



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

AGENDA

**MONDAY, JUNE 26, 2023
4:00 P.M.**

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

THIS MEETING WILL BE HELD AT THE ABOVE DATE, TIME, AND LOCATION AND MEMBERS OF THE PUBLIC MAY ATTEND IN PERSON AT THE DISTRICT OFFICE LOCATED AT 990 E. MISSION RD., FALLBROOK, CA 92028. FOR THE CONVENIENCE OF MEMBERS OF THE PUBLIC WHO DO NOT WISH TO ATTEND IN PERSON, FALLBROOK PUBLIC UTILITY DISTRICT PROVIDES A MEANS TO OBSERVE AND PROVIDE PUBLIC COMMENTS AT THE MEETING VIA WEB CONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION. PLEASE NOTE THAT IN THE EVENT OF TECHNICAL ISSUES THAT DISRUPT THE ABILITY OF MEMBERS OF THE PUBLIC TO VIEW THE MEETING OR PROVIDE PUBLIC COMMENTS THROUGH THE WEB CONFERENCE OPTION, THE MEETING WILL CONTINUE.

TELECONFERENCE LOCATION

**In addition, Director McDougal will be teleconferencing pursuant to Government Code section 54953 from the following location:
Emerald Point Marina, 5973 Hilina Road, Slip D-3, Austin, TX 78732**

Join Zoom Meeting

<https://us06web.zoom.us/j/82003172211?pwd=UU10YWltMkVwWGVaUfNkQnA2bHA4Zz09>

MEETING ID: 820 0317 2211

AUDIO PASSCODE: 363170

Dial by your location

+1 346 248 7799 US (Houston); +1 720 707 2699 US (Denver); +1 253 215 8782 US (Tacoma);

Find your local number: <https://us06web.zoom.us/j/82003172211?pwd=UU10YWltMkVwWGVaUfNkQnA2bHA4Zz09>

Members of the public may participate in the meeting from any of the above locations.

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

SUBMIT COMMENTS BEFORE THE MEETING:

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

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

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

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

MAKE IN-PERSON COMMENTS DURING THE MEETING: The Board President will inquire prior to Board discussion if there are any comments from the public on each item, at which time members of the public attending in person may make comments.

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

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

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. NEW EMPLOYEE ANNOUNCEMENT

1. Wyatt Ware, Utility Worker I

II. CONSENT CALENDAR-----(ITEMS B-H)****

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

B. CONSIDER APPROVAL OF MINUTES

1. May 16, 2023 Special Board Meeting
2. May 22, 2023 Regular Board Meeting

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

C. CONSIDER ADOPTION OF RESOLUTION NO. 5049 PLACING FIXED CHARGE SPECIAL ASSESSMENTS TO ADD DELINQUENT AND UNPAID CHARGES ON THE TAX ROLL

Recommendation: *That the Board adopt Resolution No. 5049 placing fixed charge special assessments to add delinquent and unpaid charges on the annual tax roll for 2023-24 by the San Diego County Treasurer-Tax Collector.*

D. CONSIDER ADOPTION OF ORDINANCE NO. 356 FIXING WATER STANDBY OR AVAILABILITY CHARGES FOR 2023-24

Recommendation: *The Board adopt Ordinance No. 356 as prepared and authorize the Secretary of the Board of Directors to send a certified copy to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.*

E. CONSIDER ADVANCED APPROVED TO ATTEND MEETINGS

Recommendation: That the Board authorize and approve, in advance, Directors' attendance to the ACWA Region 10 Program and Pure Water Oceanside Tour, scheduled for June 29th in Oceanside, California.

F. CONSIDER RECOGNITION OF SANTA FE IRRIGATION DISTRICT ON ITS 100 YEAR ANNIVERSARY

Recommendation: The Board adopt Resolution 5050, congratulating Santa Fe Irrigation District on its 100th anniversary.

G. CONSIDER APPROVAL OF THE AMENDED SALARY SCHEDULE (EFFECTIVE JULY 1, 2023) FOR ALL DISTRICT EMPLOYEES, EXCEPT THE GENERAL MANAGER, BY ADOPTION OF RESOLUTION NO. 5051

Recommendation: That the Board adopt Resolution No. 5051 adopting the amended salary schedule (effective July 1, 2023) for all District employees, except the General Manager.

H. CONSIDER CERTIFYING THE SEWER SYSTEM MANAGEMENT PLAN

Recommendation: That the Board adopt Resolution No. 5054, certifying the 5-year review of the District's Sewer System Management Plan.

III. PROPOSED FISCAL YEAR 2023–24 BUDGET -----(ITEM I)

I. REVIEW OF PROPOSED BUDGET AND CONSIDER ADOPTION OF RESOLUTION NO. 5052 ADOPTING THE DISTRICT FISCAL YEAR 2023–24 RECOMMENDED ANNUAL

Recommendation: That the Board adopt Resolution No. 5052 adopting the final budget for Fiscal Year 2023–24.

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

J. CONSIDER UPDATE OF EMERGENCY DECLARATION FOR PIPELINE REPLACEMENTS

Recommendation: That the Board continue emergency action to replace the failed pipelines.

K. CONSIDER 2023 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS ELECTION, (SEAT C), SOUTHERN NETWORK

Recommendation: That the Board select one candidate from the slate of candidates in the 2023 California Special Districts Association Board of Directors

Election, (Seat C), Southern Network for the 2024-2026 term and authorize the District General Manager to cast its vote by electronic ballot.

- L. CONSIDER TRANSFERING A PORTION OF THE DISTRICT'S ANNUAL APPROPRIATIONS FOR PAYGO CAPITAL IMPROVEMENTS TO ADMINISTRATION, OPERATIONS AND MAINTENANCE

Recommendation: That the Board adopt Resolution No. 5053 amending the District's annual appropriations.

- M. CONSIDER POSITION ON ASSEMBLY BILL 399 (AB 399)

Recommendation: As the proposed legislation would further dilute any ability of our District's Board and ratepayers to make their own water supply decisions and the bill would essentially cede that authority to the City of San Diego and the remainder of the county and effectively prevent the detachment of our agency from SDCWA after four years of effort and substantial expenditures as part of the LAFCO process, it is recommended the Board oppose AB 399 and authorize the General Manager to initiate any necessary measures to prevent the bill from being enacted.

V. ORAL/Written Reports------(ITEMS 1-8)

- 1. General Counsel
- 2. SDCWA Representative Report
- 3. General Manager
 - a. Engineering and Operations Report
 - b. Federal Funding Efforts 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
 - Notification of approval for Directors' attendance to LAFCO Special Meeting on June 14, 2023 in San Diego, CA.
 - Notification of approval for Directors' attendance to Santa Fe Irrigation District's Century of Service event on June 21, 2023 in Rancho Santa Fe, CA.
- 7. Director Comments/Reports on Meetings Attended
- 8. Miscellaneous

ADJOURN TO CLOSED SESSION

VI. CLOSED SESSION -----(ITEMS 1-2)

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

One (1) Potential Case

2. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6

Agency Designated Representative: Board President Wolk

Unrepresented Employee: General Manager

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (*As Necessary*)

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.

June 21, 2023
Dated / Fallbrook, CA

/s/ Lauren Eckert
Executive Assistant/Board Secretary

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M E M O

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: June 26, 2023
SUBJECT: Approval of Minutes

Recommended Action

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

1. May 16, 2023 Special Meeting
2. May 22, 2023 Regular Meeting

May 16, 2023 Special Meeting



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

MINUTES

**TUESDAY, MAY 16, 2023
2:00 P.M.**

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President Wolk called the May 16, 2023 Special Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 2:00 p.m.

A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel
Aaron Cook, Engineering Manager
Jim Gilpin, Special Counsel
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: No others were present.

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.

APPROVAL OF AGENDA

PUBLIC COMMENT

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

There were no public comments on non-agenda items.

ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to Closed Session at 2:02 p.m. after an announcement from General Counsel de Sousa stating that the anticipated litigation item involves disputes between Fallbrook Public Utility District and Pacific Hydrotech Corporation and Pentair Flow Technologies, LLC, arising out of work associated with the Overland Trail Lift Station Rehabilitation Project over the cause of failures and the cost to repair pumps supplied by Pentair and installed by PHC as part of the work on the Project.

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

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

One (1) Potential Case.

RECONVENE TO OPEN SESSION

The Board came out of Closed Session and reconvened to Open Session at 2:20 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

There was no reportable action taken in Closed Session.

III. **ADJOURNMENT OF MEETING**

There being no further business to discuss, President Wolk adjourned the May 16, 2023 special meeting of the Board of Directors of the Fallbrook Public Utility District at 2:21 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

May 22, 2023 Regular Meeting



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

MINUTES

**MONDAY, MAY 22, 2023
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 Wolk called the May Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. President Wolk deferred to General Counsel de Sousa to make the following statements on the record regarding the proceedings for this meeting:

General Counsel de Sousa announced that the agenda provided notice to members of the public on how they may participate in this meeting – either in person, or by using the call-in and weblink information included on the agenda. In addition the agenda provided notice to members of the public on how they may submit comments in advance of the meeting to be read at the appropriate portion of the meeting (up to a limit of 3 minutes per comment).

A quorum was established, and attendance was as follows:

Board of Directors

Present: Charley Wolk, Member/President
Jennifer DeMeo, Member/Vice President (*arrived at 4:12 p.m.*)
Dave Baxter, Member
Ken Endter, Member
Don McDougal, Member

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel
Jodi Brown, Management Analyst

Aaron Cook, Engineering Manager
Mick Cothran, Engineering Technician
Noelle Denke, Public Information Officer
Kyle Drake, Collections Supervisor
Carl Quiram, Operations Manager
Steve Stone, Field Services Manager
Jeff Wolfe, Crew Leader
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Luther Ballou, Craig Balben, Mark Mervich, and Nydia Figueroa

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

MOTION: Director Endter moved to approve the agenda, as presented; Director Baxter seconded. Motion carried; VOTE:

AYES: Directors Baxter, Endter, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

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.

Mr. Luther Ballou stepped to the podium to address the Board on several matters including correcting his previous comment to the Community Benefit Program Committee related to the number of meters being 9,000 instead of the 4,000 he used to calculate the monthly fee for the Community Benefit Program Committee, bringing the monthly fee from \$11.33 to \$6.84. He also corrected his statement that the Community Benefit Program violated his first amendment right, instead of the second amendment he stated in his written comment to the Committee. Mr. Ballou also brought up various concerns related to detachment, including how fees on his bill would be impacted, what would happen if

there was a split vote between FPUD and RMWD on detaching, as well as how we would be represented as a District with Eastern Municipal Water District.

- A. EMPLOYEE OF THE QUARTER FOR MAY 2023
 - 1. Jeff Wolfe

There were no public comments for agenda item A.

The Board recognized and congratulated Crew Leader Jeff Wolfe for being selected as the Employee of the Quarter for May 2023.

- B. YEARS OF SERVICE
 - 1. Mickey Case – 30 years

There were no public comments for agenda item B.

The Board recognized Mickey Case for his 30 years of service to the District.

- C. NEW EMPLOYEE ANNOUNCEMENT
 - 1. Adam Lowen, Instrumentation, Electrical & Controls Technician I
 - 2. Justin Hansen, Utility Worker I

There were no public comments for agenda item C.

The Board welcomed Adam Lowen as the new Instrumentation, Electrical & Controls Technician I and Justin Hansen as the new Utility Worker I

- D. NEW CERTIFICATIONS
 - 1. Christian Hernandez, Distribution Operator Grade 2

There were no public comments on agenda item D.

The Board recognized Christian Hernandez for receiving his Distribution Operator, Grade 2 certification.

- II. **CONSENT CALENDAR**----- **(ITEMS E – G)**
All items appearing on the Consent Calendar may be disposed of by a single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors or the public requests removal prior to a vote on a motion to approve the items. Such items shall be considered separately for action by the Board.

- E. CONSIDER APPROVAL OF MINUTES
 - 1. April 24, 2023 Regular Board Meeting

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

- F. CONSIDER ADOPTION OF 2023-24 APPROPRIATION GROWTH RATE;
RESOLUTION NO. 5046

Recommendation: *That the Board adopt attached Resolution No. 5046 setting the tax appropriation limit for 2023-24 at \$3,915,215, which includes the Fallbrook and DeLuz service areas and Improvement District "S".*

- G. CONSIDER ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: *That the Board authorize and approve, in advance, Directors' attendance to a CropSWAP tour, hosted by Rancho California Water District in Temecula, CA on May 31, 2023.*

There were no public comments for Consent Calendar items.

MOTION: Director Endter moved to approve the Consent Calendar as submitted; Director DeMeo seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

III. ACTION / DISCUSSION CALENDAR ----- (ITEMS H – K)

- H. CONSIDER UPDATE OF EMERGENCY DECLARATION FOR PIPELINE REPLACEMENTS

Recommendation: *That the Board continue the emergency action to replace the failed pipelines.*

There were no public comments for agenda item H.

General Manager Bebee reported this item will show up on the agenda for several months, until the emergency replacements are completed.

President Wolk asked if there were other emergencies foreseen. General Manager suspected we will come across other pipelines that need immediate attention for some time, but that it would not be completed under a declared emergency.

MOTION: Director DeMeo moved to determine there was a need to continue the emergency action to replace failed pipelines and restore

essential service to customers; Director Endter seconded. Motion carried; VOTE:

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

I. CONSIDER CALL FOR CANDIDATES FOR THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD FOR THE 2024-2025 TERM

Recommendation: That the Board determine if any of its members would like to be nominated and run for the ACWA Region 10 Board. If there is interest in being nominated, upon a motion made and passed by the Board, staff will assist in completing the necessary paperwork for submittal to ACWA by the June 16, 2023 deadline.

There were no public comments for agenda item I.

Vice President DeMeo expressed interested in running for the Association of California Water Agencies Region 10 Board for the 2024-2025 term.

MOTION: Director Endter moved to nominate Vice President DeMeo as a member of the ACWA Region 10 Board; Director Baxter seconded. Motion carried; VOTE:

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

General Counsel de Sousa pointed out this nomination needs to be accompanied by an adopted resolution.

MOTION: Director Endter moved to adopt a resolution nominating Vice President DeMeo as a member of the ACWA Region 10 Board; Director Baxter seconded. Motion carried; VOTE:

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

J. CONSIDER AMENDING THE DISTRICT'S ANNUAL APPROPRIATIONS
BASED ON REVISIONS TO DEBT SERVICE PAYMENTS

Recommendation: That the Board adopt Resolution No. 5047 amending the District's annual appropriations.

There were no public comments for agenda item J.

General Manager Bebee explained the debt service appropriations we set, the payment schedule was actually higher than the amount we set. This item is amending that amount to reflect the increase.

Director Endter confirmed this item went through the FP&I Committee.

President Wolk asked where we get the \$92,000. General Manager Bebee reported it essentially decreases what we would expect to bring in that year in net revenue by \$92,000.

MOTION: Director Endter moved to adopt Resolution No. 5047, amending the District's annual appropriations; Director McDougal seconded. Motion carried; VOTE:

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

K. CONSIDER WATER/WASTEWATER OPERATOR I/II/III POSITION

Recommendation: That the Board approve the new position and the updated salary table.

There were no public comments for agenda item K.

General Manager Bebee announced this item went through the Personnel Committee. He reported they realized there was an increased need in staffing to run the water facilities. He also explained this is a generalized position so there is more shift support on the water side.

Vice President DeMeo confirmed this position is already in the budget.

Director Baxter noted it was discussed that this position can cross over from water to wastewater. He also explained the Operator I position does not require certifications, which will open up the employment pool tremendously, so we can see more qualified candidates.

MOTION: Director Endter moved to approve the new Water/Wastewater Operator I/II/III position and the updated salary table; Director DeMeo seconded. Motion carried; VOTE:

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

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

1. General Counsel
 - General Counsel de Sousa reported CA, AZ, and NV agreed to take less water from the Colorado River in exchange for federal funding. The cuts will come from specific entities agreeing to the cut, in order to qualify for the funding under the 2022 inflation reduction act. This still needs to be approved by the federal government.
2. SDCWA Representative Report
 - General Manager Bebee provided an overview of the written report included in the packet. He also provided an update on detachment efforts.
 - Director Baxter asked about the requirements for Directors wanting to attend the LAFCO hearing on detachment. General Counsel de Sousa reported she would get guidelines together for this.
3. General Manager
 - a. Engineering and Operations Report
 - General Manager Bebee pointed out we were at 90 valves replaced and that Construction Supervisor Parker would be recognized at the end of this year.
 - President Wolk asked what event caused the number of broken gate valves to jump up. Field Services Manager explained we were doing more valve exercising.
 - b. Federal Funding Efforts Report
4. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - General Manager Bebee provided an overview of the written reports included in the packet.
5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended
 - Notification of approval for Directors' attendance to a meeting with Supervisor Desmond on May 10, 2023.
7. Director Comments/Reports on Meetings Attended

- Director Baxter commended Engineering Manager Cook on receiving the APWA Project of the Year award, on behalf of the District, for the Santa Margarita Conjunctive Use Project.
8. Miscellaneous

General Counsel de Sousa announced the Board would be going into Closed Session to discuss items VI.1 through 3. She announced members of the public participating via web conference were welcome to continue to stay on the line while the Board is in closed session, however, they will only hear silence. Following closed session, and prior to adjournment of the meeting, an oral announcement of reportable action by the Board in closed session would be made, if any. The oral announcement of any reportable action would be heard on the teleconference line. Thereafter this meeting would adjourn.

The Board of Directors adjourned to Closed Session at 5:00 p.m.

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 PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2):

One (1) Potential Case.

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (*as necessary*)

There was no reportable action taken in closed session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, the May Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 5:48 p.m.

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: June 26, 2023
SUBJECT: Resolution No. 5049 Placing Fixed Charge Special Assessments to Add Delinquent and Unpaid Charges on the Tax Roll

Purpose

To authorize the San Diego County Treasurer-Tax Collector to add delinquent and unpaid charges as a Fixed Charge Special Assessment to the annual 2023-24 tax roll.

Summary

Article 12, Section 12.8 of the Administrative Code provides that standby accounts with a delinquent balance greater than \$500 as of April 1 of each year may be sent notification to place delinquent and unpaid charges on the annual tax roll. The notification of intent must be sent by May 1, and it provides the property owner 60 days to bring the account current. If the amount is not brought current by July 1, the portion of the delinquency due may be reported to the County of San Diego for inclusion on the annual taxes levied on the property. Notification has been sent to property owners, and the final list of delinquent and unpaid charges for the 2023-24 annual tax roll will be finalized after the July 1 deadline.

The District has established Fund No. 6240-08 with the County of San Diego to place delinquent and unpaid charges on property tax bills as a Fixed Charge Special Assessment.

Recommended Action

That the Board adopt Resolution No. 5049 placing fixed charge special assessments to add delinquent and unpaid charges on the annual tax roll for 2023-24 by the San Diego County Treasurer-Tax Collector.

RESOLUTION NO. 5049

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK
PUBLIC UTILITY DISTRICT PLACING FIXED CHARGE SPECIAL
ASSESSMENTS FOR STANDBY ACCOUNTS WITH DELINQUENT AND
UNPAID CHARGES ON THE ANNUAL TAX ROLL**

* * * * *

WHEREAS, a number of parcels with accounts on standby have delinquent and unpaid charges with a balance greater than \$500, which are due and owing to the Fallbrook Public Utility District; and

WHEREAS, Section 12.8 of the Administrative Code provides that delinquent and unpaid charges may be reported to the County of San Diego for inclusion on annual taxes levied on property; and

WHEREAS, the property owners of parcels on standby with a delinquent account balance greater than \$500 as of April 1, 2023, were notified by mail at least 60 days prior to July 1, 2023, that the delinquent amount may be reported to the San Diego County Treasurer-Tax Collector; and

WHEREAS, Fund No. 6240-08 has been established with the County of San Diego to place delinquent and unpaid charges on property tax bills as a Fixed Charge Special Assessment (FCSA); and

WHEREAS, taxing agencies must submit a list of standby accounts with delinquencies to the San Diego County Treasurer-Tax Collector between July 1, 2023, and August 10, 2023.

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

1. On or before August 10, 2023, the Secretary of the Fallbrook Public Utility District shall provide to the San Diego County Treasurer-Tax Collector the following:
 - a. An electronic list of parcels with delinquent and unpaid charges as of July 1, 2023, that have remained unpaid as of the date of filing and whose property owners were notified at least 60 days prior to July 1, 2022, that the delinquent charges may be added to the property tax roll; and
 - b. A letter of certification signed by an official of the District.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 26th day of June, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: June 26, 2023
SUBJECT: Ordinance No. 356 Fixing Water Standby or Availability Charges for 2023-24

Purpose

To adopt the annual water standby or availability charges and provide a certified copy of Ordinance No. 356 to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

Summary

The Board has assessed water standby or availability charges on all lands within the District for many years that goes for debt service and capital improvements. The budget has been prepared to allocate these charges.

A public hearing is not required, but is discretionary on the part of the Board. There are no proposed changes to the charges, and no changes are required for incorporation into the District's Administrative Code.

Recommended Action

The Board adopt Ordinance No. 356 as prepared and authorize the Secretary of the Board of Directors to send a certified copy to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

ORDINANCE NO. 356

**ORDINANCE OF THE BOARD OF DIRECTORS OF THE FALLBROOK
PUBLIC UTILITY DISTRICT, SAN DIEGO COUNTY, CALIFORNIA,
FIXING WATER STANDBY OR AVAILABILITY CHARGES AND
REPEALING ORDINANCE NO. 352**

* * * * *

BE IT ENACTED BY the Board of Directors of the Fallbrook Public Utility District as follows:

SECTION I. The Fallbrook Public Utility District is a member of the San Diego County Water Authority and the Metropolitan Water District of Southern California and as a member of such agencies, Fallbrook Public Utility District is entitled to purchase water for distribution within the District. Waterlines have been constructed and are being constructed within the District, and water service is available from these lines.

In accordance with Division 7, Chapter 4, Article 3, Sec. 16475 and 16477 of the Public Utility District Act, it is hereby determined that the best interests of the District, its inhabitants, landowners, and customers require that the following water availability charges be established; hereafter, referred to as standby or availability charges.

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

SECTION II. Water availability charges are hereby fixed and established on all land within the District boundaries, whether the water is actually used or not, as provided herein:

1. Fallbrook Service Area

- a. Ten dollars (\$10) per acre for all parcels one acre or more prorated out to one hundredth of an acre, as set forth in the San Diego County Tax Assessor's maps, EXCEPTING lands permanently dedicated exclusively to transportation of persons or property, hereafter referred to as the transportation dedication exclusion. For purposes of this Ordinance, it is assumed that five percent of all parcels have been permanently dedicated exclusively to transportation of persons and property; therefore, the actual assessment will be \$9.50 per gross acre, as set forth in the San Diego County Tax Assessor's maps.

- b. Five dollars (\$5) for parcels of less than one acre. For purposes of this Ordinance, all parcels with gross acreage of 1.05 acres are considered to have a net acreage of less than one acre for purposes of the transportation dedication exclusion.

2. DeLuz Improvement District

- a. Acreage adjacent to or lying within 1320 feet of water distribution line \$10.00 per acre
- b. Acreage between 1320 and 2640 feet of a water distribution line..... \$9.00 per acre
- c. Acreage between 2640 and 3960 feet of a water distribution line..... \$8.00 per acre
- d. Acreage between 3960 and 5280 feet of a water distribution line..... \$7.00 per acre
- e. Acreage over 5280 feet from a water distribution line \$6.00 per acre
- f. All parcels of less than one acre.....\$5.00

3. The term "parcel" as used herein shall mean a parcel of land as shown upon the assessment rolls of the County Assessor of San Diego County; provided that where a legal final sub-division map has been approved, "parcel" shall mean each separate lot within the subdivision.

4. Exemptions:

Lands not using District water and obtaining water primarily from rainfall, springs, streams, lakes, rivers, or wells, and where the primary economic activity on the land is the commercial extraction of minerals.

SECTION III. On or before August 10, 2023, the Secretary of this District shall furnish in writing to the Board of Supervisors of the County of San Diego and the Auditor and Controller of the County of San Diego a description of the land within the District upon which standby or availability charges are to be levied and collected together with the amount of the charges. At the time and in the manner required by law for the levying of taxes for County purposes, the Board of Supervisors shall collect, in addition to taxes it levies, water availability charges in the amounts fixed by this Ordinance for the respective parcels of land described in Section II of this Ordinance. All County officers charged with the duty of collecting taxes will collect the charges with the regular tax payments in the same form and manner as County taxes are collected. Such availability charges are a lien on the property with respect to which they are fixed.

Collection of the charges may be enforced by the same means as provided for the enforcement of liens for State and County taxes.

SECTION IV. The Secretary of this District shall deliver certified copies of this Ordinance to the Board of Supervisors of the County of San Diego and to the Auditor and Controller of the County of San Diego with the list of charges described in Section II above.

SECTION V. The General Manager of the District is hereby authorized to correct any clerical error made in any assessment or charge pursuant to this Ordinance and to make an appropriate adjustment in any assessment or charge made in error.

SECTION VI. If any clause or provision of this Ordinance is found to be void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Ordinance shall nonetheless continue in full force and effect.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 26th day of June, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: June 26, 2023
SUBJECT: Consider Advance Approval to Attend Meetings

Purpose

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

Summary

Article 2 of the Administrative Code prescribes that compensation for attendance and reimbursement for expenses at occasions, events, or meetings related to District business, other than those listed in section 2.12, shall be determined by the Board of Directors, in advance, on a case-by-case basis.

The request is for advance approval to the following event:

1. ACWA Region 10 Program and Pure Water Oceanside Tour, on June 29, 2023 in Oceanside, CA.

Recommended Action

That the Board authorize and approve, in advance, Directors' attendance to the ACWA Region 10 Program and Pure Water Oceanside Tour, scheduled for June 29, 2023 in Oceanside, California.

