting, including the attached item concerning the potential annexation of Rainbow and Fallbrook to their agency. I wanted to make sure that you all were aware of the item and the information provided. A couple of points from our point of view should be noted:

- Rainbow and Fallbrook appear to have provided a cost analysis to Eastern, as shown in the PowerPoint included in the board memo, that assumes a \$0 cost exit charge. At our meeting they also proposed this, though they also said they would get an actual proposal together for our review.
- As you all know, the Water Authority has incurred billions of dollars in ongoing obligations to give our region a reliable water supply. If agencies are allowed to leave without any exit cost, it means all remaining agencies must pay larger shares of those obligations. To that end, the following summary chart using 2018 water sales actual numbers as the base year, indicates what additional costs we believe would need to be incurred by the remaining Water Authority Member Agencies annually in the event of Rainbow and Fallbrook de-annex from the Water Authority and were to succeed in paying no exit fee.

Reallocation of Net De-Annexation Impact	Projected Annual Increase
Carlsbad M.W.D.	\$532,900
Del Mar, City of	\$37,000
Escondido, City of	\$446,800
Fallbrook P.U.D.	N/A
Helix W.D.	\$939,400
Lakeside W.D.	\$101,400
Oceanside, City of	\$793,300
Olivenhain M.W.D.	\$650,500
Otay W.D.	\$1,023,000
Padre Dam M.W.D.	\$360,500
Pendleton Military Reserve	\$2,400
Poway, City of	\$343,900
Rainbow M.W.D.	N/A
Ramona M.W.D.	\$173,700
Rincon Del Diablo M.W.D.	\$187,900

San Diego, City of	\$5,717,300
San Dieguito W.D.	\$124,000
Santa Fe I.D.	\$221,500
Sweetwater Authority	\$244,100
Vallecitos W.D.	\$499,400
Valley Center M.W.D.	\$575,300
Vista I.D.	\$336,500
Yuima M.W.D.	\$136,000
South Coast W.D.	\$1,000
<b>Total</b>	<b>\$13,447,800</b>

- Additionally, the Eastern meeting memo indicates that the cost of water from the Water Authority is over \$1,700/AF; however, what Rainbow and Fallbrook pay is just over \$1,400/AF, given that they do not pay transportation on most of the supplies they receive, and the applied agricultural discount also applies to some of their purchases.
- Rainbow and Fallbrook’s plan apparently acquires no storage or other water or infrastructure rights at Eastern, leaving them, in our view, without any established reliability – at the Water Authority or at Eastern -- in case of shortages or severance of pipelines in an earthquake at MWD. There are at least two types of reliability impacts we believe must be considered: 1) drought supply allocations/cutback, and 2) catastrophic emergency (earthquake):
  - Supply Allocations: With a proposed detachment, we believe Rainbow and Fallbrook are by default moving the risk and impacts of supply shortages to their entire ratepayer base, not to just those ag customers currently enrolled in the Temporary Special Agriculture Water Rate Program – a voluntarily program. Fallbrook and Rainbow appear to now be making the decision to have all of their customers be fully exposed to any full MWD allocation cutback, and not be buffered by regional investments such as those made by the Water Authority. As an example, with the last MWD allocation of 15% cutback, customers (not voluntarily enrolled in TSAWR) experienced a cutback of only 1% due to our agency’s reliability investments in local supplies. With detachment, it appears that all their customers would experience the full 15% cutback.
  - Catastrophic Emergency: With detachment and the limited annexation to Eastern that is proposed, should an earthquake occur on the Elsinore fault that cuts MWD’s water supply off, Rainbow and Fallbrook would not have the right to receive any water deliveries – from either the Water Authority or Eastern/MWD. However, if Rainbow and Fallbrook stayed with the Water Authority, they still would have access to Water Authority supplies, because of the investments all our agencies – including Rainbow and Fallbrook – have made in our system.

Clearly, there will be much discussion to come with the Board on these matters.

Sandy

*Sandra L. Kerl*  
**Acting General Manager**  
 (858) 522-6783  
[skerl@sdcwa.org](mailto:skerl@sdcwa.org)



Attachment B

## Jack Bebee

---

**From:** Hattam, Mark <MHattam@sdcwa.org>  
**Sent:** Monday, August 12, 2019 4:19 PM  
**To:** Kennedy, Tom; Jack Bebee; Paula De Sousa Mills; Pellman, Lloyd W.  
**Cc:** Kerl, Sandy; Thompson, Frances; Catacutan, Jennifer; Madaffer, Jim; Croucher, Gary; Guerin, Christy  
**Subject:** De-Annexation Issues

Tom and Jack:

This non-privileged e-mail (copied to your counsel) responds to the requests you made as General Managers of your agencies for time to address the Water Authority Board prior to closed session at the upcoming August 21 Board meeting, and to get a more detailed financial breakdown as to the general estimate agency cost information that was previously sent by Sandy Kerl to the Board and to member agency GM's. This e-mail, at the instruction of the Officers, responds to your inquiries.

First, at the August 21 full Board meeting we will have two items on the agenda that relate in some manner to the potential de-annexation applications that Rainbow and/or Fallbrook intend to file. One item will be a possible deferral of certain infrastructure work, as we earlier discussed and which both of you said you understood why this work should be delayed. As an FYI, because neither of you sit on the Boards at your home agencies, you may vote on this deferral issue.

The other item will be an anticipated litigation closed session at full Board. Because this item involves your agencies, you will not be allowed to attend. We also made you aware of this at our recent meeting. (I also note that from the PRA responses that Tom Kennedy at Rainbow last year had a closed session item related to potential litigation with the Water Authority on this issue. See November 28, 2018, 2:42 p.m. e-mail from Kennedy to Bebee and Paul Jones.) If you want to speak publicly, you (or your staff person) would need to fill in a speaker slip, and each of your agencies may then have up to 3 minutes apiece to say what you want during the normal public comment session at full Board. The Officers will not be agendizing any special speaking item in open session.

Second, as to the cost summary, you already have the general estimated numbers. If the Water Authority decides to produce a further public breakdown, you will be copied. Thank you.

Mark J. Hattam  
General Counsel  
San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA 92123  
(858) 522-6791  
mhattam@sdcwa.org

## Attachment C

MEMBER AGENCIES

- Carlsbad Municipal Water District
- City of Del Mar
- City of Escondido
- City of National City
- City of Oceanside
- City of Poway
- City of San Diego
- Fallbrook Public Utility District
- Hells Water District
- Lakeside Water District
- Olivewood Municipal Water District
- Otay Water District
- Padre Dam Municipal Water District
- Camp Pendleton Marine Corps Base
- Rainbow Municipal Water District
- Ramona Municipal Water District
- Rincon del Diablo Municipal Water District
- San Dieguito Water District
- Sanita Fe Irrigation District
- South Bay Irrigation District
- Vallejas Water District
- Valley Center Municipal Water District
- Vista Irrigation District
- Yuma Municipal Water District

OTHER REPRESENTATIVE

- County of San Diego

August 5, 2019

**VIA E-MAIL**

Board of Directors  
Eastern Municipal Water District  
2270 Trumble Road  
Perris, CA 92570  
boardmember@EMWD.org

**Re: Action/Info Item IV.A. August 7 Board Meeting (Memorandum of Understanding Rainbow/Fallbrook (the "MOU"))**

Dear Board of Directors:

This letter pertains to the above-referenced MOU that your agency is considering on August 7, 2019. This letter constitutes an objection by the San Diego County Water Authority (the "Water Authority") to any proposed approval of the MOU at this time.

One of our overall concerns is that there has not yet been a full public review and analysis as to what is being proposed by Rainbow, Fallbrook, and Eastern before commitments such as the MOU are being made. The Water Authority wants to ensure that members of the public are allowed to see the full scope of what is being proposed, and what the possible changes would entail -- including what losses of reliability may be at issue for Rainbow and Fallbrook, what risks the changes may bear for Eastern, and what increased water rates may have to be paid by San Diego County residents and businesses. The Water Authority is committed to having a full, fair, and public review and analysis of the Rainbow/Fallbrook proposal. A predicate environmental review (discussed below) is part of that necessary process.

Further, without such care at the front end of a proposal, material errors can be made. For example, the slide called "Equivalent Wholesale Treated Water Cost Comparison" on page 68 of your Board packet shows a wholesale water charge by the Water Authority of \$1,704 an acre-foot, implying that such would be the costs otherwise paid by Fallbrook and Rainbow at the Water Authority. However, because of the lower agricultural rate that Rainbow and Fallbrook pay on some of their purchases from us, and the fact that these agencies do not pay our transportation rate on all their water, the overall per acre-foot cost they actually pay is closer to \$1,400.



Most important, entry into the MOU at this time would violate the California Environmental Quality Act (“CEQA”), because no CEQA review has been performed. Your agency’s agenda materials erroneously state that the item is “not a project” under CEQA. The Board materials do not provide any basis for this conclusion.

Instead, the actual text of the MOU provides for EMWD to take several actions in connection with an augmentation to its Sphere of Influence, as well as a proposal for Rainbow and Fallbrook to detach from San Diego County Water Authority and annex into Eastern. CEQA is clear that “(a) ‘Project’ means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and that is any of the following: (1) an activity directly undertaken by any public agency....” (CEQA Guidelines Section 15378.)

“The term ‘project’ refers to the activity which is being approved and which may be subject to several discretionary approvals by governmental agencies. The term ‘project’ does not mean each separate governmental approval....” (CEQA Guidelines Section 15378(c).) The Attorney General has also opined that changes to a Sphere of Influence require CEQA compliance if the action could possibly have a significant effect on the environment. (63 Ops. Cal. Atty. Gen. 758.)

