



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

AGENDA

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

INSTEAD MEMBERS OF THE PUBLIC ARE ENCOURAGED TO PARTICIPATE IN THE BOARD MEETING VIA TELECONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION.

MEMBERS OF THE PUBLIC MAY ALSO SUBMIT PUBLIC COMMENTS AND COMMENTS ON AGENDA ITEMS IN ADVANCE IN ONE OF THE FOLLOWING WAYS:

- **BY EMAILING TO OUR BOARD SECRETARY AT LECKERT@FPUD.COM**
- **BY MAILING TO THE DISTRICT OFFICES AT 990 E. MISSION RD., FALLBROOK, CA 92028**
- **BY DEPOSITING THEM IN THE DISTRICT’S PAYMENT DROP BOX LOCATED AT 990 E. MISSION RD., FALLBROOK, CA 92028**

ALL COMMENTS SUBMITTED BY WHAT EVER MEANS MUST BE RECEIVED AT LEAST ONE HOUR IN ADVANCE OF THE MEETING. ALL COMMENTS WILL BE READ TO THE BOARD DURING THE APPROPRIATE PORTION OF THE MEETING. PLEASE KEEP ANY WRITTEN COMMENTS TO 3 MINUTES. THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT’S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.

**AUDIO CALL-IN 1-408-418-9388
ACCESS CODE 126 552 7260
AUDIO PASSWORD 44578262**

<https://fallbrookpublicutilitydistrict.my.webex.com/fallbrookpublicutilitydistrict.my/j.php?MTID=m13fd6320d056f0e306a7b657fba7bcd0>

**WEDNESDAY, MAY 27, 2020
4:00 P.M.**

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

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 999-2704 for assistance so the necessary arrangements can be made.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

PUBLIC COMMENT

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

A. EMPLOYEE OF THE QUARTER

1. Nick Iliev

B. YEARS OF SERVICE

1. Kyle Drake – 35 years
2. Eddie Taylor – 33 years

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

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. April 27, 2020 Regular Board Meeting

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

D. CONSIDER ADOPTION OF 2020-21 APPROPRIATION GROWTH RATE;
RESOLUTION NO. 4996

Recommendation: That the Board adopt attached Resolution No. 4996 setting the tax appropriation limit for 2020-21 at \$3,320,644, which includes the Fallbrook and DeLuz service areas and Improvement District “S.”

E. CONSIDER NOTICE OF COMPLETION – MAIN PARKING AREA &
EQUIPMENT YARD REHABILITATION

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

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

F. PIPELINE AND VALVE REPLACEMENT PROGRAM

Presented by: Aaron Cook, Senior Engineer

IV. ACTION / DISCUSSION CALENDAR -----(ITEMS G – H)

G. CONSIDER REGIONAL CONVEYANCE SYSTEM STUDY LETTER FROM BOARD PRESIDENT

Recommendation: That the Board approve the attached letter, drafted by the FP&I Committee, be sent from the District Board President to the Water Authority Chairman and to copy other District Board Presidents or SDCWA representatives.

H. CONSIDER MORRO ROAD SEWER EXTENSION REPAYMENT AGREEMENT

Recommendation: That the Board of Directors approve the final Repayment Agreement for GRK Developers and the Payment Plan for the customers at Parcel 106-152-41.

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

1. General Counsel
2. SDCWA Representative Report
3. General Manager
 - a. Engineering and Operations Report
4. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended
 - a. Notification of Approval for Director's attendance for a telephone conference between Supervisor Jim Desmond and Policy Advisor, Ben Mills, on Friday, May 1, 2020.
7. Director Comments/Reports on Meetings Attended
8. Miscellaneous

ADJOURN TO CLOSED SESSION

VI. CLOSED SESSION -----(ITEMS 1 – 3)

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GOVERNMENT CODE SECTION 54957:

Discuss Performance Evaluation of General Manager

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GOVERNMENT CODE SECTION 54957:

Discuss Performance Evaluation of General Counsel

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

One (1) Potential Case

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION

VII. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

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

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

May 21, 2020
Dated / Fallbrook, CA

/s/ Lauren Eckert
Executive Assistant/Board Secretary

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: May 27, 2020
SUBJECT: May 2020 Employee of the Quarter

Chris Hamilton, February 2020 Employee of the Quarter, chose Nick Iliev as the May 2020 Employee of the Quarter for the following reasons:

“Whether it be helping troubleshoot a technical problem or coming up with some crazy idea to improve plant operations, Nick’s willingness to help others has made him someone that I can always rely on.”

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

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MEMO

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: May 27, 2020
SUBJECT: Approval of Minutes

Recommended Action

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

1. April 27, 2020 Regular Board Meeting.



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING

MINUTES

MONDAY, APRIL 27, 2020
4:00 P.M.

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

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 999-2704 for assistance so the necessary arrangements can be made.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President Endter called the April Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:02 p.m.

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

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

A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paul de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Mavis Canpinar, Customer Service Specialist
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Lani Lutar

PLEDGE OF ALLEGIANCE

President Endter led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

General Counsel de Sousa announced all votes would need to be done via a roll call vote.

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

AYES: Directors Baxter, 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 public comments.

A. YEARS OF SERVICE

1. Mavis Canpinar – 5 years

General Manager Bebee recognized Mavis Canpinar for her five years of service to the District.

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

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

B. APPROVAL OF MINUTES

1. March 23, 2020 Regular Board Meeting

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

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

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

NOES: None

ABSTAIN: None

ABSENT: None

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

C. INVENTORY ITEMS PURCHASED FOR VALVE AND PIPELINE REPLACEMENT PROGRAM

Presented by: Kevin Collins, Purchasing/Warehouse Supervisor

General Manager Bebee provided an update of the inventory items that were approved for purchasing for the Valve and Pipeline Replacement Program at the March Regular Board Meeting.

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

D. CONSIDER UPDATES TO PERSONNEL SECTIONS OF THE ADMINISTRATIVE CODE

Recommendation: That the Board adopt Resolution 4993, repealing Administrative Code Sections 4-13 and replacing with the attached Section 4.

Vice President DeMeo announced Staff performed a deep dive review into the current Administrative Code and found that the Personnel Regulations sections of the Administrative Code needed to be updated. In summary, Articles 4 through 13 would be consolidated into a revised Article 4, and the Personnel Regulations would be moved to a separate document, outside of the Administrative Code. By separating the Personnel

Regulations from the Admin Code, the Personnel Committee would be able to approve changes to the Personnel Regulations, instead of requiring the Board approve each time a change is made.

Director Wolk asked if Articles 5 through 13, which were noted to be reserved for future use, would become the Personnel Regulations in the future. General Manager Bebee responded that existing sections will most likely be moved forward in the future.

General Manager Bebee explained the Personnel Regulations will become a separate document, which will not be part of the Admin Code. He went on to explain that any changes to the Personnel Regulations would now be reviewed by the Personnel Committee and could be brought to the full Board if the Personnel Committee felt it was necessary.

Director Wolk noted on the third paragraph of page 22 of the agenda packet, there was a typographical error and should read "General Manager shall *employ* such personnel," instead of "General Manager shall *employee* such personnel." Director Wolk also suggested the Memoranda of Understanding, the proposed section 4.2, be generally referenced instead of referencing specific Memoranda of Understanding.

MOTION: Director McDougal moved to approve Resolution 4993, repealing Administrative Code Articles 4-13 and replacing with revised Article 4, as presented, with a modification to Section 4.1 to correct a typographical error, and modification to Section 4.2, to make a general reference to the current Memoranda of Understanding; Director Baxter seconded.

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

NOES: None

ABSTAIN: None

ABSENT: None

E. CONSIDER ADOPTION OF RESOLUTION 4994 TO DESIGNATE AGENTS FOR PURPOSES OF OBTAINING STATE AND/OR FEDERAL FINANCIAL DISASTER ASSISTANCE THROUGH THE GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CALOES FORM 130) AND CONSIDER ADOPTION OF RESOLUTION 4995 CONFIRMING THE EXISTENCE OF A STATE OF EMERGENCY IN RESPONSE TO COVID-19 PANDEMIC

Recommendation: *The Board:*

1. *Adopt the attached Resolution 4994, designating the General Manager and Assistant General Manager to serve as the District's agents to secure potential disaster relief funding from the state and/or federal government, administered through the Governor's Office of Emergency Services and/or FEMA in a timely manner, if funds become available and*

2. Adopt the attached Resolution 4995, confirming the existence of a state of emergency in response to the COVID-19 Pandemic.

General Manager Bebee announced there is a time period to submit for potential claims to FEMA. The District has not incurred a significant amount of costs, as of yet, due to the COVID-19 pandemic. Operations have continued. This Resolution is a proactive approach in case there is a District need for future disaster relief funding. General Manager Bebee used an example if there is a State order that makes the District unable to collect customer fees, or if there were a number of employees with the illness, and the District had a need for temporary employees.

General Manager Bebee announced that Resolution 4995, the District confirming a state of emergency, is mostly to support modifications in staff work schedules. These staffing changes and modifications were necessary to comply with the Governor's order, however, they were outside of what is outlined in the MOU.

General Manager Bebee reiterated that the District is not currently planning to submit any reimbursement requests to FEMA.

Director Wolk suggested the adoption of each Resolution should be done in a separate vote.

Director McDougal stated he thought both of these Resolutions were prudent to move forward with adoption.

MOTION: Director Wolk moved to adopt Resolution 4994, designating the General Manager and Assistant General Manager to serve as the District's agents to secure potential disaster relief funding from the state and/or federal government, administered through the Governor's Office of Emergency Services and/or FEMA in a timely manner, if funds become available; Director McDougal seconded. Motion carried; VOTE:

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

MOTION: Director Wolk moved to adopt Resolution 4995, confirming the existence of a state of emergency in response to the COVID-19 Pandemic; Vice President DeMeo seconded. Motion carried; VOTE:

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

F. CONSIDER CONTINUED NEED FOR UTILIZATION OF LONG-TERM RESERVES CURRENTLY HELD IN LAIF TO BRIDGE FUND THE SANTA MARGARITA CONJUNCTIVE USE PROJECT (SMCUP)

Recommendation: The Board approve the use of the Long-term Reserves (LAIF) to fund the SMCUP expenditures.

Director Wolk summarized that the State has not paid the District in a timely manner, and the District still has to pay the Contractor for the SMCUP project. Therefore, it seems appropriate to use the funds the State has already paid the District to pay the Contractor, until we get another payment from the State.

Director Wolk announced that the FP&I Committee felt the District President and General Manager should meet face-to-face with Senator Brian Jones and Assemblywoman Marie Waldron, with strong, diplomatic words, that something needs to be done about the reimbursement process.

General Manager Bebee reported it may be a bit before a face-to-face meeting can take place, but an initial phone call will be set up. The Contractor will also provide a letter stating they cannot continue to receive payments every 90 days.

Director Wolk explained the COVID-19 pandemic should not be used as a deterrent for a face-to-face meeting, as participants can meet in a large room where they can be spaced out.

MOTION: Director Wolk moved to approve the use of the Long-term Reserves (LAIF) to fund the SMCUP expenditures; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

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

1. General Counsel

- General Counsel de Sousa announced they are continuing to work with agency clients on the State payment issues and making Congress understand that local public agencies also have needs. She did note that the Assembly and Senate are in extended recess at the current time.

2. SDCWA Representative Report

- General Manager Bebee reported one of the items that is important to the District, as we work on the budget, is the SDCWA rates, which is in

flux right now. SDCWA has made a push to MWD to keep rates down, and a number of member agencies have made the push to the SDCWA to keep rates down. SDCWA has rate pressure outside their ability to modify because of external supply contracts. Therefore, a zero percent increase is probably not possible. There may be some things they can mitigate, including the infrastructure access charge, which is a fixed fee that the District passes through. This charge went up 21% last year and is planned to go up an additional 21% next year.

- Director McDougal announced he saw a letter from SDCWA Chair Madaffer and suggested the SDCWA could drop their lawsuit to save money. General Manager Bebee said he could make that suggestion.

3. General Manager

a. Engineering and Operations Report

- General Manager Bebee announced we are going to be working on meters to get back up to speed. Valve replacements will also start being planned for a month out, first in higher traffic areas. There will also be outreach planned for customers affected by those replacements.
- General Manager Bebee announced there is a State program for batteries, and the District has been looking at potentially putting batteries in the water reclamation plant site for a while, but economically it did not make sense to purchase, own, and operate the batteries. Currently, there is a State program that will subsidize the battery installation. The District was approached by Sun Power regarding this program, and a letter of intent was submitted, to put funding into the program. If we do get selected for the program, there would be agreements that would come back to the Board. Essentially, the District would not have to pay anything. Sun Power would pay, install, own, and operate the batteries, and we would just be able to recognize the energy savings.
 - Director Wolk asked if the rolling total number of broken valves, outlined on page 75, is the total number of the valves we find, or the total that we know about, as we discover them through valve exercising. General Manager Bebee confirmed it is the number of valves that don't work that we know about it, not all of the broken valves that exist. The goal is to begin to drive down the number of broken valves. Director Wolk suggested Public Affairs Specialist Denke work on a way to get this information out to the ratepayers.
 - Director Baxter asked if there would ever be a transfer of ownership from Sun Power to the District, in regards to the battery program. General Manager Bebee stated there is a buyout clause, if we were to decide we want to take ownership ourselves.

4. Assistant General Manager/Chief Financial Officer

a. Financial Summary Report

- b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - Assistant General Manager/CFO Shank reported the FP&I Committee met to discuss the preliminary budget draft. There will be another round of reviews in May, and it will be brought to the Board in June. Sewer billing methodology is also being evaluated, in terms of how it is performing.
 - Assistant General Manager/CFO Shank gave a brief overview of written reports included in the agenda packet.
 - Assistant General Manager/CFO Shank explained we modified how the Financial Summary Report is being reported due to the State reimbursement issue. General Manager Bebee explained the reason we did that is because the delays in State reimbursement made it look like there was a large drop in revenues that did not actually exist.
 - President Endter asked if the reimbursed funds from the State will go back into the liquidity fund of LAIF, once received. Director Wolk stated it would be put back where it came from, which is LAIF.
 - Director Wolk asked how much was held in LAIF before the District pulled the \$4.2M. AGM/CFO Shank responded that there were no funds in LAIF, as they were pulled out the prior month.
 - Director Wolk asked when the County Pool account was being closed. AGM/CFO Shank stated he submitted the appropriate documents, but has not yet received a response from the County.
5. Public Affairs Specialist
 6. Notice of Approval of Per Diem for Meetings Attended
 7. Director Comments/Reports on Meetings Attended
 8. Miscellaneous

ADJOURN TO CLOSED SESSION

General Counsel de Sousa announced that members of the public were welcome to continue to stay on the teleconference line while the Board was in Closed session, however they would only hear silence. Following Closed Session and prior to adjournment, an oral announcement of reportable action, should there be any, would be made to the public on the teleconference line.

The Board of Directors adjourned to Closed Session at 5:03 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1 through VI.4.

VI. CLOSED SESSION------(ITEMS 1-4)

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GOVERNMENT CODE SECTION 54957:

Discuss Performance Evaluation of General Manager

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GOVERNMENT CODE SECTION 54957:

Discuss Performance Evaluation of General Counsel

3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1):

Name of Case: Otay Water District v. Fallbrook Public Utility District, San Diego Co. Sup. Ct. No. 37-2020-00004572-CU-MC-CTL

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

One (1) Potential Case

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 5:34 p.m.

REPORT FROM CLOSED SESSION (As Necessary)

General Counsel de Sousa announced there was no reportable action taken in Closed Session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, Director Wolk moved to adjourn the April Regular Meeting of the Fallbrook Public Utility District at 5:35 p.m.; Director McDougal seconded. The motion passed unanimously, with all Directors voting aye following a roll call vote.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: May 27, 2020
SUBJECT: 2020-21 Appropriation Growth Rate - Resolution No. 4996

Purpose

To set the tax appropriation limitation for 2020-21.

Summary

In November 1979, the voters of California approved the addition of Article XIII B to the State Constitution. This amendment provided a maximum annual percentage that proceeds of taxes could increase. This calculation is what the County of San Diego uses when determining what portion of the County’s taxes that Fallbrook Public Utility District will receive for the Fallbrook service area, De Luz service areas, and Improvement District “S”.

The California Revenue and Taxation Code section 2227 mandates the Department of Finance transmit an estimate of the percentage change in population to local governments. Each jurisdiction uses their change in population factor for January 1, 2020, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for FY 20-21.

A certified copy of the attached Resolution must be sent to the State Controller’s office by June 1, 2020.

Recommended Action

That the Board adopt attached Resolution No. 4996 setting the tax appropriation limit for 2020-21 at \$3,320,644, which includes the Fallbrook and DeLuz service areas and Improvement District “S”.

RESOLUTION NO. 4996

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT ESTABLISHING THE LIMIT
FOR APPROPRIATION OF PROCEED OF TAX SUBJECT TO
LIMITATION FOR FISCAL YEAR 2020-21 IN COMPLIANCE WITH
ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF
CALIFORNIA**

* * * * *

WHEREAS, the determination of appropriation limitation documentation and the population and cost of living per capita income increase provided by the State of California Department of Finance used to determine the appropriation limitations under Article XIII B of the Constitution of the State of California is on file and available for public inspection and is attached as Exhibit "A" to this Resolution.

THEREFORE, BE IT RESOLVED THAT the calculated maximum limit applicable to the 2020-21 appropriations of proceeds of tax subject to limitation established in compliance with Article XIII B of the Constitution of the State of California, including Fallbrook and DeLuz services areas and Improvement District "S". The calculated maximum limit is as follows:

➤ **TOTAL MAXIMUM LIMIT APPLICABLE TO 2020-21: \$3,320,644**

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 27th day of May, 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

Exhibit "A"
FALLBROOK PUBLIC UTILITY DISTRICT

DETERMINATION OF PERMITTED GROWTH RATE IN APPROPRIATION

2020-21

Determination of Permitted Growth Rate Appropriations 2020-21

Given by Department of Finance:

Per Capita Income Change 3.73

Population Change 0.59

Per Capita Income Change Converted to a Factor: 1.0373

Population Change Converted to a Factor: 1.0059

2020-21 Growth Factor:

$$\boxed{1.0373} \times \boxed{1.0059} = \boxed{1.0434}$$

Appropriation Limit Adjustment Factor 2020-21 1.0434

2019-20 Appropriations for Proceeds to Tax Subject to Limitation
per Resolution No. 4967 - FPUD: \$1,765,766.42

2019-20 Appropriations for Proceeds to Tax Subject to Limitation
per Resolution No. 89-14 - DLHMWD:

Parent \$110,860

I.D. # 1&2 \$382,849

2019-20 Appropriation For Proceeds to Tax Subject to Limitation
per Resolution No. 4400 - I.D. "S" \$923,053

2019-20 Total Appropriation Limit for Proceeds of Tax Subject to
Limitation - All Districts \$3,182,522

2020-21 Total Appropriation Limit for Proceeds of Tax Subject to
Limitation - Combined Districts

$$\$3,182,522 \times 1.0434 \quad \boxed{\$3,320,644}$$

M E M O

TO: Board of Directors
FROM: Kevin Collins, Purchasing and Warehouse Supervisor
DATE: May 27, 2020
SUBJECT: Notice of Completion – Main Parking Area & Equipment Yard Rehabilitation

Purpose

To file a Notice of Completion for Main Parking Area & Equipment Yard Rehabilitation with the San Diego County Recorder.