ACWA Region 10 Event

Thursday, June 29, 2023 | 8:00 a.m. – 3:00 p.m.
City of Oceanside | El Corazon Senior Center

- 8:00 a.m. **Networking Continental Breakfast**

- 9:00 a.m. **Welcome, Introductions, and ACWA Update**
Charles Gibson, Chair, ACWA Region 10
Pam Tobin, President, ACWA
Dave Eggerton, Executive Director, ACWA

- 9:30 a.m. **Navigating Regulatory and Funding Hurdles for Infrastructure Project Success**
Moderator: Harvey De La Torre, General Manager, Municipal Water District of Orange County
Tyler Abercrombie, Water Process Engineer, GHD
Juan Guerreiro, Public Utilities Director, City of San Diego
Lindsay Leahy, Water Utilities Director, City of Oceanside
Mark Toy, General Manager, Yorba Linda Water District

- 10:45 a.m. **Partnering to Achieve California’s Water Supply Strategy**
Moderator: Tish Berge, Assistant General Manager, San Diego County Water Authority
Lindsay Puckett, Of Counsel, Stoel Rives LLP
Matt O’Malley, Former Executive Director and Managing Attorney, San Diego Coastkeeper
Cindy Tuck, Deputy Executive Director, ACWA

- 11:45 p.m. **Lunch**

- 12:45 p.m. **Closing Remarks**
Dana Frieauf, Vice Chair, ACWA Region 10
Cathy Green, Vice President, ACWA

- 1:00 p.m. **Drive to Pure Water Oceanside**

- 1:15 p.m. **Pure Water Oceanside Tour**

REGION 10 BOARD 2022-2023

Chair

Charles Gibson
Santa Margarita Water District

Vice Chair

Dana Frieauf
Santa Fe Irrigation District

Board Members

Alexandra Berenter
City of San Diego

Marice DePasquale
Mesa Water District

Jose Martinez
Otay Water District

George Murdoch
East Orange County
Water District

Richard L. Vasquez
Vista Irrigation District

Thank you to our event sponsors!



M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: June 26, 2023
SUBJECT: Recognition of Santa Fe Irrigation District Centennial Anniversary

Purpose

To consider recognizing and congratulating Santa Fe Irrigation District on 100 years of service and stewardship.

Summary

As one of the oldest water districts in Southern California, this year marks 100 years of Santa Fe Irrigation District providing a safe, reliable, and cost-effective water supply to communities in Rancho Santa Fe, Fairbanks Ranch, and the City of Solana Beach. They hosted an open house event on June 21, 2023 at their San Dieguito Reservoir to commemorate their centennial anniversary.

On May 19, 2023, the General Manager of Santa Fe Irrigation District requested the District adopt the attached sample resolution in celebration of their 100 years of service.

Recommendation

The Board adopt Resolution 5050, congratulating Santa Fe Irrigation District on its 100th anniversary.

Santa Fe Irrigation District



May 19, 2023

SENT VIA EMAIL (JBEBEE@FPUD.COM)

Mr. Jack Bebee
Fallbrook PUD
990 E Mission Road
Fallbrook, CA 92028

Re: Santa Fe Irrigation District celebrates 100 years of Service and Stewardship

Dear Jack:

This year will mark Santa Fe Irrigation District's 100 year of serving the community, and we are proud to be one of the oldest water districts in Southern California. We were formed in 1923 to provide water to continue the development and economic growth of Rancho Santa Fe, Fairbanks Ranch, and the City of Solana Beach. For 100 years, we have carried out our mission to meet the water supply needs of all our customers – safely, reliably, and cost-effectively.

We will be celebrating 100 years of service beginning in June, starting with a celebration on June 21, 2023 at 10 a.m. You should have received a Save the Date notice, and a formal invitation will follow shortly. We hope that you and your Board will be able to join us, we appreciate the collaboration and camaraderie of our fellow agencies throughout the region.

We would also greatly appreciate a resolution or proclamation from your agency celebrating our 100 years of service, which we will have on display at our event in June. I am attaching a sample resolution that contains information that you might find helpful. Please contact Teresa Penunuri at tpenunuri@sfidwater.org with any further questions or concerns. We look forward to celebrating with you.

Sincerely,

Al Lau, P.E.
General Manager

Enclosure

RESOLUTION NO. 5050

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
CONGRATULATING SANTA FE IRRIGATION DISTRICT
ON ITS 100TH ANNIVERSARY**

* * * * *

WHEREAS, on June 21, 2023, Santa Fe Irrigation District will celebrate 100 years of meeting the water supply needs of all its customers, safely, sustainably, reliably, and cost-effectively; and

WHEREAS, on February 26, 1923, the County of San Diego Board of Supervisors certified that Santa Fe Irrigation District was duly organized and certified the election of five Board of Directors; and

WHEREAS, Santa Fe Irrigation District was deemed responsible for the regulation of water provided from Lake Hodges to the city of Solana Beach and areas of Rancho Santa Fe and Fairbanks Ranch; and

WHEREAS, because of a reliable water supply after the creation of Santa Fe Irrigation District, its service area was able to grow and thrive into a robust agriculture and urban area; and

WHEREAS, in 1948 Santa Fe Irrigation District joined the San Diego County Water Authority to acquire the right to purchase and distribute imported water to its customers; and

WHEREAS, in 1967, Santa Fe Irrigation District and the San Dieguito Water District entered a joint venture to build the R.E. Badger Filtration Plant to treat water from Lake Hodges and imported water purchased from the San Diego County Water Authority; and

WHEREAS, in 1969, this joint venture purchased a conveyance flume, the San Dieguito Reservoir and a 30-inch pipeline from the City of San Diego to move and store water for its customers; and

WHEREAS, Santa Fe Irrigation District has continued to serve a safe and reliable water supply to its customers to present day; and

WHEREAS, the dedicated efforts of the Board of Directors of Santa Fe Irrigation District and staff have played a major role in maintaining the quality of life and contributing to the economic growth of the communities it serves; and

NOW, THEREFORE, BE IT RESOLVED that Fallbrook Public Utility District, Board of Directors recognizes and congratulates Santa Fe Irrigation District on its 100 years of service.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 26th day of June, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Lisa Chaffin, Human Resources Manager
DATE: June 26, 2023
SUBJECT: Approval of the Amended Salary Schedule (effective July 1, 2023) for all District employees, except the General Manager, by adoption of Resolution No. 5051

Purpose

To approve the amended salary table related to the Memorandums of Understanding (MOUs) previously approved at the May 23, 2022 Board meeting.

Summary

Starting July 1, 2023, through the end of the MOUs' contract term, June 30, 2027, annual COLAs shall be tied to the published Bureau of Labor Statistics, San Diego Region, Consumer Price Index (CPI) for the 12-month period ending with March. The COLA will be no less than 1% and no more than 5%. This means that no COLA over the course of this contract shall be below 1% or above 5%, regardless of CPI data. For example, if the 2023 CPI data shows a .5% annual inflation rate, the COLA for July 2023 shall be 1%. However, if the 2023 CPI data shows a 6.3% annual inflation, the COLA for July 2023 shall be capped at 5%.

The San Diego Area CPI data for the 12-month period ending with March 2023 was 5.3%.

As a result, a 5% cost-of-living-adjustment (COLA) for all District positions will take effect with the pay period that includes July 1, 2023, as provided in the aforementioned section taken from the current MOUs.

Pursuant to Section 570.5 and 571.1 of Title 2 of the California Code of Regulations, the District, as a public agency participating in CalPERS is required to make publicly available a pay schedule that includes:

- Position title for every employee position;
- Pay rate for each position, which may be stated as a single or multiple amounts within a range; and
- Time base (i.e., hourly, monthly, annually) of each pay rate.

The regulations also contain criteria for ensuring the pay schedule is publicly available and does not permit a reference to another document (e.g., the budget) in lieu of the required pay schedule. Further, the regulations clarify that "compensation earnable" or "pensionable compensation" will be limited to the amount listed on a pay schedule that

meets all of the established criteria. In addition, the regulations require that the pay schedule be duly approved by the Board in accordance with the requirements of applicable public meeting laws.

The amended salary schedule (effective July 1, 2023) for all District employees, except the General Manager, is attached as Exhibit "A" to Resolution No. 5051.

Budgetary Impact

The increases in staff salaries was included in the FY 23-24 budget.

Recommended Action

That the Board adopt Resolution No. 5051 adopting the amended salary schedule (effective July 1, 2023) for all District employees, except the General Manager.

RESOLUTION NO. 5051

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT ADOPTING AN AMENDED
SALARY SCHEDULE (EFFECTIVE JULY 1, 2023) FOR ALL DISTRICT
EMPLOYEES EXCEPT THE GENERAL MANAGER**

* * * * *

WHEREAS, the Memoranda of Understanding (MOUs) between the District and both FPUDEA and FMEA were adopted at the May 23, 2022 regular meeting of the Board of Directors; and

WHEREAS, the adopted MOUs included modifications to wages and benefits for a period of 5 years, beginning July 1, 2022; and

WHEREAS, the approval of the MOUs by the District Board of Directors requires that an amended salary schedule, to be effective July 1, 2023, be adopted to reflect the cost of living adjustment tied to the published Bureau of Labor Statistics, San Diego Region Consumer Price Index for the 12-month period ending with March, as set forth in the MOUs; and

WHEREAS, CalPERS regulations require that employee salaries be included on the publicly approved salary schedule and, therefore, it is necessary for the District Board of Directors to adopt the salary schedule at this publically noticed meeting; and

WHEREAS, the amended salary schedule is presented to the District Board of Directors for approval and/or adoption.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Fallbrook Public Utility District does hereby adopt the amended salary schedule attached to this Resolution as Exhibit "A."

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 26th day of June, 2023, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT A

SALARY SCHEDULE Effective July 1, 2023

Classification	Positions	Salary Range
Accounting Technician I & II	2	12 / 16
Collection Supervisor	1	30 & 32
Construction Supervisor	1	32
Customer Service Representative I & II	1	7 / 11
Customer Service Specialist	2	17
Engineering Technician I, II & III	3	16-17 / 20-21 / 26-27
Environmental Compliance Technician	1	26-28
Equipment Mechanic	1	18
Executive Assistant/ Board Secretary	1	34
Geographical Information Systems (GIS) Coordinator	1	27
Human Resources Technician	1	16
Information Systems Technician	1	26
Instrumentation, Electrical & Controls Technician I/II	2	20-21 / 25-28
Laboratory Technician I & II	1	20-21 / 24-25
Lead Plant Operator	2	27-28
Maintenance Technician I/II	1	18-20 / 21-24
Management Analyst	1	26
System Services Supervisor	1	32
Operations Specialist	1	16-17
Plant Operator (I-T), I, II	2	11-12 / 17-18 / 21-22
Public Information Officer	1	25
Purchasing/Warehouse/Fleet Supervisor	1	34-35
Safety & Risk Officer	1	36-38
Senior Maintenance Technician	1	29-32
System Operations Supervisor	1	35
Systems Operator I, II, III	4	18 / 22 / 26
Crew Leader (Water and Wastewater)	6	23-25
Utility Worker I, II, III (Water and Wastewater)	18	10-11 / 14-15 / 18-19
Warehouse/Purchasing Specialist	1	15-16
Water/Wastewater Operator I/II/III	1	12/19/26
<u>Management (Exempt)</u>		
General Manager	1	\$241,555
Assistant General Manager/CFO	1	60
Chief Plant Operator	1	35-36
Engineering Manager	1	54
Field Services Manager	1	49 & 51
Human Resources Manager	1	47
Operations Manager	1	53
SCADA, Electrical & Maintenance Supervisor	1	34-35
Supervising Accountant	1	35-36

Board Approved. Effective July 1, 2023

Range #	FY 23-24 Hourly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$23.52	\$24.11	\$24.72	\$25.34	\$25.97	\$26.62	\$27.28	\$27.96	\$28.67	\$29.38
2	\$24.11	\$24.72	\$25.34	\$25.97	\$26.62	\$27.28	\$27.96	\$28.67	\$29.38	\$30.11
3	\$24.72	\$25.34	\$25.97	\$26.62	\$27.28	\$27.96	\$28.67	\$29.38	\$30.11	\$30.87
4	\$25.34	\$25.97	\$26.62	\$27.28	\$27.96	\$28.67	\$29.38	\$30.11	\$30.87	\$31.64
5	\$25.97	\$26.62	\$27.28	\$27.96	\$28.67	\$29.38	\$30.11	\$30.87	\$31.64	\$32.43
6	\$26.62	\$27.28	\$27.96	\$28.67	\$29.38	\$30.11	\$30.87	\$31.64	\$32.43	\$33.24
7	\$27.28	\$27.96	\$28.67	\$29.38	\$30.11	\$30.87	\$31.64	\$32.43	\$33.24	\$34.07
8	\$27.96	\$28.67	\$29.38	\$30.11	\$30.87	\$31.64	\$32.43	\$33.24	\$34.07	\$34.92
9	\$28.67	\$29.38	\$30.11	\$30.87	\$31.64	\$32.43	\$33.24	\$34.07	\$34.92	\$35.79
10	\$29.38	\$30.11	\$30.87	\$31.64	\$32.43	\$33.24	\$34.07	\$34.92	\$35.79	\$36.69
11	\$30.11	\$30.87	\$31.64	\$32.43	\$33.24	\$34.07	\$34.92	\$35.79	\$36.69	\$37.61
12	\$30.87	\$31.64	\$32.43	\$33.24	\$34.07	\$34.92	\$35.79	\$36.69	\$37.61	\$38.55
13	\$31.64	\$32.43	\$33.24	\$34.07	\$34.92	\$35.79	\$36.69	\$37.61	\$38.55	\$39.51
14	\$32.43	\$33.24	\$34.07	\$34.92	\$35.79	\$36.69	\$37.61	\$38.55	\$39.51	\$40.50
15	\$33.24	\$34.07	\$34.92	\$35.79	\$36.69	\$37.61	\$38.55	\$39.51	\$40.50	\$41.52
16	\$34.07	\$34.92	\$35.79	\$36.69	\$37.61	\$38.55	\$39.51	\$40.50	\$41.52	\$42.55
17	\$34.92	\$35.79	\$36.69	\$37.61	\$38.55	\$39.51	\$40.50	\$41.52	\$42.55	\$43.62
18	\$35.79	\$36.69	\$37.61	\$38.55	\$39.51	\$40.50	\$41.52	\$42.55	\$43.62	\$44.71
19	\$36.69	\$37.61	\$38.55	\$39.51	\$40.50	\$41.52	\$42.55	\$43.62	\$44.71	\$45.82
20	\$37.61	\$38.55	\$39.51	\$40.50	\$41.52	\$42.55	\$43.62	\$44.71	\$45.82	\$46.97
21	\$38.55	\$39.51	\$40.50	\$41.52	\$42.55	\$43.62	\$44.71	\$45.82	\$46.97	\$48.14
22	\$39.51	\$40.50	\$41.52	\$42.55	\$43.62	\$44.71	\$45.82	\$46.97	\$48.14	\$49.35
23	\$40.50	\$41.52	\$42.55	\$43.62	\$44.71	\$45.82	\$46.97	\$48.14	\$49.35	\$50.58
24	\$41.52	\$42.55	\$43.62	\$44.71	\$45.82	\$46.97	\$48.14	\$49.35	\$50.58	\$51.84
25	\$42.55	\$43.62	\$44.71	\$45.82	\$46.97	\$48.14	\$49.35	\$50.58	\$51.84	\$53.14
26	\$43.62	\$44.71	\$45.82	\$46.97	\$48.14	\$49.35	\$50.58	\$51.84	\$53.14	\$54.46
27	\$44.71	\$45.82	\$46.97	\$48.14	\$49.35	\$50.58	\$51.84	\$53.14	\$54.46	\$55.83
28	\$45.82	\$46.97	\$48.14	\$49.35	\$50.58	\$51.84	\$53.14	\$54.46	\$55.83	\$57.23
29	\$46.97	\$48.14	\$49.35	\$50.58	\$51.84	\$53.14	\$54.46	\$55.83	\$57.23	\$58.65
30	\$48.14	\$49.35	\$50.58	\$51.84	\$53.14	\$54.46	\$55.83	\$57.23	\$58.65	\$60.12
31	\$49.35	\$50.58	\$51.84	\$53.14	\$54.46	\$55.83	\$57.23	\$58.65	\$60.12	\$61.62
32	\$50.58	\$51.84	\$53.14	\$54.46	\$55.83	\$57.23	\$58.65	\$60.12	\$61.62	\$63.17
33	\$51.84	\$53.14	\$54.46	\$55.83	\$57.23	\$58.65	\$60.12	\$61.62	\$63.17	\$64.74
34	\$53.14	\$54.46	\$55.83	\$57.23	\$58.65	\$60.12	\$61.62	\$63.17	\$64.74	\$66.36
35	\$54.46	\$55.83	\$57.23	\$58.65	\$60.12	\$61.62	\$63.17	\$64.74	\$66.36	\$68.02
36	\$55.83	\$57.23	\$58.65	\$60.12	\$61.62	\$63.17	\$64.74	\$66.36	\$68.02	\$69.72
37	\$57.23	\$58.65	\$60.12	\$61.62	\$63.17	\$64.74	\$66.36	\$68.02	\$69.72	\$71.46
38	\$58.65	\$60.12	\$61.62	\$63.17	\$64.74	\$66.36	\$68.02	\$69.72	\$71.46	\$73.26
39	\$60.12	\$61.62	\$63.17	\$64.74	\$66.36	\$68.02	\$69.72	\$71.46	\$73.26	\$75.09
40	\$61.62	\$63.17	\$64.74	\$66.36	\$68.02	\$69.72	\$71.46	\$73.26	\$75.09	\$76.97
41	\$63.17	\$64.74	\$66.36	\$68.02	\$69.72	\$71.46	\$73.26	\$75.09	\$76.97	\$78.89
42	\$64.74	\$66.36	\$68.02	\$69.72	\$71.46	\$73.26	\$75.09	\$76.97	\$78.89	\$80.86
43	\$66.36	\$68.02	\$69.72	\$71.46	\$73.26	\$75.09	\$76.97	\$78.89	\$80.86	\$82.88
44	\$68.02	\$69.72	\$71.46	\$73.26	\$75.09	\$76.97	\$78.89	\$80.86	\$82.88	\$84.96
45	\$69.72	\$71.46	\$73.26	\$75.09	\$76.97	\$78.89	\$80.86	\$82.88	\$84.96	\$87.08
46	\$71.46	\$73.26	\$75.09	\$76.97	\$78.89	\$80.86	\$82.88	\$84.96	\$87.08	\$89.25
47	\$73.26	\$75.09	\$76.97	\$78.89	\$80.86	\$82.88	\$84.96	\$87.08	\$89.25	\$91.49
48	\$75.09	\$76.97	\$78.89	\$80.86	\$82.88	\$84.96	\$87.08	\$89.25	\$91.49	\$93.78
49	\$76.97	\$78.89	\$80.86	\$82.88	\$84.96	\$87.08	\$89.25	\$91.49	\$93.78	\$96.12
50	\$78.89	\$80.86	\$82.88	\$84.96	\$87.08	\$89.25	\$91.49	\$93.78	\$96.12	\$98.52
51	\$80.86	\$82.88	\$84.96	\$87.08	\$89.25	\$91.49	\$93.78	\$96.12	\$98.52	\$100.98
52	\$82.88	\$84.96	\$87.08	\$89.25	\$91.49	\$93.78	\$96.12	\$98.52	\$100.98	\$103.51
53	\$84.96	\$87.08	\$89.25	\$91.49	\$93.78	\$96.12	\$98.52	\$100.98	\$103.51	\$106.09
54	\$87.08	\$89.25	\$91.49	\$93.78	\$96.12	\$98.52	\$100.98	\$103.51	\$106.09	\$108.75
55	\$89.25	\$91.49	\$93.78	\$96.12	\$98.52	\$100.98	\$103.51	\$106.09	\$108.75	\$111.47
56	\$91.49	\$93.78	\$96.12	\$98.52	\$100.98	\$103.51	\$106.09	\$108.75	\$111.47	\$114.25
57	\$93.78	\$96.12	\$98.52	\$100.98	\$103.51	\$106.09	\$108.75	\$111.47	\$114.25	\$117.11
58	\$96.12	\$98.52	\$100.98	\$103.51	\$106.09	\$108.75	\$111.47	\$114.25	\$117.11	\$120.04
59	\$98.52	\$100.98	\$103.51	\$106.09	\$108.75	\$111.47	\$114.25	\$117.11	\$120.04	\$123.04
60	\$100.98	\$103.51	\$106.09	\$108.75	\$111.47	\$114.25	\$117.11	\$120.04	\$123.04	\$126.12
61	\$103.51	\$106.09	\$108.75	\$111.47	\$114.25	\$117.11	\$120.04	\$123.04	\$126.12	\$129.27
62	\$106.09	\$108.75	\$111.47	\$114.25	\$117.11	\$120.04	\$123.04	\$126.12	\$129.27	\$132.50
63	\$108.75	\$111.47	\$114.25	\$117.11	\$120.04	\$123.04	\$126.12	\$129.27	\$132.50	\$135.81
64	\$111.47	\$114.25	\$117.11	\$120.04	\$123.04	\$126.12	\$129.27	\$132.50	\$135.81	\$139.20
65	\$114.25	\$117.11	\$120.04	\$123.04	\$126.12	\$129.27	\$132.50	\$135.81	\$139.20	\$142.68
66	\$117.11	\$120.04	\$123.04	\$126.12	\$129.27	\$132.50	\$135.81	\$139.20	\$142.68	\$146.25
67	\$120.04	\$123.04	\$126.12	\$129.27	\$132.50	\$135.81	\$139.20	\$142.68	\$146.25	\$149.91
68	\$123.04	\$126.12	\$129.27	\$132.50	\$135.81	\$139.20	\$142.68	\$146.25	\$149.91	\$153.66
69	\$126.12	\$129.27	\$132.50	\$135.81	\$139.20	\$142.68	\$146.25	\$149.91	\$153.66	\$157.50
70	\$129.27	\$132.50	\$135.81	\$139.20	\$142.68	\$146.25	\$149.91	\$153.66	\$157.50	\$161.44
71	\$132.50	\$135.81	\$139.20	\$142.68	\$146.25	\$149.91	\$153.66	\$157.50	\$161.44	\$165.47
72	\$135.81	\$139.20	\$142.68	\$146.25	\$149.91	\$153.66	\$157.50	\$161.44	\$165.47	\$169.61
73	\$139.20	\$142.68	\$146.25	\$149.91	\$153.66	\$157.50	\$161.44	\$165.47	\$169.61	\$173.85
74	\$142.68	\$146.25	\$149.91	\$153.66	\$157.50	\$161.44	\$165.47	\$169.61	\$173.85	\$178.20
75	\$146.25	\$149.91	\$153.66	\$157.50	\$161.44	\$165.47	\$169.61	\$173.85	\$178.20	\$182.65