The “whole of the action” here would include a proposed sphere of influence change, detachment, and annexation proceedings, changes that would require, by the Rainbow General Manager’s own admission, changes in the physical environment. (See, e.g., attached email thread between Rainbow’s Tom Kennedy and Ken Weinberg stating Rainbow’s intention to “build new pipelines from north to south so [Rainbow] can stay on the MWD system and get off SDCWA altogether.”) (Emphasis added.)

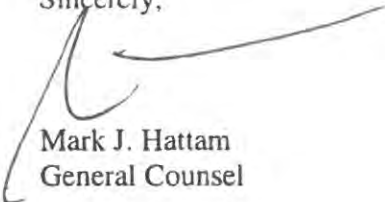
The MOU you are considering fails to comply with a single requirement of CEQA Guidelines Section 15004(b)(4), and therefore Eastern’s approval of the MOU at this time would be a violation of CEQA. The MOU seeks to claim it is “non-committal” by stating that its purpose is to formalize the “exploration, planning, and consideration” of the project. However, in actuality it formally commits the parties to a variety of duties without any precursor study, including bearing costs and indemnity risks, delivery of water at specific rates, and exemption from fees. It also says that there may be “new or additional facilities” that would be paid for by Rainbow and Fallbrook (again without a study).

Finally, we also note that Eastern has not in any way consulted with SDCWA with respect to this project, though its General Manager has been working with Rainbow and Fallbrook on the matter since at least 2018 (as shown in recent PRA responses by Rainbow and Fallbrook). If such consultations had occurred, considerations such as stated above could have been discussed earlier.

Eastern Municipal Water District  
August 5, 2019  
Page 3 of 3

We respectfully request that the Board not approve the MOU at this time. We thank the Board for its careful consideration of the important matters raised in this letter.

Sincerely,



Mark J. Hattam  
General Counsel

Enclosure

cc: (via email):

Jack Bebee, FPUD General Manager  
Paul Jones, EMWD General Manager  
Tom Kennedy, RMWD General Manager  
Sandra L. Kerl, SDCWA Acting General Manager  
Steven O'Neill, Esq.  
Alfred E. Smith, Esq.  
Paula de Sousa Mills, Esq.

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**From:** Ken Weinberg <keneweinberg@gmail.com>  
**Sent:** Monday, November 26, 2018 10:40 AM  
**To:** Tom Kennedy  
**Subject:** Re: Project Status

EXTERNAL EMAIL – USE CAUTION WHEN OPENING ATTACHMENTS OR HYPERLINKS.

When I talked with Paul his approach to the cost of the pipeline would be for Rainbow's incremental use. If its 15 cfs or peak 30 cfs it would be just that capacity for a pipeline that may be debt free and a facility Rainbow has paid for the last 40 or 50 years. It has some precedent with City of San Diego and P4. May be cheaper.

Yes, I will be at ACWA this week. Significant savings. Also, the District face high risk with potential discontinuance of TSAWR and if TSDCWA transportation is charged in future. I built in toggles to see the affects. Something your Board should consider in the long term. All of it applies to FPUD too.

Ken

**From:** Tom Kennedy <tkennedy@rainbowmwd.com>  
**Date:** Monday, November 26, 2018 at 10:13 AM  
**To:** Ken Weinberg <keneweinberg@gmail.com>  
**Subject:** RE: Project Status

Excellent – that connection fee was going to be a significant sticking point as it is huge. We are doing a cost analysis to build new pipelines from north to south so we can stay on the MWD system and get off SDCWA altogether. I have a feeling that we can build pipelines at a lower cost than what SDCWA will charge for those huge pipelines. We could also benefit from better hydraulic connectivity in our network with these pipelines.

I look forward to the first draft – I presume it will show significant savings over SDCWA. Will you be at ACWA this week?

Tom Kennedy | General Manager | Rainbow Municipal Water District  
3707 Old Highway 395, Fallbrook, CA 92028 | 760-728-1178 | [www.rainbowmwd.com](http://www.rainbowmwd.com)

*NOTICE: All e-mails to and from the Rainbow Municipal Water District may be considered public records and are subject to public disclosure pursuant to the California Public Records Act.*

**From:** Ken Weinberg <keneweinberg@gmail.com>  
**Sent:** Monday, November 26, 2018 9:52 AM  
**To:** Tom Kennedy <tkennedy@rainbowmwd.com>  
**Subject:** Re: Project Status

EXTERNAL EMAIL – USE CAUTION WHEN OPENING ATTACHMENTS OR HYPERLINKS

Tom

I didn't want to bother you over the Holiday weekend. I talked with Paul Jones last week and had a good discussion and have the information I needed to complete the financial analysis. Specifically, there will be no annexation charge to join

1. **MWD Issues**

Settlement talks continue between MWD and SDCWA. There has been no public notification provided by either party on progress on settlement talks, but SDCWA counsel did send a letter to MWD counsel letting her know that SDCWA planned to proceed with the August 21<sup>st</sup> case management conference.

2. **Regional Conveyance**

SDCWA approved a \$1.9 million study of an independent pipeline to the Colorado River. The project was estimated to cost \$2.4 billion in 2017. The study will evaluate the potential benefits and economic impact of this proposed project.

3. **Key Upcoming Issues**

On the August Board agenda some key issues that will be discussed include:

- Deferral of all capital projects relative to FPUD/RMWD related facilities given our current evaluation of detachment.
- Closed session item relative to FPUD/RMWD detachment identified under risk of litigation, in which participation by RMWD and FPUD will not be allowed.

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

**M E M O**

**TO:** Board of Directors  
**FROM:** Jack Bebee, General Manager *JRB*  
**DATE:** August 26, 2019  
**SUBJECT:** Treasurer's Report

Purpose

Provide the July, 2019 Treasurer's Report. Confirm that the District's investment portfolio is in compliance with the Investment Policy and that the District is able to meet the expenditure requirements for the next 6-months.

Notes

A transfer from CAMP Liquidity Account to the Money Market Account was the only activity outside normal day to day cash flows.

Summary

**Treasurer's Report July 31, 2019**


**Operations Summary**

Disbursements	\$ 3,383,575
Receipts	\$ 3,384,377
Net change	\$ 803

Account	Beginning Market Value	Ending Market Value	Change in Market Value	(Withdrawals) / Deposits	Yield	Percent of Total Investments
Operating Fund	\$ 18,997	\$ 19,799	NA	\$ 803	0.4%	0.1%
Money Market	\$ 657,075	\$ 288,437	NA	\$ (368,638)	0.4%	1.2%
LAIF	\$ 231,661	\$ 233,141	NA	\$ 1,480	2.4%	0.9%
County Pool	\$ 15,077	\$ 15,177	NA	\$ 100	1.8%	0.1%
CAMP Liquidity Account	\$ 2,821,438	\$ 2,526,812	NA	\$ (294,626)	2.4%	10.1%
<b>District's Liquidity Portfolio</b>	<b>\$ 3,744,247</b>	<b>\$ 3,083,366</b>	<b>\$ -</b>	<b>\$ (660,881)</b>	<b>2.2%</b>	<b>12.3%</b>
PFM Managed Long-term Investment Portfolio*	\$ 14,771,330	\$ 14,780,011	\$ 8,681	\$ -	2.2%	59.1%
PARS (OPEB & Pension Trust)**	\$ 7,108,112	\$ 7,143,291	\$ 35,179	\$ -	6.4%	28.6%
<b>District Accounts Total</b>	<b>\$ 25,623,689</b>	<b>\$ 25,006,668</b>	<b>\$ 43,860</b>	<b>\$ (660,881)</b>	<b>3.4%</b>	<b>100.0%</b>

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

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

  
 Jack Bebee  
 August 26, 2019



**Fallbrook Public Utilities District - Holdings Summary**

<u>Security Type</u>	<u>June 30, 2019</u>	<u>July 31, 2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
U.S. Treasury	\$7,903,946.16	\$7,687,647.79	(\$216,298.37)	-2.7%
Supranational	\$139,467.86	\$139,334.44	(\$133.42)	-0.1%
Municipal	\$172,653.70	\$172,269.50	(\$384.20)	-0.2%
Federal Agency CMO	\$112,879.11	\$112,459.61	(\$419.50)	-0.4%
Federal Agency	\$253,315.98	\$724,885.00	\$471,569.02	186.2%
Corporate Note	\$4,072,359.36	\$4,246,584.08	\$174,224.72	4.3%
Negotiable CD	\$1,105,011.49	\$679,924.08	(\$425,087.41)	-38.5%
Asset-Backed Security	\$946,828.04	\$996,105.08	\$49,277.04	5.2%
<b>Securities Total</b>	<b>\$14,706,461.70</b>	<b>\$14,759,209.58</b>	<b>\$52,747.88</b>	<b>0.4%</b>
Money Market Fund	\$64,868.55	\$20,801.05	(\$44,067.50)	-67.9%
<b>Total Investments</b>	<b>\$14,771,330.25</b>	<b>\$14,780,010.63</b>	<b>\$8,680.38</b>	<b>0.1%</b>

<u>Summary</u>	
FY 19-20 Accrual Earnings	\$30,753.29
Yield to Maturity at Cost	2.21%
Weighted Average Maturity	2.74Years