Summary

The contract for Main Parking Area & Equipment Yard Rehabilitation, Job Number 3111, was completed on May 14, 2020. The Contract was awarded to Prestige Paving. The final total contract amount was \$77,155. The original contract was awarded on March 23, 2020 in the amount of \$77,155.

Budgetary Impact

There is no budgetary impact to record the Notice of Completion.

Recommended Action

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

RECORDING REQUESTED BY:
Fallbrook Public Utility District

AND WHEN RECORDED MAIL TO:
Fallbrook Public Utility District
990 E. Mission Road
Fallbrook CA 92028

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is the owner of the interest or estate stated below in the property hereinafter described.
2. The full name of the undersigned is Fallbrook Public Utility District.
3. The full address of the undersigned is 990 E Mission Road, Fallbrook CA 92028.
4. The nature of the title of the undersigned is public utility district in fee.
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

<u>NAMES</u>	<u>ADDRESSES</u>
Fallbrook Public Utility District	990 E. Mission Rd, Fallbrook CA 92028

6. The names of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work of improvement herein referred to are (OR IF NO TRANSFER WAS MADE INSERT THE WORD "None")

<u>NAMES</u>	<u>ADDRESSES</u>
None	None

7. The work of improvement on the property hereinafter described was completed on **May 14, 2020**.
8. The name of the original contractor, if any, for the work of improvement was: **Prestige Paving**
The kind of work done or material furnished was for the **Main Parking Area & Equipment Yard Rehabilitation**.
9. The property on which the work of improvement was completed is in the unincorporated area of Fallbrook, county of San Diego, state of California, and is described as follows: **Fallbrook Public Utility District Office**
10. The street address of the said property is: **990 E Mission Road**

DATED: May 18, 2020

Kevin Collins, Warehouse/Purchasing Manager
Fallbrook Public Utility District

VERIFICATION

I, the undersigned, say:

I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 18, 2020, at Fallbrook, California.

Signature

MEMO

TO: Board of Directors
FROM: Engineering and Operations Committee
DATE: May 27, 2020
SUBJECT: Pipeline and Valve Replacement Program

Description

This memo provides an update to the Pipeline and Valve Replacement Program.

Purpose

Valves:

There are 6,872 total valves in the existing distribution system. Well-functioning isolation valves are critical to minimize the number of customers impacted during planned or unplanned shutdowns. The key performance indicators related to valves tracked by staff include number of valves exercised, number of valves replaced, and the rolling total of broken valves. The number of known broken valves regularly fluctuates, increasing as broken valves are discovered through the exercise program or when they do not shut-off properly during a shutdown, and decreasing as valves are replaced.

Currently the goal is to replace 100 valves per year. The number of valves replaced over the last three years are shown in the table below, as well as the amount expended to replace those valves.

<i>Year</i>	<i>Quantity Replaced</i>	<i>Total Annual Cost</i>
<i>FY 2016/17</i>	82	\$397,587
<i>FY 2017/18</i>	112	\$609,051
<i>FY 2018/19</i>	57	\$476,746
<i>FY 2019/20</i>	100 (Goal) 76 as of 5/1/20	

The current replacement rate of 100 per year results in a 70-year replacement cycle. Typically the service life of an isolation valve is between 20 and 30 years. Doubling the current replacement rate would put the program closer to manageable expectations. Additionally, the current replacement value of all the valves in the system is approximately \$42.7 Million. The current number of known broken valves is 310.

As shown by these numbers, it would be ideal to increase both the budget allocated to valve replacement, and the valve replacement goal. To achieve a replacement cycle of 35 years, 200 valves would need to be replaced each year. The majority of the valve

replacement work is performed by internal field staff. Approximately 20% of the valves are replaced by outside contractors as part of the pipeline replacement program. The valve replacement program budget would need to be increased to \$975,000 annually; nearly double the current budget. The District has allocated \$675,000 annually to the meter replacement program which is almost complete. Once the meter replacement program is completed the resources can be allocated to the valve replacement program which would get the District closer to reaching a sustainable valve replacement resource allocation and expenditure level.

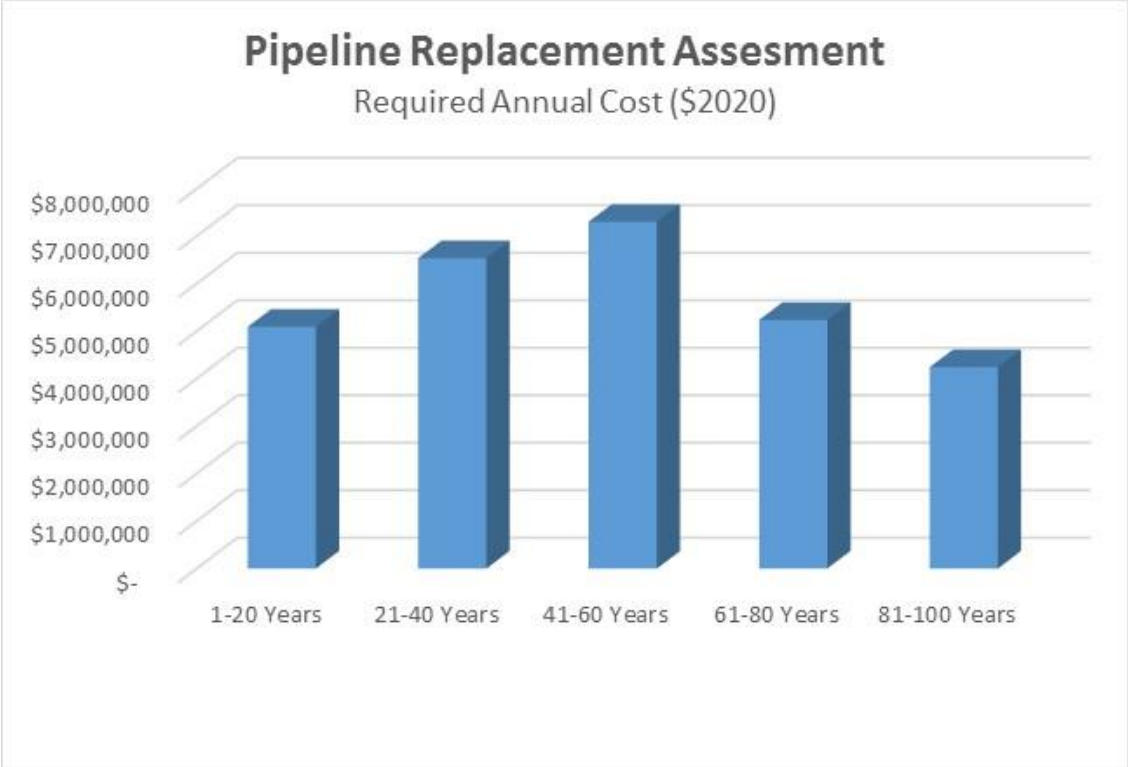
Water Mains:

District Staff has completed an update to the pipeline asset risk assessment model used to guide decisions on pipeline replacement. This model assigns a replacement value and risk factor to each segment of pipe in the system. The update accounted for completed replacement projects over the last four years, and current replacement costs, which have increased by more than double since 2017.

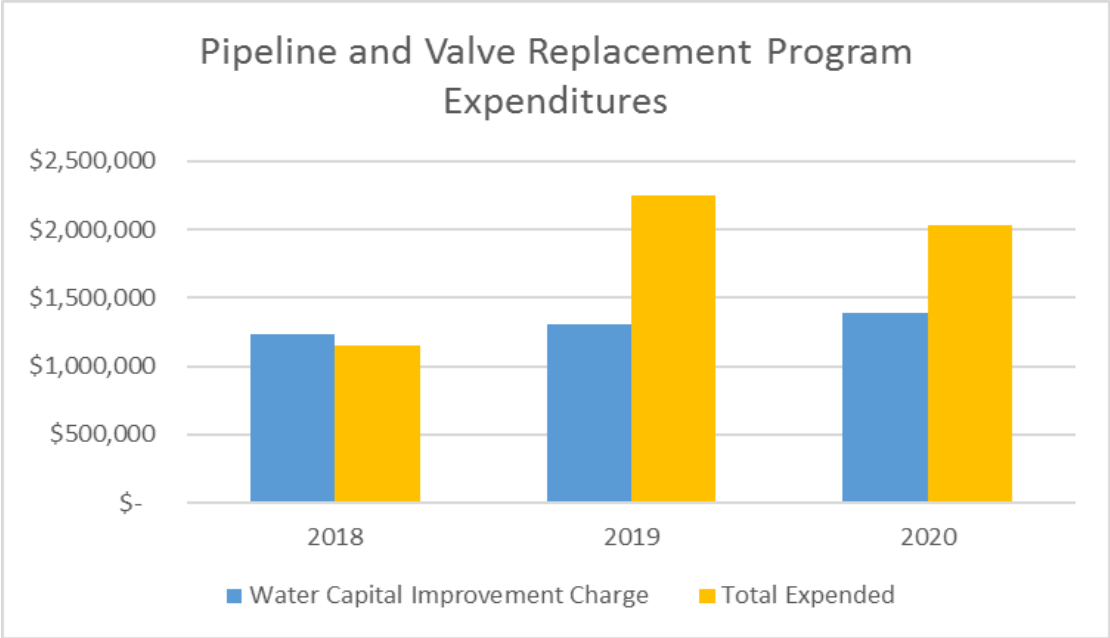
There are 268 miles (1,415,040 feet) of water main in the existing distribution system. Based on current budget allocations of approximately \$1.7 Million, close to 5,000 linear feet of pipe are being replaced annually.

<i>Year</i>	<i>Linear Feet Replaced</i>
<i>FY 2016/17</i>	1,178
<i>FY 2017/18</i>	5,386
<i>FY 2018/19</i>	4,885
<i>FY 2019/20</i>	4,600 (Goal)

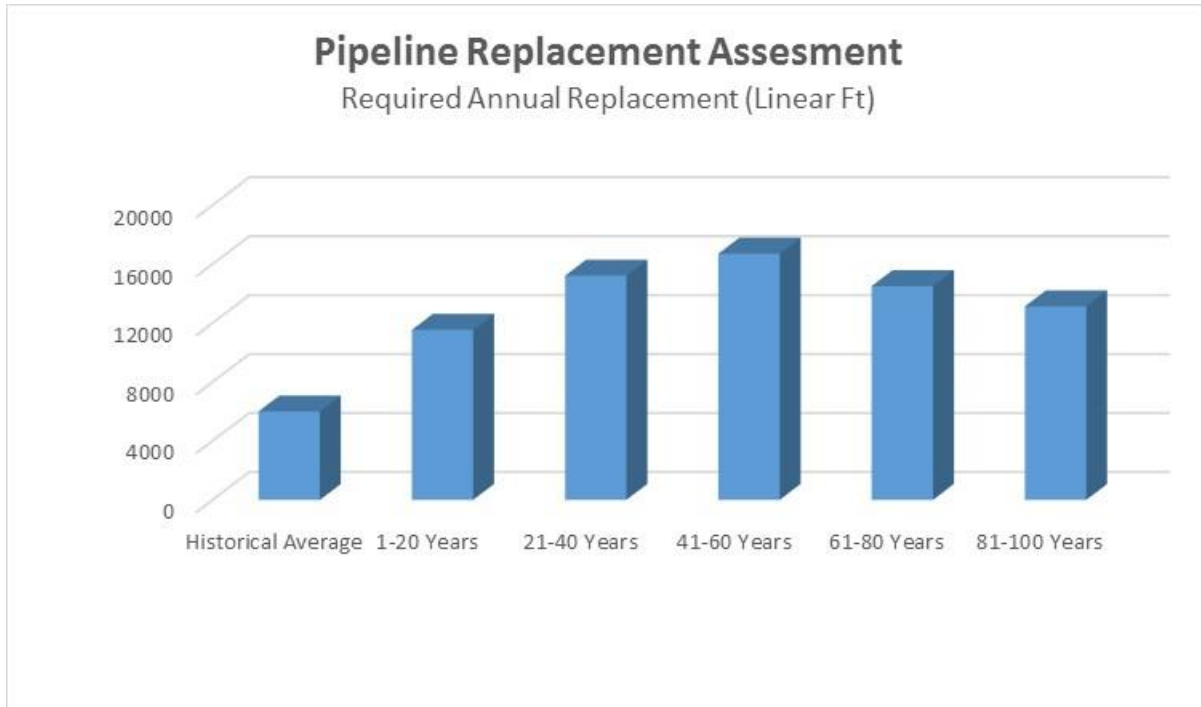
The \$1.7 Million annual budget is based on asset analysis performed in 2017. The Board also adopted a capital improvement charge and an escalation value to the charge to help make incremental progress towards reaching a 100 year replacement target. Industry standards for steel pipe generally recommend a 75 to 80 year replacement cycle. However, due to soil conditions in the District’s service area, the majority of steel waterlines can function up to 100 years. All new pipe is installed with a design approach based on reaching a 100 year life-cycle. The asset management plan divides the pipeline replacement priorities into five 20-year increments in order to achieve a 100-year replacement cycle and maximize the functional life of existing pipelines. The table on the following page shows the annual investment needed in 2020 dollars during each of the 20-year periods based on the updated analysis.



For comparison, the following table shows the pipeline and valve replacement expenditures over the last three years, as well as the amount collected through the Water Capital Improvement Charge. The capital improvement charge only currently funds a portion of the cost and it was set to escalate annually by 3% plus the Engineering and News Record (ENR) construction cost escalation to addressing the increasing need for funding.



The last table shows how much pipe, in terms of linear footage, needs to be replaced in each of these 20 year increments to achieve full replacement in a 100 year cycle. The first bar shows the average length of pipe replaced annually with current budgets.



In summary, to achieve the 100 year replacement goal, based on current cost data twice as much pipe needs to be replaced annually in the near term and the budget to achieve that would need to increase nearly threefold. Since the District does not have the budget or resources to make an immediate budget increase a continued increase in annual amount of pipeline replaced and funding should be implemented. An additional adjustment to increase the Capital Improvement Charge revenue may also be necessary. The District could also explore other opportunities to try and increase the service life of the existing pipelines and evaluate alternative replacement techniques to decrease the replacement costs and required annual expenditure.

Budgetary Impact

There is no immediate budgetary impact. Long term, a strategy needs to be developed to increase annual pipeline and valve replacement budgets to maintain the existing infrastructure.

Recommended Action

For discussion only.

M E M O

TO: Board of Directors
FROM: Fiscal Policy & Insurance Committee
DATE: May 27, 2020
SUBJECT: Consider Letter from FPUD Board to San Diego County Water Authority Regarding Regional Conveyance Study

Purpose

To request the Board approve sending the attached letter to the San Diego County Water Authority's Chairman regarding the SDCWA's Regional Conveyance Study.

Summary

The FP&I Committee met to review and discuss the San Diego County Water Authority's Regional Conveyance Study. The Committee is significantly concerned about the economic impact of this project to FPUD ratepayers as well as to the long-term financial stability of SDCWA. The Committee also feels strongly that the results of the initial feasibility assessment results for this project clearly shows that the project is not economically viable and that continued efforts to pursue the project are a waste of ratepayers' funds.

Recommended Action

That the Board approve the attached letter, drafted by the FP&I Committee, be sent from the District Board President to the Water Authority Chairman and to copy other District Board Presidents or SDCWA representatives.

May X, 2020

Jim Madaffer
Chairman
San Diego County Water Authority
4677 Overland Ave.
San Diego, CA 92123

Dear Chairman Madaffer,

As Board President of the Fallbrook Public Utility District (FPUD) I am writing to you regarding the San Diego County Water Authority's (SDCWA) proposed regional conveyance system (RCS) and study.

This follows a letter, dated March 16, 2020, from our General Manager, Jack Bebee, to SDCWA General Manager Sandra Kerl, in which he provided feedback on the study and expressed our specific concerns about the project.

As you know, this proposed project is expected to cost \$4 billion and would be paid for through SDCWA water rates from its member agencies, including our district. If the project was operating today it would cost almost three times as much for water as it does today. The hope, according to the SDCWA, is that the project will save money 60 years from now.

While this proposed new conveyance system could, if all assumptions hold true, be beneficial to most of your agencies and might provide them with a financial savings six decades from now, it could also result in additional costs over the next century if conditions vary from the assumptions used in the analysis. In addition, it is important to note this SDCWA infrastructure project – like many others before it – would provide absolutely no benefit to FPUD and our ratepayers. The fact is, our district will not receive a single drop of water from this project.

Still, we are being asked to help pay for it.

If any water was delivered to FPUD from this new pipeline, it would still have to go back through the Metropolitan Water District's system to feed our connections and would cost the same rate it does today on top of the cost of the new project.

In the rural community of Fallbrook, with larger lots and more outdoor water use, the rising cost of water from SDCWA not only negatively impacts the quality of life for residents here, but also places a heavy burden on our agricultural community, which is vital to our local economy.

As we are all having to tighten our belts and delay implementation of projects to help reduce the burden of water costs on our ratepayers, the FPUD Board hopes that SDCWA will not continue to spend money on this project at this time and, instead, focus their efforts on more feasible and beneficial projects.

Sincerely,

Ken Endter
Chairman
Fallbrook Public Utility District

MEMO

TO: Board of Directors
FROM: Engineering and Operations Committee
DATE: May 27, 2020
SUBJECT: Morro Road Sewer Extension Repayment Agreement

Description

Per Administrative Code Section 23.3, sewer or water improvements provided by others which benefit owners fronting upon but not contributing toward the cost at the time of construction may be subject to a privately financed extension agreement for the collection and refunding of part of the cost.

Purpose

GRK Developers has installed 2,498 linear feet of 8-inch sewer main to serve a new 4-lot subdivision on Joseph Street. The new sewer main ties into the nearest existing downstream manhole on South Morro Road, and the alignment front 12 existing parcels not currently adjacent to a sewer main. If any of the land owners adjacent to the new sewer main connect to the sewer within 10 years of construction, the Repayment Agreement will enable the District to refund the financing owners the proportionate contribution funds that are collected. A copy of the repayment agreement is included as Exhibit A. The agreement is based on the actual cost to construct the sewer main, and requires approval by the Board of Directors for execution. Final cost data was provided by the owner on May 8, 2020, and totaled \$410,206.29.

The effected parcels are listed in the table on the following page. The District is obligated to fund the infrastructure improvements to the first two parcels based on existing Remote Service Agreements that were pre-paid by the customers. Accordingly, the District's share for these two parcels is \$98,364. The third parcel listed (106-152-41) is required to connect to the new sewer main at the customer's cost based on an existing Temporary Service Agreement (Doc 2005-0333132). In this case, the customer is not able to pay the \$27,588 share up front, and has requested to enter into a payment plan (payment plan included as Exhibit B). The other parcels are eligible to be included in the Repayment Agreement at the listed percent of total project cost. Per the project owner's request, Parcels 106-140-41 and 106-140-37 will not be included in the repayment agreement because the owners of those parcels have already contributed to the project cost directly. As a result, the maximum reimbursement amount in the agreement is \$148,613.