Range #	FY 23-24 Bi-Weekly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$1,882	\$1,929	\$1,978	\$2,027	\$2,078	\$2,130	\$2,182	\$2,237	\$2,294	\$2,350
2	\$1,929	\$1,978	\$2,027	\$2,078	\$2,130	\$2,182	\$2,237	\$2,294	\$2,350	\$2,409
3	\$1,978	\$2,027	\$2,078	\$2,130	\$2,182	\$2,237	\$2,294	\$2,350	\$2,409	\$2,469
4	\$2,027	\$2,078	\$2,130	\$2,182	\$2,237	\$2,294	\$2,350	\$2,409	\$2,469	\$2,531
5	\$2,078	\$2,130	\$2,182	\$2,237	\$2,294	\$2,350	\$2,409	\$2,469	\$2,531	\$2,594
6	\$2,130	\$2,182	\$2,237	\$2,294	\$2,350	\$2,409	\$2,469	\$2,531	\$2,594	\$2,659
7	\$2,182	\$2,237	\$2,294	\$2,350	\$2,409	\$2,469	\$2,531	\$2,594	\$2,659	\$2,726
8	\$2,237	\$2,294	\$2,350	\$2,409	\$2,469	\$2,531	\$2,594	\$2,659	\$2,726	\$2,794
9	\$2,294	\$2,350	\$2,409	\$2,469	\$2,531	\$2,594	\$2,659	\$2,726	\$2,794	\$2,863
10	\$2,350	\$2,409	\$2,469	\$2,531	\$2,594	\$2,659	\$2,726	\$2,794	\$2,863	\$2,935
11	\$2,409	\$2,469	\$2,531	\$2,594	\$2,659	\$2,726	\$2,794	\$2,863	\$2,935	\$3,009
12	\$2,469	\$2,531	\$2,594	\$2,659	\$2,726	\$2,794	\$2,863	\$2,935	\$3,009	\$3,084
13	\$2,531	\$2,594	\$2,659	\$2,726	\$2,794	\$2,863	\$2,935	\$3,009	\$3,084	\$3,161
14	\$2,594	\$2,659	\$2,726	\$2,794	\$2,863	\$2,935	\$3,009	\$3,084	\$3,161	\$3,240
15	\$2,659	\$2,726	\$2,794	\$2,863	\$2,935	\$3,009	\$3,084	\$3,161	\$3,240	\$3,322
16	\$2,726	\$2,794	\$2,863	\$2,935	\$3,009	\$3,084	\$3,161	\$3,240	\$3,322	\$3,404
17	\$2,794	\$2,863	\$2,935	\$3,009	\$3,084	\$3,161	\$3,240	\$3,322	\$3,404	\$3,490
18	\$2,863	\$2,935	\$3,009	\$3,084	\$3,161	\$3,240	\$3,322	\$3,404	\$3,490	\$3,577
19	\$2,935	\$3,009	\$3,084	\$3,161	\$3,240	\$3,322	\$3,404	\$3,490	\$3,577	\$3,666
20	\$3,009	\$3,084	\$3,161	\$3,240	\$3,322	\$3,404	\$3,490	\$3,577	\$3,666	\$3,757
21	\$3,084	\$3,161	\$3,240	\$3,322	\$3,404	\$3,490	\$3,577	\$3,666	\$3,757	\$3,851
22	\$3,161	\$3,240	\$3,322	\$3,404	\$3,490	\$3,577	\$3,666	\$3,757	\$3,851	\$3,948
23	\$3,240	\$3,322	\$3,404	\$3,490	\$3,577	\$3,666	\$3,757	\$3,851	\$3,948	\$4,047
24	\$3,322	\$3,404	\$3,490	\$3,577	\$3,666	\$3,757	\$3,851	\$3,948	\$4,047	\$4,147
25	\$3,404	\$3,490	\$3,577	\$3,666	\$3,757	\$3,851	\$3,948	\$4,047	\$4,147	\$4,251
26	\$3,490	\$3,577	\$3,666	\$3,757	\$3,851	\$3,948	\$4,047	\$4,147	\$4,251	\$4,357
27	\$3,577	\$3,666	\$3,757	\$3,851	\$3,948	\$4,047	\$4,147	\$4,251	\$4,357	\$4,466
28	\$3,666	\$3,757	\$3,851	\$3,948	\$4,047	\$4,147	\$4,251	\$4,357	\$4,466	\$4,578
29	\$3,757	\$3,851	\$3,948	\$4,047	\$4,147	\$4,251	\$4,357	\$4,466	\$4,578	\$4,692
30	\$3,851	\$3,948	\$4,047	\$4,147	\$4,251	\$4,357	\$4,466	\$4,578	\$4,692	\$4,809
31	\$3,948	\$4,047	\$4,147	\$4,251	\$4,357	\$4,466	\$4,578	\$4,692	\$4,809	\$4,930
32	\$4,047	\$4,147	\$4,251	\$4,357	\$4,466	\$4,578	\$4,692	\$4,809	\$4,930	\$5,054
33	\$4,147	\$4,251	\$4,357	\$4,466	\$4,578	\$4,692	\$4,809	\$4,930	\$5,054	\$5,179
34	\$4,251	\$4,357	\$4,466	\$4,578	\$4,692	\$4,809	\$4,930	\$5,054	\$5,179	\$5,309
35	\$4,357	\$4,466	\$4,578	\$4,692	\$4,809	\$4,930	\$5,054	\$5,179	\$5,309	\$5,441
36	\$4,466	\$4,578	\$4,692	\$4,809	\$4,930	\$5,054	\$5,179	\$5,309	\$5,441	\$5,577
37	\$4,578	\$4,692	\$4,809	\$4,930	\$5,054	\$5,179	\$5,309	\$5,441	\$5,577	\$5,717
38	\$4,692	\$4,809	\$4,930	\$5,054	\$5,179	\$5,309	\$5,441	\$5,577	\$5,717	\$5,861
39	\$4,809	\$4,930	\$5,054	\$5,179	\$5,309	\$5,441	\$5,577	\$5,717	\$5,861	\$6,007
40	\$4,930	\$5,054	\$5,179	\$5,309	\$5,441	\$5,577	\$5,717	\$5,861	\$6,007	\$6,158
41	\$5,054	\$5,179	\$5,309	\$5,441	\$5,577	\$5,717	\$5,861	\$6,007	\$6,158	\$6,311
42	\$5,179	\$5,309	\$5,441	\$5,577	\$5,717	\$5,861	\$6,007	\$6,158	\$6,311	\$6,469
43	\$5,309	\$5,441	\$5,577	\$5,717	\$5,861	\$6,007	\$6,158	\$6,311	\$6,469	\$6,631
44	\$5,441	\$5,577	\$5,717	\$5,861	\$6,007	\$6,158	\$6,311	\$6,469	\$6,631	\$6,797
45	\$5,577	\$5,717	\$5,861	\$6,007	\$6,158	\$6,311	\$6,469	\$6,631	\$6,797	\$6,967
46	\$5,717	\$5,861	\$6,007	\$6,158	\$6,311	\$6,469	\$6,631	\$6,797	\$6,967	\$7,140
47	\$5,861	\$6,007	\$6,158	\$6,311	\$6,469	\$6,631	\$6,797	\$6,967	\$7,140	\$7,319
48	\$6,007	\$6,158	\$6,311	\$6,469	\$6,631	\$6,797	\$6,967	\$7,140	\$7,319	\$7,502
49	\$6,158	\$6,311	\$6,469	\$6,631	\$6,797	\$6,967	\$7,140	\$7,319	\$7,502	\$7,690
50	\$6,311	\$6,469	\$6,631	\$6,797	\$6,967	\$7,140	\$7,319	\$7,502	\$7,690	\$7,882
51	\$6,469	\$6,631	\$6,797	\$6,967	\$7,140	\$7,319	\$7,502	\$7,690	\$7,882	\$8,078
52	\$6,631	\$6,797	\$6,967	\$7,140	\$7,319	\$7,502	\$7,690	\$7,882	\$8,078	\$8,281
53	\$6,797	\$6,967	\$7,140	\$7,319	\$7,502	\$7,690	\$7,882	\$8,078	\$8,281	\$8,487
54	\$6,967	\$7,140	\$7,319	\$7,502	\$7,690	\$7,882	\$8,078	\$8,281	\$8,487	\$8,700
55	\$7,140	\$7,319	\$7,502	\$7,690	\$7,882	\$8,078	\$8,281	\$8,487	\$8,700	\$8,918
56	\$7,319	\$7,502	\$7,690	\$7,882	\$8,078	\$8,281	\$8,487	\$8,700	\$8,918	\$9,140
57	\$7,502	\$7,690	\$7,882	\$8,078	\$8,281	\$8,487	\$8,700	\$8,918	\$9,140	\$9,369
58	\$7,690	\$7,882	\$8,078	\$8,281	\$8,487	\$8,700	\$8,918	\$9,140	\$9,369	\$9,603
59	\$7,882	\$8,078	\$8,281	\$8,487	\$8,700	\$8,918	\$9,140	\$9,369	\$9,603	\$9,843
60	\$8,078	\$8,281	\$8,487	\$8,700	\$8,918	\$9,140	\$9,369	\$9,603	\$9,843	\$10,089
61	\$8,281	\$8,487	\$8,700	\$8,918	\$9,140	\$9,369	\$9,603	\$9,843	\$10,089	\$10,342
62	\$8,487	\$8,700	\$8,918	\$9,140	\$9,369	\$9,603	\$9,843	\$10,089	\$10,342	\$10,600
63	\$8,700	\$8,918	\$9,140	\$9,369	\$9,603	\$9,843	\$10,089	\$10,342	\$10,600	\$10,865
64	\$8,918	\$9,140	\$9,369	\$9,603	\$9,843	\$10,089	\$10,342	\$10,600	\$10,865	\$11,136
65	\$9,140	\$9,369	\$9,603	\$9,843	\$10,089	\$10,342	\$10,600	\$10,865	\$11,136	\$11,414
66	\$9,369	\$9,603	\$9,843	\$10,089	\$10,342	\$10,600	\$10,865	\$11,136	\$11,414	\$11,700
67	\$9,603	\$9,843	\$10,089	\$10,342	\$10,600	\$10,865	\$11,136	\$11,414	\$11,700	\$11,993
68	\$9,843	\$10,089	\$10,342	\$10,600	\$10,865	\$11,136	\$11,414	\$11,700	\$11,993	\$12,293
69	\$10,089	\$10,342	\$10,600	\$10,865	\$11,136	\$11,414	\$11,700	\$11,993	\$12,293	\$12,600
70	\$10,342	\$10,600	\$10,865	\$11,136	\$11,414	\$11,700	\$11,993	\$12,293	\$12,600	\$12,915
71	\$10,600	\$10,865	\$11,136	\$11,414	\$11,700	\$11,993	\$12,293	\$12,600	\$12,915	\$13,238
72	\$10,865	\$11,136	\$11,414	\$11,700	\$11,993	\$12,293	\$12,600	\$12,915	\$13,238	\$13,569
73	\$11,136	\$11,414	\$11,700	\$11,993	\$12,293	\$12,600	\$12,915	\$13,238	\$13,569	\$13,908
74	\$11,414	\$11,700	\$11,993	\$12,293	\$12,600	\$12,915	\$13,238	\$13,569	\$13,908	\$14,256
75	\$11,700	\$11,993	\$12,293	\$12,600	\$12,915	\$13,238	\$13,569	\$13,908	\$14,256	\$14,612

Range #	FY 23-24 Monthly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$4,077	\$4,179	\$4,285	\$4,392	\$4,502	\$4,614	\$4,729	\$4,847	\$4,969	\$5,093
2	\$4,179	\$4,285	\$4,392	\$4,502	\$4,614	\$4,729	\$4,847	\$4,969	\$5,093	\$5,220
3	\$4,285	\$4,392	\$4,502	\$4,614	\$4,729	\$4,847	\$4,969	\$5,093	\$5,220	\$5,350
4	\$4,392	\$4,502	\$4,614	\$4,729	\$4,847	\$4,969	\$5,093	\$5,220	\$5,350	\$5,484
5	\$4,502	\$4,614	\$4,729	\$4,847	\$4,969	\$5,093	\$5,220	\$5,350	\$5,484	\$5,621
6	\$4,614	\$4,729	\$4,847	\$4,969	\$5,093	\$5,220	\$5,350	\$5,484	\$5,621	\$5,762
7	\$4,729	\$4,847	\$4,969	\$5,093	\$5,220	\$5,350	\$5,484	\$5,621	\$5,762	\$5,906
8	\$4,847	\$4,969	\$5,093	\$5,220	\$5,350	\$5,484	\$5,621	\$5,762	\$5,906	\$6,053
9	\$4,969	\$5,093	\$5,220	\$5,350	\$5,484	\$5,621	\$5,762	\$5,906	\$6,053	\$6,204
10	\$5,093	\$5,220	\$5,350	\$5,484	\$5,621	\$5,762	\$5,906	\$6,053	\$6,204	\$6,360
11	\$5,220	\$5,350	\$5,484	\$5,621	\$5,762	\$5,906	\$6,053	\$6,204	\$6,360	\$6,519
12	\$5,350	\$5,484	\$5,621	\$5,762	\$5,906	\$6,053	\$6,204	\$6,360	\$6,519	\$6,682
13	\$5,484	\$5,621	\$5,762	\$5,906	\$6,053	\$6,204	\$6,360	\$6,519	\$6,682	\$6,849
14	\$5,621	\$5,762	\$5,906	\$6,053	\$6,204	\$6,360	\$6,519	\$6,682	\$6,849	\$7,020
15	\$5,762	\$5,906	\$6,053	\$6,204	\$6,360	\$6,519	\$6,682	\$6,849	\$7,020	\$7,197
16	\$5,906	\$6,053	\$6,204	\$6,360	\$6,519	\$6,682	\$6,849	\$7,020	\$7,197	\$7,375
17	\$6,053	\$6,204	\$6,360	\$6,519	\$6,682	\$6,849	\$7,020	\$7,197	\$7,375	\$7,561
18	\$6,204	\$6,360	\$6,519	\$6,682	\$6,849	\$7,020	\$7,197	\$7,375	\$7,561	\$7,750
19	\$6,360	\$6,519	\$6,682	\$6,849	\$7,020	\$7,197	\$7,375	\$7,561	\$7,750	\$7,942
20	\$6,519	\$6,682	\$6,849	\$7,020	\$7,197	\$7,375	\$7,561	\$7,750	\$7,942	\$8,141
21	\$6,682	\$6,849	\$7,020	\$7,197	\$7,375	\$7,561	\$7,750	\$7,942	\$8,141	\$8,344
22	\$6,849	\$7,020	\$7,197	\$7,375	\$7,561	\$7,750	\$7,942	\$8,141	\$8,344	\$8,554
23	\$7,020	\$7,197	\$7,375	\$7,561	\$7,750	\$7,942	\$8,141	\$8,344	\$8,554	\$8,768
24	\$7,197	\$7,375	\$7,561	\$7,750	\$7,942	\$8,141	\$8,344	\$8,554	\$8,768	\$8,986
25	\$7,375	\$7,561	\$7,750	\$7,942	\$8,141	\$8,344	\$8,554	\$8,768	\$8,986	\$9,210
26	\$7,561	\$7,750	\$7,942	\$8,141	\$8,344	\$8,554	\$8,768	\$8,986	\$9,210	\$9,440
27	\$7,750	\$7,942	\$8,141	\$8,344	\$8,554	\$8,768	\$8,986	\$9,210	\$9,440	\$9,677
28	\$7,942	\$8,141	\$8,344	\$8,554	\$8,768	\$8,986	\$9,210	\$9,440	\$9,677	\$9,920
29	\$8,141	\$8,344	\$8,554	\$8,768	\$8,986	\$9,210	\$9,440	\$9,677	\$9,920	\$10,166
30	\$8,344	\$8,554	\$8,768	\$8,986	\$9,210	\$9,440	\$9,677	\$9,920	\$10,166	\$10,420
31	\$8,554	\$8,768	\$8,986	\$9,210	\$9,440	\$9,677	\$9,920	\$10,166	\$10,420	\$10,681
32	\$8,768	\$8,986	\$9,210	\$9,440	\$9,677	\$9,920	\$10,166	\$10,420	\$10,681	\$10,949
33	\$8,986	\$9,210	\$9,440	\$9,677	\$9,920	\$10,166	\$10,420	\$10,681	\$10,949	\$11,222
34	\$9,210	\$9,440	\$9,677	\$9,920	\$10,166	\$10,420	\$10,681	\$10,949	\$11,222	\$11,502
35	\$9,440	\$9,677	\$9,920	\$10,166	\$10,420	\$10,681	\$10,949	\$11,222	\$11,502	\$11,790
36	\$9,677	\$9,920	\$10,166	\$10,420	\$10,681	\$10,949	\$11,222	\$11,502	\$11,790	\$12,084
37	\$9,920	\$10,166	\$10,420	\$10,681	\$10,949	\$11,222	\$11,502	\$11,790	\$12,084	\$12,387
38	\$10,166	\$10,420	\$10,681	\$10,949	\$11,222	\$11,502	\$11,790	\$12,084	\$12,387	\$12,698
39	\$10,420	\$10,681	\$10,949	\$11,222	\$11,502	\$11,790	\$12,084	\$12,387	\$12,698	\$13,016
40	\$10,681	\$10,949	\$11,222	\$11,502	\$11,790	\$12,084	\$12,387	\$12,698	\$13,016	\$13,341
41	\$10,949	\$11,222	\$11,502	\$11,790	\$12,084	\$12,387	\$12,698	\$13,016	\$13,341	\$13,675
42	\$11,222	\$11,502	\$11,790	\$12,084	\$12,387	\$12,698	\$13,016	\$13,341	\$13,675	\$14,016
43	\$11,502	\$11,790	\$12,084	\$12,387	\$12,698	\$13,016	\$13,341	\$13,675	\$14,016	\$14,366
44	\$11,790	\$12,084	\$12,387	\$12,698	\$13,016	\$13,341	\$13,675	\$14,016	\$14,366	\$14,726
45	\$12,084	\$12,387	\$12,698	\$13,016	\$13,341	\$13,675	\$14,016	\$14,366	\$14,726	\$15,095
46	\$12,387	\$12,698	\$13,016	\$13,341	\$13,675	\$14,016	\$14,366	\$14,726	\$15,095	\$15,470
47	\$12,698	\$13,016	\$13,341	\$13,675	\$14,016	\$14,366	\$14,726	\$15,095	\$15,470	\$15,858
48	\$13,016	\$13,341	\$13,675	\$14,016	\$14,366	\$14,726	\$15,095	\$15,470	\$15,858	\$16,255
49	\$13,341	\$13,675	\$14,016	\$14,366	\$14,726	\$15,095	\$15,470	\$15,858	\$16,255	\$16,661
50	\$13,675	\$14,016	\$14,366	\$14,726	\$15,095	\$15,470	\$15,858	\$16,255	\$16,661	\$17,078
51	\$14,016	\$14,366	\$14,726	\$15,095	\$15,470	\$15,858	\$16,255	\$16,661	\$17,078	\$17,503
52	\$14,366	\$14,726	\$15,095	\$15,470	\$15,858	\$16,255	\$16,661	\$17,078	\$17,503	\$17,942
53	\$14,726	\$15,095	\$15,470	\$15,858	\$16,255	\$16,661	\$17,078	\$17,503	\$17,942	\$18,389
54	\$15,095	\$15,470	\$15,858	\$16,255	\$16,661	\$17,078	\$17,503	\$17,942	\$18,389	\$18,850
55	\$15,470	\$15,858	\$16,255	\$16,661	\$17,078	\$17,503	\$17,942	\$18,389	\$18,850	\$19,321
56	\$15,858	\$16,255	\$16,661	\$17,078	\$17,503	\$17,942	\$18,389	\$18,850	\$19,321	\$19,803
57	\$16,255	\$16,661	\$17,078	\$17,503	\$17,942	\$18,389	\$18,850	\$19,321	\$19,803	\$20,298
58	\$16,661	\$17,078	\$17,503	\$17,942	\$18,389	\$18,850	\$19,321	\$19,803	\$20,298	\$20,807
59	\$17,078	\$17,503	\$17,942	\$18,389	\$18,850	\$19,321	\$19,803	\$20,298	\$20,807	\$21,327
60	\$17,503	\$17,942	\$18,389	\$18,850	\$19,321	\$19,803	\$20,298	\$20,807	\$21,327	\$21,860
61	\$17,942	\$18,389	\$18,850	\$19,321	\$19,803	\$20,298	\$20,807	\$21,327	\$21,860	\$22,407
62	\$18,389	\$18,850	\$19,321	\$19,803	\$20,298	\$20,807	\$21,327	\$21,860	\$22,407	\$22,967
63	\$18,850	\$19,321	\$19,803	\$20,298	\$20,807	\$21,327	\$21,860	\$22,407	\$22,967	\$23,541
64	\$19,321	\$19,803	\$20,298	\$20,807	\$21,327	\$21,860	\$22,407	\$22,967	\$23,541	\$24,128
65	\$19,803	\$20,298	\$20,807	\$21,327	\$21,860	\$22,407	\$22,967	\$23,541	\$24,128	\$24,731
66	\$20,298	\$20,807	\$21,327	\$21,860	\$22,407	\$22,967	\$23,541	\$24,128	\$24,731	\$25,349
67	\$20,807	\$21,327	\$21,860	\$22,407	\$22,967	\$23,541	\$24,128	\$24,731	\$25,349	\$25,984
68	\$21,327	\$21,860	\$22,407	\$22,967	\$23,541	\$24,128	\$24,731	\$25,349	\$25,984	\$26,634
69	\$21,860	\$22,407	\$22,967	\$23,541	\$24,128	\$24,731	\$25,349	\$25,984	\$26,634	\$27,300
70	\$22,407	\$22,967	\$23,541	\$24,128	\$24,731	\$25,349	\$25,984	\$26,634	\$27,300	\$27,982
71	\$22,967	\$23,541	\$24,128	\$24,731	\$25,349	\$25,984	\$26,634	\$27,300	\$27,982	\$28,682
72	\$23,541	\$24,128	\$24,731	\$25,349	\$25,984	\$26,634	\$27,300	\$27,982	\$28,682	\$29,399
73	\$24,128	\$24,731	\$25,349	\$25,984	\$26,634	\$27,300	\$27,982	\$28,682	\$29,399	\$30,134
74	\$24,731	\$25,349	\$25,984	\$26,634	\$27,300	\$27,982	\$28,682	\$29,399	\$30,134	\$30,887
75	\$25,349	\$25,984	\$26,634	\$27,300	\$27,982	\$28,682	\$29,399	\$30,134	\$30,887	\$31,659

M E M O

TO: Board of Directors
FROM: Steve Stone, Field Services Manager
DATE: June 26, 2023
SUBJECT: Consider Certifying the Sewer System Management Plan

Purpose

To present to the Board for approval and certification, the review of the Sewer System Management Plan (SSMP).

Summary

Per the State Water Resources Control Board Order No. 2022-0103-DWQ, we are required to submit a certification of the District's Sewer System Management Plan to continue coverage under the new General Order. The review was completed on June 1, 2023, with minor revisions.

We are required to report the results of each review to the Board of Directors by way of inclusion in a monthly Board packet. In addition, the most recent review report is also to be posted on FPUD's website for public review and comment.

The report can be found at the link below:

https://www.fpud.com/files/12d25f057/2021_SSMP_Complete.pdf.

Recommendation

That the Board approve Resolution No. 5054, certifying the 5-year review of the District's Sewer System Management Plan.

RESOLUTION NO. 5054

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT RECERTIFYING
THE DISTRICT'S SEWER SYSTEM MANAGEMENT PLAN (SSMP)**

* * * * *

WHEREAS, the Fallbrook Public Utility District is a local public agency of the State of California, and,

WHEREAS, the Fallbrook Public Utility District desires to properly manage, operate and maintain its wastewater collections system, and

WHEREAS, the Fallbrook Public Utility District must provide adequate capacity to convey peak wastewater flows and minimize the frequency of sewer system overflows, and,

WHEREAS, the Fallbrook Public Utility District desires to minimize the impacts of said overflows and comply with all applicable regulations.

WHEREAS, the California Water Board approved a new General Order which directs our maintenance of the sewer system which, to continue coverage under the new G.O. the Board must certify the District SSMP.

NOW, THEREFORE, BE IT RESOLVED THAT:

- 1) The Fallbrook Public Utility District hereby recertifies its Sewer System Management Plan. Copies of the Plan are available at the District office and website for public use and education.
- 2) The District shall comply with the provisions of the Plan, including but not limited to, the provisions for system evaluation and capacity assurance, monitoring, measurement, audit and communication.
- 3) The Fallbrook Public Utility District shall file this Plan with the State Water Resources Control Board and update same as required by law.
- 4) The General Manager is authorized to execute any documents necessary to implement this Plan.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 26th day of June, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Fiscal Policy and Insurance (FP&I) Committee
DATE: June 26, 2023
SUBJECT: Adopt the District Fiscal Year 2023-24 Recommended Annual Budget

Purpose

Consider the District’s Fiscal Year 2023-24 Recommended Annual Budget (Budget) for approval (Attachment A). The District’s Fiscal Year 2023-24 Budget Resolution (Attachment B) includes the appropriations for the District’s operations, debt service, capital improvement projects and the Community Benefit Program for the upcoming fiscal year.

Summary

The Fiscal Policy and Insurance Committee (Committee) has met and reviewed the Budget on April 18, 2023 and June 1, 2023. During these meetings, the Committee conducted a detailed line item review of the District’s budgeted expenditures and revenues and identified cost savings opportunities. On April 24, 2023, the Committee presented the Draft Budget to the Board for input. The recommended Budget is summarized in the table below, it should be noted that the only budgetary change from the prior draft is the Water Supply Cost. SDCWA recently provided the District with its CY 2024 fixed charge allocations.

	FY 2021-22	FY 2022-23			FY 2023-24	Amnd. Bgt to Bgt % Change
	Actual	Orig Budget	Amended Budget	Projected	Recommended	
Water Supply Costs	\$13,245,830	\$13,617,771	\$ 11,780,714	\$ 11,780,714	\$ 9,558,078	-18.9%
Debt Service	3,621,118	3,730,508	3,822,936	3,822,936	5,463,081	42.9%
Total Labor	5,847,082	6,064,174	6,400,447	6,400,447	6,813,579	6.5%
Total Non-Labor*	5,725,303	6,309,478	5,973,205	5,973,205	7,625,467	27.7%
Operating Expense Total	\$28,439,333	\$29,721,931	\$ 27,977,302	\$ 27,977,302	\$ 29,460,206	5.3%
Benefits Expenditures (Ops)	3,940,375	4,057,087	4,057,087	4,057,087	4,400,781	8.5%
Total	\$32,379,708	\$33,779,018	\$ 32,034,389	\$ 32,034,389	\$ 33,860,987	5.7%

*Total Non-Labor Includes \$544,536 for Community Benefit Program

As shown in the summary table above, the Recommended Fiscal Year 2023-24 Budget is 5.7% higher than the prior budget. The District was able to mitigate the 10.3% increase in the San Diego County Water Authority’s (SDCWA) treated water supply rate by optimizing its treated Santa Margarita River Water production (the District’s Local Supply). With more water available due to local hydrology, the District is optimizing its cost of water by utilizing its Santa Margarita Ground Water Treatment Plant (SMGTP) to treat and produce 60% of the projected water sales. As a result, Water Supply Costs are decreasing due to reduced water purchases from SDCWA. The District’s non-labor operating costs reflect the cost of SMGTP operations. The increase in Debt Service is related to the District’s State Revolving Loan repayment schedule, which is fully ramped

up this year. The increase in Labor is in line with the Cost of Living Adjustment specified in the District's Memorandums of Understanding with District staff. Overall the increase is at the general inflationary level.

The District strives to make the Budget an understandable and transparent document in line with industry best management practices. Since Fiscal Year 2018-19, the District's reformatted Adopted Budgets have received the California Society of Municipal Finance Officers' Operating Budget Excellence Award and the Governmental Finance Officers Association's Distinguished Budget Presentation Award. The receipt of these awards illustrates the significant progress made by the District towards greater fiscal transparency and prudent financial management.

At the Board meeting, staff will provide a detailed presentation of the Budget and address any questions submitted by the Board.

Board actions in June include:

- **Adopting the Budget Resolution** – This approves the Budget and authorizes the General Manager subject to the limitations provided in the resolution to execute the Budget and operate the District;

Recommended Action

That the Board adopt Resolution No. 5053 adopting the final budget for Fiscal Year 2023-24.

Attachment A



Fallbrook Public
Utility District



Fallbrook Public Utility District
Fiscal Year 2023-24 Recommended Annual Budget

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Fallbrook Public Utility District

990 East Mission Road
Fallbrook, CA 92028
760-728-1125
www.fpud.com



Current Board of Directors:

- District #1 - Dave Baxter
- District #2 - Ken Endter
- District #3 - Jennifer DeMeo, Vice-President
- District #4 - Don McDougal
- District #5 - Charley Wolk, President

District Management:

- General Manager - Jack Bebee
- Assistant General Manager/CFO - David Shank

Acknowledgment: District Management would like to thank Jodi Brown, Aaron Cook, Mick Cothran, Noelle Denke, Kevin Collins, Mickey Case, Isabel Casteran, Kyle Drake, Jesse Perez, Steve Stone, Devin Casteel, Steve Wuerth, Carl Quiram, Eddie Rodriguez, Donald Parker, Veronica Tamzil, Annalece Bokma, Jason Jared, Christi Ray, Kelly Laughlin and Lisa Chaffin for their support in preparing this document.



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June 26, 2023

Board of Directors
 Fallbrook Public Utility District
 990 East Mission Road
 Fallbrook, California 92028

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General Manager

David Shank
*Assistant General Manager/
 Chief Financial Officer*

Lauren Eckert
*Executive Assistant/
 Board Secretary*

General Counsel

Paula de Sousa
Best Best & Krieger

Budget Message

Enclosed is the Fiscal Year 2023-24 Recommended Operating and Capital Budget (Budget) for the Fallbrook Public Utility District (District). The District is focused on executing the Board of Directors' goals and objectives through the continued implementation of the District's Strategic Plan, which is included at the beginning of the Budget document. These objectives help the District meet its overall objective, which is to benefit the community of Fallbrook by leveraging sound business practices to provide efficient and reliable services. The Budget presented here supports these goals and objectives.

Implementing Change

Marking the District's Centennial celebration, the Santa Margarita Groundwater Treatment Plant (SMGTP) was commissioned delivering treated Santa Margarita River water to ratepayers. This brought to end over 66 years of water rights litigation with Camp Pendleton Marine Corps Base and secured the District's rights to a local water supply. The seamless integrating of the SMGTP, an advanced water treatment facility, into system operations highlights the District's extensive preparation and the outstanding work performance of District staff. Looking forward this local supply will provide future District ratepayers long-term rate relief from increasing water costs at the wholesale and State levels.

The addition of a water treatment plant to District operations resulted in a significant change to the District's cost of service structure. To ensure rate payer equity was maintained, the District engaged an independent rate consultant to conduct a comprehensive cost of service study. After several public workshops were conducted and Board and stakeholder input reviewed, a cost of service study that included a comprehensive financial plan was developed. The financial plan provides a detailed road map going forward that maintains the District's fiscal sustainability for future generations.