Managed Account Security Transactions & Interest

For the Month Ending July 31, 2019

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>BUY</b>											
	07/01/19	07/03/19	US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	200,000.00	(202,148.44)	(32.61)	(202,181.05)			
	07/01/19	07/03/19	FEDERAL HOME LOAN BANKS NOTES DTD 06/07/2019 1.875% 07/07/2021	3130AGLD5	300,000.00	(300,246.00)	(406.25)	(300,652.25)			
	07/01/19	07/03/19	CATERPILLAR FINL SERVICE CORP NOTES DTD 05/17/2019 2.850% 05/17/2024	1491302V0	95,000.00	(97,265.75)	(345.96)	(97,611.71)			
	07/01/19	07/03/19	FEDERAL HOME LOAN BANKS NOTES DTD 06/12/2015 2.375% 06/10/2022	3130ASP45	170,000.00	(172,675.80)	(257.95)	(172,933.75)			
	07/10/19	07/12/19	AMERICAN EXPRESS CO CORP NOTES DTD 02/22/2019 3.400% 02/22/2024	025816CC1	270,000.00	(280,821.60)	(3,570.00)	(284,391.60)			
	07/12/19	07/16/19	AMERICAN HONDA FINANCE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	25,000.00	(24,871.50)	(31.67)	(24,903.17)			
	07/16/19	07/24/19	GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	50,000.00	(49,993.91)	0.00	(49,993.91)			
	07/16/19	07/24/19	JOHN DEERE OWNER TRUST DTD 07/24/2019 2.210% 12/15/2023	477870AC3	30,000.00	(29,993.63)	0.00	(29,993.63)			
	07/19/19	07/23/19	MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BD06	150,000.00	(158,779.50)	(1,356.25)	(160,135.75)			
	07/29/19	07/31/19	BOEING CO DTD 07/31/2019 2.300% 08/01/2021	097023CL7	45,000.00	(44,998.20)	0.00	(44,998.20)			
	<b>07/30/19</b>	<b>08/01/19</b>	<b>US BANCORP DTD 07/29/2019 2.400% 07/30/2024</b>	<b>91159HHX1</b>	<b>145,000.00</b>	<b>(144,870.95)</b>	<b>(19.33)</b>	<b>(144,890.28)</b>			
<b>Transaction Type Sub-Total</b>					<b>1,480,000.00</b>	<b>(1,506,665.28)</b>	<b>(6,020.02)</b>	<b>(1,512,685.30)</b>			
<b>INTEREST</b>											
	07/01/19	07/01/19	MONEY MARKET FUND	MONEY0002	0.00	0.00	76.98	76.98			
	07/01/19	07/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	110,000.00	0.00	283.25	283.25			
	07/07/19	07/07/19	FEDERAL HOME LOAN BANKS NOTES DTD 06/07/2019 1.875% 07/07/2021	3130AGLD5	300,000.00	0.00	468.75	468.75			
	07/15/19	07/15/19	FORDO 2017-C A3 DTD 11/21/2017 2.010% 03/15/2022	34532AAD5	140,000.00	0.00	234.50	234.50			



Managed Account Security Transactions & Interest

For the Month Ending July 31, 2019

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
<b>INTEREST</b>										
07/15/19	07/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	31,240.52	0.00	33.58	33.58			
07/15/19	07/15/19	ALLYA 2017-5 A3 DTD 11/22/2017 1.990% 03/15/2022	02007YAC8	103,964.26	0.00	172.41	172.41			
07/15/19	07/15/19	ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	80,551.40	0.00	117.47	117.47			
07/15/19	07/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	2,032.24	0.00	2.12	2.12			
07/15/19	07/15/19	TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	6,509.17	0.00	6.18	6.18			
07/15/19	07/15/19	TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	1,004.81	0.00	1.09	1.09			
07/15/19	07/15/19	COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	40,000.00	0.00	83.67	83.67			
07/15/19	07/15/19	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	125,000.00	0.00	275.00	275.00			
07/15/19	07/15/19	JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	24,315.73	0.00	36.88	36.88			
07/15/19	07/15/19	JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	14,077.65	0.00	20.88	20.88			
07/15/19	07/15/19	NAROT 2018-A A3 DTD 02/28/2018 2.650% 05/15/2022	65478DAD9	75,000.00	0.00	165.63	165.63			
07/15/19	07/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	51,928.20	0.00	72.27	72.27			
07/15/19	07/15/19	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	35,000.00	0.00	77.58	77.58			
07/21/19	07/21/19	HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	75,000.00	0.00	157.50	157.50			
07/22/19	07/22/19	JP MORGAN CHASE & CO NOTES DTD 07/22/2010 4.400% 07/22/2020	46625HHS2	455,000.00	0.00	10,010.00	10,010.00			
07/24/19	07/24/19	BANK OF AMERICA CORP CORP NOTES DTD 01/24/2012 5.700% 01/24/2022	06051GEM7	130,000.00	0.00	3,705.00	3,705.00			
07/29/19	07/29/19	BANK OF NY MELLON CORP NOTE DTD 01/29/2018 2.950% 01/29/2023	06406RAE7	200,000.00	0.00	2,950.00	2,950.00			





Managed Account Security Transactions & Interest

For the Month Ending July 31, 2019

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>											
	07/31/19	07/31/19	US TREASURY NOTES DTD 08/01/2016 1.125% 07/31/2021	912828S76	175,000.00	0.00	984.38	984.38			
	07/31/19	07/31/19	US TREASURY NOTES DTD 02/02/2015 1.500% 01/31/2022	912828H86	460,000.00	0.00	3,450.00	3,450.00			
	07/31/19	07/31/19	US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	9128282P4	95,000.00	0.00	890.63	890.63			
	07/31/19	07/31/19	US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	9128282P4	245,000.00	0.00	2,296.88	2,296.88			
	07/31/19	07/31/19	US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	9128282P4	100,000.00	0.00	937.50	937.50			
<b>Transaction Type Sub-Total</b>					<b>3,075,623.98</b>	<b>0.00</b>	<b>27,510.13</b>	<b>27,510.13</b>			
<b>PAYDOWNS</b>											
	07/15/19	07/15/19	TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	1,004.81	1,004.81	0.00	1,004.81	0.05	0.00	
	07/15/19	07/15/19	JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	1,426.97	1,426.97	0.00	1,426.97	0.20	0.00	
	07/15/19	07/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	1,141.40	1,141.40	0.00	1,141.40	0.09	0.00	
	07/15/19	07/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	5,331.84	5,331.84	0.00	5,331.84	0.02	0.00	
	07/15/19	07/15/19	JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	1,396.45	1,396.45	0.00	1,396.45	0.10	0.00	
	07/15/19	07/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	4,185.66	4,185.66	0.00	4,185.66	0.56	0.00	
	07/15/19	07/15/19	ALLYA 2017-5 A3 DTD 11/22/2017 1.990% 03/15/2022	02007YAC8	7,050.01	7,050.01	0.00	7,050.01	0.55	0.00	
	07/15/19	07/15/19	FORDO 2017-C A3 DTD 11/21/2017 2.010% 03/15/2022	34532AAD5	839.08	839.08	0.00	839.08	0.15	0.00	
	07/15/19	07/15/19	ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	6,053.63	6,053.63	0.00	6,053.63	0.08	0.00	
	07/15/19	07/15/19	TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	1,648.05	1,648.05	0.00	1,648.05	0.05	0.00	



Managed Account Security Transactions & Interest

For the Month Ending July 31, 2019

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>Transaction Type Sub-Total</b>					<b>30,077.90</b>	<b>30,077.90</b>	<b>0.00</b>	<b>30,077.90</b>	<b>1.85</b>	<b>0.00</b>	
<b>SELL</b>											
07/01/19	07/03/19		NORDEA BANK AB NY CD DTD 02/22/2018 2.720% 02/20/2020	65590ASN7	280,000.00	280,734.44	2,813.69	283,548.13	734.44	734.44	FIFO
07/01/19	07/03/19		US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	200,000.00	198,882.81	565.22	199,448.03	4,453.12	4,256.72	FIFO
07/01/19	07/03/19		CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	1491302A6	100,000.00	99,669.00	611.53	100,280.53	(247.00)	(297.59)	FIFO
07/01/19	07/03/19		CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	145,000.00	145,284.35	5,430.85	150,715.20	284.35	284.35	FIFO
07/10/19	07/12/19		AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	285,000.00	285,065.55	1,193.44	286,258.99	(1,493.40)	(504.24)	FIFO
07/12/19	07/16/19		AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	25,000.00	24,928.50	238.33	25,166.83	(46.25)	(62.82)	FIFO
07/17/19	07/24/19		US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	60,000.00	59,203.13	173.23	59,376.36	1,434.38	324.36	FIFO
07/19/19	07/23/19		MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	160,000.00	160,323.20	1,022.22	161,345.42	(595.20)	(13.81)	FIFO
<b>07/30/19</b>	<b>08/01/19</b>		<b>US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020</b>	<b>912828XE5</b>	<b>95,000.00</b>	<b>94,576.95</b>	<b>241.39</b>	<b>94,818.34</b>	<b>(1,955.67)</b>	<b>(768.37)</b>	<b>FIFO</b>
<b>07/31/19</b>	<b>08/01/19</b>		<b>US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020</b>	<b>912828XE5</b>	<b>35,000.00</b>	<b>34,846.88</b>	<b>88.93</b>	<b>34,935.81</b>	<b>(717.77)</b>	<b>(280.34)</b>	<b>FIFO</b>
<b>Transaction Type Sub-Total</b>					<b>1,385,000.00</b>	<b>1,383,514.81</b>	<b>12,378.83</b>	<b>1,395,893.64</b>	<b>1,851.00</b>	<b>3,672.70</b>	
<b>Managed Account Sub-Total</b>						<b>(93,072.57)</b>	<b>33,868.94</b>	<b>(59,203.63)</b>	<b>1,852.85</b>	<b>3,672.70</b>	
<b>Total Security Transactions</b>						<b>(93,072.57)</b>	<b>\$33,868.94</b>	<b>(\$59,203.63)</b>	<b>\$1,852.85</b>	<b>\$3,672.70</b>	

Bolded items are forward settling trades.