Parcel	Portion of Alignment Required to Serve Parcel			
	Linear Feet	Percent	Reimbursement Amount	Notes
106-152-53	237	9.5%	\$38,919	FPUD Funded
106-152-54	362	14.5%	\$59,445	FPUD Funded
106-152-41	168	6.7%	\$27,588	Existing Agreement Requires Connection at Owner's Expense
106-152-43	192	7.7%	\$31,529	
106-152-42	134	5.4%	\$22,005	
106-152-01	112	4.5%	\$18,392	
106-140-41	178	7.1%	\$29,230	Project Partner
106-140-37	285	11.4%	\$46,801	Project Partner
106-140-38	150	6.0%	\$24,632	
106-140-36	150	6.0%	\$24,632	
106-140-35	87	3.5%	\$14,287	
106-140-34	80	3.2%	\$13,137	
Maximum Reimbursement Amount:			\$148,613	

Budgetary Impact

The District will pay \$125,952 for the first three parcels from the sewer capital budget. \$27,588 of that will be recovered over ten years per the payment plan for Parcel 106-152-41. These costs were not budgeted for, but can be paid for within the allocated FY2019-20 Wastewater Capital Budget, as shown in the projected year end project costs:

	<i>FY 19-20 Budget</i>	<i>Projected Actual</i>
<i>Overland Trail Lift Station</i>	\$ 1,500,000	\$ 1,110,874
<i>Collections SCADA Improvements</i>	\$ 20,000	\$ 5,572
<i>Outfall Air-Vac/Drain Replacements</i>	\$ 80,000	\$ 890
<i>Manhole Rehab</i>	\$ 145,000	\$ 78,715
<i>Bio Solids Barn Replacement</i>	\$ 75,000	\$ 118,009
<i>Reclamation Plant Equipment Replacement</i>	\$ 140,000	\$ 99,832
<i>Ranchwood Road Culvert Replacement</i>	\$ 75,000	\$ 82,534
<i>Headworks Condition Assessment</i>	\$ 25,000	\$ -
<i>S Morro Sewer Extension</i>		\$ 125,952
<i>Wastewater CIP Total</i>	\$ 2,060,000	\$ 1,629,244

The other potential reimbursements will not impact the budget since there is no upfront cost and any payments that occur over the next ten years will be passed on to the project owner.

Recommended Action

That the Board of Directors approve the final Repayment Agreement for GRK Developers and the Payment Plan for the customers at Parcel 106-152-41.

Exhibit A

SEWER FACILITIES REIMBURSEMENT AGREEMENT
for
South Morro Road Sewer Extension

This Sewer Facilities Reimbursement Agreement for the South Morro Road Sewer Extension (this "Agreement") is made and entered into on _____, 20__ by and between FALLBROOK PUBLIC UTILITY DISTRICT, a municipal water district organized and operating pursuant to California Water Code section 71000 et seq. (the "District") and _____, a California _____ (the "Owner"). The District and Owner may sometimes be individually referred to as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, District policies concerning the extension of sewer facilities within the District require each property owner or developer to construct or cause to be constructed at its sole expense all facilities needed to serve its property in accordance with the requirements, standards and specifications of District; and

WHEREAS, Owner has constructed or caused to be constructed an extension to District's existing sewer facilities (the "Facilities") to serve Owner's property located within the District and further described as follows: APN(s): 106-140-38, 106-140-25, Map: 4293 _____ (the "Property"), and the Facilities are described as 2,498 linear feet of 8-inch sewer main and 13 manholes, and shown in Exhibit "A" attached to this Agreement, incorporated herein by this reference; and

WHEREAS, pursuant to District policies, if a property owner or developer has constructed extended facilities that will serve or otherwise benefit other properties, the District is permitted to enter into an agreement governed by District Rules and Regulations, as amended from time to time, to partially reimburse the property owner or developer for the costs thereof from reimbursement fees collected from persons connecting to or benefiting from said facilities; and

WHEREAS, the Facilities may also serve properties other than the Property; and

WHEREAS, Owner has incurred Four Hundred and Ten Thousand Two Hundred and Six Dollars (\$410,206.29) in costs to install the Facilities, including but not limited to costs of engineering, construction, financing and insuring the work; and

WHEREAS, the Parties desire to set forth in writing a procedure for the reimbursement to Owner for a portion of the net cost of constructing the Facilities in the event that other persons and/or property connects to the Facilities,

NOW, THEREFORE, the District and the Owner agree as follows:

AGREEMENT

1. Term. This Agreement shall be for a term of ten (10) years from the date that the Facilities are accepted by the District as part of the District's sewer system pursuant to any required procedures, including Board approval if necessary (the "Term"), unless the Term is extended as provided for herein. The date on or about which the Facilities were accepted by the District is May 8, 2020. If requested by Owner before the expiration of the original ten-year Term, this Agreement may be extended by the District, at maximum five (5) year intervals, if the District's Board, in its sole discretion, determines such an extension is in the best interest of the Parties.

2. Collection of Reimbursement Fees. The District agrees to collect a pro rata amount for the reimbursement of Owner's costs to construct the Facilities from each owner of any property connecting to the Facilities (the "Reimbursement Fee"). The Reimbursement Fee to be paid by each owner of property connecting to the Facilities in addition to the District's capacity or connection fees and shall be determined by the District on the basis of:

A front footage charge assessed per linear foot for each parcel adjacent and connecting to the Facilities to cover each property owner's estimated reasonable proportionate share of the cost of the Facilities.

Notwithstanding the above, the Parties may agree in writing to waive the collection of the Reimbursement Fee, or any portion thereof, from any owner of property connecting to the Facilities for specific parcels, or for specific time periods.

3. Connection to Owner's Facilities: The District will not permit any person to directly connect to or directly benefit from the Facilities without first paying the Reimbursement Fee. Payment of the Reimbursement Fee by property owners or other persons seeking to directly connect to or otherwise directly benefit from the Facilities shall be a condition of District sewer service.

4. Payment to Owner:

(a) District shall pay Owner all Reimbursement Fees collected pursuant to Section 2 of this Agreement. District shall pay Owner each Reimbursement Fee until either: (a) Owner has received total proportionate reimbursement for the cost of the Facilities, not to exceed the sum of One Hundred Forty Eight Thousand Six Hundred and Thirteen Dollars (\$148,613), as further broken down in Exhibit "B" hereto (the "Reimbursement Amount") plus interest calculated according to Subsection (d) of this Section; or (b) until ten (10) years has elapsed from the date of acceptance of the Facilities by the District, which ever shall occur first. Upon termination of this Agreement, the District shall pay Owner any remaining Reimbursement Fees collected prior to termination of this Agreement, in accordance with this Agreement, and the obligation of District to Owner shall thereupon cease and terminate and no further sums shall be payable or paid to Owner under this Agreement.

(b) Reimbursement Fees shall be deposited in a separate account and payments made to Owner in accordance with District Rules and Regulations. Reimbursement to Owner shall be made only from Reimbursement Fees collected by the District pursuant to this Agreement.

(c) District shall have no duty to make any reimbursement or other payment to Owner except as specified in this Agreement and said payment shall be made only from the Reimbursement Fees collected by the District. Further Owner, shall only be entitled to receive Reimbursement Fees from future owners whose land connects or will connect to the Facilities only if and when each such other owner's application to connect to the District's sewer system is granted by the District. Owner understands that there are no guarantees whatsoever that District will secure any additional connections to any of the Facilities. District has no responsibility to secure future connections to all or any part of the Facilities.

(d) The Reimbursement Amount due to Owner pursuant to this Agreement shall be increased annually, on the anniversary date of the date of acceptance of the Facilities set forth in Section 1 of this Agreement, by two percent (2%) or such other higher annual legal interest rate as may be unilaterally established by the District. Notwithstanding any of the foregoing, in no case shall the Total Reimbursement Amount be increased by any percentage after five (5) years from the date of acceptance of the Facilities as stated above. The interest shall be calculated annually on the unpaid balance of the Reimbursement Amount.

5. Abandonment/Replacement of Facilities: If any portion of the Facilities for which a Reimbursement Fee is established by this Agreement must be abandoned or replaced during the Term of this Agreement, including any extension thereof pursuant to Section 1 of this Agreement, due to insufficient capacity or to physical or chemical deterioration or decomposition, the District may reduce the remaining Reimbursement Amount due Owner pursuant to Section 4 by a percentage calculated by the District according to the ratio of the total cost of the Facilities required to be abandoned or replaced to the entire cost of the Facilities.

6. Other Fees by Owner: This Agreement shall not exempt or relieve Owner from the payment of such other fees and charges as may be established by District, in accordance with its rules and regulations, for water and/or sewer service to the Property, including the standard capacity fees of District. At such time as Owner requests water and/or sewer service to the Property or any other properties owned by Owner, Owner shall pay to District such capacity fees and charges, connection fees and charges, and any other applicable fee or charge, as may be then fixed by District in accordance with its rules and regulations. Notwithstanding any of the foregoing, if any of Owner's properties, including the Property, connects to the Facilities, Owner shall be exempt from the payment of the Reimbursement Fee collected pursuant to Section 2 of this Agreement, and the total Reimbursement Amount shall be reduced accordingly.

7. Notice: Unless notified in writing of a change of address, all notices, payments or correspondence relating to this Agreement may be given by either: (i) hand delivery; or (ii) first class mail postage pre-paid, to the following addresses:

District:

General Manager
Fallbrook Public Utility District
990 E Mission Road
Fallbrook, CA 92028

Owner:

District shall not be responsible for locating Owner, beyond providing written notices to the address supplied District by Owner. Therefore, notice shall be deemed given if provided in either manner listed above to the address supplied by the Party to whom notice is addressed.

8. Miscellaneous Provisions:

(a) No Third-Party Benefit. Nothing in this Agreement shall confer any rights upon any person or entity not party to this Agreement.

(b) Venue/Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action to enforce this agreement must be brought in the County of San Diego, State of California. In the event of any dispute between the Parties, the prevailing Party shall be entitled to recover all reasonable costs incurred in resolving the dispute, including reasonable attorneys' and experts' fees.

(c) Assignment. This Agreement shall not be assigned by either Party without first obtaining the prior written consent of the other Party.

(d) Authority. As a condition precedent to this Agreement, the Parties will obtain any and all resolutions, approvals, and/or other actions necessary for the adoption and approval of the provisions of this Agreement and shall provide the other Party with copies of such resolutions, approvals and/or actions prior to the execution of this Agreement.

(e) Severability. In the event any one of the provisions of this Agreement is for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision(s) shall be replaced by a valid, legal, enforceable, and mutually acceptable provision(s) that comes closest to the intention of the Parties underlying the invalid, illegal or unenforceable provision(s).

(f) Integration. This Agreement represents the entire understanding of the Parties as to those matters contained herein, and supersedes and cancels any prior oral or written understandings, promises or representation with respect to those matters covered in it. This Agreement may not be modified or altered except in writing signed by both Parties.

(g) No Waiver. No covenant, term or condition of this Agreement shall be deemed to be waived by either Party unless such waiver is in writing and executed by the Party making the waiver. No waiver of any breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition contained herein.

(h) Construction. The terms and conditions contained herein shall not be construed in favor of or against either Party, but shall be construed as if both Parties prepared the Agreement.

(i) Execution. This Agreement shall not be deemed to have been accepted and shall not be binding upon either Party until duly authorized officers of both Parties have executed it.

IN WITNESS WHEREOF, the District and the Owner have executed this Agreement as of the date first written above.

FALLBROOK PUBLIC UTILITY DISTRICT

By: _____
Its: General Manager

OWNER

By: _____
Its: _____

Attest: _____
District Secretary

**Exhibit “A”
Description of Facilities**

[SEE ATTACHED]

Exhibit “B”
Description of Reimbursement Amount

Parcel	Portion of Alignment Required to Serve Parcel			Notes
	Linear Feet	Percent	Reimbursement Amount	
106-152-53	237	9.5%	\$38,919	FPUD Funded ¹
106-152-54	362	14.5%	\$59,445	FPUD Funded ¹
106-152-41	168	6.7%	\$27,588	Existing Agreement Requires Connection at Owner's Expense ¹
106-152-43	192	7.7%	\$31,529	
106-152-42	134	5.4%	\$22,005	
106-152-01	112	4.5%	\$18,392	
106-140-41	178	7.1%	\$29,230	Project Partner ¹
106-140-37	285	11.4%	\$46,801	Project Partner ¹
106-140-38	150	6.0%	\$24,632	
106-140-36	150	6.0%	\$24,632	
106-140-35	87	3.5%	\$14,287	
106-140-34	80	3.2%	\$13,137	
Maximum Reimbursement Amount:			\$148,613	

Notes:

1. Amounts set forth under the column entitled “Reimbursement Amount” are not included in the total Reimbursement Amount set forth in Section 4 of this Agreement.
2. The Owner’s share of the cost of the Facilities is not included in the table set forth above.
3. The table above may be amended as necessary by the District in the event any parcel listed above owing a Reimbursement Fee is later subdivided, or the APN is otherwise changed.

Exhibit B

RECORDING REQUESTED BY and AFTER
RECORDING MAIL TO:

Fallbrook Public Utility District
990 E Mission Road
Fallbrook, CA 92028
ATTN: General Manager

Recording without fee requested pursuant to Gov. Code § 27383

(Space above this line for County Recorders Use Only)

APN:106-152-41-00

**AGREEMENT FOR PAYMENT OF INSTALLMENTS
TO FINANCE SEWER INFRASTRUCTURE**

THIS AGREEMENT FOR PAYMENT OF INSTALLMENTS TO FINANCE PRIVATE SEWER LATERALS, SEWER INFRASTRUCTURE (“Agreement”) is entered into as of _____, 2020, between **Juan Romero and Rocio Romero** (“Participants”) and the **Fallbrook Public Utility District**, a public utility district organized pursuant to California Public Utilities Code sections 15501 *et seq.* (“District”) (collectively referred to as “Parties”).

RECITALS

- A.** The District is authorized to provide wastewater collection and treatment services to properties located within the jurisdictional boundaries of the District.
- B.** In order to receive wastewater collection and treatment services from the District, property owners within the District must extend the main sewer line as needed to connect with the sewer lateral that serves the property, construct new sewer laterals, and abandon any existing septic tank, any improvement necessary to receive wastewater and treatment services is the sole responsibility of the property owner.
- C.** Property owners are responsible for paying a proportionate share of the cost of infrastructure constructed by others, when such infrastructure will serve their property (the “Improvements”). The cost of Improvements are the responsibility of each property owner requesting service from the District.
- D.** The costs for the Improvements may be significant, and the District has determined to provide financial assistance to property owners, upon request, in the form of amortizing the cost of the Improvements over a period of **10 years** (the “Installments”).
- E.** The District is authorized to enter into voluntary agreements for contractual assessments with property owners for the Improvements pursuant to California Health and Safety Code section 5464 *et seq.* (the “Law”), pursuant to which authority the District may perform the necessary work to complete the Improvements, and collect such costs from the property owner in Installments. The Law further authorizes the District to impose a lien on the property for which the

Improvements are provided in order to secure payment of the Installments. The Installments are further authorized to be collected on the property tax roll, pursuant to Health and Safety Code section 5470 *et seq.*

F. Property-based fees, charges, and assessments, when imposed by a local agency, are subject to the requirements of article XIII D of the California Constitution. Assessments may only be imposed in accordance with notice, protest, and ballot procedures required under article XIII D, section 4, and property-related fees and charges may only be imposed in accordance with the notice and protest procedures of article XIII D, section 6. Article XIII D also creates substantive requirements applicable to imposition of assessments, and property-related fees and charges (collectively, these requirements are referred to herein as “Article XIII D Requirements”). The Article XIII D requirements are inapplicable to amounts charged as a result of voluntary, arms’ length negotiations, or amounts charged as a part of a voluntary arrangement with the agency, such as the Installments proposed to be charged for financing the costs of the Improvements.

G. Participants are the owners of certain real property within the District requiring the Improvements, as more particularly described in Exhibit “A” hereto. Participants and District previously executed and recorded a Temporary Sewer Connection Agreement, where the District granted Participants a temporary, emergency connection to the District’s sewer system as a result of Participants failed septic system. Pursuant to the Temporary Sewer Connection Agreement, Participants agreed that, when a permanent sewer line becomes available, Participants would abandon the septic system in accordance with County of San Diego Health Department Regulations and to pay for a new sewer main line where it crosses Participants’ property, as well as connection fees, and that Participants will be responsible for a lateral from the structure on the subject real property to connect to the District’s main line.

H. Participants have requested assistance with financing the costs of the Improvements through entering into this Agreement for payment of Installments, and the District has agreed to provide such assistance.

I. In order to allow Participants to finance the Improvements, the District will be required to pay the up-front costs of the Improvements, to be repaid by the Installments. In consideration for providing such assistance to Participants, Participants wish to acknowledge and agree that this Agreement is voluntary in nature, and the Installments are not “imposed” for purposes of the Article XIII D Requirements, and therefore, the Article XIII D Requirements do not apply. Participants further wish to enter into this Agreement for establishing the terms for the Installments, including term, interest rate, enforcement mechanisms, and other matters set forth herein.

NOW, THEREFORE, the District and the Participants agree as follows:

1. **Recitals.** The foregoing Recitals are true and correct.
2. **Participants’ Obligations.**
 - a. **Advances to the District for Agreement Expenses.** Participants shall, immediately upon execution of this Agreement, advance the negotiated sum of \$ (the “Advance”) to the District to be used for reimbursing the District for

the costs associated with preparing and entering into this Agreement, for the costs of implementing this Agreement and the Installments, including any costs associated with enforcement of this Agreement, and placement of the Installments on the property tax roll. If monies in addition to the Advance are necessary for such purposes, the District shall as necessary and from time to time make written demand upon Participants and Participants shall immediately thereafter, within five (5) working days, deposit said monies with the District to pay for such additional expenses. If any such additional monies are not timely received, all actions taken for the implementation of this Agreement shall, at the option of the District and after providing written notice of such suspension to Participants, be suspended until such monies are received or canceled.

b. Payment of Installments. Participants further agree to pay the Installments required under this agreement, subject to the terms set forth herein.

(1) **Term.** Participants agree to pay the Installments for a term of 10 years, subject to Section 2.b.(7) below.

(2) **Interest Rate.** Participants agree to pay interest on the outstanding amount due for the Improvements at the rate of 1.5 % per annum.

(3) **Total Cost of Improvements.** The total cost of the Improvements is \$29,914.82 , which is broken down as follows:

The total amount of interest to be paid is \$2,326.82.

The total amount of principal to be paid is \$ 27,588.00.

(4) **Payment Schedule.** The Improvements shall be paid in 10 annual Installments, as set forth in Exhibit “B” hereto, which amounts shall include both the principal and interest component for each Installment. Each Installment shall be due on the dates set forth on Exhibit “B” hereto, and shall be the responsibility of Participants. District may provide advance notice that annual payment is due, depending on the method of collection.

(5) **Collection on Property Tax Roll.** The District may take action in any year, subject to approval by the District’s Board of Directors, to provide for collection of the Installments on the property tax roll in the same manner and at the same time as property taxes, pursuant to the authority granted in Health and Safety Code section 5465, and 5470 *et seq.*. Should the District’s Board of Directors determine to place the Installments on the property tax roll, Participants agree not to submit a written protest or otherwise take any action to prevent the District from placing the Installments on the property tax roll.

(6) **Abandon Septic System.** Upon completion of Improvements, Participants agree to disconnect the septic tank from the District’s sewer system and

abandon the septic system in accordance with the County of San Diego Health Department Regulations.

- (7) **Prepayment.** Participant may prepay the Installments at any time by paying the full outstanding principal amount remaining on the Installments, plus any interest accrued to such date.