Water Affordability

The District has faced a decade of escalating wholesale water costs driven by costly infrastructure investments by the San Diego County Water Authority (SDCWA) in supply reliability. This year SDCWA is proposing a 10.3% increase in the treated water supply rate. The treatment surcharge is increasing 14.3% while the supply rate is increasing 9%. SDCWA has increased the cost of treated water by 20% over the past two years. On



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average, This year's 10.3% increase highlights the operational challenges SDCWA is facing from both declining water demands and increasing operating and capital costs.

With SDCWA's fiscal sustainability in question, the District has initiated a process to change its water wholesaler to Eastern Municipal Water District (EMWD). This change would not only reduce the District's cost of water by approximately 30% but also maintain a comparable level of water supply reliability. The significant cost savings that would result from this change would help make the District's water more affordable for the community and help revitalize the region's agricultural industry and local economy.

As part of its preparation for the SMGTP operations, the District's has secured local supply development incentives from the Metropolitan Water District (MWD) that will offset some of SMGTP's operating costs. These grant funds are expected to make our local supply cheaper on average than water purchased from SDCWA, the District's wholesale water provider. This year the District estimates 60% of our water supply to come from the SMGTP.

Asset Management

The District has implemented an asset management program that considers condition and consequence of failure when making asset renewal and replacement decisions. Our critical buried infrastructure, such as water mains, have an average service life of 80 to 100 years. In the past, the District's replacement cycle for buried assets was on a replacement cycle of 400 years. With this replacement cycle, the frequency of asset failures was expected to increase significantly over the near-term resulting in an increasing number of emergency water disruptions and property damage claims. In response, the District is proactively managing the renewal and rehabilitation program targeting prioritized assets and is on a path to drive the system service life down from 400 years to 100 years.

Continuous Improvement

This year the District completed the Special District Leadership Foundation's District of Distinction Accreditation program. This program involves evaluators taking a deep dive into the District's fiscal and operational practices. The result is an independent assessment of the District's financial operations and disclosures. Receipt of the award demonstrates the District's execution of best management practices for fiscal transparency and disclosure.

The District completed the construction and commissioning of four Tesla battery power storage facilities worth \$4.6 million that were paid for with grant funds. The operations and maintenance of these storage facilities are grant funded and expected to save the District around \$100,000 a year on power costs over the next ten years. The District is also participating in the Low-Income Water Rate Assistance Program, which provides direct financial assistance to customers by paying a portion of their bill directly to the District. This year the District's received \$17,730 in direct bill relief from the program.



Looking Forward

The District is committed to advocating for its ratepayers and securing a reliable and affordable water supply. To this end, the District is focused on lowering its wholesale water costs by changing the District's wholesale water provider. While this effort will be politically challenging, it has the potential to provide our customers with immediate and substantial rate relief.

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General Counsel

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A handwritten signature in black ink, appearing to read 'Jack Bebee', written over a horizontal line.

Jack Bebee
 General Manager

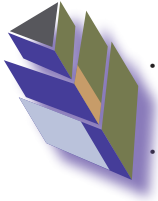
A handwritten signature in black ink, appearing to read 'David Shank', written over a horizontal line.

David Shank
 Assistant General Manager/CFO

Budget in Brief

Fiscal Year 2022-23 Accomplishments

- The District's new SMGTP was successfully commissioned and was able to process 100% of water supply available.
- The SMGTP was integrated into District's operations and was used to optimize water supply reliability and operating costs.
- Completed key pipeline replacement projects to maintain system reliability and improved the methodology for evaluating and prioritizing projects.
- Completed project of replacing meters with smart meters, Advanced Metering Infrastructure (AMI) and continued outreach to customers on how these meters can help them better monitor and reduce water use and water costs.
- The District completed and adopted the 2022 Water, Recycled Water and Wastewater Rate Study Report (the Report) based upon a detailed cost of service study and stakeholder input. Development and adoption of the Report included extensive public outreach and the completion of a Proposition 218 process setting the District's maximum rates and charges.
- Continued to move the District's LAFCO initiatives forward and completed the detachment negotiations with the San Diego County Water Authority (SDCWA).
- The District's Annual Comprehensive Financial Report (ACFR) and an annual budget documents received the Government Financial Officers Association's (GFOA) Excellence in Financial Reporting and Distinguished Budget Presentation Awards



Fiscal Year 2023-24 Goals

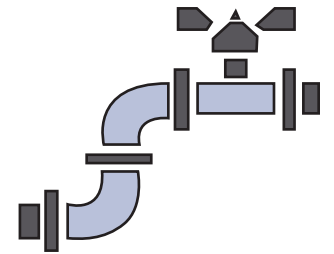
The Key Goals for the upcoming year include:

- Operate the District's SMGTP with a goal of receiving 100% of the Santa Margarita River water allocation.
- Optimize SMGTP operations to maximize supply reliability and minimize operating costs.
- Complete key pipeline replacement projects to maintain system reliability and improve the methodology for evaluating and prioritizing projects.
- Implement a new meter testing program that tests 400 meters a year.
- Continue to move the District's LAFCO initiatives forward and complete the detachment negotiations with the San Diego County Water Authority (SDCWA).
- Support the Community Benefit Program's activities and facilitate the execution of selected projects.
- Complete the review and selection of a third party administrator for the District's deferred compensation plans and implement fiduciary oversight of the plans.
- Implement and track new operational and financial performance indicators for water, recycled water and wastewater that can be used to benchmark performance.
- Produce an Annual Comprehensive Financial Report (ACFR) and an annual budget document that meet the Government Financial Officers Association's (GFOA) Excellence in Financial Reporting and Distinguished Budget Presentation Awards

Sources of Funds

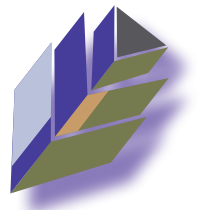
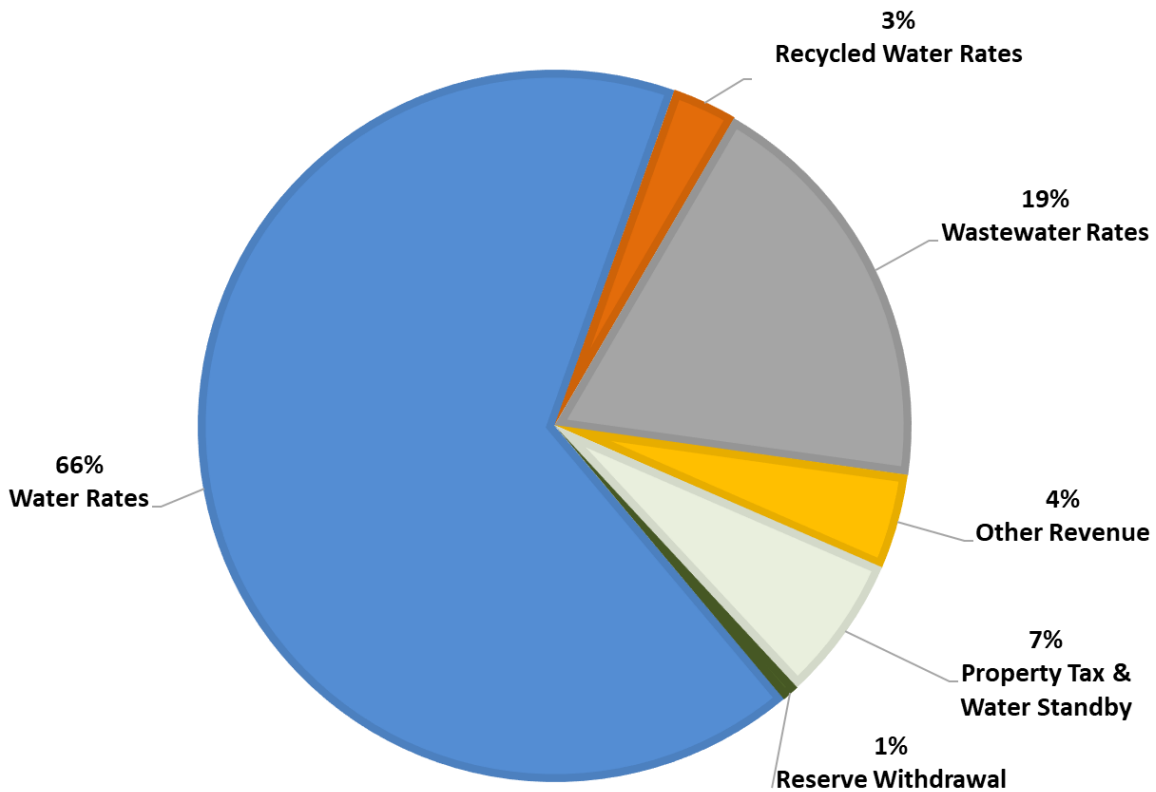
The water, recycled water and wastewater systems combined operating and non-operating revenues and net fund withdrawals are budgeted to be sufficient to fund the budgeted uses of funds. With Fiscal Year 2022-23 on track to set the District’s lowest ever annual water sales level, the Budget uses a water sales level that is approximately 6% below the long-term average of 8,000 AF at 7,500 AF. Based upon the Report, water, recycled water and wastewater rate increases for the Budget are projected at 6.5%, 2.5%, and 5%, respectively, for Calendar Year 2024. The Board will take action to adopt Calendar Year 2024 rates and charges in December of 2023 after it has reviewed the District’s Fiscal 2022-23 financial performance and any outcomes of the Detachment process.

Chart 1 shows a breakdown of the District’s \$44.1 million budgeted sources of funds. Rate and charge revenues make up 88% of the District’s total budgeted sources of funds. The District plans to fund renewal and replacement Capital Improvement Program (CIP) with cash on a Pay-As-You-Go (PAYGO) basis. A net fund withdrawal from reserves is budgeted this year driven by a higher than average level PAYGO funded CIP projects. The increase in CIP expenditures is driven by the deferral of capital projects due to supply chain delays and disruptions.



The new Sewer bill methodology, developed through the Cost of Service study, will help stabilize Wastewater revenues.

Chart #1 - Sources of Revenue Fiscal Year 2023-24 Total Revenue \$44,090,487



Use of Funds

The dramatic decrease in Water Supply costs, in spite of the expected 10.3% increase in SDCWA’s supply rates, highlights the District’s transition from total reliance on SDCWA supplies to having a local water supply. The District expects to get approximately 60% of its budgeted water supply from the Santa Margarita River (SMR) this Budget cycle. The cost to treat the SMR water at the SMGTP is included in the Water Treatment Division’s budget. The 80% increase in that division’s non-labor costs are being driven by power and chemical costs to treat the SMR water. Because the SMGTP operations costs and SDCWA’s imported water costs are budgeted differently, any changes in the water supply mix make year-over-year Budget comparisons more complex. However, the overall increase takes into account changes in the supply mix and cost structure to provide a good year-over-year budget comparison.

San Diego County Water Authority is increasing its treated water rate by 10.3% in CY 2024, pushing the District’s water supply costs higher.

With the SMGTP construction completed and the facility operational, the District’s full debt service for the project is due this fiscal year. The 43% increase in debt service is due to the payment of both principal and interest on the loan. Overall, the 5.7% increase in the Operating Budget is being driven by increases in the cost of SDCWA water, increased debt service costs and inflationary pressure on labor and non-labor costs.

Table #1 - Overview of Total Services’ Operating Budget

Description	FY 2021-22	FY 2022-23			FY 2023-24	Budget to Budget Change (%)
	Actual	Original Budget	Amended Budget	Projected	Budget	
Water Supply Costs	\$ 13,245,830	\$ 13,617,771	\$ 11,780,714	\$ 11,780,714	\$ 9,558,078	-18.9%
Debt Service	3,621,118	3,730,508	3,822,936	3,822,936	5,463,081	42.9%
Total Labor *	5,847,082	6,064,174	6,400,447	6,400,447	6,813,579	6.5%
Total Non-Labor**	5,725,303	6,309,478	5,973,205	5,973,205	7,625,467	27.7%
Operating Total	\$ 28,439,333	\$ 29,721,931	\$ 27,977,302	\$ 27,977,302	\$ 29,460,206	5.3%
Benefits Expenses	3,940,375	4,057,087	4,057,087	4,057,087	4,400,781	8.5%
Total Services	\$ 32,379,708	\$ 33,779,018	\$ 32,034,389	\$ 32,034,389	\$ 33,860,987	5.7%
Operating Budget						

* Total Labor does not include District’s Benefits

** Total Non-Labor includes \$544,536 for Community Benefit Program in FY 2023-24

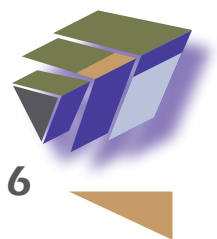
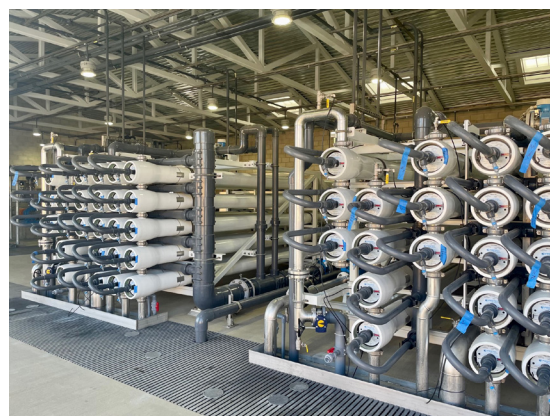
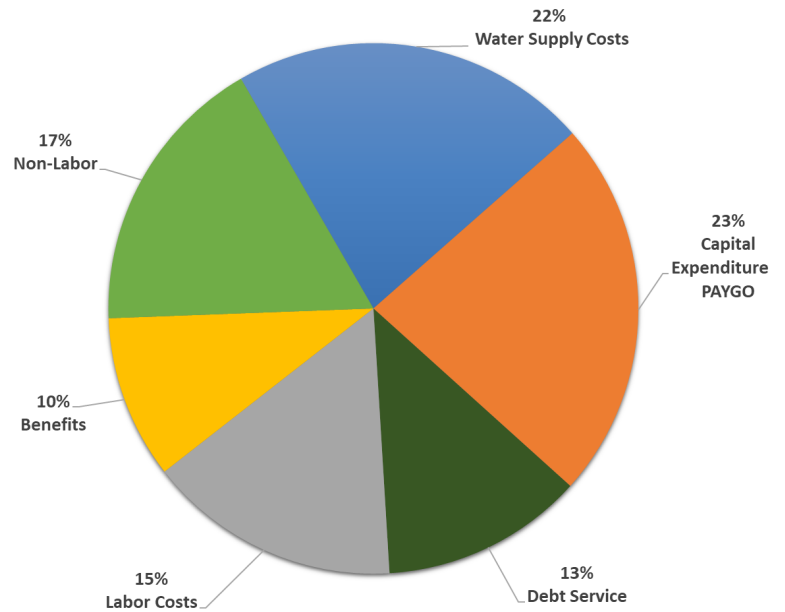


Chart 2 shows the breakdown of the District’s total use of funds. Labor related uses of funds represent 25% of the District’s budgeted uses of funds. Seventy-five percent of the District’s uses of funds are for non-labor related expenditures. Water supply costs are the District’s single largest ongoing use of funds.

Capital Budget

The District has implemented a capital program to improve the overall reliability of the water, wastewater and recycled systems. The most significant on-going component of the capital program is the replacement of aging infrastructure. Chart 3 shows the annual CIP expenditures by project type. The Capital Budget for Fiscal Year 2023-24 is \$10.2 million. The budgeted amount for FY 2024 is above average due to the \$2 million carryover from FY 2023 for Pipeline Replacements.

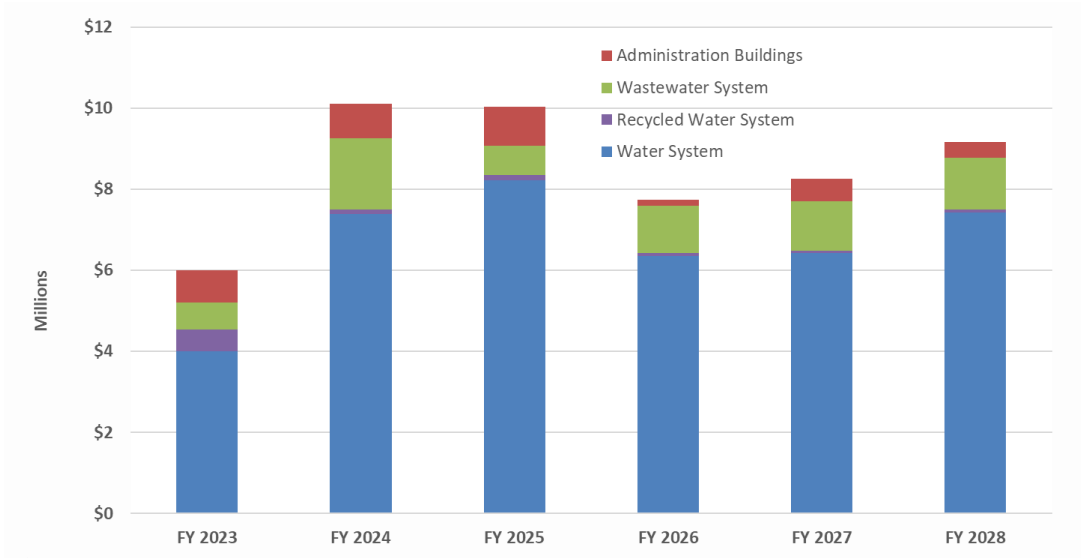
Chart #2 - Uses of Funds Fiscal Year 2023-24
Total Uses of Funds \$44,090,487



Water Supply Costs

Water Supply Costs are made up of wholesale water purchases from SDCWA and the cost to pump the District’s Santa Margarita River Water out of the aquifer to the District’s water treatment plant.

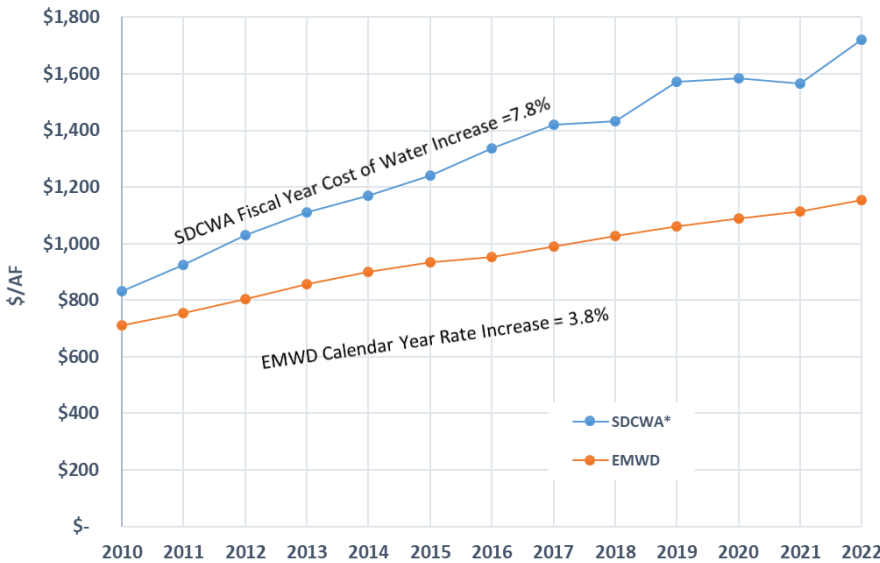
Chart #3 - Fallbrook Public Utility District’s Annual Budgeted CIP Expenditures



Financial Summaries

This year, as shown in the updated financial projections for Fiscal Year 2023-24 in Table 2, the District is projecting a withdrawal from reserves. Looking forward, the District has made a significant reduction in the projected water sales level due to a persistent trend of lower annual water sales. SDCWA, the District’s water wholesaler, continues to increase the region’s cost of water due to its high cost water supply mix that is comprised of water transfer deliveries from the Imperial Irrigation District (IID) and its purchase contract with Poseidon Resources. The District is pursuing detachment from SDCWA and annexation into Eastern Municipal Water District (EMWD) to save the District water users over 30% on their water costs. EMWD offers the District a reliable alternative wholesaler to SDCWA at a significantly lower cost. Chart 4 illustrates the per unit savings that the District would realize by purchasing its water from EMWD and shows EMWD maintains a lower average annual increase. As shown in the financial projections in Table 2, a budgeted reserve withdrawal of \$0.4 million is planned. Chart 5 shows the District’s reserve balances are expected to remain relatively stable but below the target fund levels. The District is projected to maintain a debt service coverage level in excess of its required 1.2x.

Chart #4 - District’s Estimated Wholesale Water Costs



CHANGING WATER WHOLESALER

The LAFCO decision on the District’s proposed detachment from SDCWA will determine if ratepayers will see a 30% decrease in the wholesale cost of water or continued wholesale water rate increases as SDCWA pursues a high cost water reliability strategy.

*Based on total SDCWA charges paid by the District.

Chart #5 - District’s Fund Balances and Target Balance Level

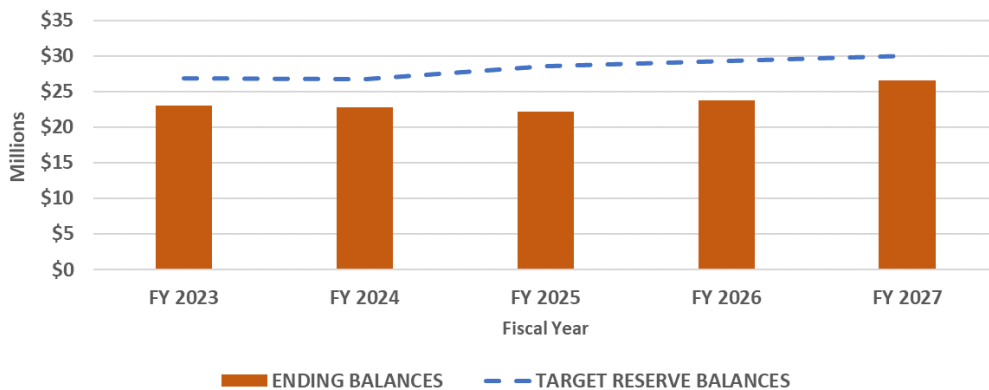


Table #2 - Fallbrook Public Utility District's Financial Summary

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenues					
Revenue from Rates					
Water	\$ 24,579,212	\$ 27,603,306	\$ 29,453,472	\$ 31,411,174	\$ 33,492,715
Recycled Water	1,267,442	1,299,770	1,331,501	1,364,396	1,398,435
Wastewater	6,820,069	6,971,339	7,285,954	7,604,301	7,926,443
Subtotal Revenue from Rates	\$ 32,666,723	\$ 35,874,415	\$ 38,070,927	\$ 40,379,871	\$ 42,817,593
Other Operating Revenue Subtotal	\$ 1,134,807	\$ 983,142	\$ 1,010,035	\$ 1,054,487	\$ 1,102,051
Non-Operating Revenue	\$ 6,887,767	\$ 6,881,779	\$ 6,994,606	\$ 7,176,844	\$ 7,407,064
Total Revenues	\$ 40,689,298	\$ 43,739,336	\$ 46,075,567	\$ 48,611,203	\$ 51,326,709
Total Operating Expenses					
	\$ 28,211,454	\$ 28,397,906	\$ 31,924,439	\$ 33,446,507	\$ 35,000,139
Net Operating Revenues	\$ 12,477,844	\$ 15,341,430	\$ 14,151,128	\$ 15,164,696	\$ 16,326,569
Total Debt Service	\$ 3,822,936	\$ 5,463,081	\$ 5,465,583	\$ 5,461,244	\$ 5,461,925
Total Capital Expenditures					
	\$ 6,042,979	\$ 10,229,500	\$ 9,216,162	\$ 8,155,115	\$ 8,069,006
Total Expenditures	\$ 38,077,369	\$ 44,090,487	\$ 46,606,184	\$ 47,062,866	\$ 48,531,070
Change in Net Position	\$ 2,611,929	\$ (351,151)	\$ (530,616)	\$ 1,548,337	\$ 2,795,639
<i>Beginning Balances</i>	\$ 20,469,853	\$ 23,081,782	\$ 22,730,631	\$ 22,200,015	\$ 23,748,352
<i>Ending Balances</i>	\$ 23,081,782	\$ 22,730,631	\$ 22,200,015	\$ 23,748,352	\$ 26,543,990

Monitoring District Performance

The District has added, as part of the District's efforts to optimize operations and monitor operational and financial performance, several Key Performance Metrics (KPIs) to its Performance score card. Each of the KPIs is tied to a District strategic objectives and is both meaningful and measurable. The KPIs were selected to provide a means to compare the District to peer agencies to evaluate the District's relative performance. Since this is the first year of implementation, there is not much historic information available. As time progresses, the KPI data will provide valuable information to managers and stakeholders.

Table #3 - District's Key Performance Indicators

Strategic Goal	Department	Key Performance Indicator	Target	FY 2021-22 Actual	FY 2022-23 Actual	Target Met
Water Supply	Water	Cost/Acre Foot of SMGTP Product Water Supply	Below \$1,500/AF	\$1,640/AF*	Not Available	No
Infrastructure	Wastewater	Cost/MGD of Wastewater Influent Flows	Below \$3,500/MGD	\$3,497/MGD	Not Available	Yes
Fiscal Management	Finance	Debt Coverage	>1.20	2.05	Not Available	Yes
Fiscal Management	Finance	Days Cash on hand	90 days or greater	109 days	Not Available	Yes

* FY 2021-22 was the first year of SMGTP's operation which included additional startup costs that exceeded normal year expenditures.

Budget User Guidance*

The District's Fiscal Year 2023-24 Recommended Budget is organized and presented in a manner to better communicate the District's financial operations. Through enhanced transparency stakeholders will be better able to understand the District's costs and cost structure. The budget sections and a summary of the information provided in them is provided below:

Introduction – This section provides basic information on the District including history, governance, location and community profile and organizational structure.

Fund Structure – This section provides a description of the District's fund structure and financial policies.

Financial Summaries – This is a high level summary of the District's financial performance. Summaries for the Water, Wastewater and Recycled Services are shown in Appendix A.

Sources of Funds – This provides the projected revenues the District will receive and the underlying assumptions driving changes in the revenues.

Operating Budget – This section outlines the District's operating expenditures in addition to providing staffing and descriptions of activities and goals of each component of the District's operations. The benefit costs, debt service costs and how the cost are allocated to different services is also included in this section.

Capital Budget – This section outlines the District's capital expenditures and provides a description of the project. The description includes a summary of the project in addition to the project's cost and schedule.

Appendices – These provide historical and additional information on the District's financial operations, service area and policies.

* Tables may not foot due to rounding.