### Account Statement - Transaction Summary

For the Month Ending July 31, 2019

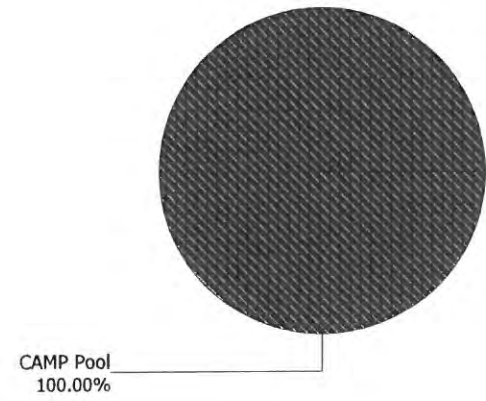
#### Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	2,821,437.95
Purchases	5,374.08
Redemptions	(300,000.00)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$2,526,812.03</b>
Cash Dividends and Income	5,374.08

Asset Summary		
	July 31, 2019	June 30, 2019
<b>CAMP Pool</b>	2,526,812.03	2,821,437.95
<b>Total</b>	<b>\$2,526,812.03</b>	<b>\$2,821,437.95</b>

Asset Allocation	
CAMP Pool	100.00%



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

**Account Report for the Period**  
**7/1/2019 to 7/31/2019**

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

### Account Summary

Source	Beginning Balance as of 7/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 7/31/2019
OPEB	\$1,006,649.37	\$0.00	\$5,191.79	\$209.72	\$0.00	\$0.00	\$1,011,631.44
PENSION	\$6,101,462.78	\$0.00	\$31,468.28	\$1,271.14	\$0.00	\$0.00	\$6,131,659.92
<b>Totals</b>	<b>\$7,108,112.15</b>	<b>\$0.00</b>	<b>\$36,660.07</b>	<b>\$1,480.86</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$7,143,291.36</b>

### Investment Selection

**Source**

OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

### Investment Objective

**Source**

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

### Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	0.52%	1.71%	5.42%	-	-	-	2/16/2017
PENSION	0.52%	1.71%	5.24%	-	-	-	2/16/2017

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

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

## M E M O

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO   
**DATE:** August 26, 2019  
**SUBJECT:** Budget Status Report for Fiscal Year 2019-2020

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### Purpose

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

### Summary

The BSR shows the District's financial performance compared to the budget for the month of July, Year-to-Date and the annual budgeted amount. This is the first period reported in the new fiscal year.

Total revenues for this first period are below budget by 12.2% due primarily to lower than expected water sales revenues. Given this is the first period of the year and there are many assumptions embedded in the revenue forecasts, staff will monitor and analyze the variances as we get more data.

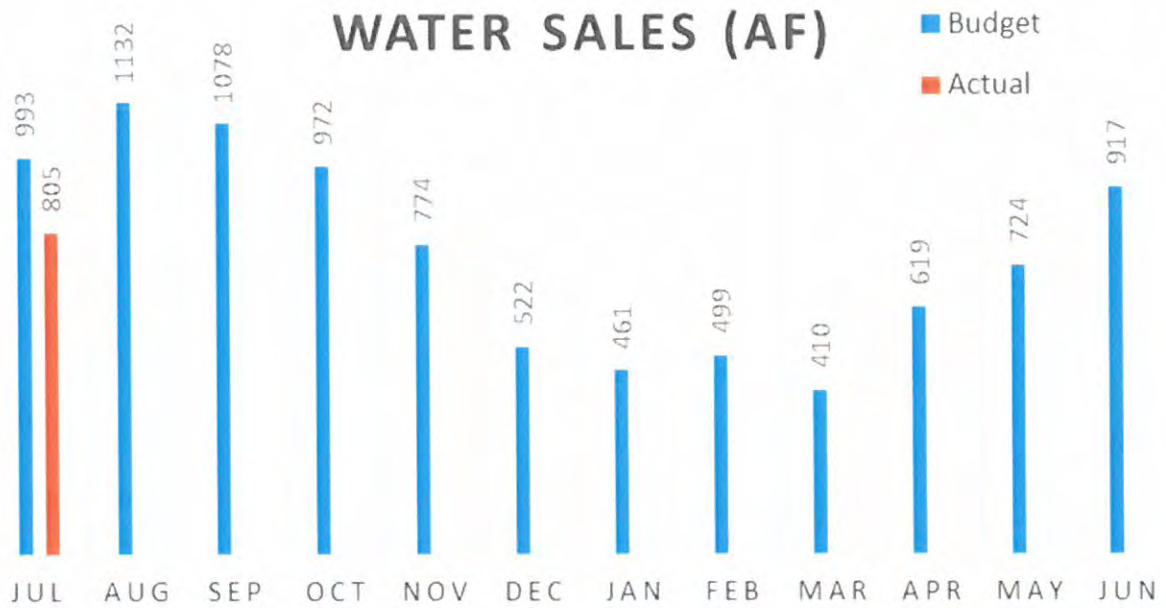
Non-operating revenue shows slightly higher than budgeted revenues. This is driven by portfolio interest and other Non-Operating revenues, which are over the budgeted levels.

The District's expenditures overall are under budget due to the lower than budgeted purchased water expense, which is a result of lower water sales levels.

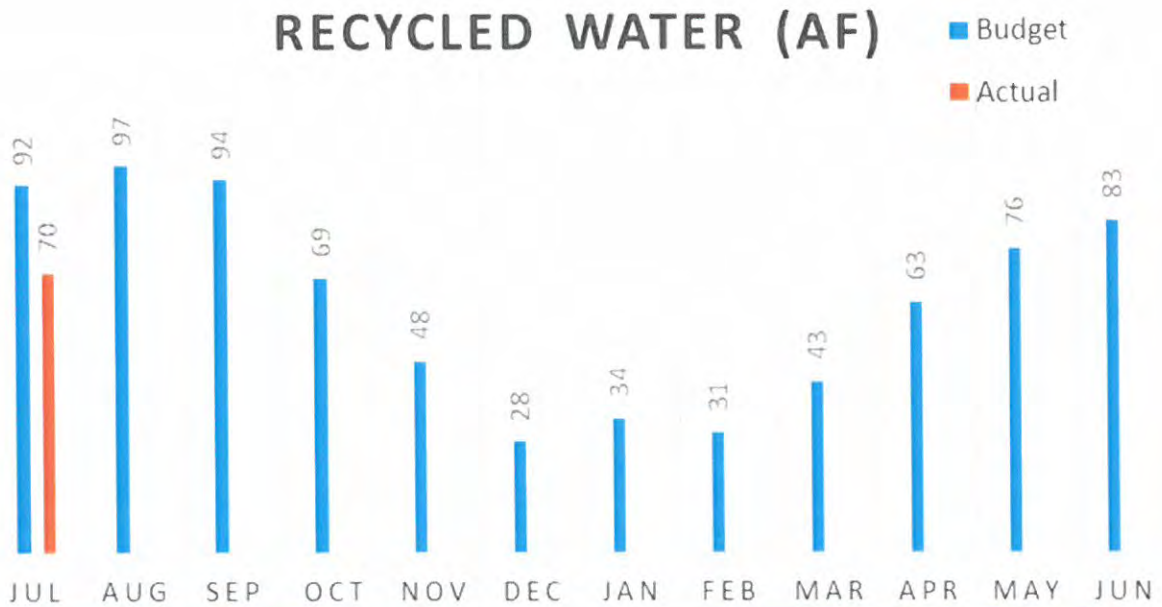
Total revenue is \$3,111,495 or 12.2% under budget and total expenditures are \$3,338,831 or 5.7% under budget. Capital spending is currently 68.6% under budget but expected to trend towards budget. As a result, the District financial position is slightly better than budget expectations.