3. **District's Obligations.**

- a. **Implementation of Agreement.** The District shall take all actions necessary to collect the Installments as set in Exhibit "B" hereto, following (i) execution of this Agreement by the Parties, and (ii) payment by Participants of the Advance to the District.
- b. **Use and Administration of the Participants Advances.** The District shall use the Advance solely for the payment of expenses relating to implementation and enforcement of this Agreement and the Installments. The District agrees to keep records consistent with its regular accounting practices of the amount of monies advanced by the Participants and the expenditure of such monies. Additionally, the District shall enter into and maintain contracts with all consultants and contractors providing services related to construction of the Improvements, implementation of this Agreement and the Installments that shall specify the scope of services and compensation to be paid to all such consultants. Such records and contracts shall be available for copying by the Participants at Participants' expense, and review during normal business hours upon reasonable notice to the District. If the proceedings to construct the Improvements are not completed and are abandoned by either Party hereto for any reason at any time prior to the completion thereof, there will be no obligation on the part of the District to reimburse Participants for any monies previously advanced pursuant to this Agreement; provided, however, the District does agree to return to Participants any monies previously advanced which remain on deposit with the District and which the District determines are in excess of the amount necessary to pay for any outstanding expenses previously incurred by the District for the purposes of implementing and/or enforcement this Agreement or constructing the Improvements.
- c. **Termination of Temporary Sewer Connection Agreement.** District shall assist Participants in terminating the Temporary Sewer Connection Agreement and removing such agreement from title to Participants' property; provided, however, that any costs for terminating such agreement shall be the responsibility of the Participants and not the District.

4. **Participants' Representations.**

- a. Participants understand and acknowledge that:
 - (1) California Constitution, article XIII D, section 4 ("Article XIII D") establishes certain procedural and substantive requirements which apply

when any local agency, such as the District, imposes a new or increases an existing property-related assessment.

- (2) The procedural requirements of Article XIII D include, among other things, the following:
 - A. The local agency shall identify the parcels upon which the assessment shall be imposed and provide written notice by mail of the proposed assessment to the record owner of each identified parcel.
 - B. The notice shall identify (i) the amount of the assessment; (ii) the basis upon which the amount was calculated; (iii) the reason for the assessment; and the (iv) date, time, and location of a public hearing on the proposed assessment.
 - C. The local agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the public hearing and the proposed assessment, accompanied by an assessment ballot whereby the owner of property proposed to be assessed may express such owner's support for or opposition to such assessment. After the public hearing has been closed, the public agency shall tabulate all assessment ballots received prior to the closure of the public hearing. The agency shall not impose the assessment, if there is a majority protest. A majority protest exists if the assessment ballots submitted in opposition to the levy of assessments outweighs the assessment ballots submitted in support to the levy of the assessments. Each assessment ballot is weighted according to the amount of the assessment proposed to be levied on the parcel for which such assessment ballot has been submitted.
- (3) The substantive requirements of Article XIII D include, among other things, the following:
 - A. Revenues derived from any assessment shall not exceed the special benefit provided to the property and improvements.
 - B. Revenues derived from the assessment shall not be used for any purpose other than that for which the assessment was imposed.
 - C. The amount of the assessment levied on a parcel shall not exceed the special benefit received by such parcel from the improvements being financed by such assessment.
- (4) California Constitution article XIII D, section 6 also sets forth certain procedural and substantive requirements any time a local agency imposes a new or increases an existing property-related fee or charge. Procedural requirements include holding a public hearing, with notice provided at least

45 days in advance, at which public hearing a majority of affected property owners or customers of record may protest the property-related fee or charge. Additional substantive requirements apply, including requirements that the property-related fee or charge not exceed the proportional cost of service, and be used only for the services for which the fee or charge is imposed.

(5) The description of the procedural and substantive requirements established by and contained in Article XIII D set forth above are intended only to summarize certain of such procedural and substantive requirements, and were previously defined as the Article XIII D Requirements.

(6) Participants had a reasonable opportunity to thoroughly read and review the Article XIII D Requirements in their entirety and has further had a reasonable opportunity to consult with Participants' attorney regarding the Article XIII D Requirements.

b. Participants and District acknowledge, understand, and agree that this Agreement is entered into for the benefit of Participants, in order to accommodate Participants' request to finance the Improvements. Participants and District further acknowledge, understand and agree that the Installments represents the reasonable estimate of the cost of the Improvements, plus interest as authorized by law. Participants further acknowledge, understand and agree that District is entering into this Agreement with Participants in reliance on Participants' acceptance of and agreement with the amount calculated for the Installments, and that District would not have entered into this Agreement had Participants not agreed to such amounts. Participants further acknowledge, understand, and agree that this Agreement is voluntary in nature, and is the result of an arms' length negotiation in which Participants had the opportunity to consult with independent counsel. As such, the Installments are not "imposed" for purposes of article XIII C or article XIII D of the California Constitution, and the Article XIII D Requirements do not apply and are otherwise waived. Such understanding, acknowledgement, and waiver are granted knowingly and in consideration for the District's willingness to finance Participants' Improvements through the Installments, and in order that the District may be assured of its ability to be repaid for the Improvements with the Installments.

c. Participants and District acknowledge, understand, and agree that this Agreement is entered into for the benefit of Participants, in order to accommodate Participants' request to finance the Improvements. Participants and District further acknowledge, understand and agree that the Installments represents the reasonable estimate of the cost of the Improvements, plus interest as authorized by law. Participants further acknowledge, understand and agree that District is entering into this Agreement with Participants in reliance on Participants' acceptance of and agreement with the amount calculated for the Installments, and that District would not have entered into this Agreement had Participants not agreed to such amounts. Participants further acknowledge, understand, and agree that this Agreement is voluntary in nature, and is the result of an arms' length negotiation in which

Participants had the opportunity to consult with independent counsel. As such, the Installments are not “imposed” for purposes of article XIII C or article XIII D of the California Constitution, and the Article XIII D Requirements do not apply and are otherwise waived. Such understanding, acknowledgement, and waiver are granted knowingly and in consideration for the District’s willingness to finance Participants’ Improvements through the Installments, and in order that the District may be assured of its ability to be repaid for the Improvements with the Installments.

- d. Participants further acknowledge, that nothing contained in this agreement shall grant any property right in infrastructure provided by the District, or other persons that serve the Participants property.
 - e. Participant further waives the procedural requirements under California Health and Safety Code section 5474 *et seq.* with respect to collecting the Installments on the property tax roll. Participant consents to the District placing collection of the Installments on the property tax roll.
5. **Effect of Agreement.** Nothing contained herein shall be construed as releasing Participants from any condition of or requirement imposed by the District, including payment of any other fee, charge, tax, or assessment of District, or any other agreement with the District or by any law rule, or regulation of the District, the County of San Diego, the State of California, or the federal government respecting the Property.
6. **Lien; Recordation.** Upon execution of this Agreement by the parties hereto, District shall cause this Agreement to be recorded in the office of the County Recorder of the County of San Diego, along with any other document required to create a lien on the Property. The Parties hereby acknowledge and agree that this Agreement, and the obligation of Participants to pay the Installments, shall constitute a lien on the Property. Such lien is created pursuant to this Agreement and the authority granted to the District under California Health and Safety Code sections 5464, 5465, and 5474 *et seq.*, and such lien shall constitute a lien against Participants’ property.
7. **Events of Default.** The following events shall each constitute an Event of Default hereunder:
- (a) Failure to make any Installment due hereunder, provided the District shall provide a grace period of five (5) business days from the due date of each Installment in the event the Installments are not collected on the property tax roll.
 - (b) Failure to comply with any other provision hereunder.
 - (c) In the event the District’s Board of Directors determines to place the Installments on the property tax roll, submission by Participants of a protest against placement of the Installments on the property tax roll.
8. **Remedies.** If an Event of Default occurs, Participants agree and acknowledge that such a default shall be treated in the same way as a violation of any of the District’s ordinances,

rules, or regulations, as they exist on the date of such Event of Default, and all remedies existing thereunder shall be available to the District in the enforcement of this Agreement. In addition, upon occurrence of an Event of Default, the District shall have any of the following additional remedies:

- (a) The District may terminate this Agreement and declare all amounts remaining of the Installments immediately due and payable on the date thereof.
- (b) If Participants fail to pay the Installments, the District may initiate proceedings for termination of sewer service in accordance with the District's ordinances, rules, or regulations, or whatever policy for termination of sewer service exists at such time. Sewer service shall not be resumed until all delinquent charges, including the Installments due hereunder, as well as costs of disconnection and reconnection, have been paid in full to the District.
- (c) The District may exercise any and all other remedies available to the District under law. To the extent the Installments are collected by the County of San Diego on the property tax roll, the Installments shall be subject to the same remedies and enforcement mechanisms applicable to property taxes.

9. **Indemnification.** To the fullest extent permitted by law, Participants shall defend (with counsel of the District's choosing), indemnify and hold the District, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, in any manner arising out of, pertaining to, or incident to the construction or installation of the Improvements, or the subject matter of this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Participants' obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Participants, the District, its officials, officers, employees, agents, or volunteers. This section shall survive any expiration or termination of this Agreement.

10. **Miscellaneous Provisions.**

- (a) **Applicable Law.** This Agreement and any disputes relating to this Agreement shall be construed under the laws of the State of California.
- (b) **Venue.** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie in San Diego County.
- (c) **Modification.** This Agreement may not be altered in whole or in part except by a modification, in writing, signed by the parties hereto.

- (d) **Entire Agreement.** This Agreement, together with all the exhibits attached hereto and thereto, contains all the representations and the entire understanding between the parties. The parties mutually declare that there have not been any oral promises or agreements not contained in this Agreement. Participants further expressly agree that Participants have not relied upon any oral promises or oral agreements of anyone connected with the District in executing this Agreement.
- (e) **Binding Effect.** This Agreement shall inure to the benefit of a binding upon the parties and their respective purchasers, successors, heirs, and assigns.
- (f) **Unenforceable Provisions.** The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.
- (g) **Representation of Capacity to Contract.** The party signing this Agreement on behalf of Participants hereby expressly warrants and represents that he/she has the authority to execute this Agreement on behalf of the Participants.
- (h) **Opportunity to be Represented by Independent Counsel.** Participants warrant and represent that he/she has been advised to consult independent legal counsel of Participants' own choosing and has had a reasonable opportunity to do so prior to executing this Agreement. Participants further warrant and represent that he/she has carefully read all of this Agreement and has executed this Agreement voluntarily and with full understanding of all terms and conditions herein.
- (i) **Notices.** All letters, statements, or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served or sent certified mail, return receipt requested, to the following addresses:

To Participants:

Juan and Rocio Romero
1925 Pomegranate Lane
Fallbrook, CA 92028-4412

To District:

Fallbrook Public Utility District
ATTN: General Manager

990 E Mission Road
Fallbrook, CA 92028

- (j) **Attorney's Fees.** In the event any action or proceeding is filed by anyone to challenge, invalidate, interpret or enforce this Agreement, the prevailing party between the District and Participants shall be entitled to recover all attorney's fees and litigation expenses in addition to all other relief afforded by applicable law.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**FALLBROOK PUBLIC UTILITY
DISTRICT**

PARTICIPANTS

By:

Jack Bebee
General Manager

By:

Juan Romero

ATTEST:

By:

Rocio Romero

By:

Board Secretary

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO)

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

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

WITNESS my hand and official seal.

Signature: _____(SEAL)

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO)

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

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

WITNESS my hand and official seal.

Signature: _____(SEAL)

ATTACHMENT A

DESCRIPTION OF PROPERTY

THIS AGREEMENT AFFECTS TITLE TO REAL PROPERTY commonly known as 1925 Pomegranate Lane, Fallbrook, CA 92028, and more particularly described as:

PARCEL 1:

THAT PORTION OF LOT 9 OF THE SUBDIVISION OF TRACT "D" OF THE PARTITION OF THE RANCHO MONSERATE, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 821, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 25, 1896, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SAID LOT 9, DISTANT NORTH 0°12'30" WEST, 871.20 FEET FROM THE SOUTHWEST CORNER OF SAID LOT 9, SAID POINT BEING THE NORTHWEST CORNER OF THE LAND DESCRIBED IN THE DEED TO RALPH BRIERY, ET UX, RECORDED MARCH 7, 1950 IN BOOK 3258, PAGE 466 OF OFFICIAL RECORDS; THENCE ALONG THE NORTH LINE OF SAID BRIERY'S LAND, SOUTH 89°51'10" EAST, 95 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE LAND DESCRIBED IN THE DEED TO PAUL A. FOERSTER, ET UX, DATED FEBRUARY 1, 1937, IN BOOK 624, PAGE 178 OF OFFICIAL RECORDS; THENCE ALONG SAID WEST LINE AND PARALLEL WITH THE WEST LINE OF SAID LOT 9, NORTH 0°12'30" WEST, 318.75 FEET TO THE NORTHWEST CORNER OF SAID FOERSTER'S LAND, BEING A POINT ON THE SOUTH LINE OF A PORTION OF SAID LOT 9, DESCRIBED IN DEED TO ARTHUR E. CHENOWETH, ET UX, DATED FEBRUARY 28, 1933 AND RECORDED APRIL 22, 1933 IN BOOK 209, PAGE 215 OF OFFICIAL RECORDS; THENCE NORTH 89° 51'10" WEST, ALONG SAID SOUTH LINE OF SAID LAND OF CHENOWETH, 95 FEET TO THE SOUTHWEST CORNER THEREOF, BEING A POINT ON SAID WEST LINE OF LOT 9; THENCE SOUTH 0°12'30" EAST ALONG SAID WEST LINE, 318.93 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE SOUTHERLY 128 FEET THEREOF BEING PARALLEL TO THE SOUTHERNLY LINE OF SAID LAND.

ATTACHMENT B

INSTALLMENTS

\$27,588.00 Cost of Improvements
1.5% Interest Rate
Number of Annual
10 Payments

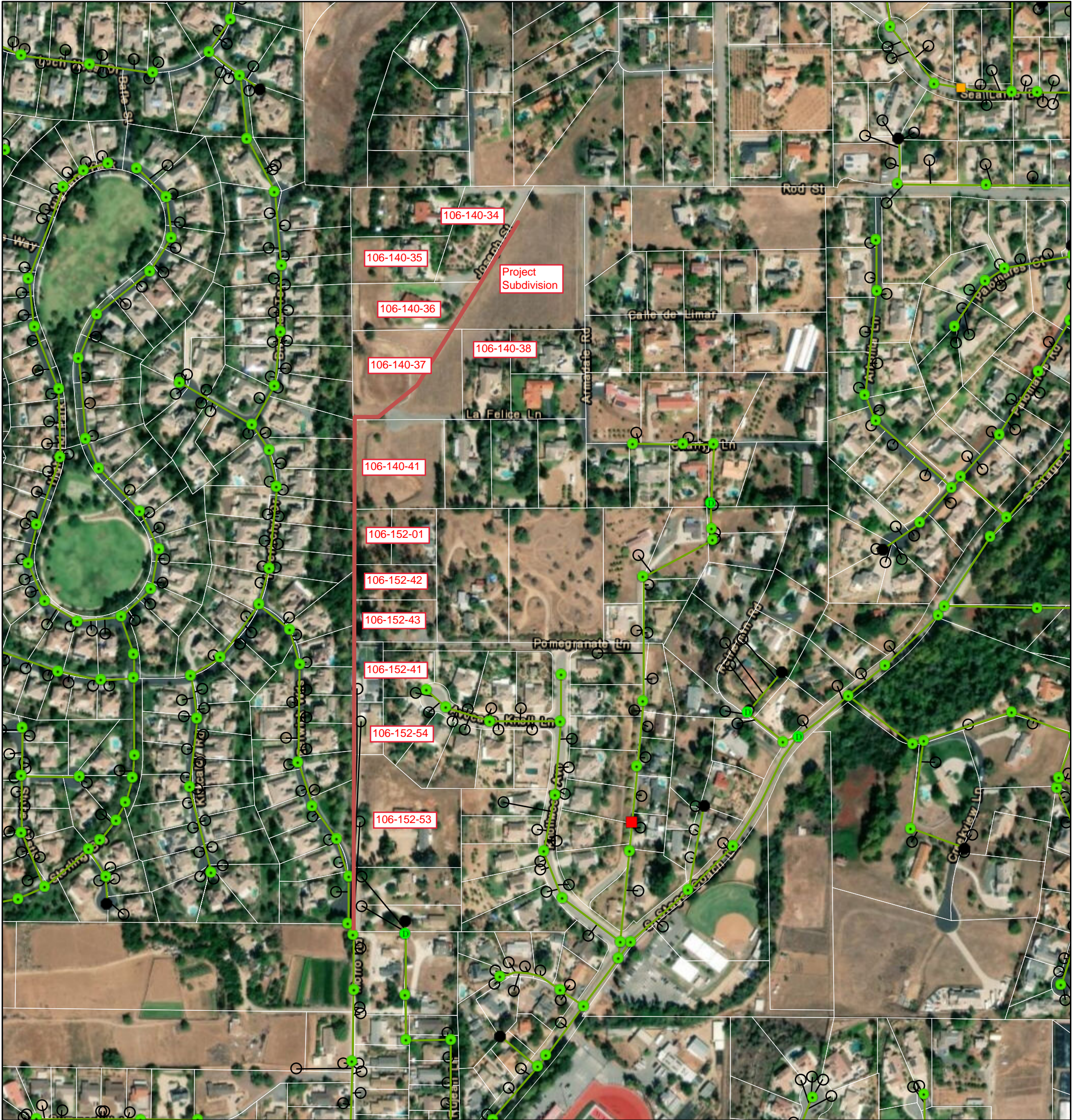
Year 1	\$2,991.48
Year 2	\$2,991.48
Year 3	\$2,991.48
Year 4	\$2,991.48
Year 5	\$2,991.48
Year 6	\$2,991.48
Year 7	\$2,991.48
Year 8	\$2,991.48
Year 9	\$2,991.48
Year 10	\$2,991.48

Total Cost \$29,914.82

Cost of
Interest \$2,326.82

Exhibit C

S Morro Sewer Extension



1/15/2020 11:55:06 AM

1:4,514

SEWER_TROUBLE_SPOTS

■ 3 MONTH

■ 6 MONTH

MANHOLE

Ⓧ DISTRICT CO AND DROP

● DROP

● DIST CO

● MH

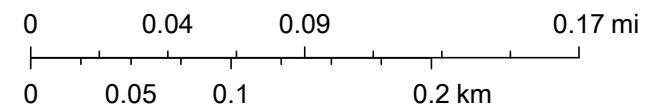
SEWER MAIN

— GRAVITY

○ CUSTOMER CLEANOUT

— SEWER LATERAL

PARCELS



Esri, HERE, Garmin, (c) OpenStreetMap contributors, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and