DISTINGUISHED BUDGET PRESENTATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

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**Fallbrook Public Utility District
California**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director

OPERATING BUDGET EXCELLENCE AWARD



DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE



DISTRICT OF DISTINCTION-Special District Leadership Foundation



GOLD LEVEL

About the District

History

Fallbrook is an unincorporated community in San Diego County. The first permanent recorded settlement in Fallbrook was in 1869, in the east area of the District, which later became Live Oak County Park. While agriculture has always played a major role in the community, the first plantings were olives and citrus. These crops were replaced in the 1920's by avocados and it wasn't long before Fallbrook became generally recognized as the "Avocado Capital of the World."



Water Reclamation Plant on Alturas Road, before Camp Pendleton. Photo courtesy of Tom Rodgers, (1922)

Fallbrook Public Utility District (District) was incorporated on June 5, 1922 to serve water from local area wells along the San Luis Rey River. Soon after it was established, the District began to grow. Annexations into the District have expanded the service area from 500 acres to 28,000 acres (44 square miles). To meet the growing demand for water, additional ground water supplies were developed along both the San Luis Rey and Santa Margarita rivers.

The District became a member of the San Diego County Water Authority (SDCWA) at its formation on June 9, 1944, and thus was eligible to receive a portion of Colorado River water that would be diverted

Service Area / STATISTICS

- 44 square-mile service area
- Population: 35,000
- 9,300 water customers
- 5,000 sewer customers
- 30 recycled water customers
- 70 employees budgeted
- \$33 million operating revenues
- \$219 million in total assets
- 7,500 acre-feet sold annually

by the Metropolitan Water District of Southern California (MWD). When Colorado River water became available in 1948, consumption within the District gradually increased to approximately 10,000 acre-feet per year by 1959. Then in 1978, MWD augmented its supply system with water from the California State Water Project and began delivering water from both systems to San Diego County. Today, the SDCWA provides virtually all of the District's potable water.

Diversifying the District's Water Supply: The Santa Margarita River

Back when the District used to produce some of its water from the Santa Margarita River, it did so using a small pump in the river, under a direct diversion license from the state of California. In 1948, additional water permits were obtained for diversion facilities and construction of a proposed 150-foot dam that would store 30,000 acre-feet of river water. The diversion works for the small pump were destroyed in 1969 by floods and was not rebuilt. Subsequently the state canceled the small-diversion license for lack of use, but the 30,000 acre-foot storage permit remained in place while the dam was being planned. The proposed dam, and associated water supply, immediately hit some hurdles. In 1951, soon after the District had obtained water permits from the state, the federal government filed suit against the District over water rights on the river, to quiet its title to the adjudicated rights accruing to the U.S. Marine Corps Base Camp Pendleton. The lawsuit, the U.S. v. Fallbrook case, is the oldest civil case in the county. For more than 66 years, the District has

been attempting to develop a permanent local water supply on the Santa Margarita River.

In 1968, a Memorandum of Understanding and Agreement was signed with the Federal Government to develop a two-dam reservoir project on the river that would benefit both Camp Pendleton and the District. This agreement was the culmination of 17 years of litigation. The federally sponsored project was known as the Santa Margarita Project. It never came to fruition however, due to environmental issues, new faces in leadership, and lack of funding.

Then in January 2018, the District's Board of Directors signed an agreement with Camp Pendleton in a landmark settlement, resolving the U.S. v. Fallbrook case and in April 2019, the federal court adopted the settlement. As part of the settlement, river water will flow to Camp Pendleton and be stored in recharge ponds that seep into an underground aquifer there. That stored water will be pumped out of the ground and piped back to the District when available. The Santa Margarita River Conjunctive Use Project (SMRCUP) provides a local supply, reducing dependence on expensive wholesale purchases from the SDCWA, and is expected to provide just over half of the District's water needs on average.

Fiscal Year 2023-24 marks the first full year water deliveries from the SMRCUP will be delivered to the District's ratepayers. To treat SMRCUP water deliveries, the District has constructed a \$65.7 million Santa Margarita Groundwater Treatment Plant (SMGTP).

Wastewater and Recycled Water History and Mergers

The District's scope of operations grew in 1994 when the Fallbrook Sanitary District merged with the District. It had provided parts of Fallbrook with recycled water and wastewater service within a 4,200 acre area of downtown. The District took over those services, and the same year the playing fields at Fallbrook High School started receiving reclaimed water as its source of irrigation water. So did two new large nurseries. For the next ten years, the District's Reclamation Plant (Plant) began receiving a series of awards for safety in operations. In 2015, the District completed a major overhaul, upgrade and expansion of the Plant. The \$27 million project took three years to complete, replacing aged and aging equipment, and allowed for a substantial expansion of the District's recycled water distribution system. The overhaul involved upgrades to the existing Plant to improve reliability in operation and created much-needed storage space for recycled water.



Santa Margarita Groundwater Treatment Plant (SMGTP)

Services

The District provides residents, businesses and agricultural customers with full-service water, wastewater and recycled water services.

Water System

In the past, the District imported 99% of its potable water from the SDCWA with the remaining 1% coming from a local well. With the Santa Margarita Groundwater Treatment Plant (SMGTP) now operational, a significant amount of the District's water supply will be provided through its Santa Margarita River Water Rights. This new local supply is expected to reduce the average annual amount of water purchased from SDCWA by 40% or more and change the District's cost structure. The District's cost to treat and deliver the local water supply is expected to be less than the current cost of purchasing the same amount of water from SDCWA. With a local supply available, the District's ratepayers are not only saving on the cost of water but also limiting the impact of future SDCWA rate increases.

SANTA MARGARITA GROUNDWATER TREATMENT PLANT and PUMPING STATION / STATISTICS

Fallbrook Public Utility District completed this project in Fiscal Year 2022 and began having its own cost-effective supply that same year.

- Minimum Plant Capacity-1.2 Million Gallons per Day (MGD)
- Maximum Plant Capacity-7.8 MGD



Aerial View of the SMGTP

The District's water distribution system is comprised of 270 miles of pipeline, 6,800 valves, an ultraviolet disinfection water treatment plant, nine steel reservoirs, a 300-million-gallon treated water reservoir, five pump stations and a groundwater treatment plant. District staff operate the system, and conduct all system maintenance and repairs. The District has nearly completed an Advanced Metering Infrastructure (AMI) system upgrade that will enable real-time meter reading and provide customers with real-time water use. The District has 4 connections to the imported water system, three of the four are directed connected to MWD owned pipelines and the fourth which is currently not in use is connected to SDCWA's pipeline.

The District's five-year average annual water sales is 7,977 acre-feet. Residential and commercial customers represent 68% of sales, and agricultural customers make up the remaining 32%. The District's historic sales trend is down due to improved water efficiency for both residential and commercial indoor and outdoor use, combined with sharp decreases in agricultural water demands. The decrease in agricultural water demands is being driven by the economics of agriculture production and the fact that high wholesale water costs make only limited crops profitable. The District's agricultural water sales have reduced from 7,000 acre-feet in Fiscal Year 2008 to 2,086 in Fiscal Year 2022 or down 70%.

Wastewater System

The District's wastewater system is comprised of 78 miles of buried sewer lines and force mains, a 2.7 million gallon per day water reclamation plant, a 1-megawatt solar facility and a 12-mile ocean outfall line.

Recycled Water System

The District's recycled water system includes 10.5 miles of buried pipe. Currently the District has 30 recycled water customers, and delivers an average of 0.6 million gallons per day to them. The District provides recycled water for nurseries, sports fields, home owners' associations, Fallbrook High School, street medians, and for freeway irrigation. In 2015, the District completed a \$27 million expansion and upgrade to the water reclamation plant to improve reliability of operation and provide storage for recycled water. The project was completed ahead of schedule and under budget.

To help new users tap into the expanding recycled water system, the District secured funding from the Department of Water Resources through the Prop. 84 grant program. In 2014, the District held a workshop to assist growers with planning, getting permits, purchasing new equipment and receiving grant funds. Assisting growers through the entire process has helped bring new recycled customers online. The project included expanding the recycled water distribution system in order to add new large water users.

The District has received grant funding to explore development of a joint Indirect Potable Reuse Project with Camp Pendleton Marine Corps Base.

Governance and Organizational Structure

The District's Board is made up of five community members who serve overlapping four-year terms. In March 2016, the Board unanimously approved a resolution to change the method of electing board members to "election by district" and approved a map identifying five territorial units within the District. Each director, therefore, is elected by the registered voters of the sub-district he or she resides in, within the District's service area. To run for office, a candidate must live in the area he or she is running to represent. Prior to 2016, directors would win a seat on the board by being the top vote-getters, regardless of where they lived within the District.

Current Board of Directors:

District #1 - Dave Baxter

District #2 - Ken Endter

District #3 - Jennifer DeMeo, Vice-President

District #4 - Don McDougal

District #5 - Charley Wolk, President

Service Area and Local Economy

San Diego County is the second-most populous county in the state and the fifth-most populous in the United States. The District is located in the north-east region of the county and is rural in character. The District's service area and pipeline is shown in the accompanying maps. The District is bordered to the west by the Naval Weapons Station and U.S. Marine Corps Base Camp Pendleton, making the District's service area a bedroom community for Camp Pendleton's active military and civilian-service workers. The service area's 2021 population is estimated to be 34,738 with 10,134 households. Fallbrook's population has remained relatively unchanged over the past several years.

Figure #1 - District Service Area Pipelines

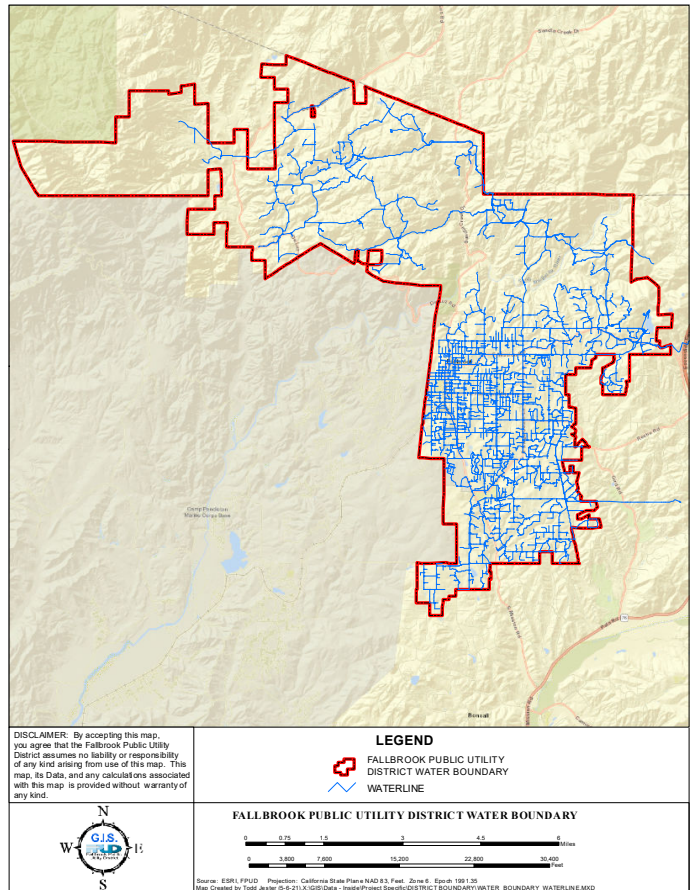
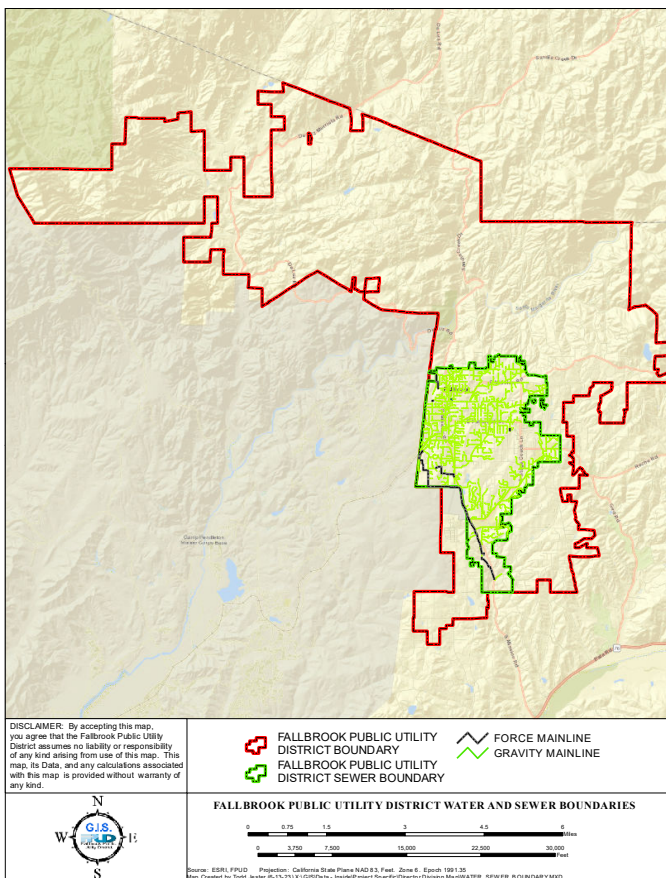


Figure #2 - District Sewer Boundary Mains



The median household income in Fallbrook was \$73,165, which is less than the state median of \$84,097 and slightly higher than the national average of \$69,021. As of April 2023, San Diego County's unemployment rate was 3.3%, which is lower than the State's 4.3%.

The San Diego Association of Governments (SANDAG) projects that the County's population will approach 3.7 million residents in 2050, up from 3.3 million in 2021. The District's 2050 housing density is expected to increase slightly as housing demands increase. Employment is also expected to slightly increase by 2050.

District's Strategic Plan for FY 2023/2024

Mission Statement: To benefit the community of Fallbrook by providing efficient and reliable services.

#1 Strategic Focus Area | Water Supply

District Goal: Provide a reliable, cost-effective water supply through optimizing operation of local water supply projects and securing the most cost effective source of imported water.

Fiscal Year 2023-24 District Objectives:

1. Maximize deliveries of local water by coordinating closely with Camp Pendleton on Santa Margarita water supply operations.
2. Take all necessary steps to ensure the District's LAFCO application to switch water wholesalers and reduce water costs continues to move towards LAFCO approval and a vote of District ratepayers.
3. Support federal funding to help support additional dry year supplies for the SMRCUP in coordination with Camp Pendleton through implementation of an Indirect Potable Reuse (IPR) project.
4. Utilize an updated recycled water master plan expand recycled water service to increase utilization of existing supplies with the District service area.

#2 Strategic Focus Area | Infrastructure

District Goal: Maintain reliable infrastructure to our customers in the most cost-effective manner.

Fiscal Year 2023-24 District Objectives:

1. Complete capital projects in accordance with approved budget and asset-management plan. Maintain utilization of District construction crews with proactive replacements versus reactive repairs. Make any necessary adjustments to meet pipeline and valve replacement targets to ensure long-term reliability of our water infrastructure.
2. Implement the asset-management plan to track project costs and help prioritize projects. Leverage this data to make continued improvements in determining the most effective project approaches.

#3 Strategic Focus Area | Efficiency

District Goal: Create a District culture of continuous improvement through the implementation of systems, processes and goals for all aspects of the organization.

Fiscal Year 2023-24 District Objectives:

1. Continue implementation and reporting of Key Performance Indicators (KPIs) for engineering, operations, finance, customer service and public outreach. Tie KPIs to nationally recognized Effective Utility Management (EUM) goals and measure against applicable national bench-marks.
2. Improve the efficiency of operations by developing additional metrics and reporting using the recently implemented Enterprise Asset Management (EAM) System.
3. Build on recently implemented regional collaboration programs and new contract service opportunities with Camp Pendleton to evaluate new ways to reduce operating costs through shared resources without reducing the level of service.

#4 Strategic Focus Area | Community

District Goal: Improve experience for our customers to help provide a positive impact on the community we serve.

Fiscal Year 2023-24 District Objectives:

1. Provide administrative support for the implementation of the community benefit program to ensure that funds are being used efficiently to provide value to the community through the enhancement of public spaces in the District.
2. Continue to improve customer engagement and promote District benefits to the Community through social media and quarterly newsletters.
3. Further improve the District Budget to identify clearly to the public how costs are allocated and how resources are being managed. Continue to produce an ACFR and achieve a GFOA and California Society of Municipal Finance Officers (CSMFO) budget awards. Achieve District of Distinction from the California Special District's Association.

#5 Strategic Focus Area | Workforce

District Goal: Develop a resilient organization so that key positions can be filled internally with capable staff with proper training and education.

Fiscal Year 2023-24 District Objectives:

1. Expand implementation of the career development program that identifies future leaders in the organization and provides them training and a clear sense of future opportunities. Continue to leverage capabilities of existing staff and expand their responsibility when they show potential to develop a long-term pipeline for advancement of internal qualified candidates.
2. Continue to expand cross-training and external training program for staff, and provide new opportunities and challenges for motivated employees. Reconstitute programs and events to recognize employees and improve employee recognition program.
3. Continue to participate in the regional internship program and expand the District's internship program.
4. Participate in regional efforts to improve local education, training and internship programs to bring more qualified applications into the industry. Lead efforts to help address existing regulatory bottlenecks in advancing the Water/Wastewater workforce.
5. Participate in key local and national organizations in the water/wastewater industry, including participating in presentations on District and trainings to improve recognition of the District as an effectively managed and forward-looking utility.



Budget Basis

The District’s accounting system and practices are based upon Generally Accepted Accounting Principles (GAAP) and are kept on an accrual basis. Under the accrual basis, revenues are recognized when earned and expenditures are recognized when a liability is incurred. The District’s budget is prepared on a cash basis, which means that projected revenues are recognized when cash is assumed to be received and projected expenses are recognized when cash is disbursed.

The District operates as an enterprise fund, which has a set of self-balancing accounts that record the financial position of each of the District’s services. The service funds track revenues from service fees and operating expenses specific to each service. This, in turn, makes each service fund independent and self-sufficient, and also ensures service fees are set to recover only costs associated with the particular service.

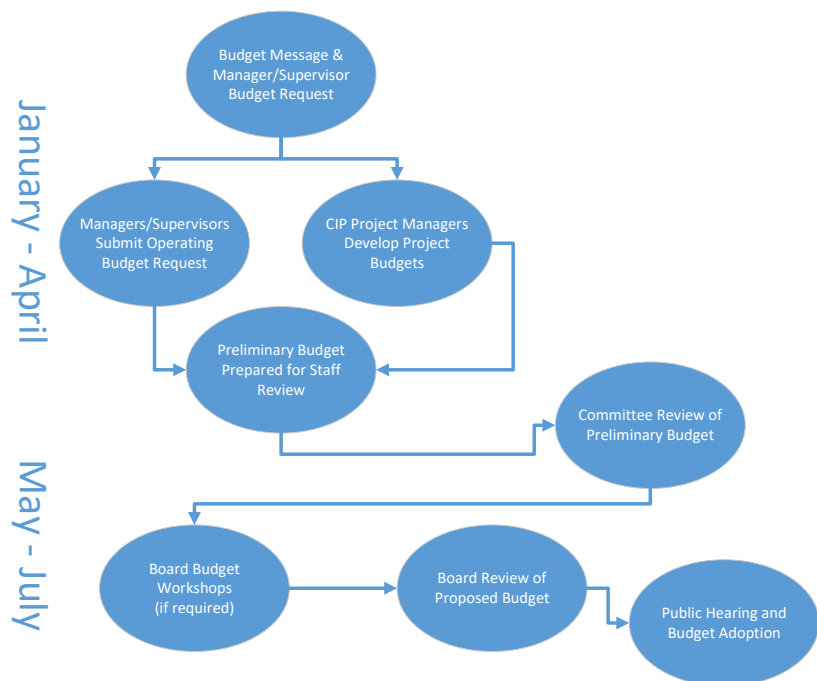
Budget adjustments are made if projects or expenditures are needed that fall outside the District’s adopted budget. These items are brought to the Board for approval and to appropriate the funds. A mid-year budget update is also provided to the Board each year to update spending trends and identify early any potential shortfalls. The District maintains a balanced budget, which means that sources of funds equals uses of funds. Reserve fund withdrawals, if necessary, provide a source of funds. Likewise, deposits to reserves are a use of funds and are unappropriated balances.

Budget Process

Each year, the District develops and adopts a new budget for the upcoming fiscal year. The budgeting process begins in January and starts with the budget message. The budget message establishes the priorities of the District in the next fiscal year and provides budget managers guidance on how to prioritize their budget needs. Along with the budget message, each manager/supervisor is provided a spreadsheet that has the current and projected operating expenditures for the current fiscal year and a placeholder for the proposed operating budget.

Each manager/supervisor then evaluates funding needs. Meetings with staff to review planned activities, as well as funding needs for services and equipment, are part of the process to develop and fill in the budgetary needs for each Division. Each manager/supervisor submits operating budgets by the end of February.

Figure #3 - Fallbrook District’s Annual Budget Process



While the operating budget is being developed, the CIP managers meet with the General Manager to develop the CIP project budgets for the upcoming fiscal year as well as the next five years of budgets. The CIP budgets are submitted by the end of February along with the operating budget.

The capital and operating budget are included in the District’s preliminary budget. Once assembled, the preliminary budget is reviewed by the General Manager and staff in a series of meetings. Adjustments are made to the preliminary budget and the revised preliminary budget is reviewed by the Fiscal Policy and Insurance Committee. Once the Committee’s comments are incorporated and the proposed budget developed, budget workshops with the Board, if required, are held. The final proposed budget is then sent to the Board for review. Once Board comments are incorporated into the document, a public hearing, if necessary, is held and the recommended budget is adopted. **Appendix C provides the Board Resolution.**



DISTRICT ORGANIZATIONAL CHART

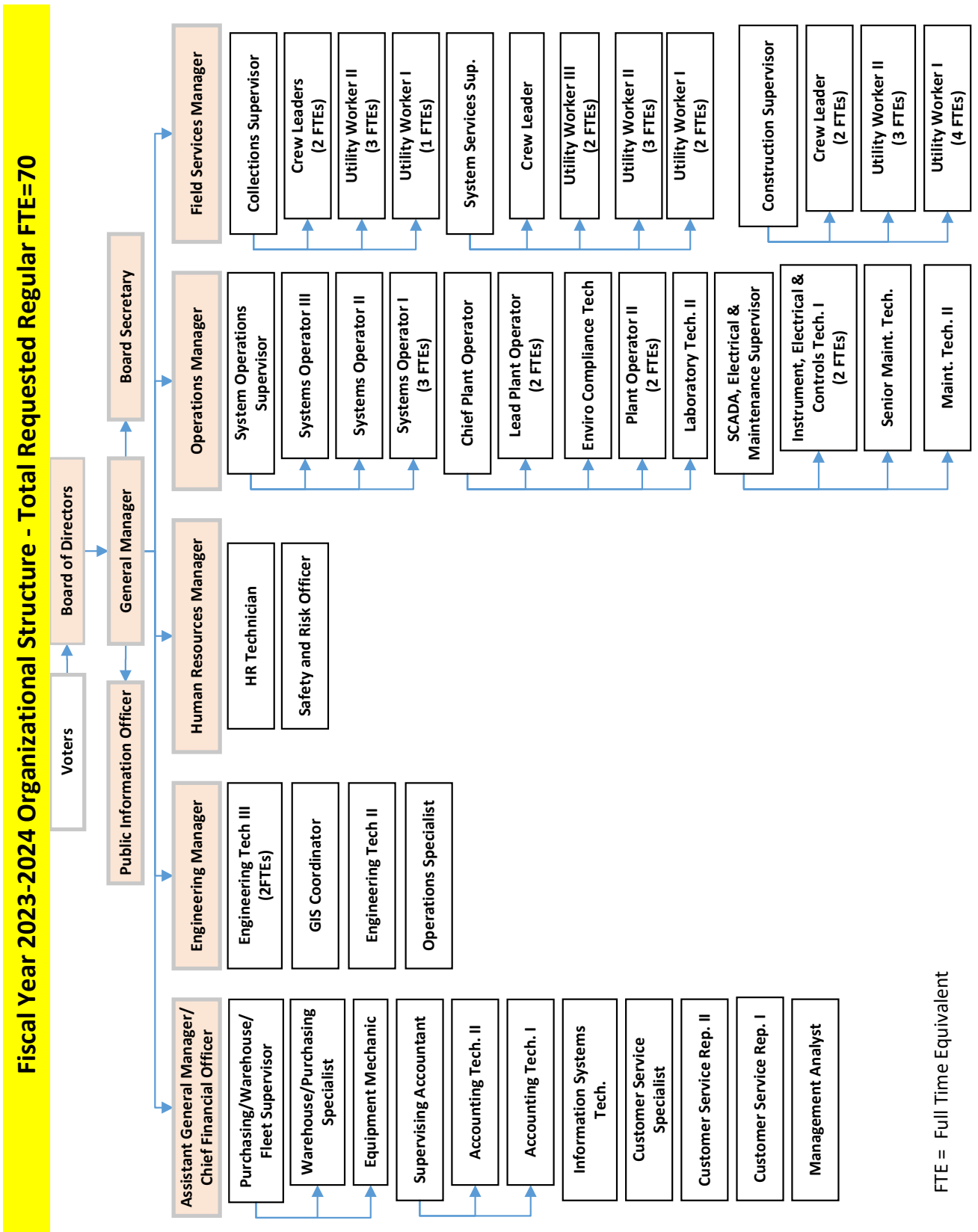
The District maintains an efficient level of staffing which requires an organizational structure that is very flat, with staff working across services and filling a variety of roles. The organizational chart provided is designed to illustrate the District’s structure and staffing levels. The Proposed Budget includes 70 Full Time Equivalent (FTE). The boxes under Administrative, Water, Wastewater and Recycled Water Services represent functional groups called Divisions. However, in some cases (Human Resources & Engineering Services) a division of Administrative Services is identified separately.

The Administrative Services department includes all functions that are necessary for the District to operate, but are not specific to Water, Wastewater or Recycled Water Services. While this includes a wide range of activities, these costs are recovered through water, wastewater and sewer rates. The Operating Budget Section provides a detailed discussion of how these costs are recovered through rates and charges. Each Division is a function with the Services. For example, Wastewater Services is comprised of two Divisions. The function of each Division is discussed in the Operating Budget Section.

Water, Wastewater and Recycled Water Services are the District’s other services. The Divisions within each of these services are shown on the organizational chart. Water services is comprised of four Divisions while the other services are broken into two Divisions. The organizational chart shows the Water, Wastewater and Recycled Water Services reporting to two managers that manage multiple services. The function of each division is discussed in the Operating Budget Section. **Appendix B provides a summary of FTE counts.**

The District introduced the Community Benefit Program (CBP) in Fiscal Year 2022-23. In Fiscal Year 2023-24 the Administrative Services department will allocate .01 FTE from existing staff hours to be directed toward this activity.