### Recommended Action

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



Year-to-Date Actual 805 AF Year-to-Date Budget 993 AF



Year-to-Date Actual 70 AF Year-to-Date Budget 92 AF

**Monthly Budget Report for July**

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date				Annual Budget		
	Actual	Budget	Actual	Budget	Variance	%	Budget	Remaining Balance	%
<b>Operating Revenues:</b>								Year remaining	91.7%
Water Sales	1,558,208	1,979,583	1,558,208	1,979,583	(421,375)	-21.3%	18,260,894	16,702,686	91.5%
Water Meter Service Charges	542,107	561,287	542,107	561,287	(19,180)	-3.4%	7,004,867	6,462,760	92.3%
Wastewater Service Charges	489,186	546,960	489,186	546,960	(57,775)	-10.6%	6,214,076	5,724,890	92.1%
Recycled Water Revenues	119,906	159,280	119,906	159,280	(39,374)	-24.7%	1,382,830	1,262,924	91.3%
Other Operating Revenue	-	917	-	917	(917)	-100.0%	11,000	11,000	100.0%
CWA Rebates	-	4,167	-	4,167	(4,167)	-100.0%	50,003	50,003	100.0%
<b>Total Operating Revenue</b>	<b>2,709,407</b>	<b>3,252,195</b>	<b>2,772,704</b>	<b>3,252,195</b>	<b>(479,490)</b>	<b>-14.7%</b>	<b>32,923,670</b>	<b>30,150,966</b>	<b>91.6%</b>
<b>Non Operating Revenues:</b>									
Water Capital Improvement Charge	111,826	115,892	111,826	115,892	(4,065)	-3.5%	1,390,702	1,278,876	92.0%
Wastewater Capital Improvement Charge	97,030	98,775	97,030	98,775	(1,745)	-1.8%	1,185,299	1,088,269	91.8%
Property Taxes	-	26,034	-	26,034	(26,034)	-100.0%	1,918,296	1,918,296	100.0%
Water Standby/Availability Charge	-	-	-	-	-	NA	203,000	203,000	100.0%
Water/Wastewater Capacity Charges	5,642	8,460	5,642	8,460	(2,819)	-33.3%	101,522	95,880	94.4%
Portfolio Interest	60,730	23,712	60,730	23,712	37,018	156.1%	284,544	223,814	78.7%
Pumping Capital Improvement Charge	3,238	3,083	3,238	3,083	154	5.0%	37,000	33,763	91.3%
Federal Interest Rate Subsidy	-	-	-	-	-	NA	122,647	122,647	100.0%
SRF Loan Proceeds	-	-	-	-	-	NA	-	-	NA
Facility Rents	9,372	-	-	-	-	NA	-	-	NA
Other Non-Operating Revenues	50,953	15,004	60,325	15,004	45,322	302.1%	180,046	119,721	66.5%
<b>Total Non Operating Revenues</b>	<b>338,791</b>	<b>290,960</b>	<b>338,791</b>	<b>290,960</b>	<b>47,831</b>	<b>16.4%</b>	<b>5,423,052</b>	<b>5,084,261</b>	<b>93.8%</b>
<b>Total Revenues</b>	<b>3,048,198</b>	<b>3,543,154</b>	<b>3,111,495</b>	<b>3,543,154</b>	<b>(431,659)</b>	<b>-12.2%</b>	<b>38,346,722</b>	<b>35,235,226</b>	<b>91.9%</b>
<b>Expenditures</b>									
Purchased Water Expense	1,353,244	1,599,671	1,353,244	1,599,671	246,428	15.4%	15,677,132	14,323,888	91.4%
Water Services	471,352	448,230	471,352	448,230	(23,122)	-5.2%	3,075,784	2,604,432	84.7%
Wastewater Services	448,959	391,646	448,959	391,646	(57,314)	-14.6%	2,798,723	2,349,764	84.0%
Recycled Water Services	65,553	69,795	65,553	69,795	4,242	6.1%	563,440	497,887	88.4%
Administrative Services	801,799	834,751	801,799	834,751	32,952	3.9%	6,037,157	5,235,358	86.7%
<b>Total Operating Expenses</b>	<b>3,202,384</b>	<b>3,344,093</b>	<b>3,140,906</b>	<b>3,344,093</b>	<b>203,187</b>	<b>6.1%</b>	<b>29,247,787</b>	<b>26,106,881</b>	<b>89.3%</b>
<b>Debt Service Expenses</b>									
Red Mountain SRF	197,925	197,925	197,925	197,925	-	0.0%	395,850	197,925	50.0%
WWTP SRF	-	-	-	-	-	NA	1,845,746	1,845,746	100.0%
QECB Solar Debt (Net of Subsidy)	-	-	-	-	-	NA	519,674	519,674	100.0%
<b>Total Debt Service</b>	<b>197,925</b>	<b>197,925</b>	<b>197,925</b>	<b>197,925</b>	<b>-</b>	<b>0.0%</b>	<b>2,761,270</b>	<b>2,563,345</b>	<b>92.8%</b>
<b>Total Expenses</b>	<b>3,400,309</b>	<b>3,542,018</b>	<b>3,338,831</b>	<b>3,542,018</b>	<b>203,187</b>	<b>5.7%</b>	<b>32,009,056</b>	<b>28,670,225</b>	<b>89.6%</b>
<b>Net Revenue/(loss) From Operations and Debt Service</b>	<b>(352,111)</b>	<b>1,136</b>	<b>(227,336)</b>	<b>1,136</b>	<b>(228,472)</b>	<b>-20104%</b>	<b>6,337,665</b>	<b>6,565,001</b>	<b>103.6%</b>
<b>Capital Investment</b>									
<b>Capital Investment</b>									
Construction Expenditures*	204,092	649,991	204,092	649,991	445,899	68.6%	19,894,888	19,690,796	99.0%
SRF Loan Proceeds Draw (Capital Project Funds)	(556,203)	(648,854)	(431,428)	(648,854)	217,426	-33.5%	(12,095,000)	(1,030,795)	70.5%
<b>Net Revenue/(Loss)</b>							<b>(1,462,223)</b>		

\*CIP expenditures related to the SMCUP are funded by SRF Loan proceeds.

7/31/2019

Treasurer's Warrant No. July

TO: Treasurer of the Fallbrook Public Utility District

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



## Payroll -7/19

### Computer Check Register

Payroll #1	\$136,984.44
Payroll #2	<u>\$139,590.04</u>
	<u>\$276,574.48</u>

# Accounts Payable

## Checks by Date - Summary by Check Date

User: annaleceb  
Printed: 8/19/2019 7:26 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	00152	FPUD EMPL ASSOCIATION	07/03/2019	507.50
ACH	06758	US TREASURY - PAYROLL TAXES	07/03/2019	54,147.71
ACH	06759	STATE OF CA - PR TAXES	07/03/2019	8,183.08
ACH	06760	STATE OF CA - SDI	07/03/2019	2,081.45
ACH	06761	LINCOLN FINANCIAL GROUP	07/03/2019	5,993.02
ACH	06763	PERS - PAYROLL	07/03/2019	37,232.81
81283	06652	AIT SERVICES INC	07/03/2019	6,071.71
81284	91457	ALTERNATIVE POWER GENERATION,	07/03/2019	2,592.00
81285	02805	ASBURY ENVIRONMENTAL SERVICES	07/03/2019	899.42
81286	91456	AZTECA SYSTEMS LLC	07/03/2019	15,000.00
81287	06235	JACK BEBEE	07/03/2019	813.67
81288	02743	BEST BEST & KRIEGER	07/03/2019	12,789.72
81289	06374	BOOT BARN INC.	07/03/2019	233.80
81290	06115	CDW GOVERNMENT INC.	07/03/2019	810.65
81291	91320	AUDREY CERAME	07/03/2019	100.00
81292	91330	AARON COOK	07/03/2019	242.33
81293	09705	CSDA SAN DIEGO CHAPTER	07/03/2019	150.00
81294	91129	JENNIFER DEMEO	07/03/2019	57.77
81295	05180	NOELLE DENKE	07/03/2019	24.30
81296	91123	DIGITAL DEVELOPMENT, INC.	07/03/2019	550.00
81297	01262	KYLE D. DRAKE	07/03/2019	90.06
81298	03391	ELECTRICAL SALES INC	07/03/2019	685.29
81299	91444	EMMONS ENVIRONMENTAL INC	07/03/2019	6,170.00
81300	91401	KENNETH ENDTER	07/03/2019	57.77
81301	01099	FALLBROOK IRRIGATION INC	07/03/2019	7.54
81302	91198	FIRST BANKCARD	07/03/2019	1,557.95
81303	91200	FIRST BANKCARD	07/03/2019	1,159.88
81304	91201	FIRST BANKCARD	07/03/2019	1,088.10
81305	91202	FIRST BANKCARD	07/03/2019	191.30
81306	91203	FIRST BANKCARD	07/03/2019	1,215.25
81307	91225	FIRST BANKCARD	07/03/2019	3,093.54
81308	91235	FIRST BANKCARD	07/03/2019	376.67
81309	91313	FIRST BANKCARD	07/03/2019	1,661.69
81310	00182	GLENNIE'S OFFICE PRODUCTS, INC	07/03/2019	554.42
81311	05380	HACH CO	07/03/2019	9,679.07
81312	90897	JOSHUA HARGROVE	07/03/2019	358.00
81313	06577	INFOSEND INC	07/03/2019	3,455.89
81314	06359	INFRASTRUCTURE ENGINEERING CO	07/03/2019	34,868.26
81315	05255	INLAND WATER WORKS SUPPLY CO.	07/03/2019	41,759.59
81316	05871	ITRON INC	07/03/2019	10,600.06
81317	00190	JCI JONES CHEMICALS INC.	07/03/2019	2,882.28
81318	05505	TODD JESTER	07/03/2019	60.00
81319	05065	JOHNSON CONTROLS SECURITY SOL	07/03/2019	490.82
81320	03299	KAMAN INDUSTRIAL TECHNOLOGIE	07/03/2019	1,592.33
81321	06479	KNOCKOUT PEST CONTROL & TERMI	07/03/2019	450.00
81322	06659	KUBE ENGINEERING	07/03/2019	8,104.63
81323	06555	LIEBERT CASSIDY WHITMORE	07/03/2019	4,200.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
81324	91130	LINCOLN NATIONAL LIFE INSURANC	07/03/2019	3,227.69
81325	06263	LOS ANGELES FREIGHTLINER, LLC	07/03/2019	3,601.52
81326	91192	MISSION LINEN SUPPLY	07/03/2019	1,778.53
81327	91427	MITEL CLOUD SERVICES, INC	07/03/2019	1,622.96
81328	91167	NORTH COUNTY FORD	07/03/2019	19.10
81329	04900	PARADISE CHEVROLET CADILLAC	07/03/2019	4,322.74
81330	06199	PLUMBERS DEPOT INC	07/03/2019	1,909.03
81331	91189	PTC INC.	07/03/2019	1,584.00
81332	03231	SAN DIEGO COUNTY WATER AUTH	07/03/2019	21,652.00
81333	91218	DAVID SHANK	07/03/2019	211.56
81334	06401	SONSRAY MACHINERY LLC	07/03/2019	2,855.19
81335	90929	SOUTHWEST ANSWERING SERVICE, I	07/03/2019	733.55
81336	05415	STATE WATER RESOURCE CONTROL	07/03/2019	90.00
81337	91223	STERLING HEALTH SERVICES INC.	07/03/2019	125.00
81338	06314	SUNPOWER CORPORATION SYSTEM	07/03/2019	2,414.92
81339	00159	SUPERIOR READY MIX	07/03/2019	1,981.64
81340	91385	VERONICA TAMZIL	07/03/2019	60.00
81341	06228	TECHNOLOGY UNLIMITED INC.	07/03/2019	1,291.81
81342	05883	TESTAMERICA LABORATORIES, INC.	07/03/2019	621.11
81343	04296	TRENCH PLATE RENTAL CO	07/03/2019	1,233.67
81344	UB*00273	LAURA WELLS	07/03/2019	69.52
81345	06231	WESTERN WATER WORKS SUPPLY CC	07/03/2019	6,486.55
Total for 7/3/2019:				342,783.42
81346	06740	ACCELA, INC	07/10/2019	750.00
81347	91455	ACCU-TECH CORPORATION	07/10/2019	4,495.55
81348	00805	ACWA/JOINT POWERS INS.	07/10/2019	32,173.22
81349	91286	AMAZON CAPITAL SERVICES, INC.	07/10/2019	585.79
81350	91229	AMP UNITED LLC	07/10/2019	89,486.33
81351	06403	APPLEONE EMPLOYMENT SERVICES	07/10/2019	392.32
81352	05088	AT&T	07/10/2019	777.26
81353	06020	BABCOCK LABORATORIES, INC	07/10/2019	3,410.00
81354	02743	BEST BEST & KRIEGER	07/10/2019	26,158.09
81355	91429	BSK ASSOCIATES	07/10/2019	7,225.00
81356	06375	CALGON CARBON CORPORATION	07/10/2019	32,000.00
81357	03978	CAMERON WELDING SUPPLY	07/10/2019	2,568.71
81358	05876	JASON CAVENDER	07/10/2019	77.85
81359	06141	CENTRISYS CORPORATION	07/10/2019	7,335.00
81360	91241	LISA CHAFFIN	07/10/2019	60.00
81361	91284	COAST WASTE MANAGEMENT INC	07/10/2019	1,568.95
81362	06675	CORODATA SHREDDING, INC	07/10/2019	61.37
81363	06299	D & H WATER SYSTEMS, INC	07/10/2019	249.38
81364	02925	DATA NET SOLUTIONS	07/10/2019	765.00
81365	05985	SOLEIL DEVELLE	07/10/2019	60.00
81366	05192	DIAMOND ENVIRONMENTAL SERVIC	07/10/2019	350.65
81367	02372	DION INTERNATIONAL	07/10/2019	114.69
81368	05177	DOWNEY BRAND, LLP	07/10/2019	432.00
81369	03391	ELECTRICAL SALES INC	07/10/2019	2,715.30
81370	91293	ENTERPRISE AUTOMATION	07/10/2019	877.50
81371	09523	FALLBROOK EQUIP RENTALS	07/10/2019	9,050.48
81372	05987	FALLBROOK GARAGE & QWIK LUBE	07/10/2019	1,027.27
81373	91316	FALLBROOK HEATING & AIR CONDIT	07/10/2019	890.00
81374	01099	FALLBROOK IRRIGATION INC	07/10/2019	8.19
81375	00169	FALLBROOK OIL COMPANY	07/10/2019	10,044.92
81376	02411	FALLBROOK PRINTING CORP	07/10/2019	912.06
81377	00170	FALLBROOK WASTE & RECYCLING	07/10/2019	1,284.40