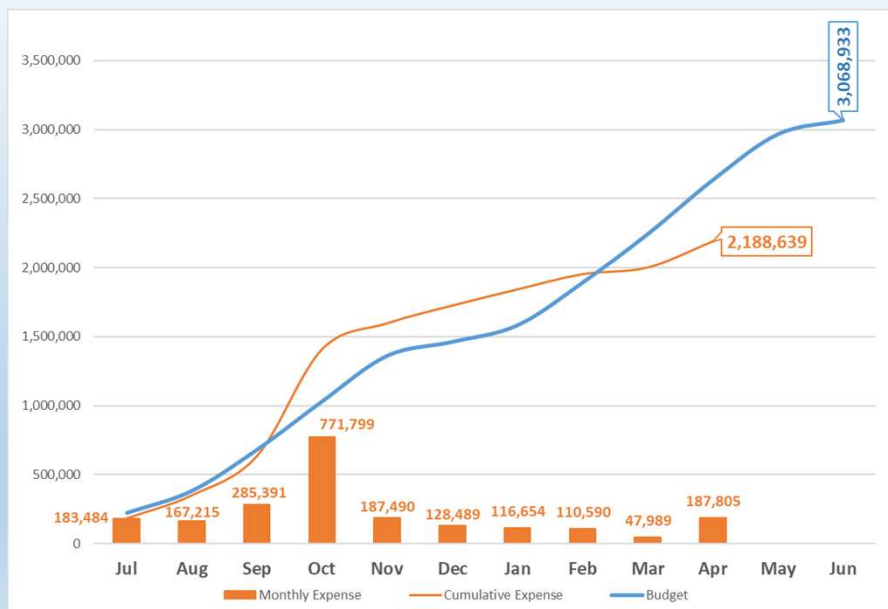


Fallbrook Public Utility District

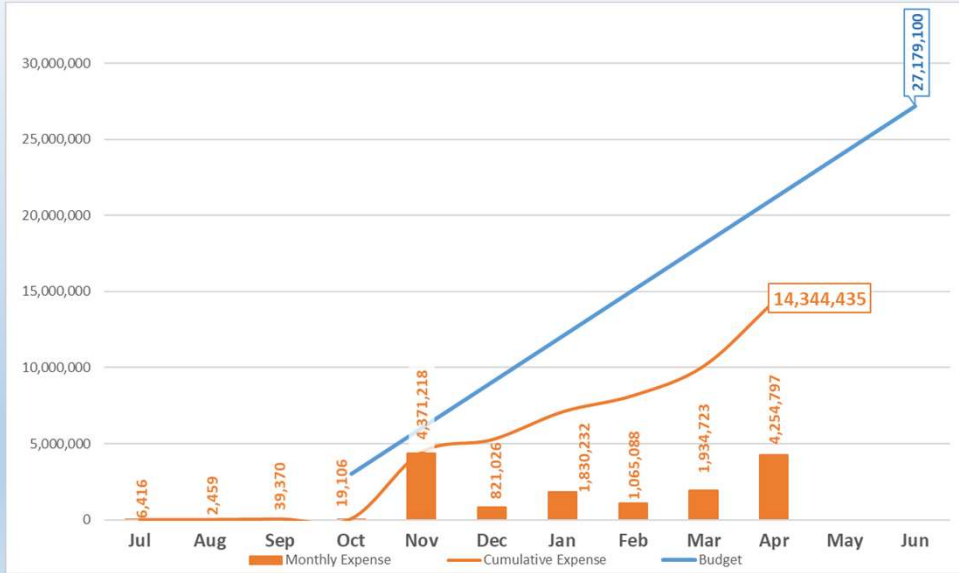
Engineering and Operations FY20

Board Meeting May 2020

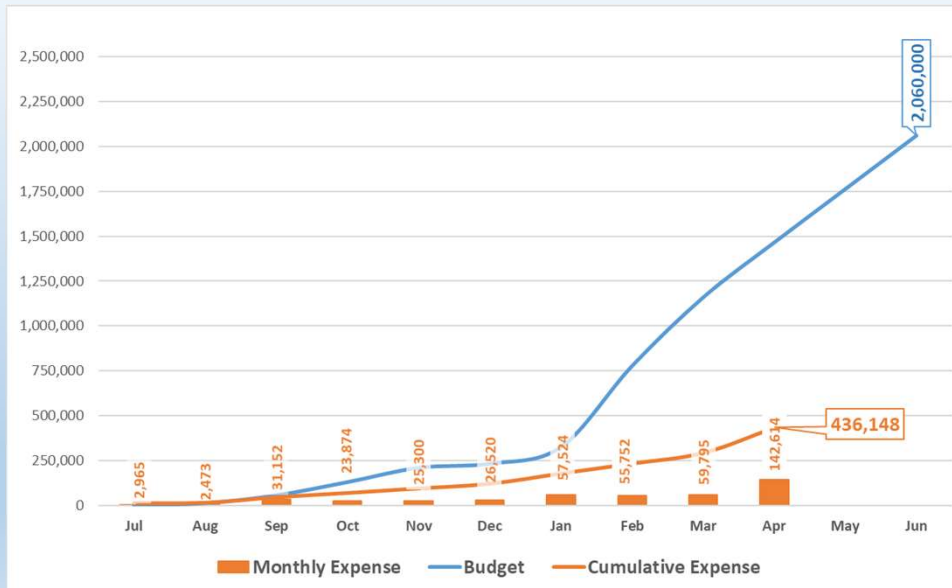
Water PAYGO CIP FY20



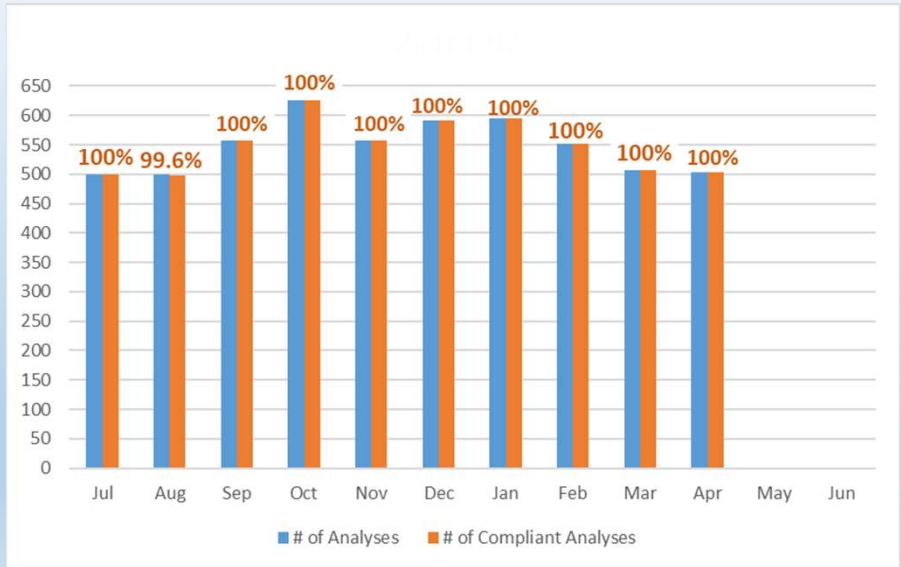
Water SMRCUP CIP FY20



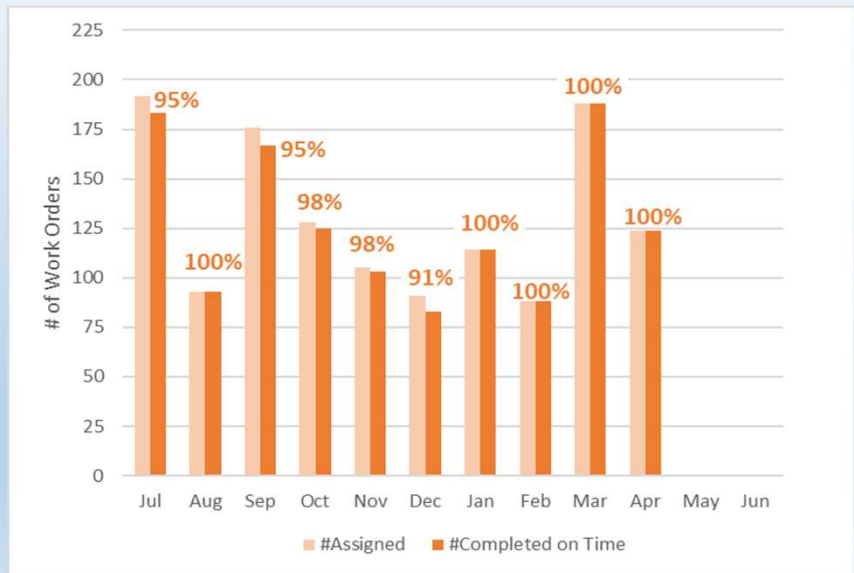
Wastewater System CIP FY20



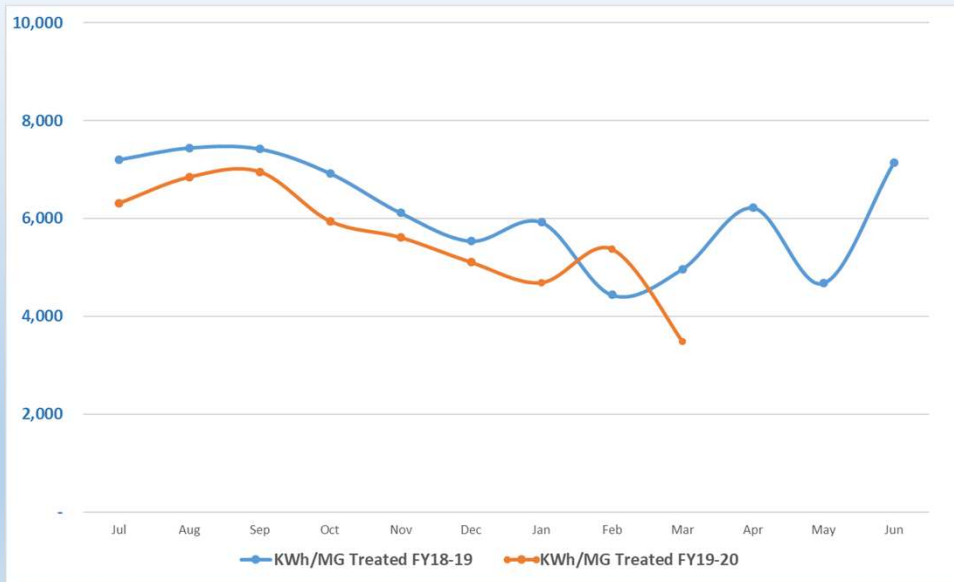
Wastewater System Regulatory Compliance



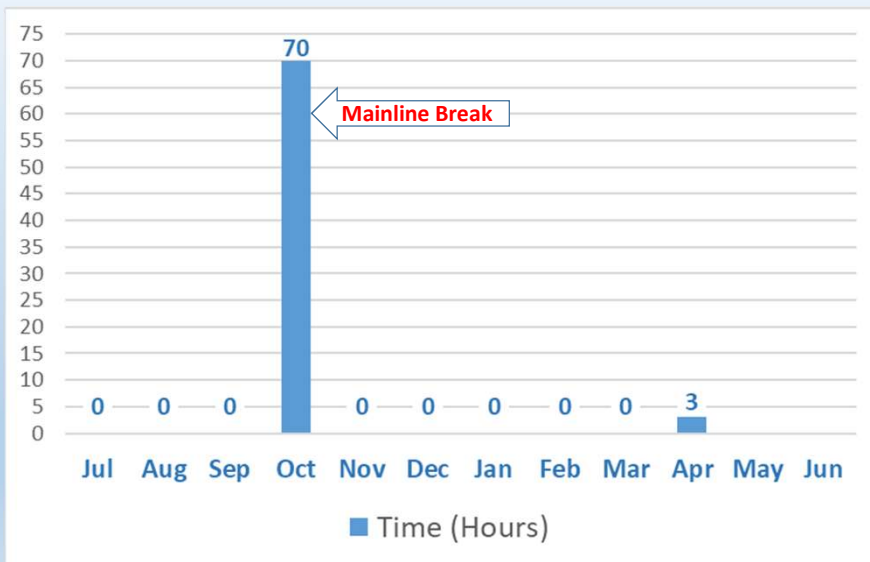
Reclamation Plant – Preventative Maintenance Work Orders



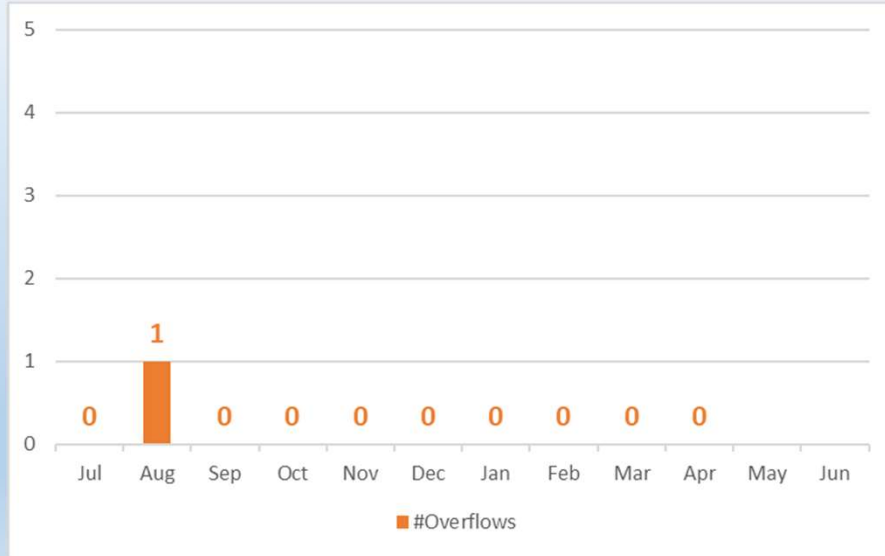
Reclamation Plant – Energy Usage (KWh/MG Treated)



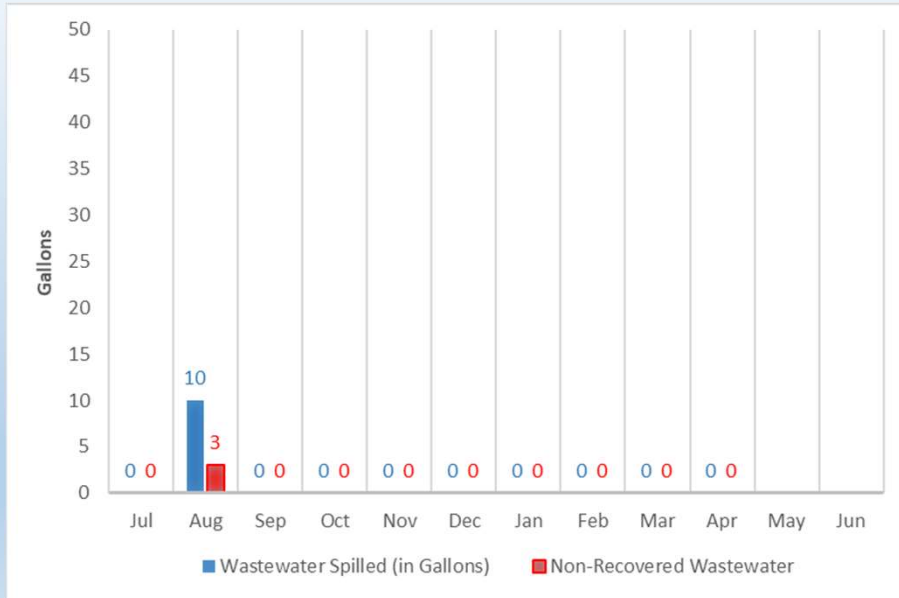
Recycled Water – Time out of Service (Hours)



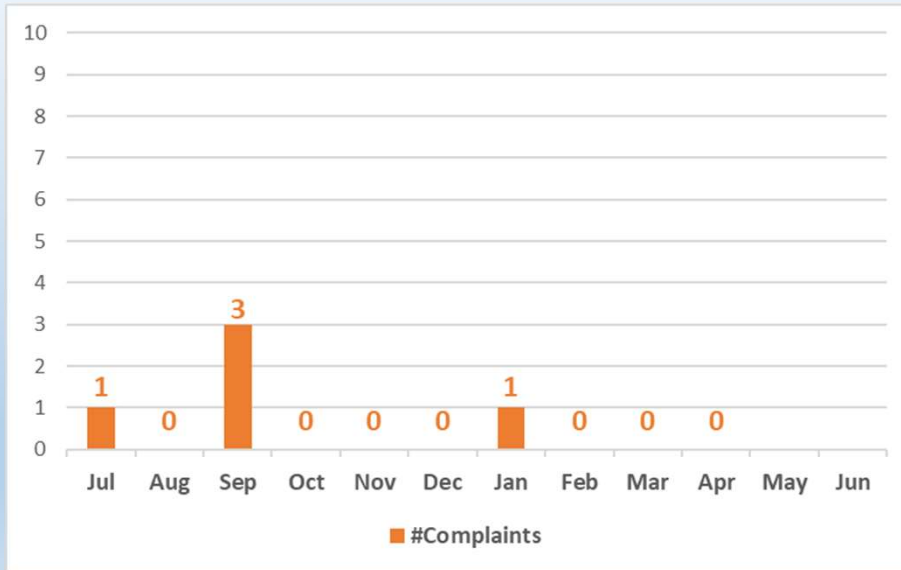
Sewer Overflows



Wastewater Spilled



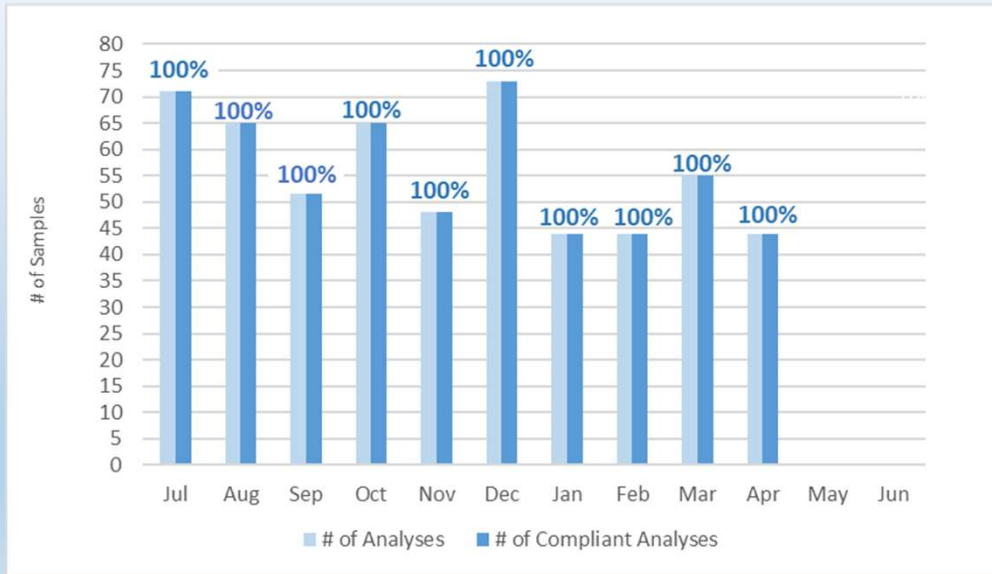
Wastewater System Odor Complaints



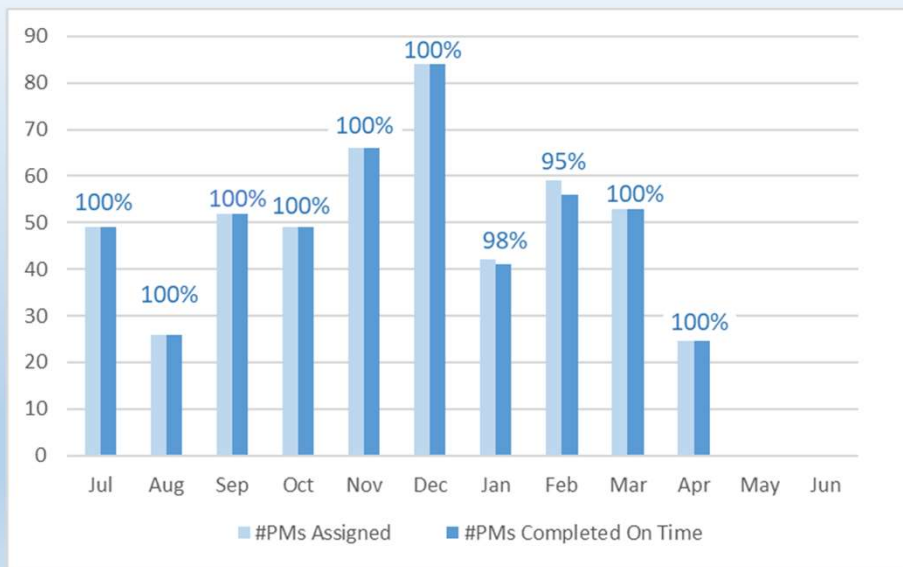
Collections – Preventative Maintenance Work Orders