Figure #4 - Proposed Fiscal Year 2023-24 Organizational Structure ¹



FTE = Full Time Equivalent

1. An FTE is the hours worked by one employee on a full-time basis for one year. This is equal to 2,080 hours.

Fund Structure

The District’s fund structure is simple and set up to support the independent financial operation of the District’s Water, Wastewater and Recycled Water Services (the Services) and the Community Benefit Program (CBP). Each of the District’s Services has an Operating Fund and a Capital Fund that track sources and uses of funds as well as cash balances. The Operating Funds receive operating and certain non-operating revenues and fund operating expenses for each of the Services. The District’s Capital Funds receive certain non-operating revenues that are restricted to capital uses (i.e. Capital Improvement Charges) and fund the District’s capital expenditures, including a portion of debt service. The recently created CBP only has an Operating Fund. Once active, the CBP Operating Fund will track all transactions related to the CBP financial activity.

Overview of Fund Structure

Water Services		Recycled Water Services		Wastewater Services		Community Benefit Program
Operating Fund	Capital Fund	Operating Fund	Capital Fund	Operating Fund	Capital Fund	Operating Fund

The District’s reserves and target reserve amounts were restructured as part of the 2022 Water, Recycled Water and Wastewater Rate Study Report (the Report). The District’s current fund structure and a description of each fund and the fund’s reserve target balances are provided below:

Water Services Funds

Operating Fund

The primary source of funds for the Water Services Operating Fund are water sales, fixed monthly service charges and pass-through charge revenues. Expenditures that flow through the fund included water operations labor and non-labor, water purchases and a portion of the District’s Administrative Services costs.

Operating Fund Reserves: Established to maintain six months operating and maintenance expenses including water purchases. The Operating Fund Target for Fiscal Year 2023-24 is \$10.3 million.

Capital Fund

The primary source of funds are the Water Capital Improvement Charges, property tax and standby availability charge receipts, annexation fees, and capacity charges. Capital Improvement Expenditures and debt service expenditures flow through this fund.

Capital Fund Reserve: Established to maintain \$5 million to fund emergency repairs or replacements. The primary source of funds for the Capital Fund are Water Capital Improvement Charge, Water Standby Availability Charge, and Capacity Charge revenues. The Operating Fund Target for Fiscal Year 2023-24 is \$5 million. Funds related to the 1958 Annexation and the DeLuz Service Area bond proceeds are tracked separately in the fund.

Debt Service Reserve: This reserve was established to buffer the variability of water deliveries from the SMRCUP in dry years. In years that the SMCUP does not produce water, the reserve will be available to fund debt service payments on the project. Therefore, the reserve target level is set equal to two years of debt service payments on the SMRCUP financing or \$5.6 million. The reserve has been prefunded with the \$6.2 million from the sale of the District's Santa Margarita Property in Fiscal Year 2018-19.

Recycled Water Services Funds

Operating Fund

The primary source of funds for the Recycled Water Operating Fund are sales and fixed service charge revenues. Expenditures include Recycled Operating labor and non-labor and a portion of the District's Administrative Services costs.

Operating Fund Reserve: Established to maintain six months operating and maintenance expenses. The Operating Fund Target for Fiscal Year 2023-24 is \$0.4 million.

Capital Fund

The primary source of funds for the Recycled Water Services Fund are Recycled Water Operating Fund transfers followed by a portion of the property tax receipts. Expenditures include CIP project expenditures and debt service.

Capital Fund Reserves: Established to maintain \$0.2 million to fund emergency repairs or replacements. The primary source of funds for the Capital Fund are transfers from the Operating Fund. The Capital Fund Target for Fiscal Year 2023-24 is \$0.2 million.

Wastewater Services Funds

Operating Fund

The primary source of funds for the Wastewater Operating Fund are wastewater monthly and flow service charges and investment earnings. Expenditures include Wastewater Operating labor and non-labor and a portion of the District's Administrative Services costs.

Operating Fund Reserve: Established to maintain six months operating and maintenance expenses. The Operating Fund Target for Fiscal Year 2023-24 is \$3.3 million.

Capital Fund

The primary source of funds are Wastewater Capital Improvement charges, connection fees, property tax receipts, and meter fees. Expenditures include CIP project expenditures and debt service.

Capital Fund Reserve: Established to maintain \$2 million to fund emergency repairs or replacements. The primary source of funds for the Capital Fund are Wastewater Capital Improvement Charge and Wastewater Capacity Charge revenues. The Operating Fund Target for Fiscal Year 2023-24 is \$2 million.

Community Benefit Program Fund

The sole source of funds for the Operating Fund are a portion of the District's property tax revenues. There is no reserve target for this fund.

Fund Summary

The Districts total water target fund balance (20.9 million) equals the water services operating fund (10.3 million), the water services capital fund (5 million) and the water debt services fund (5.6 million). The total recycled water target fund balance (0.6 million) equals the recycled services operating fund (0.4 million) and the recycled water services capital fund (0.2 million). The total wastewater target fund balance (5.3 million) equals the wastewater services operating fund (3.3 million) and the wastewater services capital fund (2 million). The District’s projected Fiscal Year 2023-24 year-end balances are shown in the table below.

Table #1 - Total Fund Balances

Service	Target Balance (Millions)	Projected Fiscal Year 2023-24 Ending Balance (Millions)
Water	\$ 20.9	\$ 19.2
Recycled Water	\$ 0.6	\$ 0.2
Wastewater	\$ 5.3	\$ 2.8
Community Benefit Program	N/A	\$ 0.5
Total	\$ 26.8	\$ 22.7

Other Funds Maintained by the District

Section 115 Pension and OPEB Trust Fund

This fund was set up in Fiscal Year 2016-17 as an irrevocable trust established for the benefit of the pension and Other Post-Employment Benefits (OPEB) beneficiaries. The fund is managed by Public Agency Retirement Services (PARS) and is restricted in its use to funding pension and OPEB expenditures. The funds restricted for OPEB and pension costs are tracked in the fund. The fund balance was \$9.8 million on March 31, 2023. The District OPEB obligation is nearly fully funded and no additional contributions will be made this budget. The District has developed a strategy to use returns from the fund to help off-set on-going OPEB costs. Details on the District’s pension and OPEB obligations are provided in Appendix D.

District’s Financial Management Policies

The District maintains certain policies that govern aspects of the District’s financial management. The District maintains the following policies:

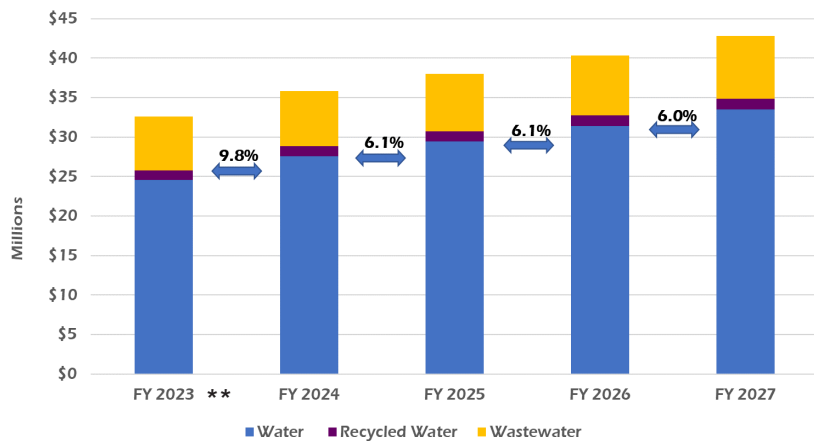
- [Debt Management Policy – Defines the District’s debt management \(available on website\)](#)
- [Investment Policy – Establishes permitted investments in compliance with State Code \(Article 18 of the District’s Administrative Code\)](#)
- [Fund Balance Policies – Sets target balances for reserves and working capital \(Article 6 of the District’s Administrative Code\)](#)
- [Capitalization Policy – Establishes the parameters for defining an operating or capital expenditure](#)

These policies can be found on the District’s website as standalone documents or as part of the District’s Administrative Code. Appendix C also provides a copy of the District’s Capitalization Policy and other policies for ease of reference.

Financial Summaries

The rate and charge increases included in the 2024 projections are in line with the increases approved by the Board in December 2022 as part of the 2022 Water, Recycled Water and Wastewater Rate Study Report (the Report) and Proposition 218 process. The Report lays out the District’s Comprehensive Financial Plan (the Financial Plan) for Calendar Years 2024, 2025, 2026, 2027 and 2028. Because the rate and charge increases are effective for a calendar year, the impact of a rate increase spans two fiscal years. The projections take this into account and show revenues on a fiscal year basis with the underlying rate increases. While the Financial Plan provides guidance on the maximum permitted annual rate and charge increases, the Board adopts the rates and charges in December of each year based upon updated financial information. Since no decision on the Calendar Year 2024 rate and charge increases has been made at this time, the water, recycled water and wastewater rate increases for the Budget are projected to be 6.5%, 2.5%, and 5%, respectively. Chart 1 shows the projected increase in revenues due to the rate adjustments. The large increase in Fiscal Year 2022-2023 is driven by a return to average water sales levels. **Appendix A provides the detailed revenue, expense and fund balance projections for Water, Recycled Water and Wastewater operations.**

Chart #1 - Projected Total Rate Revenues *



* Total Rate Revenue increases shown

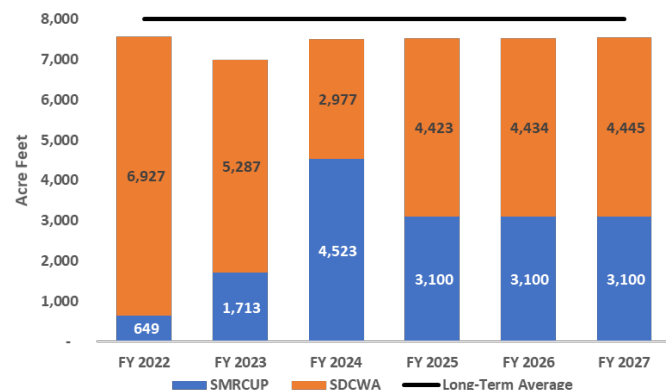
** Projected revenues based upon current District sales projections

Looking Forward

This year the pivotal decision on detachment should be clear. The outcomes: Remain a SDCWA customer and face escalating water costs as water demand from core customers like the City of San Diego reduce water demands; or become an EMWD customer and secure meaningful rate relief for District rate payers.

This section provides an overview of the District’s overall projected financial operations. Table 1 provides a detailed summary of the District’s revenues and expenditures and the projected year-end fund balances. Revenues from the District’s water, recycled water and wastewater services are projected to increase over the projection period driven by rate and charge increases. Non-operating revenues are projected to rise at rates of inflation in line with levels assumed in the Report. Wholesale water rates are projected to increase annually in line with past averages driven by State and regional water supply reliability related costs. As shown in Chart 2, in Fiscal Year 2023-24, the District is projecting 4,523 AF delivered from the SMRCUP. The SMRCUP deliveries are expected

Chart #2 - Wholesale and Local Supply Mix



to return to the projected average of 3,100 AF for the remainder of the projection period as shown in Chart 2. The 18.9% decrease in Fiscal Year 2023-24 purchased water costs is driven by increased SMR water deliveries and less water purchased from SDCWA. Fluctuations in SMR water deliveries change the District’s non-labor costs significantly, this is the result of utility (power) and chemical operating cost of the SMGTP. Utility and chemical costs are directly related to and go up and down with the amount of SMR water treated by the plant.

Table #1 - Fallbrook Public Utility District’s Financial Projections

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenues					
Revenue from Rates					
Water	\$ 24,579,212	\$ 27,603,306	\$ 29,453,472	\$ 31,411,174	\$ 33,492,715
Recycled Water	1,267,442	1,299,770	1,331,501	1,364,396	1,398,435
Wastewater	6,820,069	6,971,339	7,285,954	7,604,301	7,926,443
Subtotal Revenue from Rates	\$ 32,666,723	\$ 35,874,415	\$ 38,070,927	\$ 40,379,871	\$ 42,817,593
Other Operating Revenue					
Pass-through Charges					
MWD RTS Charge*	\$ 130,039	\$ -	\$ -	\$ -	\$ -
SDCWA IAC Charge	603,768	608,142	635,035	679,487	727,051
Pumping Charge	100,000	100,000	100,000	100,000	100,000
Backflow Charge	200,000	200,000	200,000	200,000	200,000
Sundry**	101,000	75,000	75,000	75,000	75,000
Other Revenue Subtotal	\$ 1,134,807	\$ 983,142	\$ 1,010,035	\$ 1,054,487	\$ 1,102,051
Non-Operating Revenue					
Water Availability Charge***	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
1% Property Tax	2,417,248	2,700,000	2,710,462	2,731,833	2,753,692
Investment Earnings	122,819	400,923	306,318	289,233	308,975
Water Capital Improvement Charge	1,581,828	1,740,011	1,879,211	2,010,756	2,151,509
Pumping Capital Improvement Charge*	6,760	-	-	-	-
Other Revenue	306,261	312,386	318,634	325,007	331,507
Gain or Loss on Sale of Assets/	178,749	-	-	-	-
SDCWA Refund	-	-	-	-	-
Grant Funds	569,957	-	-	-	-
Water Capacity Fees	105,000	85,000	85,128	85,255	85,383
Wastewater Capital Improvement Charge	1,244,630	1,328,198	1,394,608	1,450,392	1,508,408
Wastewater Capacity fees	70,000	45,000	45,068	45,135	45,203
Federal Interest Rate Subsidy	84,516	70,261	55,178	39,233	22,388
Subtotal Non-Operating Revenue	\$ 6,887,767	\$ 6,881,779	\$ 6,994,606	\$ 7,176,844	\$ 7,407,064
Total Revenues	\$ 40,689,298	\$ 43,739,336	\$ 46,075,567	\$ 48,611,203	\$ 51,326,709

* Starting in FY 2023-2024, the RTS is not treated as a pass-through and the Pumping Capital Improvement Charge is discontinued.

** Sundry revenue is comprised of miscellaneous revenues and includes revenues from sale of assets taken out of service, which includes sale of equipment and vehicles.

*** Fee is charge on a per acre or parcel basis in service area, which is not expected to change.

Table #1 - Fallbrook Public Utility District's Financial Projections, cont.

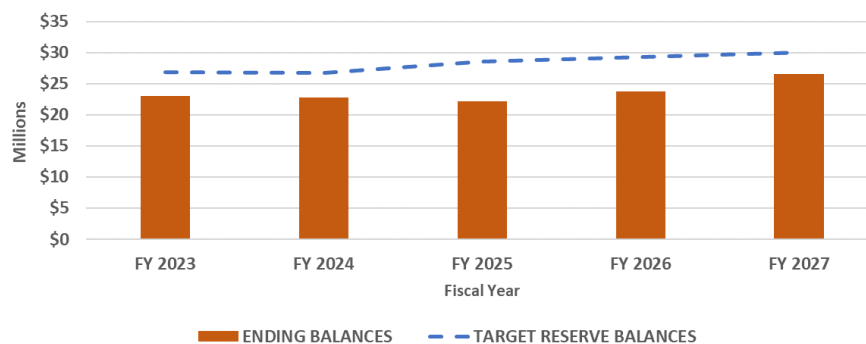
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Total Revenues	\$ 40,689,298	\$ 43,739,336	\$ 46,075,567	\$ 48,611,203	\$ 51,326,709
Operating Expenses					
Water Supply Costs					
SDCWA Purchased Water Costs*	\$ 11,167,836	\$ 8,338,813	\$ 11,291,860	\$ 11,942,963	\$ 12,587,418
SMRCUP Supply Costs	612,878	1,219,265	871,128	905,973	942,212
Subtotal Water Supply Costs	\$ 11,780,714	\$ 9,558,078	\$ 12,162,988	\$ 12,848,937	\$ 13,529,630
Labor Costs	3,763,190	3,865,068	4,111,115	4,313,962	4,526,844
Fringe Benefits	2,242,015	2,497,331	2,634,684	2,766,418	2,904,739
Services, Materials & Supplies	3,121,475	3,997,356	4,178,547	4,348,440	4,525,266
Administrative Expenses	7,268,608	7,934,072	8,291,105	8,622,750	8,967,660
Community Benefit Program	35,452	546,000	546,000	546,000	546,000
Total Operating Expenses	\$ 28,211,454	\$ 28,397,906	\$ 31,924,439	\$ 33,446,507	\$ 35,000,139
Net Operating Revenues	\$ 12,477,844	\$ 15,341,430	\$ 14,151,128	\$ 15,164,696	\$ 16,326,569
Total Debt Service	\$ 3,822,936	\$ 5,463,081	\$ 5,465,583	\$ 5,461,244	\$ 5,461,925
Total Capital Expenditures	\$ 6,042,979	\$ 10,229,500	\$ 9,216,162	\$ 8,155,115	\$ 8,069,006
Total Expenditures	\$ 38,077,369	\$ 44,090,487	\$ 46,606,184	\$ 47,062,866	\$ 48,531,070
Change in Net Position	\$ 2,611,929	\$ (351,151)	\$ (530,616)	\$ 1,548,337	\$ 2,795,639
Beginning Balances	\$ 20,469,853	\$ 23,081,782	\$ 22,730,631	\$ 22,200,015	\$ 23,748,352
Ending Balance	\$ 23,081,782	\$ 22,730,631	\$ 22,200,015	\$ 23,748,352	\$ 26,543,990

*Detail on purchased water costs provided on page 50. Purchased water costs include MWD RTS and Capacity Charges, SDCWA IAC Charge and Pumping Costs.

Debt service and capital expenditures are deducted from the District's Net Operating Revenues to determine the change in Net Position for the fiscal year. The Fiscal Year 2023-24 Change in Net Position shows the District is withdrawing from reserves in that particular fiscal year. In Fiscal Year 2023-24, the District's projected withdrawal of \$351,151 from reserves is being driven by an increase in the PAYGO CIP expenditures.

The Beginning Balance shows the funds available at the start of the year and the Ending Balance shows the funds that are available after the year is over. The chart below shows the Target Reserve levels compared to the projected fund balances. **Appendix A provides the detailed revenue, expense and fund balance projections for Water, Recycled Water and Wastewater operations.**

Chart #3 - District Fund Balances and Target Level



Water Services Sources of Funds

The primary source of funds for water operations is water sales revenues. Water sales levels determine the District's water sales revenues. Because Fallbrook is located in a semi-arid region of the United States and is subject to significant fluctuations in the level of water demands, each year careful attention is paid to the projected level of water sales. Heading into the Fiscal Year 2023-24 budget cycle, California's water reservoir levels have recovered due to the record setting wet weather of the winter. Overall California water reservoirs are above their historical averages (see Figure 1). However, as a result of the recent drought and changes in water use behavior, water sales are not projected to return to the District's long-term average sales level at 8,000 AF. The District is conservatively projecting sales at 7,500 AF, as shown in the table below.

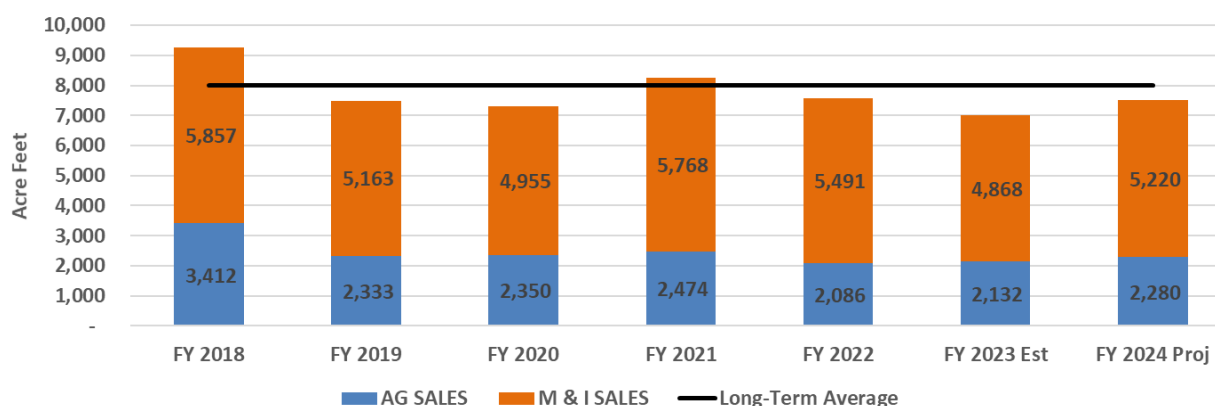
The District's sales over the last five years including the estimate for the current fiscal year and the projected water sales for the budget period are shown in Table 1. The table shows water production and total sales; production includes system losses, and water sales are units sold to customers. The sales are also split between Municipal & Industrial (M&I) customers and Agriculture (AG) customers. AG customers are eligible for a reduced water rate in exchange for a lower level of water supply reliability or put simply, agricultural customers have to cut back more than other customers when water restrictions are in place.

Table #1 - Five-Year Production and Sales History

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 Estimated	FY 2023-24 Projected
Production	10,090	8,043	7,986	8,918	8,244	7,568	8,108
Total Sales (adjusted for system losses)	9,269	7,496	7,305	8,242	7,576	7,000	7,500
AG Sales	3,412	2,333	2,350	2,474	2,086	2,132	2,280
M&I Sales	5,625	5,163	4,955	5,768	5,491	4,868	5,220

As the table and chart shows, recent years have been impacted by restrictions in use levels, wet weather and changes in customer use patterns all of which have resulted in reduced water demands. While the District's Fiscal Years 2018-19 and 2019-20 water demands were low, Fiscal Year 2022-23 is expected to set a new all-time low for District water sales. The persistent trend in lower water demands shown in the table is not just impacting the District. Many regional water agencies are experiencing the same trend in water sales. The projected Fiscal Year 2023-24 water sales are 6% under the average to reflect the trend in water sales and recent water sales levels.

Chart #1 - Water Sales Trends



The Water Services operating and non-operating revenues are shown in Table 2. Water sales revenues are those collected by the District for water usage during a billing cycle. Each of the District’s customers are charged a fee based upon their user class and for water purchased in that billing period. The monthly water fixed service charge revenues are an important revenue stream for the District because they are not subject to volatility in water demands. The District passes through the SDCWA Infrastructure Access Charge (IAC). The revenue projection for Fiscal Year 2023-24 provided here include rate and charge increases in line with what was approved by the Board as part of the 2022 Water, Recycled Water and Wastewater Rate Study Report (the Report). The primary drivers of the 6.3% revenue increase budget to budget are increases in non-sales revenues. The Water Capital Improvement Charge increase is being driven by inflation adjustments to that charge. The increase in investment earnings is due to higher interest rates and the increase in property tax revenues is due to escalating real estate values. Fiscal Year 2022-23 revenues are projected to be slightly below budgeted levels.

Figure #1 - State Reservoir Conditions

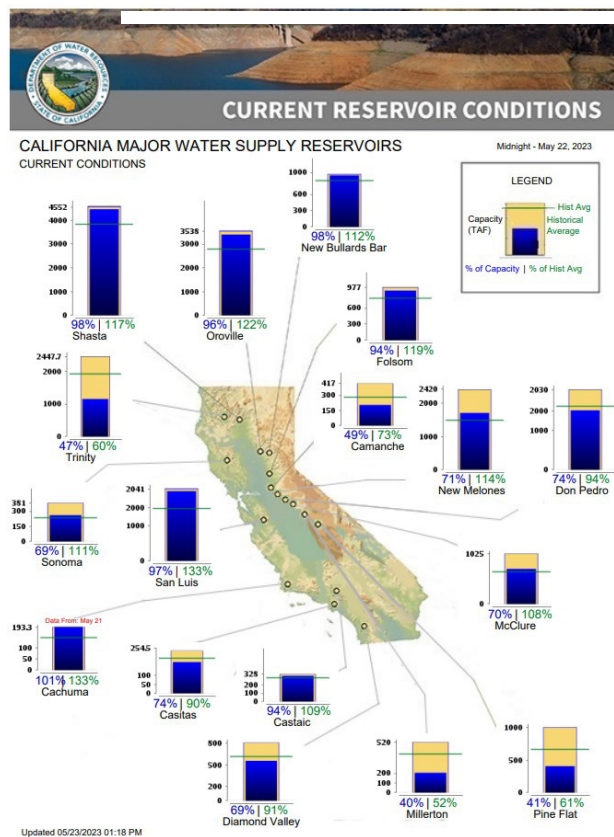


Table #2 - Water Services Sources of Revenue

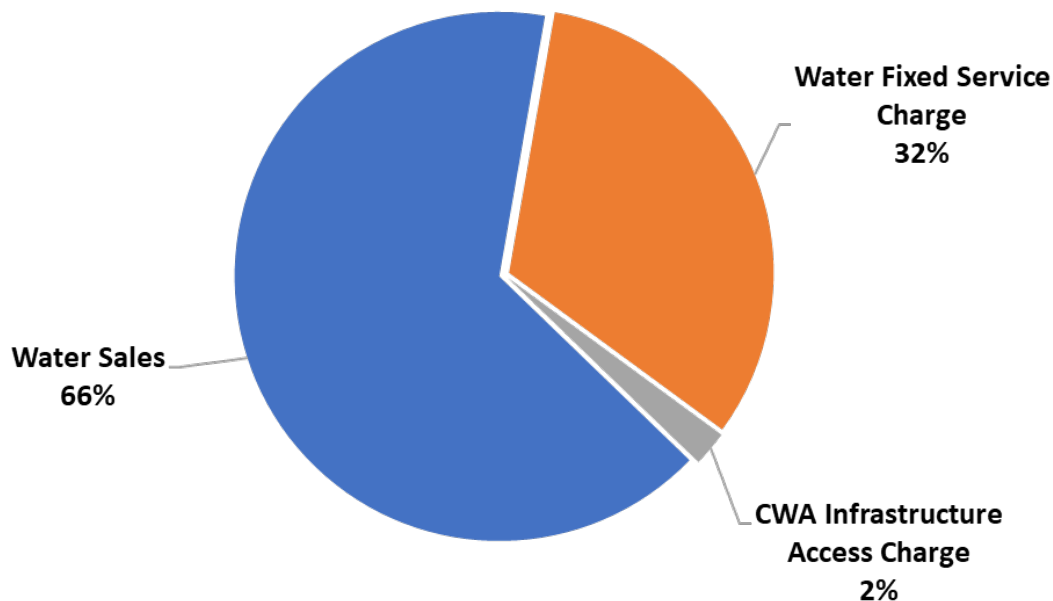
Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Operating Revenues:					
Water Sales	\$ 16,705,841	\$ 18,237,586	\$ 16,398,736	\$ 18,689,594	2.5%
Water Fixed Service Charge	7,664,909	8,334,524	8,480,477	9,213,712	10.5%
MWD Readiness-to-Service Charge*	260,078	264,774	130,039	-	-100.0%
SDCWA Infrastructure Access Charge	553,505	603,192	603,768	608,142	0.8%
Total Operating Revenue	\$ 25,184,333	\$ 27,440,076	\$ 25,613,019	\$ 28,511,448	3.9%
Non-Operating Revenues:					
Water Capital Improvement Charge	\$ 1,457,378	\$ 1,494,870	\$ 1,581,828	\$ 1,740,011	16.4%
Property Tax **	1,245,229	514,754	711,681	854,000	65.9%
Water Availability Charge	202,234	208,842	200,000	200,000	-4.2%
Water Capacity Charges	97,257	112,283	105,000	85,000	-24.3%
Investment Earnings	151,296	125,392	108,413	381,762	204.5%
Pumping Capital Improvement Charge*	13,519	32,756	6,760	-	-100.0%
Gain/Loss on sale of assets/SDCWA Refund	875,941	-	178,749	-	N/A
MWD Local Resource Program	197,884	-	-	-	N/A
COVID Relief Grant	151,343	-	-	-	N/A
Other Revenue	61,450	53,009	84,000	60,000	13.2%
Cell Lease Revenue	300,256	261,189	306,261	312,386	19.6%
Total Non-Operating Revenue	\$ 4,753,787	\$ 2,803,095	\$ 3,282,691	\$ 3,633,159	29.6%
Total Revenues	\$ 29,938,120	\$ 30,243,171	\$ 28,895,711	\$ 32,144,607	6.3%

* Starting in FY 2023-2024, the RTS is not treated as a pass-through and the Pumping Capital Improvement Charge is discontinued.