Check No	Vendor No	Vendor Name	Check Date	Check Amount
81378	03174	HAAKER EQUIPMENT COMPANY	07/10/2019	451.56
81379	06429	HEALTHPOINTE MEDICAL GROUP,INC	07/10/2019	474.00
81380	03276	HOME DEPOT CREDIT SERVICES	07/10/2019	802.51
81381	06577	INFOSEND INC	07/10/2019	3,660.36
81382	06156	LOMACK SERVICE CORPORATION	07/10/2019	7,635.00
81383	06263	LOS ANGELES FREIGHTLINER, LLC	07/10/2019	8,399.59
81384	91029	MALLORY SAFETY AND SUPPLY CO	07/10/2019	2,240.13
81385	01782	JEFF MARCHAND	07/10/2019	320.04
81386	91292	MCR TECHNOLOGIES, INC	07/10/2019	6,422.08
81387	03944	MISSION RESOURCE CONSV DISTRIC	07/10/2019	106.00
81388	03201	NATIONAL SAFETY COMPLIANCE INC	07/10/2019	52.50
81389	00718	NATIONWIDE RETIREMENT SOLUTIO	07/10/2019	3,285.00
81390	91167	NORTH COUNTY FORD	07/10/2019	360.68
81391	00370	NUTRIEN AG SOLUTIONS, INC.	07/10/2019	97.44
81392	91461	OCEANSIDE SECURITY AGENCY	07/10/2019	2,231.00
81393	06298	ONESOURCE DISTRIBUTORS, LLC	07/10/2019	1,180.00
81394	04900	PARADISE CHEVROLET CADILLAC	07/10/2019	148.56
81395	03708	PAULEY EQUIPMENT CO INC	07/10/2019	672.15
81396	90939	PCM SALES, INC.	07/10/2019	11,913.68
81397	00215	PETTY CASH	07/10/2019	89.66
81398	00216	PINE TREE LUMBER	07/10/2019	296.03
81399	91155	QUALITY GATE COMPANY	07/10/2019	7,900.00
81400	91298	R.F. MACDONALD CO., INC.	07/10/2019	31,607.68
81401	91185	RIGHT STOP RESTORATION	07/10/2019	1,419.14
81402	06666	SAGINAW CONTROL & ENGINEERING	07/10/2019	86.40
81403	00231	SAN DIEGO COUNTY WATER AUTH	07/10/2019	613,401.74
81404	00232	SAN DIEGO GAS & ELECTRIC	07/10/2019	63,640.00
81405	91094	SCADA INTEGRATIONS	07/10/2019	34,312.50
81406	00236	SCRAPPYS	07/10/2019	35.00
81407	06401	SONSRAY MACHINERY LLC	07/10/2019	332.99
81408	02927	TIM STERGER	07/10/2019	60.00
81409	06735	TCN, INC.	07/10/2019	12.17
81410	91453	THE AMERGROUP INC	07/10/2019	7,987.87
81411	06541	TIFCO INDUSTRIES, INC	07/10/2019	673.95
81412	91262	TOWN & COUNTRY PLUMBING REPAI	07/10/2019	150.00
81413	00724	UNDERGROUND SERVICE ALERT	07/10/2019	464.44
81414	00458	VERIZON WIRELESS	07/10/2019	1,231.67
81415	91294	VISTA FENCE COMPANY INCORPORA	07/10/2019	8,962.00
81416	91254	WESTERN PUMP, INC.	07/10/2019	44,281.59
81417	06231	WESTERN WATER WORKS SUPPLY CC	07/10/2019	24,590.49
81418	91295	WHITE NELSON DIEHL EVANS LLP	07/10/2019	7,500.00
Total for 7/10/2019:				1,137,394.88
81424	91245	CALIFORNIA BUILDING EVALUATION	07/17/2019	5,054.00
81425	01719	MICKEY M. CASE	07/17/2019	60.00
81426	02176	CORELOGIC SOLUTIONS, LLC	07/17/2019	225.00
81427	05953	CORODATA RECORDS MANAGEMENT	07/17/2019	671.64
81428	91008	MICHAEL COTHRAN	07/17/2019	180.00
81429	05714	COUNTY OF SD DEPT PUBLIC WORKS	07/17/2019	540.00
81430	91443	E.J. MEYER COMPANY, INC.	07/17/2019	37,091.05
81431	02170	GRAINGER, INC.	07/17/2019	669.97
81432	90897	JOSHUA HARGROVE	07/17/2019	406.55
81433	06429	HEALTHPOINTE MEDICAL GROUP,INC	07/17/2019	175.00
81434	06577	INFOSEND INC	07/17/2019	930.29
81435	06359	INFRASTRUCTURE ENGINEERING CO	07/17/2019	49,069.95
81436	04027	JOES HARDWARE	07/17/2019	896.91