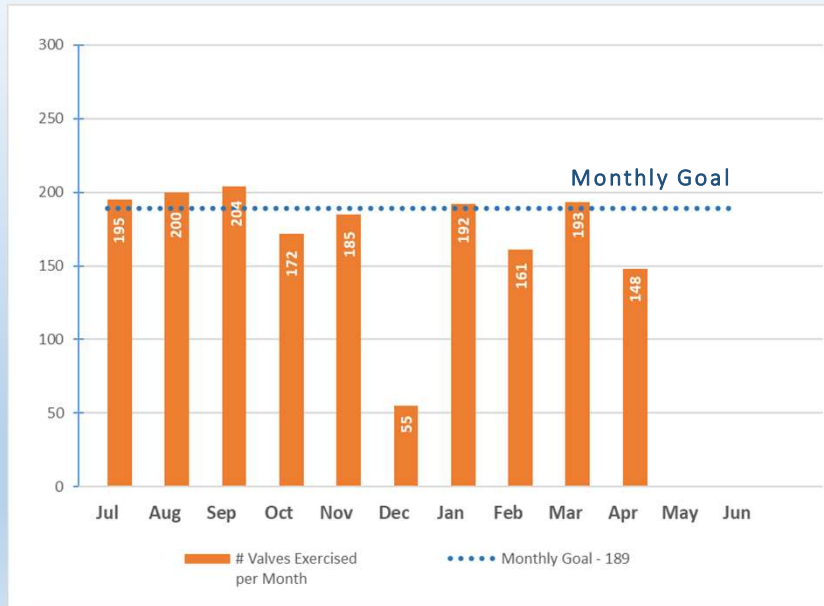
Water System Regulatory Compliance



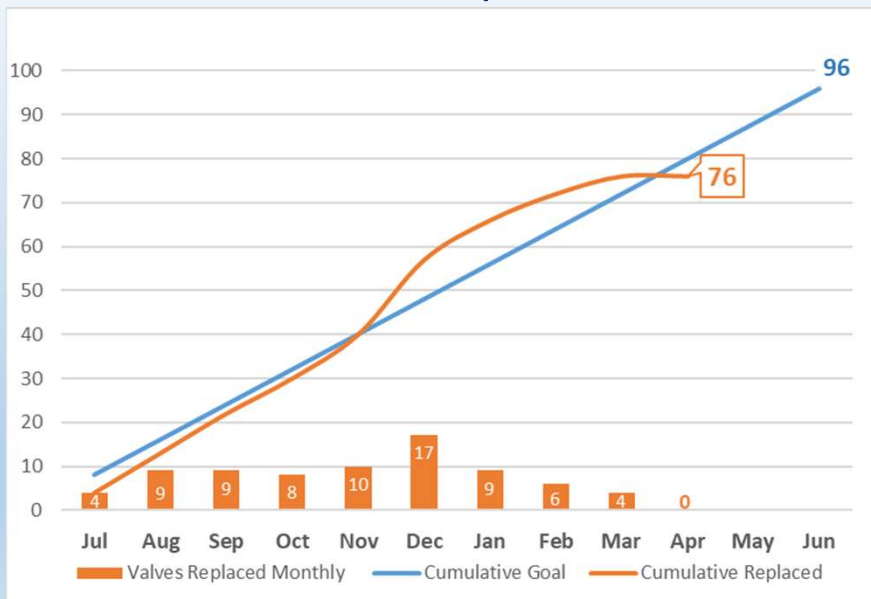
Water Preventative Maintenance Work Orders



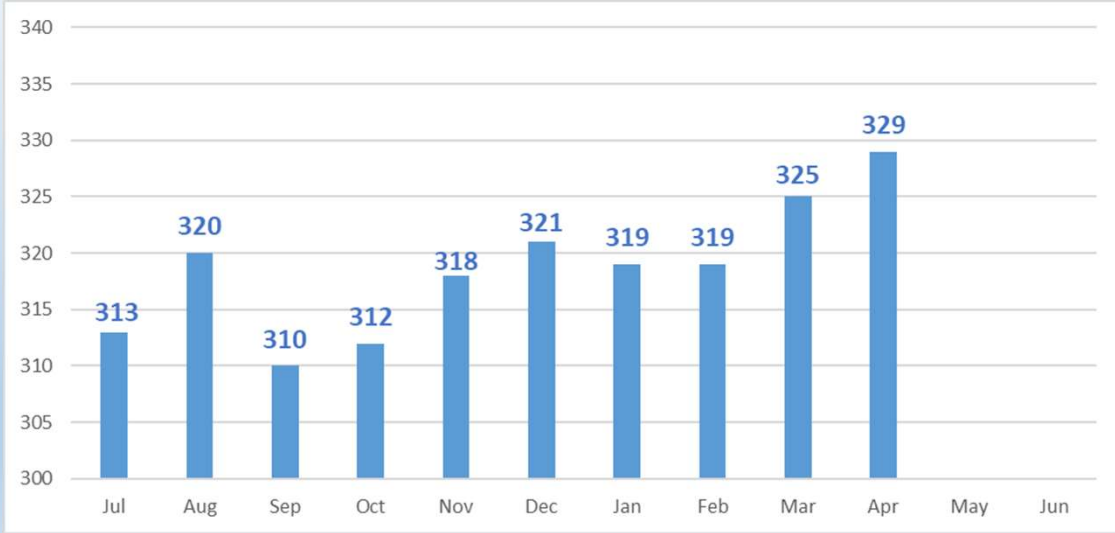
Valve Exercise Program



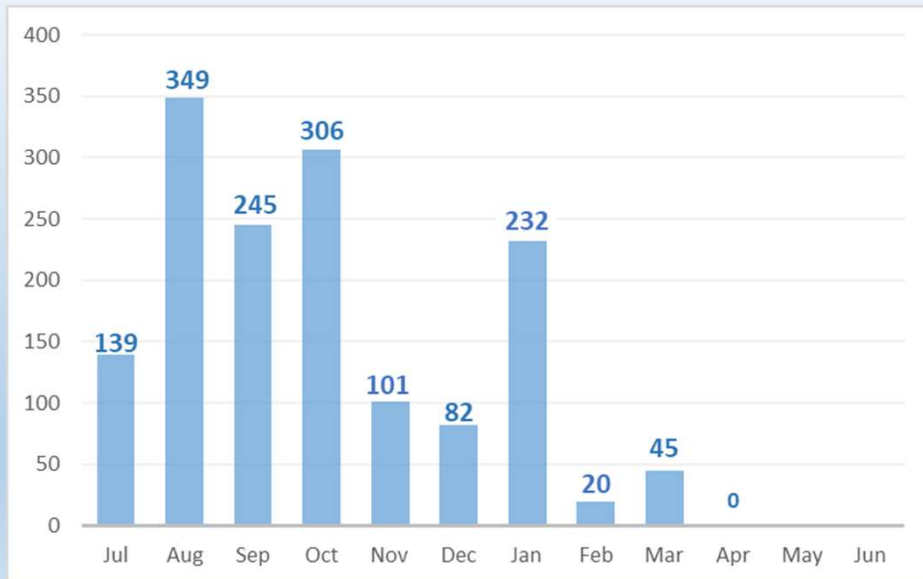
Valves Replaced



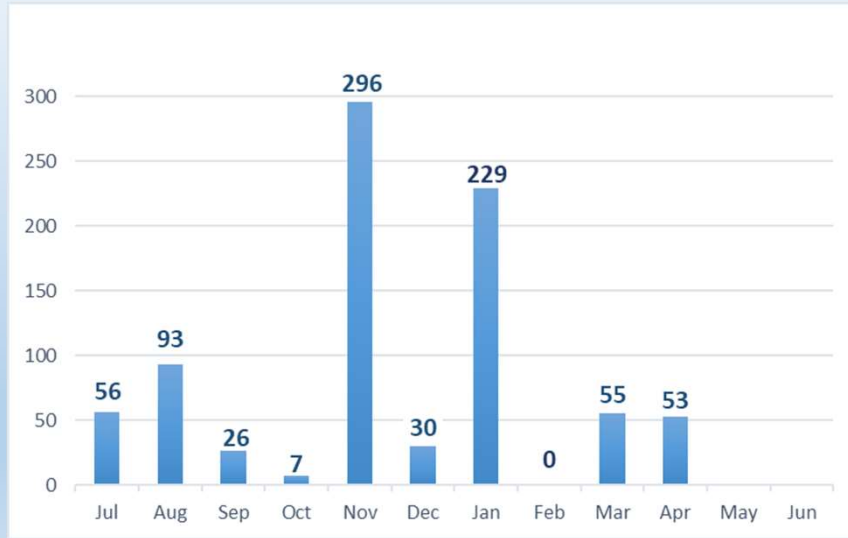
Rolling Total Broken Valves



Planned Outages > 4 Hours # of Customers Affected



Unplanned Disruption > 4 Hours # of Customers Affected



Meter Exchange



M E M O

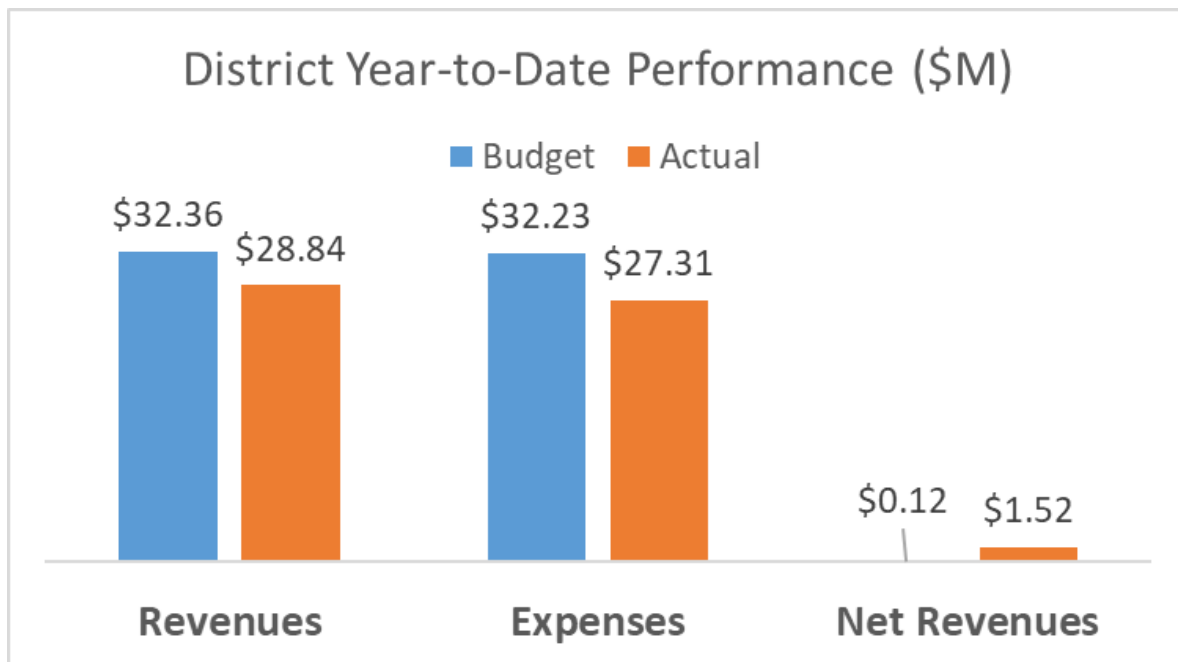
TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: May 27, 2020
SUBJECT: Financial Summary Report – April

Purpose

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

Summary

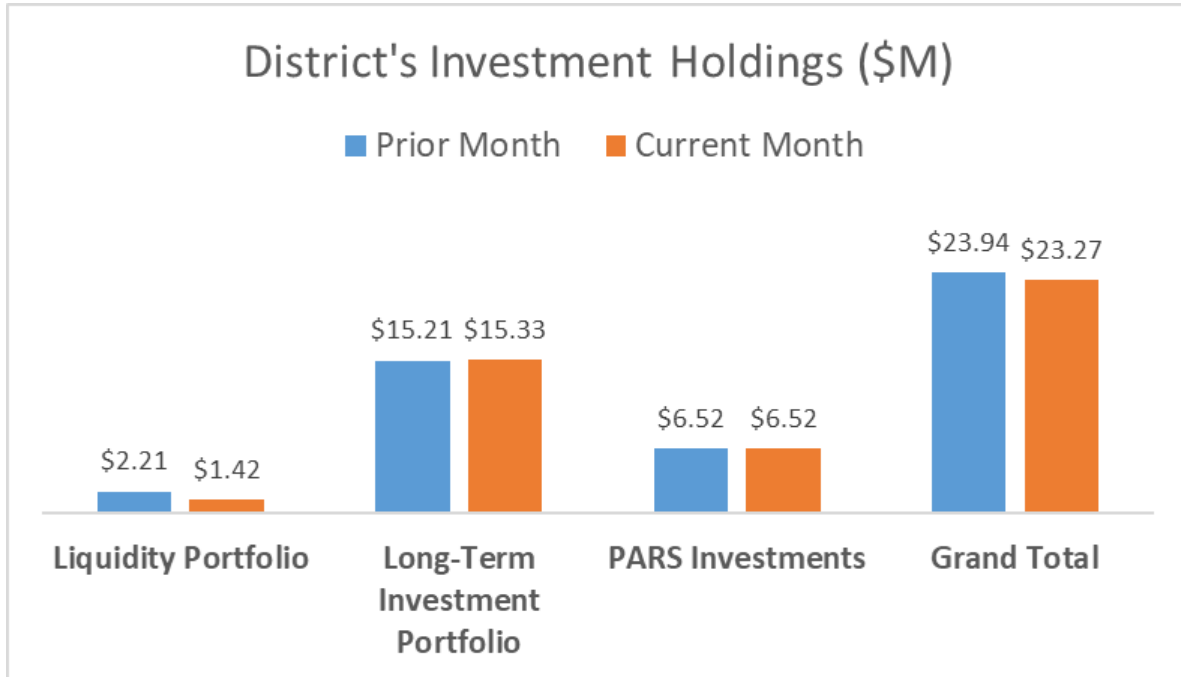
The graph below shows the District's year-to-date Revenues, Expenditures and Net revenues.



Total revenues are under budget due to lower than expected water and wastewater sales. Expenditures, including the Capital Improvement Program (CIP) expenditures, are below budget due to reduced water purchases driven by lower demands and lower than budgeted CIP expenditures. The year-to-date, expenditures are net of reimbursement related to the Santa Margarita Conjunctive Use Project (SMCUP) State loan. The budget includes budgeted SMCUP reimbursements and Actual includes only reimbursements received from the State. This shows that the District's overall financial performance, once SMCUP expenditures are reimbursed, will be

slightly better than budget expectations. State funds are expected to continue to lag the payment of SMCUP invoices by a month or so.

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



Overall the District's financial position dipped this month with \$0.7 million less held in District accounts at month end. The change in the Liquidity Portfolio, was driven by low water sales revenues, a debt service payment and CIP expenditures. No draw from the Long-Term Investment Portfolio was made in this month.

Recommended Action

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

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: May 27, 2020
SUBJECT: Treasurer's Report

Purpose

Provide the April, 2020 Treasurer's Report. Confirm that the District's investment portfolio is in compliance with the Investment Policy and that the District is able to meet the expenditure requirements for the next 6-months.

Notes

The District drew down account balances to provide temporary cash funding for the Santa Margarita Conjunctive Use Project. While State loan proceeds have been reimbursed, the rate of reimbursement has lagged the project's expenditures. The December draw from Long-term reserves to fund the Santa Margarita Conjunctive Use Project (SMCUP) has been reimbursed and the \$4.2 million in LAIF represents these funds.