**Property tax revenue reduced by \$546,000 in Fiscal Years 2022-23 and 2023-24 for Community Benefit Program.

As Chart 2 shows, water sales revenues represent 66% of the District’s water operating revenues with the remaining 34% of revenues coming from other sources that are independent from water sales. This variable/fixed mix of revenue means that operating revenues are subject to volatility due to water sales levels. Managing this volatility requires good fiscal planning and the use of reserves to make up any unanticipated shortfalls. The primary sources of non-operating revenues are the water Capital Improvement Charge, which is a fixed charge restricted to fund only capital projects, and property tax and Water Availability Charge revenues. Other revenues include investment earnings and other income.

Chart #2 - Fiscal Year 2023-24 Water Services Operating Revenues



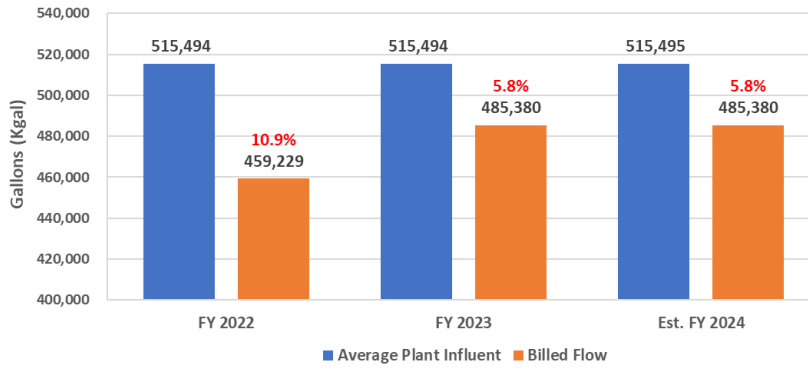
Wastewater Services Sources of Funds

Wastewater revenue is relatively stable since it is billed based upon indoor water used. To estimate the amount of water used indoors that is returned to the sewer, a return to sewer factor is applied to each user class. For residential users, the return to sewer factor is applied to their 3-month winter average. The winter months, which are typically wet, allow indoor use to be estimated since outdoor/landscape use is at a minimum. However, even the winter average use is adjusted to reflect some level of residential outdoor/landscape, which is not returned to the sewer. This methodology limits the impact weather has on billable sewer flows.

As part of the Report, the Board modified the wastewater bill methodology slightly to increase the fixed component of the wastewater bill. While there is still a use based variable component in the bill, the District is increasing the fixed component of the bill from approximately 35% of the average bill to 70% of the average bill over the next 5-years. This better reflects the cost of providing wastewater services which does not vary much from year to year. The revenue projection for Fiscal Year 2023-24 provided here includes rate and charge increases in line with what was approved by the Board and billable residential wastewater flows using the adopted phase-in of the new billing methodology.

Historic averages provide a good basis from which flows and revenue projections can be evaluated. The chart on the following page shows the average annual flows at the plant (Plant Influent) and the billable wastewater flows projected for this budget period. The variance between Average Plant Influent and Billable Flows is shown in red. The projection for Fiscal Year 2023-24 shows billable flows remain flat from the Fiscal Year 2022-23 flow levels. Prior to adopting rates and charges in December 2023, the Board will review current financial information and adopt rate and charge increases for Calendar Year 2024.

Chart #3 - Wastewater Services Annual Flows

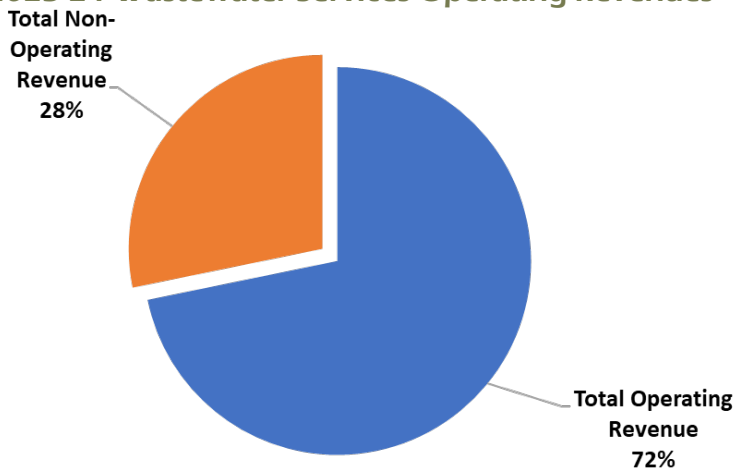


Wastewater Services operating and non-operating revenues are shown in Table 3 and Chart 4. The primary source of operating revenue for Wastewater Services is the Wastewater Service Charge. The primary non-operating revenues are the Wastewater Capital Improvement charge, which, like the Water Capital Improvement Charge, is restricted to fund only capital projects. Other non-operating revenues include property tax revenues.

Table #3 - Wastewater Services Sources of Revenue

Description	FY 2021-22 Actual	FY 2022-23		FY 2023-24 Budget	Budget to Budget Change (%)
		Amended Budget	Projected		
Operating Revenue					
Wastewater Service Charges	\$ 6,323,887	\$ 6,829,867	\$ 6,820,069	\$ 6,971,339	2.1%
Sundry Other Revenue	12,966	1,000	12,000	10,000	900.0%
Total Operating Revenue	\$ 6,336,853	\$ 6,830,867	\$ 6,832,069	\$ 6,981,339	2.2%
Non-Operating Revenue					
Wastewater Capital Improvement Charge	\$ 1,179,305	\$ 1,185,754	\$ 1,244,630	\$ 1,328,198	12.0%
Property Tax	1,094,591	1,080,597	1,105,537	1,235,000	14.3%
Wastewater Capacity Charges	95,944	41,178	70,000	45,000	9.3%
Investment Earnings	82,914	12,281	14,834	15,131	23.2%
Federal Interest Rate Subsidy	99,240	84,516	84,516	70,261	-16.9%
Grant Funds	33,419	-	-	-	N/A
Total Non-Operating Revenue	\$ 2,585,413	\$ 2,404,326	\$ 2,519,518	\$ 2,693,590	12.0%
Total Revenues	\$ 8,922,266	\$ 9,235,193	\$ 9,351,587	\$ 9,674,929	4.8%

Chart #4 - Fiscal Year 2023-24 Wastewater Services Operating Revenues



Recycled Water Services Sources of Funds

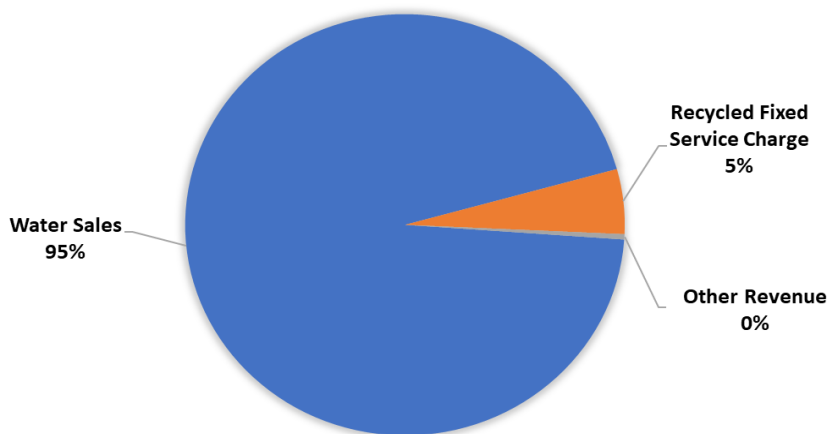
While recycled water sales are subject to weather driven water demands, these customers are not subject to use restrictions due to drought. It is for this reason that many have chosen to be a recycled water customer. While the District is expanding the distribution system, the customer base is relatively small and demands have remained static even with additional customers. Therefore, the historic average adjusted for a small level of growth provide a good basis from which revenues can be budgeted from. The projected recycled water sales for Fiscal Year 2023-24 is 610 acre-feet, which is the same as the prior year’s budget. The revenue projection for Fiscal Year 2023-24 provided here include rate and charge increases in line with what was approved by the Board. The Board will review and adopt Calendar Year 2024 rates in December 2023.

Recycled Water Services operating and non-operating revenues are shown in Table 4 and Chart 5. The reduction in the Recycled Fixed Service Charge is due to a true up of the meter count. The primary source of operating revenue for Recycled Water Services is water sales revenue. Recycled Water Services customers pay a per unit rate for recycled water. The District is actively exploring opportunities to more fully utilize the recycled water available. This includes expanding retail sales and utilizing the recycled water as part of an indirect potable water supply. Other operating revenues include the Fixed Recycled Water Charge. Investment earnings and property tax make up the only non-operating revenues.

Table #4 - Recycled Water Services Sources of Revenue

	FY 2021-22 Actual	FY 2022-23 Amended Budget Projected		FY 2023-24 Budget	Budget to Budget Increase (%)
Operating Revenues					
Recycled Water Sales	\$ 1,169,287	\$ 1,221,943	\$ 1,205,261	\$ 1,235,911	1.1%
Recycled Fixed Service Charge	58,063	72,861	62,181	63,859	-12.4%
Other Revenue	5,000	5,000	5,000	5,000	0.0%
Total Operating Revenue	\$ 1,232,350	\$ 1,299,803	\$ 1,272,442	\$ 1,304,770	0.4%
Non-Operating Revenues					
Property Tax	\$ 57,609	\$ 54,030	\$ 54,030	\$ 65,000	20.3%
Investment Earnings	2,369	3,184	(428)	4,030	26.6%
Grant Revenue	213,368	-	569,957	-	N/A
Total Non-Operating Revenue	\$ 273,346	\$ 57,214	\$ 623,558	\$ 69,030	20.7%
Total Revenues	\$ 1,505,696	\$ 1,357,018	\$ 1,896,000	\$ 1,373,800	1.2%

Chart #5 - Fiscal Year 2023-24 Recycled Water Services Operating Revenues



Community Benefit Program Sources of Funds

The Community Benefit Program (CBP) maintains public spaces in the District’s service area. The primary source of revenue for the Community Benefit Program is a portion of the District’s water property tax revenues. Each year the Board will determine the amount that will be transferred into the CBP fund, and a Board appointed committee manages these funds.

Table #5 - Community Benefit Program Sources of Revenue

	FY 2021-22 Actual	FY 2022-23		FY 2023-24 Budget	Budget to Budget Increase (%)
		Amended Budget	Projected		
Non-Operating Revenues					
Property Tax	\$ -	\$ 546,000	\$ 546,000	\$ 546,000	0.0%
Total Non-Operating Revenue	\$ -	\$ 546,000	\$ 546,000	\$ 546,000	0.0%
Total Revenues	\$ -	\$ 546,000	\$ 546,000	\$ 546,000	0.0%



Operating Budget

Overview

The District, while relatively small, provides a wide range of services to residents. This section of the budget document provides a detailed description of the District’s budgeted use of funds (operating expenses) for each division/function. To make the budget easy to follow, the District’s Operating Budget is broken out into its main cost centers. The cost center breakdown is: Administrative Services, Water Services, Wastewater Services, Recycled Water Services (collectively the Services). In addition, the Community Benefit Program (CBP), that maintains public spaces in the District’s service area, has been added as a stand-alone program to maximize financial transparency.

This section also provides a detailed breakdown of the District’s employer-paid employee benefits and debt-service costs. Each of the District’s Services are allocated a portion of the District’s benefits costs based upon the Services’ share of total labor costs. The allocation of the benefits’ costs is detailed in the benefit cost section and each of the Districts Services’ operating budgets. It is denoted as Allocated Benefits Expenditures on each Services’ Total Operating Budget Summary Table. The Recommended FY 2023-24 Budget includes a 5.7% increase in the total Operating Budget.

In addition to a detailed budget to fund day-to-day operations, this section also provides a description of the divisions within each of the Services. Each division performs a specific program or function. The Services budget’s are developed to support the long and short-term strategic goals of the District.

Appendix A provides the detailed revenue, expense and fund balance projections for District operations.

Table #1 - Overview of Total Services’ Operating Budget

Description	FY 2021-22	FY 2022-23			FY 2023-24	Budget to Budget Change (%)
	Actual	Original Budget	Amended Budget	Projected	Budget	
Water Supply Costs	\$ 13,245,830	\$ 13,617,771	\$ 11,780,714	\$ 11,780,714	\$ 9,558,078	-18.9%
Debt Service	3,621,118	3,730,508	3,822,936	3,822,936	5,463,081	42.9%
Total Labor *	5,847,082	6,064,174	6,400,447	6,400,447	6,813,579	6.5%
Total Non-Labor**	5,725,303	6,309,478	5,973,205	5,973,205	7,625,467	27.7%
Operating Total	\$ 28,439,333	\$ 29,721,931	\$27,977,302	\$27,977,302	\$ 29,460,206	5.3%
Benefits Expenses	3,940,375	4,057,087	4,057,087	4,057,087	4,400,781	8.5%
Total Services Operating Budget	\$ 32,379,708	\$ 33,779,018	\$32,034,389	\$ 32,034,389	\$ 33,860,987	5.7%

* Total Labor does not include District’s Benefits

** Total Non-Labor includes \$544,536 for Community Benefit Program

Administrative Services

Administrative Services includes a wide range of functions that support the District’s core services: water, wastewater and recycled water. The Organizational Chart on page 22 shows the broad scope of functions captured in the Administrative Services budget. Administrative Service functions are listed on the following page:

- Manages District operations and capital projects
- Implements and maintains District policies and procedures
- Directs and maintains District documents and archives
- Supports activities of the Board of Directors
- Coordinates District legal activities
- Oversees the District’s financial management including debt management, budget, annual audit, treasury and other required financial reporting
- Maintains customer accounts and billing for water, wastewater and recycled water
- Oversees permit process, right of way and District Geographic Information System (GIS) data
- Manages District contracts, and service and construction services procurement
- Administers the District’s water conservation and agricultural water programs
- Creates and administers public outreach activities
- Provides human resources support to the District
- Coordinates and monitors District safety and risk management programs

Administrative Services is broken down into divisions that support a specific Administrative Service’s function. Administrative Services historic and proposed staffing levels are shown in Table 2.

Table #2 - Administrative Services Approved Positions

Position	Actual FTE* FY 2021-22	Actual FTE* FY 2022-23	Proposed FTE* FY 2023-24
General Manager	1.0	1.0	1.0
Executive Assistant/ Board Secretary	1.0	1.0	1.0
Assistant General Manager/Chief Financial Officer	1.0	1.0	1.0
Human Resources Manager	1.0	1.0	1.0
Senior Accountant	1.0	-	-
Supervising Accountant	-	1.0	1.0
Accounting Technician I & II	2.0	2.0	2.0
Management Analyst	1.0	1.0	1.0
Safety & Risk Officer	1.0	1.0	1.0
Information Systems Tech	1.0	1.0	1.0
Senior Engineer	-	-	-
Engineering Manager	1.0	1.0	1.0
Administrative Office Specialist	1.0	-	-
Human Resources Technician	-	1.0	1.0
Engineering Technician I, II & III	3.0	3.0	3.0
GIS Coordinator	1.0	1.0	1.0
Operations Specialist	1.0	1.0	1.0
Public Affairs Specialist	1.0	1.0	-
Public Information Officer	-	-	1.0
Customer Service Specialist	2.0	1.0	1.0
Customer Service Representative I & II	1.0	2.0	2.0
Purchasing Warehouse Supervisor **	1.0	0.95	0.99
Warehouse Purchasing Specialist	1.0	1.0	1.0
Equipment Mechanic	1.0	1.0	1.0
TOTAL FTE	24.0	23.95	23.99

* FTE - Full-Time Equivalents

** Reduced Purchasing Warehouse Supervisor FTE due to the allocation of time to the Community Benefit Program for FY 23 and FY 24.

The divisions and their activities are summarized below.

The Office of the General Manager

- Oversee all District operations
- Plan, organize and conduct Board of Directors activities and meetings in addition to supporting Board policy development and execution
- Manage legal activities including public hearing and other required notices
- Serve as public liaison to the Community and other entities (i.e. San Diego County Board member) and manages public relations
- Manages District documents, contracts, and Board of Director meeting agendas and minutes

Finance and Customer Services

- Manage and maintain the District's financial and customer information
- Develop and monitor the District's annual budget
- Manage the annual financial audit and develop financial reports
- Maintain and execute the District's financial policies and procedures
- Manage the District's payroll process, and treasury and debt-management functions
- Establish and monitors the District's internal controls
- Maintain customer service counter and phone line for questions and payment
- Generate and monitor customer bills

Warehouse and Purchasing

- Issue requests for proposals, and solicitations for equipment, supplies and materials
- Maintain and manage District equipment, supplies and materials inventory
- Manage purchasing contracts for materials, supplies, equipment and services
- Maintain and manage the District's Fleet Services vehicles

Human Resources

- Establish and maintain effective employee relations
- Implement and administer District personnel policies, practices and procedures, and various programs including the performance appraisal system
- Manage recruitment and selection activities, employee benefits and recognition, and training and technical certification
- Support Memorandum of Understanding (MOU) negotiations

Information Management

- Maintain, troubleshoot and upgrade the District's network servers, workstations, copiers and printers, phone system and wireless services
- Create and maintains the District's information system's policies and procedures
- Manage the security of the District's information management systems

Engineering Services

- Oversee implementation of the District’s Capital Improvement Program
- Maintain records of District easements, as-built facility drawings and facility location drawings
- Design, develop and maintain the District GIS program
- Provide customer service for water and sewer service
- Process water and sewer requests for new service
- Support outside developer and County projects
- Participation in County subdivision map process for new development
- Assess water and sewer availability and develop requirements
- Review and plan check developer water and sewer improvement plans
- Inspect and document developer installation of District facilities

Vehicle Services/Shop

- Service and repair small and large equipment and vehicles

Safety and Risk

- Manage and administer the District’s safety and risk program
- Investigate claims against the District and conduct accident/incident investigations
- Maintain and update the District’s Emergency Response Plan and conduct vulnerability assessments

Overall the Administrative Services budget is increasing in line with inflationary pressures. Labor is increasing in line with the cost of living adjustment set forth in the District’s most recent Memorandums of Understanding negotiated. Non-Labor is being driven by a large increase in the District’s insurance costs. The insurance increase is being driven by a combination of industry wide fee hikes and the increased frequency of claims paid.

Table #3 - Administrative Services Total Operating Budget Summary

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Total Labor*	\$ 2,473,920	\$ 2,713,010	\$ 2,630,296	\$ 2,947,047	8.6%
Total Non-Labor	2,770,747	2,800,141	2,823,240	3,083,575	10.1%
Services Operating Total	\$ 5,244,667	\$ 5,513,151	\$ 5,453,536	\$ 6,030,622	9.4%
Allocated Benefits Expenditures**	1,667,186	1,815,072	1,815,072	1,903,450	4.9%
Total Services Budget	\$ 6,911,853	\$ 7,328,223	\$ 7,268,608	\$ 7,934,072	8.3%

* Total Labor does not include District’s Benefits

** Includes transfer to Pension/OPEB Trusts

Table #4 - Administrative Services, Division Budget to Budget Comparison

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Office of the General Manager					
Labor:					
Salaries	\$ 464,134	\$ 471,492	\$ 462,735	\$ 506,019	7.3%
Non-Labor:					
Director Expenses	37,965	40,000	40,000	40,000	0.0%
General & Administrative	12,587	14,500	14,500	14,500	0.0%
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	96,312	84,800	85,022	83,800	-1.2%
Professional Services	583,898	410,000	416,031	410,000	0.0%
Memberships/Training/Permits	75,996	88,000	88,115	91,000	3.4%
Santa Margarita Watermaster	124,730	135,073	125,188	131,447	-2.7%
Total Non-Labor	\$ 931,488	\$ 772,373	\$ 768,856	\$ 770,747	-0.2%
Division Operating Total	\$ 1,395,622	\$ 1,243,865	\$ 1,231,591	\$ 1,276,766	2.6%

Finance & Customer Service					
Labor:					
Salaries	\$ 752,123	\$ 856,036	\$ 824,929	\$ 920,737	7.6%
Non-Labor:					
Contractor Services	33,939	24,000	28,703	24,000	0.0%
Equipment (Non Capital)	1,287	4,500	1,500	4,500	0.0%
Materials/Services/Supplies	149,692	145,200	141,993	147,700	1.7%
Professional Services	184,165	181,500	176,940	123,500	-32.0%
Memberships/Training/Permits	1,830	2,700	2,700	2,700	0.0%
Utilities	-	-	-	-	NA
Total Non-Labor	\$ 370,913	\$ 357,900	\$ 351,836	\$ 302,400	-15.5%
Division Operating Total	\$ 1,123,035	\$ 1,213,936	\$ 1,176,765	\$ 1,223,137	0.8%

Warehouse & Purchasing					
Labor:					
Salaries	\$ 177,031	\$ 174,529	\$ 192,708	\$ 213,567	22.4%
Non-Labor:					
Contractor Services	171,762	135,000	135,000	150,000	11.1%
Equipment (Non Capital)	189	500	1,000	1,000	100.0%
Materials/Services/Supplies	121,728	119,500	148,500	124,500	4.2%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	709	1,000	1,000	1,000	0.0%
Utilities **	41,925	45,000	52,000	45,000	0.0%
Total Non-Labor	\$ 336,313	\$ 301,000	\$ 337,500	\$ 321,500	6.8%
Division Operating Total	\$ 513,344	\$ 475,529	\$ 530,208	\$ 535,067	12.5%

**Utility cost increase driven by actual cost levels.

Table #4 - Administrative Services, Division Budget to Budget Comparison, cont.

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget
	Actual	Amended Budget	Projected	Budget	Change (%)
Human Resources					
Labor:					
Salaries	\$ 233,498	\$ 249,371	\$ 247,964	\$ 270,962	8.7%
Non-Labor:					
Contractor Services	55,302	20,000	13,000	13,000	-35.0%
Equipment (Non Capital)	-	-	72	-	NA
Materials/Services/Supplies	17,368	27,400	15,500	18,300	-33.2%
Professional Services	6,829	10,000	10,000	10,000	0.0%
Memberships/Training/Permits	67,356	98,050	72,583	102,450	4.5%
Education Funding	9,092	7,000	7,000	5,000	-28.6%
Utilities	-	-	-	-	NA
Total Non-Labor	\$ 155,946	\$ 162,450	\$ 118,155	\$ 148,750	-8.4%
Division Operating Total	\$ 389,444	\$ 411,821	\$ 366,119	\$ 419,712	1.9%
Information Management					
Labor:					
Salaries	\$ 98,436	\$ 98,800	\$ 99,389	\$ 107,306	8.6%
Non-Labor:					
Contractor Services	63,071	65,150	65,000	101,025	55.1%
Equipment (Non Capital)	20,152	25,000	25,824	30,000	20.0%
Materials/Services/Supplies	167,389	193,068	179,580	183,338	-5.0%
Professional Services	-	75,000	-	50,000	-33.3%
Memberships/Training/Permits	-	-	-	-	NA
Utilities	-	-	-	-	NA
Total Non-Labor	\$ 250,612	\$ 358,218	\$ 270,404	\$ 364,363	1.7%
Division Operating Total	\$ 349,048	\$ 457,018	\$ 369,792	\$ 471,669	3.2%
Engineering Services					
Labor:					
Salaries	\$ 481,245	\$ 530,440	\$ 529,000	\$ 585,757	10.4%
Non-Labor:					
Contractor Services	-	10,000	13,000	55,000	450.0%
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	42,700	42,000	37,705	47,000	11.9%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	64	500	500	500	0.0%
Utilities	-	-	-	-	NA
Total Non-Labor	\$ 42,764	\$ 52,500	\$ 51,205	\$ 102,500	95.2%
Division Operating Total	\$ 524,009	\$ 582,940	\$ 580,205	\$ 688,257	18.1%

Table #4 - Administrative Services, Division Budget to Budget Comparison, cont.

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to
	Actual	Amended Budget	Projected	Budget	Budget Change (%)
Safety & Risk					
Labor:					
Salaries	\$ 190,607	\$ 217,428	\$ 185,407	\$ 241,955	11.3%
Non-Labor:					
Contractor Services	20,953	25,000	29,000	40,000	60.0%
Equipment (Non Capital)	39,719	70,000	70,314	66,550	-4.9%
Materials/Services/Supplies	24,290	30,200 *	29,743	30,200 *	0.0%
Professional Services	269,838	350,000	465,690	599,865	71.4%
Memberships/Training/Permits	2,367	3,000	2,800	2,700	-10.0%
Utilities	-	-	-	-	NA
Total Non-Labor	\$ 357,167	\$ 478,200	\$ 597,547	\$ 739,315	54.6%
Division Operating Total	\$ 547,774	\$ 695,628	\$ 782,954	\$ 981,270	41.1%

*Includes \$20,000 budget for potential small claims.