Check No	Vendor No	Vendor Name	Check Date	Check Amount
81437	01703	TODD LANGE	07/17/2019	120.00
81438	91077	MULTI SERVICE TECHNOLOGY SOLU	07/17/2019	554.60
81439	90932	NAPA AUTO PARTS	07/17/2019	513.37
81440	06744	O.S.T.S. INC	07/17/2019	3,000.00
81441	91007	PFM ASSET MANGEMENT LLC	07/17/2019	1,208.61
81442	91223	STERLING HEALTH SERVICES INC.	07/17/2019	125.00
81443	00458	VERIZON WIRELESS	07/17/2019	666.17
81444	91325	VISTA TREE SERVICE, INC.	07/17/2019	2,650.00
81445	04995	AMERICAN MESSAGING	07/17/2019	110.40
81446	06235	JACK BEBEE	07/17/2019	119.58
81447	03134	CALIFORNIA WATER ENVIRONMENT	07/17/2019	87.00
81448	91271	COUNCIL OF WATER UTILITIES	07/17/2019	45.00
81449	06303	EXECUTIVE LANDSCAPE INC.	07/17/2019	700.00
81450	06286	GARDA CL WEST, INC.	07/17/2019	267.08
81451	UB*00275	JOHNATHAN & NICOLE HART	07/17/2019	108.14
81452	06267	J2 GLOBAL IRELAND LIMITED	07/17/2019	59.91
81453	06380	JANI-KING OF CALIFORNIA, INC - SA	07/17/2019	2,777.45
81454	90902	MATTHEW LIAN	07/17/2019	288.59
81455	UB*00276	RACHELLE MONTGOMERY	07/17/2019	134.67
81456	06338	MYTHOS TECHNOLOGY INC	07/17/2019	1,681.94
81457	91426	PRINTING SOLUTIONS	07/17/2019	139.68
81458	91071	JACOB ROBINSON	07/17/2019	132.00
81459	00235	SAN DIEGO UNION-TRIBUNE	07/17/2019	377.85
81460	91107	SPECTRUM BUSINESS	07/17/2019	115.64
81461	UB*00274	JEFF UHLIK	07/17/2019	243.84
Total for 7/17/2019:				112,196.88
ACH	00152	FPUD EMPL ASSOCIATION	07/18/2019	507.50
ACH	06758	US TREASURY - PAYROLL TAXES	07/18/2019	55,863.05
ACH	06759	STATE OF CA - PR TAXES	07/18/2019	8,646.52
ACH	06760	STATE OF CA - SDI	07/18/2019	2,089.35
ACH	06761	LINCOLN FINANCIAL GROUP	07/18/2019	7,096.83
ACH	06763	PERS - PAYROLL	07/18/2019	37,987.54
Total for 7/18/2019:				112,190.79
81462	91466	CLARA BROWN	07/25/2019	2,619.26
81463	91049	CALIFORNIA HAZARDOUS SERVICES	07/25/2019	850.00
81464	03205	CITY OF OCEANSIDE	07/25/2019	1,542.82
81465	02176	CORELOGIC SOLUTIONS, LLC	07/25/2019	225.00
81466	91243	CUSTOM UPHOLSTERY UNLIMITED	07/25/2019	230.00
81467	06762	DENALI WATER SOLUTIONS LLC	07/25/2019	2,549.72
81468	04494	FEDERAL EXPRESS CORPORATION	07/25/2019	148.47
81469	91198	FIRST BANKCARD	07/25/2019	178.10
81470	91200	FIRST BANKCARD	07/25/2019	264.17
81471	91202	FIRST BANKCARD	07/25/2019	85.32
81472	91225	FIRST BANKCARD	07/25/2019	424.30
81473	91313	FIRST BANKCARD	07/25/2019	14.21
81474	91323	FIRST BANKCARD	07/25/2019	90.98
81475	90937	KIRK PAVING INC	07/25/2019	16,146.25
81476	06596	MCS INSPECTION GROUP	07/25/2019	10,244.00
81477	91446	NIGRO & NIGRO, PC	07/25/2019	450.00
81478	91312	TERRAPIN GROUP	07/25/2019	26,060.00
81479	04330	UNION BANK	07/25/2019	1,649.00
81480	00101	ACWA JPIA	07/25/2019	90,192.91
81481	91286	AMAZON CAPITAL SERVICES, INC.	07/25/2019	650.91

Check No	Vendor No	Vendor Name	Check Date	Check Amount
81482	04903	AUDITOR AND CONTROLLER - COUN	07/25/2019	19,506.48
81483	91440	BP BATTERY INC	07/25/2019	261.04
81484	03134	CALIFORNIA WATER ENVIRONMENT	07/25/2019	188.00
81485	04178	CALOLYMPIC SAFETY CO., INC.	07/25/2019	1,577.98
81486	05876	JASON CAVENDER	07/25/2019	242.44
81487	91210	CORE & MAIN LP	07/25/2019	4,081.57
81488	91008	MICHAEL COTHRAN	07/25/2019	401.50
81489	91129	JENNIFER DEMEO	07/25/2019	54.29
81490	05180	NOELLE DENKE	07/25/2019	82.56
81491	03391	ELECTRICAL SALES INC	07/25/2019	134.49
81492	91401	KENNETH ENDTER	07/25/2019	145.70
81493	02647	FALLBROOK AWARDS	07/25/2019	114.22
81494	00169	FALLBROOK OIL COMPANY	07/25/2019	2,374.09
81495	91200	FIRST BANKCARD	07/25/2019	270.00
81496	91202	FIRST BANKCARD	07/25/2019	123.35
81497	91225	FIRST BANKCARD	07/25/2019	345.00
81498	91313	FIRST BANKCARD	07/25/2019	17.99
81499	05380	HACH CO	07/25/2019	1,140.32
81500	05803	HADRONEX INC	07/25/2019	23,280.00
81501	03161	IDEXX DISTRIBUTION, INC.	07/25/2019	377.90
81502	06577	INFOSEND INC	07/25/2019	3,196.22
81503	02320	J.J. KELLER & ASSOCIATES INC	07/25/2019	686.00
81504	05505	TODD JESTER	07/25/2019	1,224.40
81505	91224	KEN WEINBERG WATER RESOURCES	07/25/2019	3,280.00
81506	04926	KONICA MINOLTA PREMIER FINANCE	07/25/2019	1,845.14
81507	06633	MAINTENANCE CONNECTION INC	07/25/2019	756.20
81508	05655	DON MCDUGAL	07/25/2019	40.25
81509	91427	MITEL CLOUD SERVICES, INC	07/25/2019	1,626.27
81510	00718	NATIONWIDE RETIREMENT SOLUTIO	07/25/2019	3,380.00
81511	91167	NORTH COUNTY FORD	07/25/2019	306.88
81512	91155	QUALITY GATE COMPANY	07/25/2019	2,213.00
81513	00236	SCRAPPYS	07/25/2019	211.63
81514	06738	SHAWN'S CONCRETE PUMPING	07/25/2019	810.00
81515	04434	SNAP ON TOOLS	07/25/2019	1,345.81
81516	91082	TELETRAC, INC	07/25/2019	2,033.18
81517	91404	UPS STORE #3607	07/25/2019	112.72
81518	91463	VALLEY CHAIN AND GEAR, INC.	07/25/2019	990.92
81519	00233	WAXIE SANITARY SUPPLY	07/25/2019	3,423.83
81520	90934	CHARLIE WOLK	07/25/2019	33.64
Total for 7/25/2019:				236,850.43
ACH	06763	PERS - PAYROLL	07/30/2019	851,471.00
Total for 7/30/2019:				851,471.00
81527	91069	BRENNTAG PACIFIC INC.	07/31/2019	1,960.63
81528	91245	CALIFORNIA BUILDING EVALUATION	07/31/2019	20,043.59
81529	03134	CALIFORNIA WATER ENVIRONMENT	07/31/2019	192.00
81530	91123	DIGITAL DEVELOPMENT, INC.	07/31/2019	550.00
81531	91203	FIRST BANKCARD	07/31/2019	564.14
81532	02972	FISHER SCIENTIFIC COMPANY LLC	07/31/2019	2,033.19
81533	02170	GRAINGER, INC.	07/31/2019	617.17
81534	05380	HACH CO	07/31/2019	3,126.54
81535	06577	INFOSEND INC	07/31/2019	2,409.30
81536	00190	JCI JONES CHEMICALS INC.	07/31/2019	8,279.20
81537	91304	LEARNSOFT CONSULTING INC	07/31/2019	4,160.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
81538	91130	LINCOLN NATIONAL LIFE INSURANC	07/31/2019	1,448.31
81539	02618	MC MASTER-CARR	07/31/2019	60.82
81540	06024	MATTHEW MORGAN	07/31/2019	118.19
81541	02759	PACIFIC SAFETY CENTER	07/31/2019	280.00
81542	90939	PCM SALES, INC.	07/31/2019	200.91
81543	06110	SKY PETERSON	07/31/2019	100.00
81544	91467	DENNIS RECKER	07/31/2019	5,952.00
81545	91218	DAVID SHANK	07/31/2019	50.14
81546	90929	SOUTHWEST ANSWERING SERVICE, I	07/31/2019	776.87
81547	91040	SPRINGBROOK NATIONAL USER GRO	07/31/2019	175.00
81548	05415	STATE WATER RESOURCE CONTROL	07/31/2019	105.00
81549	00159	SUPERIOR READY MIX	07/31/2019	4,147.27
81550	91385	VERONICA TAMZIL	07/31/2019	60.00
81551	05883	TESTAMERICA LABORATORIES, INC.	07/31/2019	548.65
81552	06256	MARYLOU WEST	07/31/2019	52.14
81553	06434	WESTERN RENEWABLE ENERGY GEN	07/31/2019	142.57

Total for 7/31/2019: 58,153.63

Report Total (273 checks): 2,851,041.03



Jack Bebee

General Manager



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: Fallbrook Toastmasters, Fallbrook, CA


Date(s) of Attendance: July 29, 2019

Purpose of Function: Develop speaking skills

Sponsoring Organization: Toastmasters

Summary of Conference or Meeting:

Attended weekly meeting on Monday, July 29, 2019.