Summary

Treasurer's Report Apr 30, 2020

Account	Beginning Balance	Ending Balance
Operating Fund	\$ 18,360	\$ 17,349
Money Market	\$ 658,579	\$ 870,006
County Pool	\$ 15,409	\$ 15,430
CAMP Account	\$ 1,513,078	\$ 513,729
<i>District's Liquidity Portfolio</i>	\$ 2,205,426	\$ 1,416,514
PFM Managed Long-term Investment Portfolio*	\$ 11,044,237	\$ 11,163,216
LAIF (Long-term Reserves)	\$ 4,169,000	\$ 4,170,617
PARS (OPEB & Pension Trust)**	\$ 6,522,885	\$ 6,967,674
<i>District Accounts Total</i>	\$ 23,941,548	\$ 23,718,021

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

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


Dave Shank
May 27, 2020



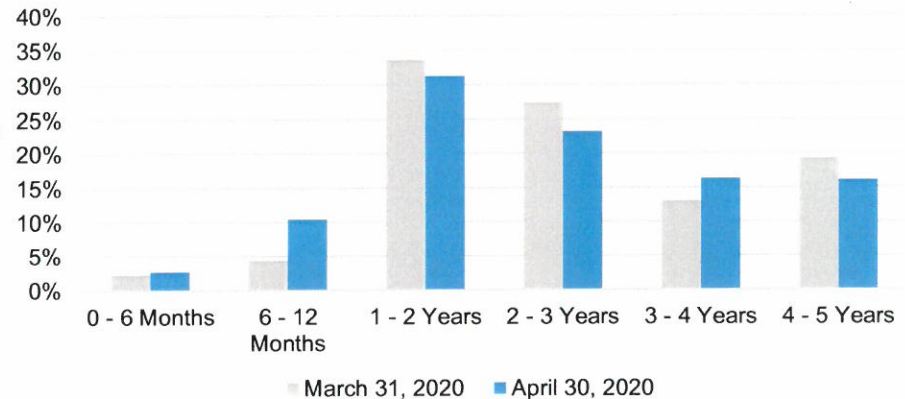
Fallbrook Public Utilities District - Holdings Summary

Security Type	March 31, 2020	April 30, 2020	Change (\$)	Change (%)
U.S. Treasury	\$5,886,539.87	\$5,891,057.81	\$4,517.94	0.1%
Municipal	\$172,329.00	\$172,813.50	\$484.50	0.3%
Federal Agency CMO	\$113,141.45	\$113,976.43	\$834.98	0.7%
Corporate Note	\$3,530,674.33	\$3,599,885.88	\$69,211.55	2.0%
Negotiable CD	\$281,918.84	\$282,073.40	\$154.56	0.1%
Asset-Backed Security	\$802,809.53	\$800,986.23	(\$1,823.30)	-0.2%
Securities Total	\$10,787,413.02	\$10,860,793.25	\$73,380.23	0.7%
Money Market Fund	\$256,823.81	\$302,422.88	\$45,599.07	17.8%
Total Investments	\$11,044,236.83	\$11,163,216.13	\$118,979.30	1.1%

Summary

FY 19-20 Accrual Earnings	\$298,306.65
Yield to Maturity at Cost	2.21%
Weighted Average Maturity (Years)	2.46

Maturity Distribution





Managed Account Security Transactions & Interest

For the Month Ending April 30, 2020

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	04/01/20	04/01/20	MONEY MARKET FUND	MONEY0002	0.00	0.00	151.88	151.88			
	04/01/20	04/01/20	UNITED PARCEL SERVICE CORPORATE BOND DTD 11/14/2017 2.050% 04/01/2021	911312BP0	110,000.00	0.00	1,127.50	1,127.50			
	04/01/20	04/01/20	BB&T CORP (CALLABLE) NOTES DTD 03/21/2017 2.750% 04/01/2022	05531FAX1	300,000.00	0.00	4,125.00	4,125.00			
	04/01/20	04/01/20	CA ST TXBL GO BONDS DTD 04/25/2018 2.800% 04/01/2021	13063DGA0	170,000.00	0.00	2,380.00	2,380.00			
	04/01/20	04/01/20	BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	90,000.00	0.00	1,047.60	1,047.60			
	04/01/20	04/25/20	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	110,000.00	0.00	283.25	283.25			
	04/15/20	04/15/20	UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	120,000.00	0.00	1,350.00	1,350.00			
	04/15/20	04/15/20	COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	40,000.00	0.00	83.67	83.67			
	04/15/20	04/15/20	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	26,539.75	0.00	48.16	48.16			
	04/15/20	04/15/20	JDOT 2019-B A3 DTD 07/24/2019 2.210% 12/15/2023	477870AC3	30,000.00	0.00	55.25	55.25			
	04/15/20	04/15/20	ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	39,275.58	0.00	43.17	43.17			
	04/15/20	04/15/20	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	285,000.00	0.00	408.50	408.50			
	04/15/20	04/15/20	DCENT 2019-A3 A DTD 10/31/2019 1.890% 10/15/2024	254683CM5	120,000.00	0.00	189.00	189.00			
	04/15/20	04/15/20	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	94,233.87	0.00	176.16	176.16			
	04/15/20	04/15/20	MBALT 2019-B A3 DTD 11/20/2019 2.000% 10/17/2022	58769OAC5	60,000.00	0.00	100.00	100.00			
	04/15/20	04/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	16,519.77	0.00	11.59	11.59			
	04/15/20	04/15/20	JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	12,426.61	0.00	12.39	12.39			





Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2020**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	04/16/20	04/16/20	GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	50,000.00	0.00	90.83	90.83			
	04/21/20	04/21/20	MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	100,000.00	0.00	1,250.00	1,250.00			
	04/21/20	04/21/20	HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	75,000.00	0.00	157.50	157.50			
	04/25/20	04/25/20	GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.625% 04/25/2021	38141GVU5	290,000.00	0.00	3,806.25	3,806.25			
	04/29/20	04/29/20	MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDO6	150,000.00	0.00	2,906.25	2,906.25			
	04/30/20	04/30/20	US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	400,000.00	0.00	3,250.00	3,250.00			
	04/30/20	04/30/20	US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	435,000.00	0.00	2,718.75	2,718.75			
Transaction Type Sub-Total					3,123,995.58	0.00	25,772.70	25,772.70			
MATURITY											
	04/15/20	04/15/20	JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2020	47787XAC1	518.12	518.12	0.77	518.89	0.07	0.00	
Transaction Type Sub-Total					518.12	518.12	0.77	518.89	0.07	0.00	
PAYDOWNS											
	04/15/20	04/15/20	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	6,753.43	6,753.43	0.00	6,753.43	0.87	0.00	
	04/15/20	04/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	4,033.43	4,033.43	0.00	4,033.43	0.01	0.00	
	04/15/20	04/15/20	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	2,040.18	2,040.18	0.00	2,040.18	0.15	0.00	
	04/15/20	04/15/20	ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	4,755.43	4,755.43	0.00	4,755.43	0.06	0.00	
	04/15/20	04/15/20	JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	1,725.01	1,725.01	0.00	1,725.01	0.13	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2020**

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	
Transaction Type Sub-Total				19,307.48	19,307.48	0.00	19,307.48	1.22	0.00	
Managed Account Sub-Total					19,825.60	25,773.47	45,599.07	1.29	0.00	
Total Security Transactions					\$19,825.60	\$25,773.47	\$45,599.07	\$1.29	\$0.00	





Account Statement - Transaction Summary

For the Month Ending **April 30, 2020**

Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	1,513,078.09
Purchases	651.28
Redemptions	(1,000,000.00)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$513,729.37
Cash Dividends and Income	651.28

Asset Summary		
	April 30, 2020	March 31, 2020
CAMP Pool	513,729.37	1,513,078.09
Total	\$513,729.37	\$1,513,078.09

Asset Allocation	
CAMP Pool	100.00%



CAMP Pool
100.00%



Account Statement

For the Month Ending **April 30, 2020**

Fallbrook Public Utility District - Liquidity - 6050-004

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					1,513,078.09
04/09/20	04/09/20	Redemption - Outgoing Wires	1.00	(1,000,000.00)	513,078.09
04/30/20	05/01/20	Accrual Income Div Reinvestment - Distributions	1.00	651.28	513,729.37
Closing Balance					513,729.37

	Month of April	Fiscal YTD July-April
Opening Balance	1,513,078.09	2,821,437.95
Purchases	651.28	2,542,291.42
Redemptions (Excl. Checks)	(1,000,000.00)	(4,850,000.00)
Check Disbursements	0.00	0.00
Closing Balance	513,729.37	513,729.37
Cash Dividends and Income	651.28	42,291.42

Closing Balance	513,729.37
Average Monthly Balance	779,766.47
Monthly Distribution Yield	0.98%

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

**Account Report for the Period
4/1/2020 to 4/30/2020**

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

Account Summary

Source	Balance as of 4/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 4/30/2020
OPEB	\$923,769.67	\$0.00	\$63,450.95	\$460.02	\$0.00	\$0.00	\$986,760.60
PENSION	\$5,599,115.68	\$0.00	\$384,586.36	\$2,788.25	\$0.00	\$0.00	\$5,980,913.79
Totals	\$6,522,885.35	\$0.00	\$448,037.31	\$3,248.27	\$0.00	\$0.00	\$6,967,674.39

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	6.87%	-6.93%	-0.39%	3.85%	-	-	2/16/2017
PENSION	6.87%	-6.93%	-0.39%	3.65%	-	-	2/16/2017

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

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

FALLBROOK PUBLIC UTILITY DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
4/1/2020 to 4/30/2020

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

Account Summary

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PENSION	\$5,599,115.68	\$0.00	\$384,586.36	\$2,788.25	\$0.00	\$0.00	\$5,980,913.79
Totals	\$6,522,885.35	\$0.00	\$448,037.31	\$3,248.27	\$0.00	\$0.00	\$6,967,674.39

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Source

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Investment Return

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				3-Years	5-Years	10-Years	
OPEB	6.87%	-6.93%	-0.39%	3.85%	-	-	2/16/2017
PENSION	6.87%	-6.93%	-0.39%	3.65%	-	-	2/16/2017

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Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

California State Treasurer
Fiona Ma, CPA



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

May 08, 2020

[LAIF Home](#)
[PMIA Average](#)
[Monthly Yields](#)

FALLBROOK PUBLIC UTILITY DISTRICT

TREASURER
 P.O. BOX 2290
 FALLBROOK, CA 92088

[Tran Type](#)
[Definitions](#)

Account Number: 85-37-001

April 2020 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
4/15/2020	4/14/2020	QRD	1637182	N/A	SYSTEM	1,617.02

Account Summary

Total Deposit:	1,617.02	Beginning Balance:	4,169,000.00
Total Withdrawal:	0.00	Ending Balance:	4,170,617.02

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: May 27, 2020
SUBJECT: Budget Status Report for Fiscal Year 2019-2020

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 April, Year-to-Date and the annual budgeted amount.

Total revenues year-to-date are below budget by 10.9%. This under performance is due to lagging water sales, which as shown in the monthly water sales chart below are 19% below budget. Sales in April were 47% of budget, which drove sales revenues even further below budget levels. With two months remaining in the fiscal year, fiscal year 2019-20 water sales revenues are expected to be well under budgeted levels.

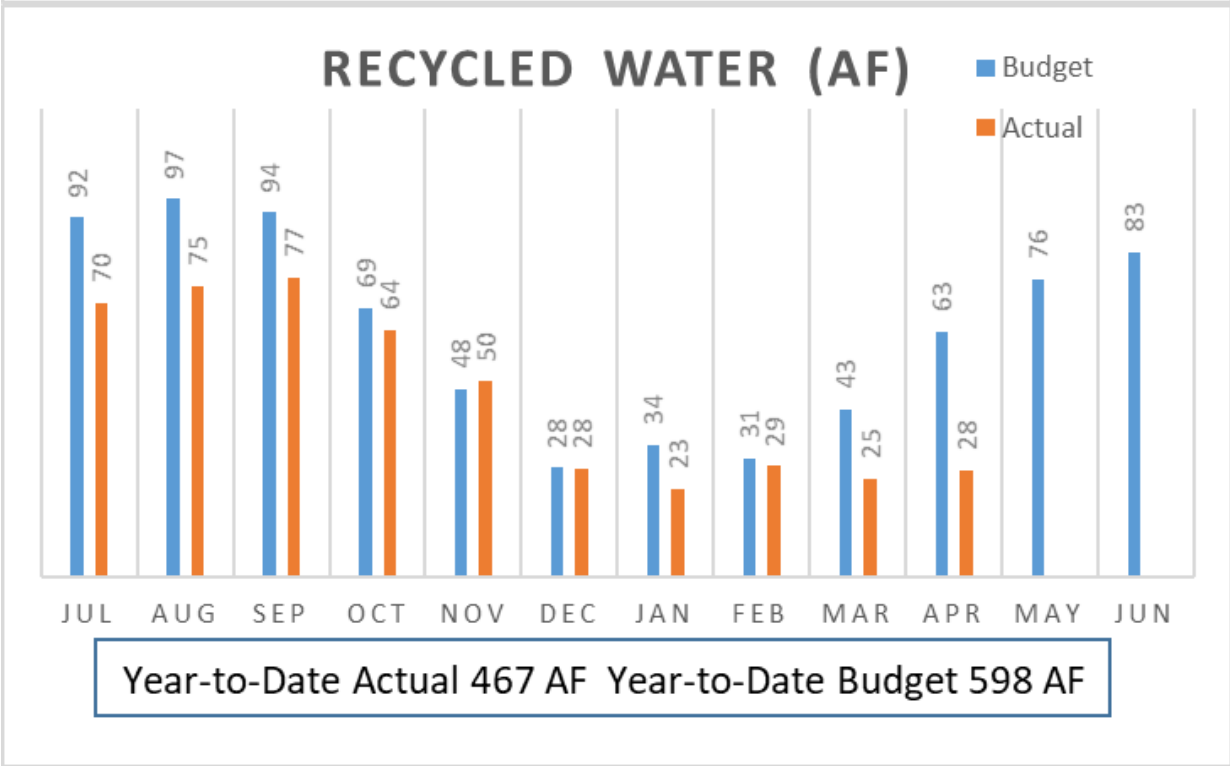
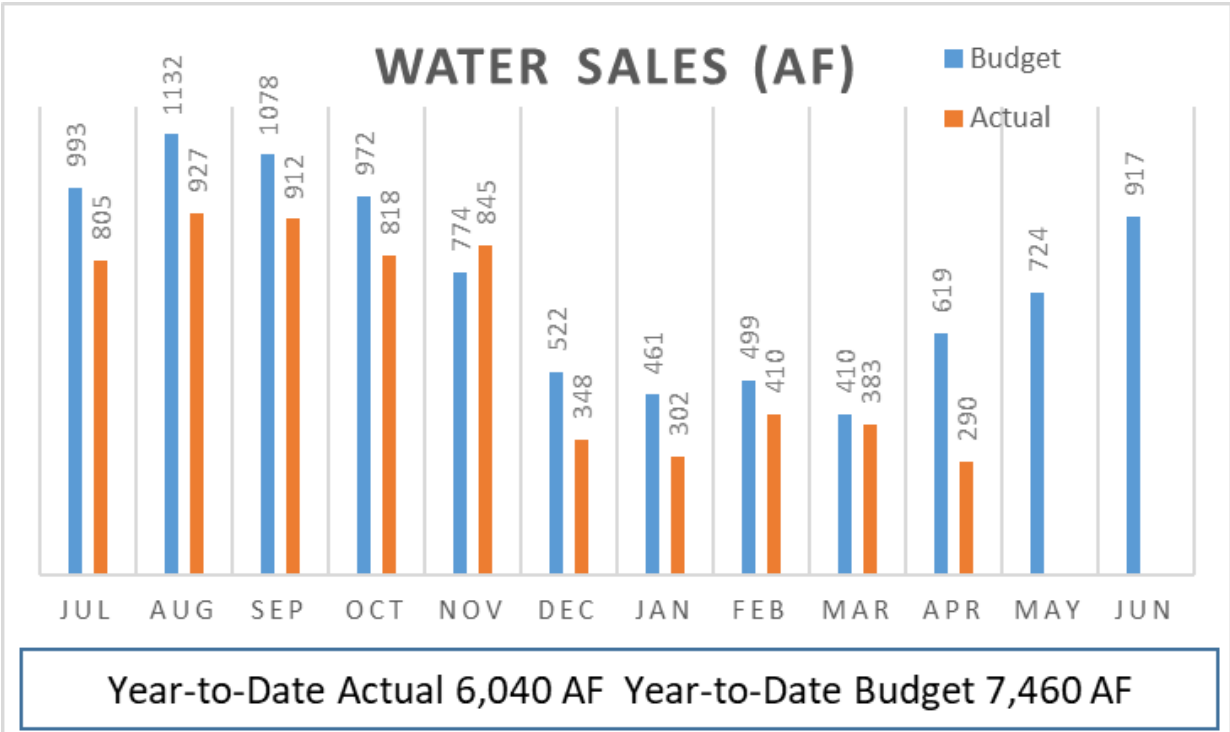
Non-operating revenues have been higher than budgeted helping to offset lower operating revenues. The higher than budgeted non-operating revenues have been driven by capacity charge and portfolio interest revenues along with facility rents and other non-operating revenues, which are over the budgeted levels.

The District's year-to-date total expenditures are under budget due to the lower than budgeted purchased water expense, which is a result of lower water sales levels and lower than budgeted operating expenditures.

Total revenue is \$28,837,664 or 10.9% under budget and total expenditures are \$23,602,568 or 12.5% under budget. Capital spending for Santa Margarita Conjunctive Use Project (SMCUP) is under budget as are other capital project costs. The result of this financial performance is a Net Loss. However, once State Loan proceeds are available, the District's financial results will be slightly better than budgeted.

Recommended Action

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



Monthly Budget Report for April

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date				Annual Budget		
	Actual	Budget	Actual	Budget	Variance	%	Budget	Remaining Balance	%
Operating Revenues:								Year remaining	16.7%
Water Sales	655,498	1,378,214	12,022,419	15,418,759	(3,396,341)	-22.0%	19,029,180	7,006,762	36.8%
Water Meter Service Charges	604,213	606,190	5,771,103	5,792,486	(21,383)	-0.4%	7,004,867	1,233,764	17.6%
Wastewater Service Charges	492,765	488,719	4,918,385	5,236,638	(318,252)	-6.1%	6,214,076	1,295,691	20.9%
Recycled Water Revenues	52,178	120,601	781,191	1,080,078	(298,887)	-27.7%	1,382,830	601,639	43.5%
Other Operating Revenue	-	917	-	9,167	(9,167)	-100.0%	11,000	11,000	100.0%
CWA Rebates	-	-	53,520	50,003	3,517	7.0%	50,003	(3,517)	-7.0%
Total Operating Revenue	1,804,653	2,594,641	23,546,618	27,587,131	(4,040,513)	-14.6%	33,691,956	10,145,337	30.1%
Non Operating Revenues:									
Water Capital Improvement Charge	116,037	115,892	1,134,942	1,158,918	(23,976)	-2.1%	1,390,702	255,760	18.4%
Wastewater Capital Improvement Charge	97,896	98,775	973,407	987,749	(14,342)	-1.5%	1,185,299	211,892	17.9%
Property Taxes	837,006	188,231	2,103,547	1,867,550	235,997	12.6%	1,918,296	(185,251)	-9.7%
Water Standby/Availability Charge	69,889	49,785	187,179	188,847	(1,668)	-0.9%	203,000	15,821	7.8%
Water/Wastewater Capacity Charges	5,771	8,460	104,129	84,602	19,527	23.1%	101,522	(2,607)	-2.6%
Portfolio Interest	28,080	23,712	362,372	237,120	125,252	52.8%	284,544	(77,828)	-27.4%
Pumping Capital Improvement Charge	284	3,083	19,403	30,833	(11,430)	-37.1%	37,000	17,597	47.6%
Federal Interest Rate Subsidy	-	-	63,263	62,550	713	1.1%	122,647	59,385	48.4%
Facility Rents	12,522	-	199,105	-	199,105	NA	-	(199,105)	NA
Other Non-Operating Revenues	(15,993)	15,004	143,699	150,038	(6,340)	-4.2%	180,046	36,347	20.2%
Total Non Operating Revenues	1,151,492	502,942	5,291,045	4,768,208	522,837	11.0%	5,423,052	132,006	2.4%
Total Revenues	2,956,145	3,097,583	28,837,664	32,355,339	(3,517,675)	-10.9%	39,115,008	10,277,344	26.3%
Expenditures									
Purchased Water Expense	862,195	1,174,711	10,354,101	13,127,934	2,773,834	21.1%	15,987,885	5,633,784	35.2%
Water Services	235,687	236,599	2,686,780	2,814,217	127,437	4.5%	3,287,415	600,635	18.3%
Wastewater Services	213,421	215,286	2,401,851	2,544,509	142,658	5.6%	2,975,082	573,231	19.3%
Recycled Water Services	20,181	43,342	378,294	503,211	124,917	24.8%	589,894	211,600	35.9%
Administrative Services	419,852	464,397	5,278,513	5,478,718	200,205	3.7%	6,407,511	1,128,998	17.6%
Total Operating Expenses	1,751,336	2,134,335	21,099,539	24,468,590	3,369,051	13.8%	29,247,787	8,148,248	27.9%
Debt Service Expenses									
SMCUP SRF	-	-	20	-	(20)	NA	-	(20)	NA
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	-	-	261,413	261,413	-	0.0%	519,674	258,261	49.7%
Total Debt Service	-	-	2,503,029	2,503,009	(20)	0.0%	2,761,270	258,241	9.4%
Total Expenses	1,751,336	2,134,335	23,602,568	26,971,598	3,369,031	12.5%	32,009,056	8,406,489	26.3%
Net Revenue/(loss) From Operations and Debt Service	1,204,809	963,249	5,235,096	5,383,741	(148,645)	-3%	7,105,951	1,870,855	26.3%
Capital Investment									
Capital Investment									
Construction Expenditures	525,885	818,737	3,712,008	5,260,613	1,548,605	29.4%	6,529,933	2,817,925	43.2%
SMCUP Expenditures*	4,204,707	3,164,039	15,905,657	18,079,156	2,173,498	12.0%	27,179,100	11,273,443	41.5%
SRF Loan Proceeds Draw (Capital Project Funds)	-	(3,164,039)	(5,019,526)	(18,079,156)	(13,059,630)	72.2%	(27,179,100)	(22,159,574)	81.5%
Net Revenue/(Loss)	(3,525,782)	144,512	(9,363,044)	123,128	(9,486,171)	-7704.3%	576,018	9,939,062	1725.5%

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

04/30/2020

Treasurer's Warrant No. April

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 -04/2020

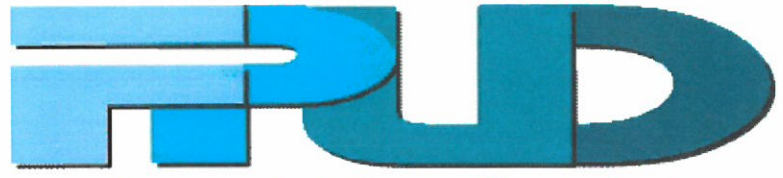
Computer Check Register

Payroll #1	\$137,378.29
Payroll #2	<u>\$137,740.75</u>
	<u>\$275,119.04</u>

Accounts Payable

Checks by Date - Summary by Check Date

User: annaleceb
 Printed: 5/7/2020 11:38 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
83340	91286	AMAZON CAPITAL SERVICES, INC.	04/02/2020	888.21
83341	91487	BADGER METER, INC.	04/02/2020	27,791.97
83342	91545	BARR RANCH LLC	04/02/2020	63,861.00
83343	91272	KEVIN COLLINS	04/02/2020	60.00
83344	01022	CSMFO	04/02/2020	110.00
83345	06299	D & H WATER SYSTEMS, INC	04/02/2020	2,722.67
83346	02925	DATA NET SOLUTIONS	04/02/2020	2,573.69
83347	05588	ESCONDIDO METAL SUPPLY	04/02/2020	1,533.71
83348	91200	FIRST BANKCARD	04/02/2020	1,100.00
83349	91202	FIRST BANKCARD	04/02/2020	1,054.63
83350	91225	FIRST BANKCARD	04/02/2020	1,802.76
83351	91313	FIRST BANKCARD	04/02/2020	630.21
83352	06286	GARDA CL WEST, INC.	04/02/2020	280.48
83353	04958	GOSCH FORD TEMECULA	04/02/2020	5,241.07
83354	05380	HACH CO	04/02/2020	4,623.48
83355	06577	INFOSEND INC	04/02/2020	1,388.96
83356	06359	INFRASTRUCTURE ENGINEERING CO	04/02/2020	254,616.42
83357	05255	INLAND WATER WORKS SUPPLY CO.	04/02/2020	58,205.47
83358	90913	INNOVYZE	04/02/2020	8,114.96
83359	03944	MISSION RESOURCE CONSV DISTRIC	04/02/2020	44.50
83360	04900	PARADISE CHEVROLET CADILLAC	04/02/2020	279.49
83361	91535	PAYMENTUS GROUP, INC	04/02/2020	2,433.38
83362	06199	PLUMBERS DEPOT INC	04/02/2020	1,951.21
83363	91094	SCADA INTEGRATIONS	04/02/2020	2,064.00
83364	00236	SCRAPPYS	04/02/2020	497.41
83365	06064	SOLENIS LLC	04/02/2020	10,291.59
83366	06401	SONSRAY MACHINERY LLC	04/02/2020	223.95
83367	90929	SOUTHWEST ANSWERING SERVICE, I	04/02/2020	559.34
83368	UB*00327	ROSALINE TRUJILLO	04/02/2020	0.05
83369	02960	VWR INTERNATIONAL INC	04/02/2020	848.03
83370	00233	WAXIE SANITARY SUPPLY	04/02/2020	935.72
83371	06231	WESTERN WATER WORKS SUPPLY CC	04/02/2020	513.75
Total for 4/2/2020:				457,242.11
ACH	00152	FPUD EMPL ASSOCIATION	04/09/2020	487.00
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	04/09/2020	3,673.00
ACH	06758	US TREASURY - PAYROLL TAXES	04/09/2020	54,502.87
ACH	06759	STATE OF CA - PR TAXES	04/09/2020	8,231.42
ACH	06760	STATE OF CA - SDI	04/09/2020	2,151.64
ACH	06761	LINCOLN FINANCIAL GROUP	04/09/2020	7,060.79
ACH	06763	PERS - PAYROLL	04/09/2020	36,620.82
ACH	91508	CALIFORNIA STATE DISBURSEMENT	04/09/2020	346.15
83375	06020	BABCOCK LABORATORIES, INC	04/09/2020	1,020.00
83376	91487	BADGER METER, INC.	04/09/2020	5,764.63
83377	02743	BEST BEST & KRIEGER	04/09/2020	24,468.44
83378	91440	BP BATTERY INC	04/09/2020	197.20

Check No	Vendor No	Vendor Name	Check Date	Check Amount
83379	03978	CAMERON WELDING SUPPLY	04/09/2020	608.18
83380	03205	CITY OF OCEANSIDE	04/09/2020	1,150.38
83381	91330	AARON COOK	04/09/2020	300.00
83382	05192	DIAMOND ENVIRONMENTAL SERVIC	04/09/2020	350.65
83383	01155	FALLBROOK REFUSE	04/09/2020	162.98
83384	01432	FERGUSON WATERWORKS #1083	04/09/2020	13,699.12
83385	91499	FILANC ALBERICI A JOINT VENTURE	04/09/2020	953,866.82
83386	UB*00328	WEKA INC	04/09/2020	485.50
83387	91192	MISSION LINEN SUPPLY	04/09/2020	1,291.23
83388	91167	NORTH COUNTY FORD	04/09/2020	597.41
83389	06298	ONESOURCE DISTRIBUTORS, LLC	04/09/2020	492.33
83390	01267	PACIFIC PIPELINE	04/09/2020	6,605.08
83391	00216	PINE TREE LUMBER	04/09/2020	570.80
83392	06608	ROTARY CLUB OF FALLBROOK	04/09/2020	115.00
83393	00231	SAN DIEGO COUNTY WATER AUTH	04/09/2020	857,089.11
83394	03231	SAN DIEGO COUNTY WATER AUTH	04/09/2020	10,896.00
83395	91094	SCADA INTEGRATIONS	04/09/2020	3,999.00
83396	00236	SCRAPPYS	04/09/2020	1,998.24
83397	06105	SHAMROCK SUPPLY CO., INC.	04/09/2020	3,012.17
83398	02206	STATE WATER RESOURCES CONTROL	04/09/2020	20.03
83399	00159	SUPERIOR READY MIX	04/09/2020	2,913.57
83400	91385	VERONICA TAMZIL	04/09/2020	60.00
83401	05731	TEMECULA VALLEY POWDER COATING	04/09/2020	660.00
83402	00724	UNDERGROUND SERVICE ALERT	04/09/2020	302.88
83403	91500	US BANK NATIONAL ASSOCIATION	04/09/2020	50,203.51
83404	91497	US DEPARTMENT OF EDUCATION AW	04/09/2020	273.97
83405	04290	VILLAGE NEWS, INC.	04/09/2020	495.00
83406	06231	WESTERN WATER WORKS SUPPLY CC	04/09/2020	50.65
83407	05088	AT&T	04/09/2020	785.06
Total for 4/9/2020:				2,057,578.63
83408	90979	ABABA BOLT	04/16/2020	2,416.62
83409	91487	BADGER METER, INC.	04/16/2020	13,514.01
83410	06431	BLACK & VEATCH CORPORATION	04/16/2020	8,879.40
83411	91284	COAST WASTE MANAGEMENT INC	04/16/2020	1,605.52
83412	05714	COUNTY OF SD DEPT PUBLIC WORKS	04/16/2020	90.50
83413	04128	CUES, INC	04/16/2020	380.78
83414	09523	FALLBROOK EQUIP RENTALS	04/16/2020	2,839.80
83415	00169	FALLBROOK OIL COMPANY	04/16/2020	3,191.69
83416	06286	GARDA CL WEST, INC.	04/16/2020	280.48
83417	04958	GOSCH FORD TEMECULA	04/16/2020	86.18
83418	05380	HACH CO	04/16/2020	1,017.97
83419	04793	HERCULES INDUSTRIES, INC.	04/16/2020	1,330.65
83420	03276	HOME DEPOT CREDIT SERVICES	04/16/2020	191.57
83421	05034	HOSSEIN NAWAEY	04/16/2020	854.99
83422	06577	INFOSEND INC	04/16/2020	1,316.05
83423	06463	IOTUM INC.	04/16/2020	10.00
83424	06555	LIEBERT CASSIDY WHITMORE	04/16/2020	740.00
83425	04649	MAR-CON PRODUCTS, INC	04/16/2020	1,231.73
83426	90932	NAPA AUTO PARTS	04/16/2020	564.55
83427	00370	NUTRIEN AG SOLUTIONS, INC.	04/16/2020	174.45
83428	06298	ONESOURCE DISTRIBUTORS, LLC	04/16/2020	295.24
83429	91502	R.D. OFFUTT COMPANY	04/16/2020	74,631.42
83430	06703	S & C ELECTRIC COMPANY	04/16/2020	8,100.00
83431	05636	SAM'S CLUB	04/16/2020	508.58
83432	00232	SAN DIEGO GAS & ELECTRIC	04/16/2020	47,006.48

Check No	Vendor No	Vendor Name	Check Date	Check Amount
83433	91223	STERLING HEALTH SERVICES INC.	04/16/2020	125.00
83434	00458	VERIZON WIRELESS	04/16/2020	1,127.22
83435	91310	VOLT WORKFORCE SOLUTIONS	04/16/2020	412.62
83436	04995	AMERICAN MESSAGING	04/16/2020	15.58
83437	03134	CALIFORNIA WATER ENVIRONMENT	04/16/2020	192.00
83438	91241	LISA CHAFFIN	04/16/2020	33.39
83439	05987	FALLBROOK GARAGE & QWIK LUBE	04/16/2020	459.55
83440	02767	GRANGETTO FARM & GARDEN SUPPI	04/16/2020	218.38
83441	90916	KELLY LAUGHLIN	04/16/2020	104.12
83442	06555	LIEBERT CASSIDY WHITMORE	04/16/2020	75.00
83443	04581	NEIMAN'S COLLISION CENTER, INC.	04/16/2020	655.07
83444	91461	OCEANSIDE SECURITY AGENCY	04/16/2020	2,231.00
83445	05415	STATE WATER RESOURCE CONTROL I	04/16/2020	105.00
Total for 4/16/2020:				177,012.59
ACH	00152	FPUD EMPL ASSOCIATION	04/23/2020	487.00
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	04/23/2020	3,673.00
ACH	06758	US TREASURY - PAYROLL TAXES	04/23/2020	54,783.03
ACH	06759	STATE OF CA - PR TAXES	04/23/2020	8,302.11
ACH	06760	STATE OF CA - SDI	04/23/2020	2,158.83
ACH	06761	LINCOLN FINANCIAL GROUP	04/23/2020	7,060.79
ACH	06763	PERS - PAYROLL	04/23/2020	37,132.03
ACH	91508	CALIFORNIA STATE DISBURSEMENT	04/23/2020	346.15
83447	90979	ABABA BOLT	04/23/2020	2,472.22
83448	00805	ACWA/JOINT POWERS INS.	04/23/2020	37,315.59
83449	91513	ALCHEMY CONSULTING GROUP	04/23/2020	7,500.00
83450	91490	AMAZON WEB SERVICES, INC.	04/23/2020	1,098.83
83451	02805	ASBURY ENVIRONMENTAL SERVICES	04/23/2020	905.53
83452	02176	CORELOGIC SOLUTIONS, LLC	04/23/2020	225.00
83453	05953	CORODATA RECORDS MANAGEMENT	04/23/2020	669.01
83454	02925	DATA NET SOLUTIONS	04/23/2020	788.75
83455	04958	GOSCH FORD TEMECULA	04/23/2020	310.01
83456	06577	INFOSEND INC	04/23/2020	965.73
83457	03201	NATIONAL SAFETY COMPLIANCE INC	04/23/2020	710.61
83458	06298	ONESOURCE DISTRIBUTORS, LLC	04/23/2020	12,127.09
83459	91535	PAYMENTUS GROUP, INC	04/23/2020	3,078.97
83460	91538	PUDGIL & COMPANY	04/23/2020	5,154.04
83461	00101	ACWA JPIA	04/23/2020	102,002.70
83462	02805	ASBURY ENVIRONMENTAL SERVICES	04/23/2020	211.19
83463	06115	CDW GOVERNMENT INC.	04/23/2020	101.04
83464	06409	COLE-PARMER INSTRUMENT COMPA	04/23/2020	84.23
83465	91272	KEVIN COLLINS	04/23/2020	60.00
83466	06675	CORODATA SHREDDING, INC	04/23/2020	64.37
83467	05192	DIAMOND ENVIRONMENTAL SERVIC	04/23/2020	225.90
83468	91443	E.J. MEYER COMPANY, INC.	04/23/2020	43,635.73
83469	06303	EXECUTIVE LANDSCAPE INC.	04/23/2020	770.00
83470	00170	FALLBROOK WASTE & RECYCLING	04/23/2020	818.35
83471	04494	FEDERAL EXPRESS CORPORATION	04/23/2020	68.11
83472	01432	FERGUSON WATERWORKS #1083	04/23/2020	2,448.62
83473	06286	GARDA CL WEST, INC.	04/23/2020	280.48
83474	05380	HACH CO	04/23/2020	571.77
83475	05034	HOSSEIN NAWAEY	04/23/2020	1,382.43
83476	06267	J2 GLOBAL IRELAND LIMITED	04/23/2020	59.91
83477	06380	JANI-KING OF CALIFORNIA, INC - SA	04/23/2020	2,993.00
83478	06338	MYTHOS TECHNOLOGY INC	04/23/2020	1,879.94
83479	90932	NAPA AUTO PARTS	04/23/2020	9.15

Check No	Vendor No	Vendor Name	Check Date	Check Amount
83480	UB*00329	MATTHEW & LINDA ORTWEIN	04/23/2020	276.69
83481	91548	EULALIO PICHARDO	04/23/2020	465.00
83482	06199	PLUMBERS DEPOT INC	04/23/2020	1,951.21
83483	91546	QUADIENT FINANCE USA, INC.	04/23/2020	800.00
83484	91506	SPALETTA LAW PC	04/23/2020	650.00
83485	91107	SPECTRUM BUSINESS	04/23/2020	122.58
83486	00159	SUPERIOR READY MIX	04/23/2020	2,708.73
83487	91082	TELETRAC, INC	04/23/2020	2,084.27
83488	03358	US BANK TRUST NA	04/23/2020	257,689.95
83489	00458	VERIZON WIRELESS	04/23/2020	666.50
Total for 4/23/2020:				612,346.17
83490	91312	TERRAPIN GROUP	04/30/2020	50,090.00
83491	01460	AFLAC	04/30/2020	911.28
83492	91286	AMAZON CAPITAL SERVICES, INC.	04/30/2020	213.86
83493	91487	BADGER METER, INC.	04/30/2020	95,300.57
83494	UB*00330	JOE & DIANE BECERRA	04/30/2020	26.03
83495	91440	BP BATTERY INC	04/30/2020	168.71
83496	03205	CITY OF OCEANSIDE	04/30/2020	396.90
83497	05714	COUNTY OF SD DEPT PUBLIC WORKS	04/30/2020	42.00
83498	06762	DENALI WATER SOLUTIONS LLC	04/30/2020	12,811.49
83499	00143	DEPARTMENT OF WATER RESOURCE	04/30/2020	27,551.00
83500	05987	FALLBROOK GARAGE & QWIK LUBE	04/30/2020	743.24
83501	00169	FALLBROOK OIL COMPANY	04/30/2020	1,427.72
83502	01432	FERGUSON WATERWORKS #1083	04/30/2020	3,865.00
83503	91198	FIRST BANKCARD	04/30/2020	1,810.13
83504	91200	FIRST BANKCARD	04/30/2020	106.92
83505	91323	FIRST BANKCARD	04/30/2020	1,807.53
83506	91540	FIRST BANKCARD	04/30/2020	1,294.48
83507	06286	GARDA CL WEST, INC.	04/30/2020	8.14
83508	05380	HACH CO	04/30/2020	2,117.77
83509	02773	HDS WHITE CAP CONST SUPPLY	04/30/2020	5,775.83
83510	06429	HEALTHPOINTE MEDICAL GROUP, INC	04/30/2020	150.00
83511	91536	ICONIX WATERWORKS (US) INC.	04/30/2020	186.19
83512	06426	INDUSTRIAL SAFETY PROFESSIONAL	04/30/2020	1,800.00
83513	06577	INFOSEND INC	04/30/2020	1,423.24
83514	06359	INFRASTRUCTURE ENGINEERING CO	04/30/2020	16,081.20
83515	90937	KIRK PAVING INC	04/30/2020	42,650.25
83516	04926	KONICA MINOLTA PREMIER FINANCE	04/30/2020	1,910.79
83517	05194	LESLIE'S SWIMMING POOL SUPPLIES	04/30/2020	3,943.43
83518	91130	LINCOLN NATIONAL LIFE INSURANC	04/30/2020	6,453.33
83519	91427	MITEL CLOUD SERVICES, INC	04/30/2020	1,682.94
83520	04075	RAYNE WATER SYSTEMS	04/30/2020	135.00
83521	06703	S & C ELECTRIC COMPANY	04/30/2020	52,274.91
83522	03738	SAN DIEGO COUNTY SUPERINTENDE	04/30/2020	740.00
83523	91486	SATELLITE PHONE STORE	04/30/2020	66.82
83524	91152	SOLARWINDS, INC	04/30/2020	1,082.00
83525	06401	SONSRAY MACHINERY LLC	04/30/2020	7,349.64
83526	04330	UNION BANK	04/30/2020	1,190.00
83527	02960	VWR INTERNATIONAL INC	04/30/2020	1,272.05
Total for 4/30/2020:				346,860.39

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Report Total (200 checks):				3,651,039.89



Jack Bebee

General Manager

re; ZOOM Mtg. with Supervisor Desmond's Office on May 1st, 2020

Ken Endter 2

Thu 5/21/2020 9:29 AM

To:Lauren Eckert <leckert@fpud.com>;

Lauren ;

Please add this to the May 27th Board Meeting.

I hereby Authorize Director Don McDougal to be included in the teleconference/ZOOM meeting on May 1st, 2020 with Supervisor Desmond's Office. As this meeting was scheduled before the Board meeting on the 27th, this will be included in May 27th, 2020 Agenda under the "Non- Action Calendar".

Sincerely, Pres. Kenneth Endter

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Don B. McDougal

Name & Location of Function: Telephone Conference between Supervisor Jim Desmond, Policy Advisor, Ben Mills and Jack Beebe.

Date(s) of Attendance: 5/1/2020

Purpose of Function: To review and strategize for LAFCO meeting on SDCWA detachment

Sponsoring Organization: FPUD

Summary of Conference or Meeting:

Telephone conference was conducted to review the key points of the request to detach from the San Diego County Water Authority and gain support from Supervisor Desmond at the upcoming LAFCO meeting. After the meeting it was felt that the mission of gaining support from the Supervisor had been accomplished but would wait until the LAFCO meeting to see final results.

Director Signature:  Date: May 15, 2020

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.