Director Signature: 

Date: July 30, 2019

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

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

FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: Fallbrook Village Toastmasters, Fallbrook Historical Society,  
Hill St, Fallbrook, CA

Date(s) of Attendance: Monday, ~~July~~ August 5, 2019

Purpose of Function: Education

Sponsoring Organization: Fallbrook Village Toastmasters Club

Summary of Conference or Meeting:

Attended toastmasters monthly meeting to improved public speaking skills. Performed role of Evaluator.

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



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

8/6/2019

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Keneth Endter

Name & Location of Function: SDCWA - Legislative Roundtable  
held at the SDCWA offices in San Diego

Date(s) of Attendance: 7-15-19

Purpose of Function: Legislative update with Senator Brian Jones

Sponsoring Organization: SDCWA

Summary of Conference or Meeting:

Updates given on legislative activities  
regarding water issues.

His personal opinion given of the Sacramento  
River and the need for reservoirs to prevent  
the loss of overflow during wet years from  
being lost to the ocean.

He noted that the bipartisan cooperation seems  
to be improving with regards to water issues.

Director Signature: Ken Endter

Date: 7-15-19

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Kenneth Endter

Name & Location of Function: Council of Water Utilities  
Butcher Block Restaurant, San Diego

Date(s) of Attendance: 7-16-19

Purpose of Function: Consider re-structuring and Guest Speaker

Sponsoring Organization: COWU

Summary of Conference or Meeting:

Discussion of whether we, as an entity,  
should remain as COWU and re-write the  
By-Laws, or form a new entity.

Guest speaker was Pat Mulroy, who was  
part of the Las Vegas Water Agency and  
an instrumental member of the Southern  
Nevada committee. She discussed the need for  
all seven states of the Colorado River Agreement to  
work together as the 2007 Agreement comes to a close.

Director Signature:  Date: 7-16-19

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FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Kenneth Endter  
Name & Location of Function: Calif Water Coalition Roundtable  
Held at The Carlsbad Water District Offices  
Date(s) of Attendance: 7-19-19  
Purpose of Function: Roundtable Discussion of So. California Water  
Sponsoring Organization: SCWC

Summary of Conference or Meeting:

Jim Madaffer Discussed areas of potential growth and projects of the SDCWA.  
Stephanie Gaines discussed the actions being taken and goals surrounding the capture and re-use of stormdrain water. Plans for integration was discussed.  
Amy Dorman gave a report on San Diego plans to re-use re-cycled water to a pure potable state.

Director Signature: 

Date: 7-19-19

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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: So Cal Water Coalition, City of Carlsbad, Carlsbad, CA

Date(s) of Attendance: Friday, July 19, 2019

Purpose of Function: Industry Education

Sponsoring Organization: San Diego County Water Authority

Summary of Conference or Meeting:

Educational event related to regional water issues. CWA, San Diego County and City of San Diego. The city's program of treated waste water return to potable was the only real "new" water program. The County's program of storm water capture is a good idea, but has no facility to capture the water. CWA has the dream program without identifying cost. Easily wins the PR award.

Director Signature: 

Date: 8/1/19

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**FALLBROOK PUBLIC UTILITY DISTRICT**

**Reimbursement to Board and Staff Members \$100.00 or more ( July 1st to June 30th )**

EMPLOYEE	DATE	DESCRIPTION	AMOUNT
Beebe, Jack	10/1/2018	Reimbursement Cert Renewal	105.00
	10/11/2018	Tag Meeting	139.50
	10/27/2018	AWWA Fall Summit	567.18
	5/10/2019	ACWA Spring Conference	434.06
	6/5/2019	SMRCUP SRF	159.73
	6/17/2019	AWWA Annual Conference	1,251.71
	6/24/2019	Cell Phone - Jan-May 2019	375.00
	6/26/2019	Cell Phone - Feb-Dec 2018	720.00
Bokma, Annalece	08/07/2018	Excel Training	122.82
Brown, Craig	09/27/2018	Tri State Conference	365.57
	1/7/2019	15yrs Service Award	150.00
	02/25/2019	Mileage Training	294.18
Case, Mickey	01/07/2019	25yrs Service Awrd	500.00
Cavender, Jason	1/30/2019	Uniform Reimbursement	242.44
Chaffin, Lisa	12/10/2018	CalPelra Conference 2018	1,091.41
	01/25/2019	LCW Annual Conference	705.28
Collins, Kevin	06/04/2018	CWEA Membership	188.00
Cook, Aaron	02/11/2019	Cell Phone - Nov, Dec 2018	120.00
	3/21/2019	WaterRefuse Conference	216.44
	04/19/2019	Cell Phone - Feb-Apr 2019	160.00
	06/25/2019	Dept 2 Lunch	122.33
	06/26/2019	Cell Phone - May, June 2019	120.00
Cothran, Mick	7/16/2018	Tuition Reimbursement	118.55
	7/25/2018	Cert Renewal Reimbursement	105.00
	10/11/2018	Cell Phone - April - Sept 2018	360.00
	4/11/2019	Cell Phone - Oct 2018 - Mar 2019	360.00
	06/30/2019	Cell Phone - Apr - June 2019	180.00
Davis, Jamison	01/07/2019	10yrs Service Awrd	100.00
Denke, Noelle	08/07/2018	Mileage Reimbursement	100.40
	10/31/2018	Mileage Reimbursement	122.17
	12/10/2018	Calendar Contest Expense Reimbursement	200.40
	01/07/2019	15yrs Service Awrd	150.00
	3/7/2019	Mileage Reimbursement	196.33
	4/15/2019	CAPIO Conference	109.34
Develle, Soleil	05/27/2019	Cell Phone - Feb - May 2019	240.00
Endter, Kenneth	03/15/2019	Mileage Reimbursement	120.06
	5/11/2019	ACWA Conference - Mileage & Meal Reimbursement	559.44
Galloway, Alex	12/10/2018	Tuition Reimbursement	161.00
	12/20/2018	Cert/Exam Renewal Reimbursement	155.00
Golem, Todd	09/25/2018	Tri State Conference	687.82
Hamilton, Chris	9/26/2018	Tri State Conference	343.79
	10/31/2018	Tuition Reimbursement	133.00
	4/15/2019	Tuition Reimbursement	200.00

Hargrove, Josh	2/25/2019 Employee of the Qrt Gift Reimbursement	100.00
	06/12/2019 Mileage Reimbursement	105.56
	06/20/2019 CWEA Mech Tech Exam & Membership Reimbursement	358.00
	06/27/2019 AMMA Training	406.55
Iliev, Nikolay	09/27/2018 Tri State Conference	461.07
Jester, Todd	7/11/2018 ESRI User Conference	1,117.77
	01/07/2019 15yrs Service Awrd	100.00
Johnson, Joye	07/12/2018 ESRI Conference	155.65
Jones, Troy	01/10/2019 Cert/Exam Reimbursement	295.00
Lange, Todd	9/30/2018 Itron Conference - Mileage Reimbursement	522.21
	10/3/2018 Itron Conference - Meal Reimbursement	115.47
	05/23/2019 Cell Phone - July 2018 - April 2019	600.00
	06/30/2019 Cell Phone - May, June 2019	120.00
Laughlin, Kelly	01/29/2019 Women in Water & Government Training	628.16
Lian, Matthew	08/07/2018 Cert/Exam Renewal Reimbursement	100.00
Marchand, Jeff	7/26/2018 SMR CUP SWR Conference	121.44
	06/30/2019 Cell Phone - Mar - June 2019	240.00
Morgan, Matthew	01/07/2019 10yrs Service Awrd	100.00
Parker, Donald	1/7/2019 10yrs Service Awrd	100.00
Perez, Matthew	1/7/2019 15yrs Service Awrd	150.00
Peterson, Sky	09/26/2018 Tri State Conference	347.14
	01/07/2019 10yrs Service Awrd	100.00
Ragsdale, Larry	03/14/2019 Mileage Reimbursement	179.10
	6/20/2019 Mileage & Meal Reimbursement	168.37
Robinson, Jacob	8/23/2018 Tuition Reimbursement	139.00
	10/22/2018 Cert Renewal Reimbursement	100.00
	03/14/2019 Cla-Val Training	146.87
	5/21/2019 Tuition Reimbursement	161.00
Shank, David	10/24/2018 Cell Phone - May - Oct 2018	360.00
	4/16/2019 Medical Reimbursement	126.10
	4/16/2019 Cell Phone - Nov 2018 - Apr 2019	360.00
	6/14/2019 Springbrook Conference	257.00
	6/24/2019 Dept 1 Lunch	211.56
Stagg, David	3/11/2019 30yrs Service Award	300.00
Stone, Steve	7/11/2018 Cert Renewal Reimbursement	214.99
	3/11/2019 25 yrs Service Award	250.00
	3/26/2019 25yrs Service (Money instead of Watch)	250.00
	3/27/2019 Mileage & Meal Reimbursement Training	104.87
Tamzil, Veronica	5/22/2019 GFOA Conference	1,213.63
	6/14/2019 Springbrook Conference	502.16
Taylor, Eddie	8/30/2018 Employee of the Quarter Gift Reimbursement	100.00
Toma, Orneen	1/2/2019 Cert/Exam Reimbursement	555.00
	6/14/2019 Mileage Reimbursement	980.20
Wendt, Austin	1/24/2019 Uniform Reimbursement	220.84