Vehicle Services & Shop					
Labor:					
Salaries	\$ 76,845	\$ 114,913	\$ 88,163	\$ 100,745	-12.3%
Non-Labor:					
Contractor Services	29,229	27,500	32,273	34,000	23.6%
Equipment (Non Capital)	71	-	-	-	NA
Materials/Services/Supplies	296,244	290,000	295,464	300,000	3.4%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities	-	-	-	-	NA
Total Non-Labor	\$ 325,545	\$ 317,500	\$ 327,737	\$ 334,000	5.2%
Division Operating Total	\$ 402,390	\$ 432,413	\$ 415,900	\$ 434,745	0.5%

Fiscal Year 2022-23 Accomplishments

- Continued working with LAFCO on detachment efforts
- Processed 10 new-hire employees
- Participated and finalized the Emergency Response Plan (ERP) for compliance with America’s Water Infrastructure Act of 2018 (AWIA)
- Submitted for ACWA JPIA H.R. LaBounty Award – 2 FPUD employees received awards
- Revised and updated critical safety policies identified by the safety program audit
- Executed CIP as planned for recycled water and administrative projects
- Revised pipeline replacement project procurement approach and implemented emergency on-call repair services program to improve pipeline replacement execution in the future
- Implemented GASB 87
- Updated the District’s 5-year financial plan and completed a Prop 218 process for rates and charges
- Solicited and selected new independent auditors for the Fiscal Year 2022-23 financial reports

Fiscal Year 2023-24 Goals and Objectives

- Submit for annual ACWA JPIA H.R. LaBounty Award
- Continue to revise and update critical safety policies identified by safety program audit
- Conduct an emergency response drill and update emergency response procedures accordingly
- Further adjust the pipeline replacement contractor procurement process by planning for 2 years of projects in advance to resolve the ongoing supply-chain issues
- Execute planned CIP projects
- Complete the review and selection of a third party administrator for the District’s deferred compensation plans and implement fiduciary oversight of the plans
- Conduct multiple site inspections to ensure stores are properly represented in the District’s inventory
- Develop fleet performance report that assesses the fleet’s operations and maintenance
- Document finance policy and procedure guides

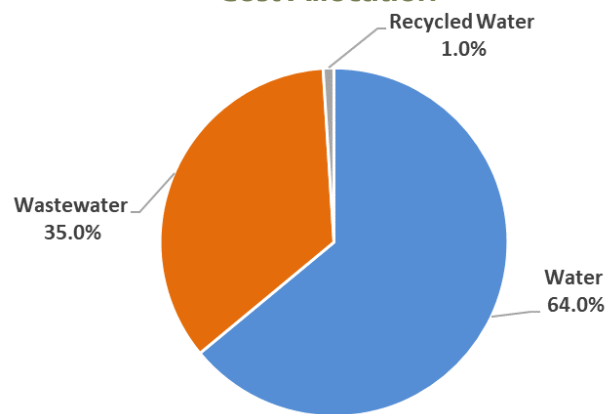
Table #5 - Administrative Services Key Performance Indicators

Strategic Goal	Key Performance Indicator	Target	FY 2021-22 Actual	FY 2022-23 Actual	Target Met
Efficiency	Maintain a Workers Compensation Experience Modification Rate below 1%	Below 1%	0.89%	0.86%	Yes
Efficiency	Maintain an inventory shrinkage rate of less than 1%	Below 1%	0.3%	0%	Yes
Community	Maintain an average customer service call wait time of less than 3 minutes	Below 3 minutes	0:40 seconds	0:59 seconds	Yes
Community	Percentage of customers enrolled in Watersmart-AMI portal (as a % of total District customers)	60% by Fiscal Year 2026	31%	37%	Yes
Workforce	Employee engagement survey results; percentage of employees rating their overall morale as "high".	Above 25%	N/A	47%	Yes
Fiscal Management	Debt Coverage	>1.20	2.05	Not Available	Yes
Fiscal Management	Days Cash on hand	90 days or greater	109 days	Not Available	Yes

Cost Allocation of Administrative Services

Because Administrative Services acts like an internal service fund and supports the District’s revenue generating activities, the cost must be recovered through rates and charges levied by the core services; water, wastewater and recycled water. Administrative costs are allocated to water, wastewater and recycled water services operating budgets based upon the share of total accounts in each of the services. The accompanying chart shows the breakdown of accounts and the Administrative Service Allocations.

Chart #1 - Administrative Services Cost Allocation



Total Number of Accounts: 14,374

Water Services

The District provides Water Services to approximately 9,200 meters within the District’s service area. The Water Services’ operating budget is comprised of the District’s water operations costs, which includes the cost to operate and maintain the District’s SMGTP. The Water Supply Cost is reported separately. (Pg. 50). Appendix A provides the detailed revenue, expense and fund balance projections for Water operations. Water Services provide the following functions:

DISTRICT’S WATER SUPPLY COSTS

The District’s water supply costs are 47% of the water services budget.

- Operate and maintain an advanced membrane ground water treatment plant (SMGTP) to produce quality treated water for the District’s customers
- Manage the production of SMGTP water and the delivery of water from the District’s wholesale water supplier for delivery to the District’s customers
- Manage an asset management program that optimizes life-cycle costs and maintains, repairs and replaces system assets
- Operate water system assets including reservoirs, valves, pump stations, control facilities
- Maintain the District’s Water Service’s rights of way
- Manage the District’s water meters and Smart Meter replacement program

Water Services is broken down into divisions that support a specific function. Some changes to labor allocations have been made to align expenditures with cost of service principles given the addition of the Treatment Division. Water Services historic and proposed staffing levels are shown in Table 6.

Chart #2 - Water Services Operating Costs \$20,492,948

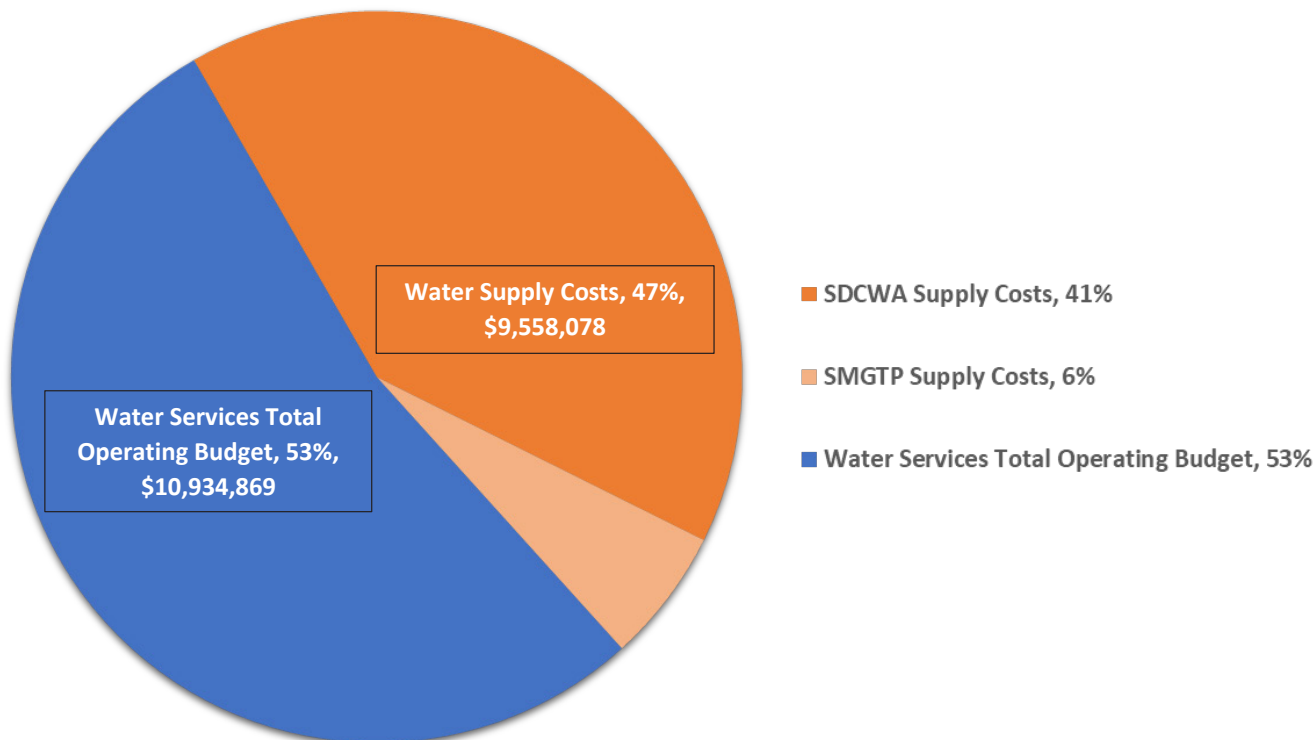


Table #6 - Water Services Approved Positions

Position	Actual FTE*	Actual FTE*	Proposed FTE*
	FY 2021-22	FY 2022-23	FY 2023-24
Field Services Manager	1.0	1.0	1.0
Utility Technician	4.5	-	-
Crew Leader	-	4.5	2.8
Utility Worker I & II	11.5	11.5	12.8
System Services Supervisor	1.0	1.0	1.0
Construction Supervisor	-	-	1.0
Operations Manager	0.75	0.75	0.75
System Operations Supervisor	1.0	1.0	1.0
Systems Operator I, II & III	4.0	4.0	5.0
SCADA/Electrical/Maintenance Supervisor	0.75	0.75	0.75
Instrumentation, Electrical & Controls Tech I & II	1.5	1.5	1.5
Senior Maintenance Technician	0.2	0.2	0.2
Maintenance Technician I & II	0.2	0.2	0.2
TOTAL FTE	26.4	26.4	28.0

*FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

Water Treatment

- Operate and maintain a new groundwater treatment plant to treat water delivered by Camp Pendleton
- Maximize SMGTP production to achieve lowest Water Supply Cost mix
- Schedule and manage wholesale water deliveries to the District to optimize SMGTP operations

Production and Distribution

- Schedule and manage the District’s distribution facilities
- Operate water system assets and monitors system conditions including water pressure, water flows, storage facilities and water quality
- Maintain crews to operate the system and respond to customer inquiries

Pipeline Maintenance and Construction

- Maintain the District’s Water Services assets
- Manage all Water Services repairs and asset replacements
- Replace aged water mains and valves
- Maintain 24-hour coverage of large water main breaks
- Maintain all right-of-way and interconnects with neighboring districts

System Services

- Meter reading, meter repair, meter exchange programs and delinquent account lock/unlocking

As reflected in Table 7, overall the Water Services Budget is increasing 13.4%. This is largely due to the 164% increase in the volume of water treated at the District’s SMGTP. The costs for SMGTP operations are mostly captured in the Non-Labor category and are related to power and chemical costs. It should be noted, the projected FY 2022-23 labor costs reflect the impact of a series of pipeline emergencies and a rash of vandalism to the District’s backflow values. Labor costs are expected to be slightly down budget to budget as normal operations and a more typical level of emergency activities are expected.

Table #7 - Water Services, Total Operating Budget Summary*

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Total Labor **	\$ 1,873,843	\$ 2,097,982	\$ 2,231,866	\$ 2,068,956	-1.4%
Total Non-Labor	1,403,552	1,638,773	1,766,887	2,450,856	49.6%
Operating Total	\$ 3,277,395	\$ 3,736,755	\$ 3,998,753	\$ 4,519,812	21.0%
Allocated Benefits Expenditures	1,262,791	1,214,646	1,214,646	1,337,251	10.1%
Total Direct Water Costs	\$ 4,540,186	\$ 4,951,401	\$ 5,213,399	\$ 5,857,063	18.3%
Allocation of Administrative Services	4,423,586	4,690,063	4,651,909	5,077,806	8.3%
Total Services Budget	\$ 8,963,772	\$ 9,641,464	\$ 9,865,308	\$10,934,869	13.4%

* Appendix A provides the detailed revenue, expense and fund balance projections for Water operations.

** Total Labor does not include District’s Benefits.

Table #8 - Water Services, Division Budget to Budget Comparison

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Treatment					
Labor:					
Salaries	\$ 149,204	\$ 266,697 (1)	\$ 297,273	\$ 418,098	56.8%
Non-Labor:					
Contractor Services	154,232	80,000	70,000	136,000	70.0%
Equipment (Non Capital)	4,826	5,000	3,474	8,000	60.0%
Materials/Services/Supplies	197,371	352,773 (1)	435,242	395,121	12.0%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	20,190	-	-	-	NA
Utilities **	240,318	385,000 (1)	453,155	939,454	144.0%
Total Non-Labor	\$ 616,936	\$ 822,773	\$ 961,871	\$ 1,478,575	79.7%
Division Operating Total	\$ 766,140	\$ 1,089,470	\$ 1,259,144	\$ 1,896,673	74.1%

(1) Budget Amendment for increase of \$29,273 for labor required for additional deliveries to SMGTP. Budget Amendment for increase of \$174,275 for Utilities and Chemicals and Laboratory Supplies required for additional flows received to SMGTP.

** Utility cost increase driven by actual cost levels.

Table #8 - Water Services, Division Budget to Budget Comparison, cont.

Description	FY 2021-22 Actual	FY 2022-23		FY 2023-24 Budget	Budget to Budget Change (%)
		Amended Budget	Projected		
Production & Distribution					
Labor:					
Salaries	\$ 757,957	\$ 561,891 (1)	\$ 665,200	\$ 564,591	0.5%
Non-Labor:					
Contractor Services	70,448	101,000	95,000	192,581	90.7%
Equipment (Non Capital)	7,837	20,000	10,000	20,000	0.0%
Materials/Services/Supplies	209,157	224,000	187,541	259,700	15.9%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	68,261	80,000	85,000	90,000	12.5%
Utilities **	76,505	90,000	70,000	92,000	2.2%
Total Non-Labor	\$ 432,208	\$ 515,000	\$ 447,541	\$ 654,281	27.0%
Division Operating Total	\$ 1,190,165	\$ 1,076,891	\$ 1,112,741	\$ 1,218,872	13.2%

(1) Amended Standby Budget down by \$90,050. Amended Water-Pipeline Maintenance & Construction, Wastewater-Collections and Wastewater-Treatment Budgets by increases of \$43,175, \$20,970 and \$25,905 respectively.

**Utility cost increase driven by actual cost levels.

Pipeline Maintenance & Construction					
Labor:					
Salaries	\$ 457,011	\$ 715,878 (1)	\$ 715,878	\$ 567,965	-20.7%
Non-Labor:					
Contractor Services	29,500	40,000	40,000	46,000	15.0%
Equipment (Non Capital)	13,475	10,000	10,000	10,000	0.0%
Materials/Services/Supplies	125,337	40,000	78,445	45,000	12.5%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities	-	-	-	-	NA
Total Non-Labor	\$ 168,312	\$ 90,000	\$ 128,445	\$ 101,000	12.2%
Division Operating Total	\$ 625,323	\$ 805,878	\$ 844,323	\$ 668,965	-17.0%

(1) Budget Amendment for increase of \$232,747 for labor allocated to emergency repairs and amended Standby Budget by increase of \$43,175.

System Services					
Labor:					
Salaries	\$ 509,671	\$ 553,515 (1)	\$ 553,515	\$ 518,301	-6.4%
Non-Labor:					
Contractor Services	70,000	106,000	100,000	100,000	-5.7%
Equipment (Non Capital)	1,850	-	1,347	-	NA
Materials/Services/Supplies	114,247	105,000	127,683	117,000	11.4%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities	-	-	-	-	NA
Total Non-Labor	\$ 186,096	\$ 211,000	\$ 229,030	\$ 217,000	2.8%
Division Operating Total	\$ 695,767	\$ 764,515	\$ 782,545	\$ 735,301	-3.8%

(1) Budget Amendment for increase of \$74,253 for labor allocated to emergency repairs.

Fiscal Year 2022-23 Accomplishments

- Rehabilitated Field Services Restroom/Locker-room
- Replaced 100 water main valves; 73 valves have been replaced by May 1
- Completed remaining meters in exchange program; 18 meter exchanges left to complete as of May 1
- Began meter testing program
- Demo dilapidated tank at Lange Reservoir; demo to start on May 15
- Continued Right of Way maintenance program; 6,188 feet have been completed as of May 1
- Continued valve maintenance program; Average of 205 valves monthly exercised
- Began fire hydrant maintenance program; 35 per month average
- Upgraded the SCADA system to improve communication between critical sites
- Developed advanced reporting/dashboards in CMMS
- Maintained operation of SMGTP to deliver all available water supplies
- Optimized operation of SMGTP and developed preventative maintenance program
- Added a flow control facility at the SMGTP to allow continuous operation during an offspec event that would have shut the process offline
- Completed capital projects in accordance with approved budget and asset-management plan

Fiscal Year 2023-24 Goals and Objectives

- Replace 100 water main valves
- Continue meter testing program
- Continue demo dilapidated tank at Lange Reservoir
- Continue Right of Way maintenance program
- Continue valve maintenance program
- Continue fire hydrant maintenance program
- Maintain operation of SMGTP to deliver all available water supplies
- Maintain/rebuild the District's flow control facilities as determined by their service schedule
- Complete a 2-month predesign test on the 8.0 MG Tank to boost chloramine residual and maintain a high reservoir water level for increased fire protection
- Replace the downstream isolation valve at the Kauffman Pressure Reducing Station, so the PRV can be maintained.
- Add a protective seal coat layer on the asphalt on the access around the Red Mountain Reservoir and UV Treatment Facility
- Secure the 2.8 Reservoir with security fencing and the access gate
- Install a new valve to control SMGTP flow up the East Line at the Red Mountain site
- Purchase key equipment at the SMGTP, to keep the facility operating in the event of equipment failure
- Continue to develop redundancy systems for SMGTP process equipment to ensure sustained treatment operations

- Continue development of SMGTP preventative maintenance program to encapsulate all process equipment, including: motor controls, motorized operated valves, air vents, instrumentation and all other related equipment
- Begin replacement of antiquated SCADA RTU equipment at remote sites and begin migration from old SCADA system to new SCADA servers
- Deploy selected solar backup equipment to critical remote sites to maintain SCADA communications during utility power outages

Table #9 - Water Services Key Performance Indicators

Strategic Goal	Key Performance Indicator	Target	FY 2021-22 Actual	FY 2022-23 Actual	Target Met
Water Supply	Cost/Acre Foot of SMGTP Product Water Supply	Below \$1,500/AF	\$1,640/AF*	Not Available	No
Water Supply	Sample 60 residents that meet the criteria for Lead and Copper	60 residents	72 residents	73 residents	Yes
Water Supply	Receive and treat all entitled deliveries to the SMGTP	100% of deliveries treated	N/A	116% through March 2023	Yes
Infrastructure	Maintain 4,000 feet of right of ways/year	4,000 feet	1,608 feet	6,188 feet	Yes
Infrastructure	Replace 100 water main valves/year	100 water main valves	73 water main valves	73 water main valves as of May 1	No
Infrastructure	100% regulatory compliance for water quality sampling	100% Compliance	100%	100%	Yes
Infrastructure	Exercise 189 valves and 46 fire hydrants per month as part of a three year valve exercise program cycle	189 valves per month; 46 fire hydrants/month	159 valves/month Hydrants not exercised until FY 2023	205 valves/month 35 Hydrants/month	Yes
Infrastructure	Test 400 meters per year	400 meters	N/A	N/A, testing began in May 2023	No
Infrastructure	Fire flow test 5 hydrants per month	5 hydrants per month	N/A	2 tests have been completed in the 1st year	No

* FY 2021-22 was the first year of SMGTP's operation which included additional startup costs that exceeded normal year expenditures.



Water Supply Costs

The District’s Water Supply Costs are comprised of Purchased Water Costs and pumping costs. The District’s Purchased Water Costs are comprised of the wholesale water costs from SDCWA and Camp Pendleton’s water delivery costs for Santa Margarita River Water. As shown in Chart 4, this Fiscal Year Camp Pendleton will pump an estimated 1,713 AF 7 miles from the Santa Margarita River Aquifer to the SMGTP. An expected 4,523 AF will be delivered to the District in Fiscal Year 2024. The cost of treating the water and delivering it to customers is included in the District’s Water Services Treatment Division’s costs. Water Supply Costs are broken down into fixed and variable costs. Variable or Commodity costs vary depending on the amount of water purchased (this includes pumping costs). Fixed charges are set regardless of the water consumed during the billing period. The fixed water costs are comprised of the SDCWA’s fixed charges and MWD’s fixed charges that are a pass through by SDCWA. SDCWA’s recommended rates and charges are used for the Water Supply Cost estimate. The reduction in the Variable Water Cost is due to the reduced water purchases from SDCWA now that the District produces its own treated drinking water. The District’s variable and fixed water charges are summarized below.

LOCAL WATER SUPPLY
Local water supplies will reduce SDCWA water purchases by 4,523 AF or \$5.7 million this year.

Variable Costs

Melded Supply – This is the \$/acre-foot rate the District pays for SDCWA water.

Melded Treatment – This is the \$/acre-foot rate the District pays for SDCWA water that is potable. The District only purchases treated water from SDCWA.

Transportation – This is the \$/acre-foot rate the District pays for water transported by the SDCWA.

Special Agricultural Water Rate (SAWR) – This is the \$/acre-foot rate the District pays for water that is in the SAWR program.

Santa Margarita Conjunctive Use Project (SMRCUP) Pumping Costs – This is the \$/acre-foot rate the District pays Camp Pendleton for SMR water that is pumped to the SMGTP.

Variable Costs are **65%** of the Total Cost of Water Purchased from SDCWA

Fixed Costs

Supply Reliability Charge – SDCWA charge to collect a portion of the costs associated with highly reliability water supplies (i.e. Desalination).

Infrastructure Access Charge (IAC) – Meter charge imposed by SDCWA to provide water capacity.

Customer Service Charge – SDCWA charge designed to recover costs associated with SDCWA’s customer service and functions.

Emergency Storage Charge – SDCWA charge to recover costs associated with the Emergency Storage Program.

MWD Capacity Charge – MWD charge passed-through by the SDCWA. The MWD charge collects costs associated with demand peak.

MWD Readiness-to-Serve Charge – MWD charge for State Water Project costs passed through by the SDCWA.

Fixed Costs are **35%** of the Total Cost of Water Purchased from SDCWA

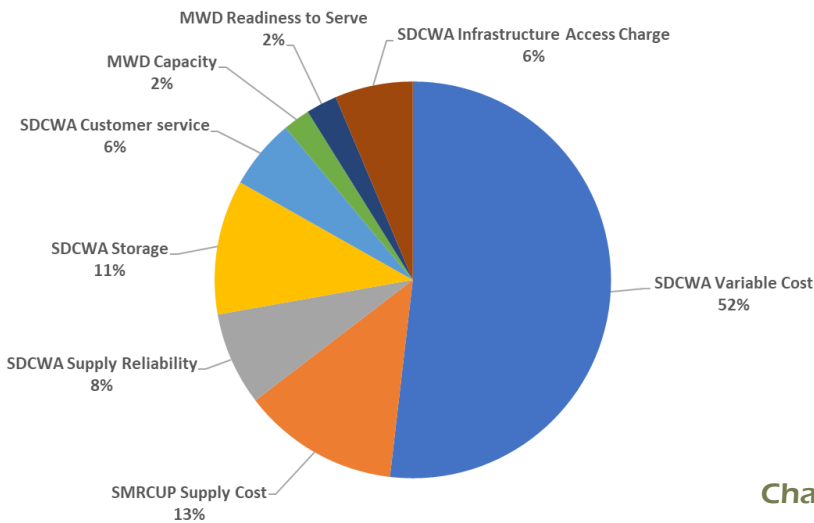
Table #10 - Variable and Fixed Charges Budget to Budget Comparison

	FY 2021-22 Actual	FY 2022-23		FY 2023-24 Budget	Budget to Budget Change (%)
		Amended Budget*	Projected		
Variable Costs:					
SDCWA Variable Cost	\$ 9,678,651	\$ 7,774,062	\$ 7,774,062	\$ 4,955,191	-36.3%
SMRCUP Supply Cost**	179,645	612,878	612,878	1,219,265	98.9%
Fixed Costs:					
SDCWA Supply Reliability	\$ 667,258	\$ 684,192	\$ 684,192	\$ 726,804	6.2%
SDCWA Storage	1,036,863	1,048,488	1,048,488	1,048,920	0.0%
SDCWA Customer service	559,905	555,840	555,840	547,662	-1.5%
MWD Capacity	258,523	237,030	237,030	209,694	-11.5%
MWD Readiness to Serve	260,989	264,456	264,456	242,400	-8.3%
SDCWA IAC	603,996	603,768	603,768	608,142	0.7%
Total Water Supply Costs	\$13,245,830	\$ 11,780,714	\$ 11,780,714	\$ 9,558,078	-18.9%

*Amended Budget based on updated Water sales projection.

** This estimate does not include the SMGTP LRP credit of \$305/AF @ 3,100 estimated AF; \$945,500.

Chart #3 - Water Supply Costs Breakdown



CHANGING WATER WHOLESALER

The LAFCO decision on the District's proposed detachment from SDCWA will determine if ratepayers will see a 30% decrease in the wholesale cost of water.

Chart #4 - Wholesale and Local Supply Mix

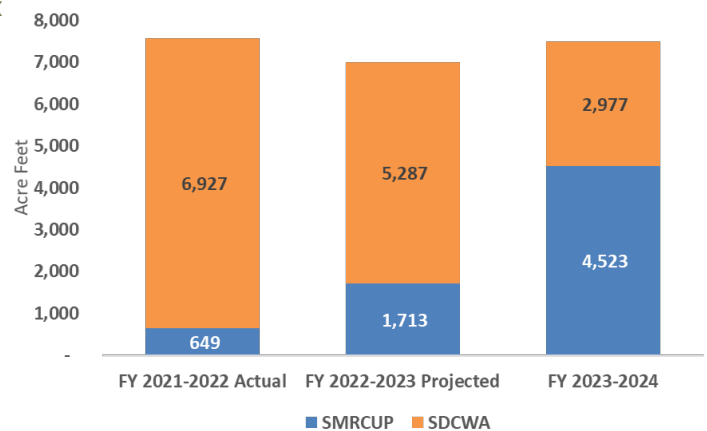
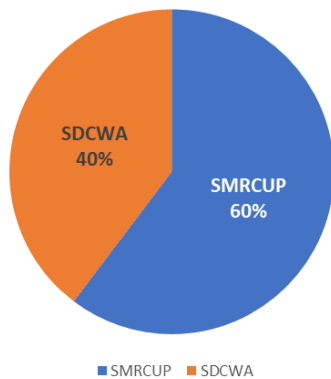


Chart #5 - Fiscal Year 2023-24 Water Supply Mix



Wastewater Services

The District provides Wastewater Services to approximately 5,000 service connections within the District’s service area. The largest component of the Wastewater Services’ operating budget is the operating costs of the District’s water reclamation plant. Appendix A provides the detailed revenue, expense and fund balance projections for Wastewater operations. Wastewater Services includes the following functions:

- Operate a water reclamation plant that provides tertiary treatment
- Manage an asset management program that optimizes lifecycle costs and maintains, repairs and replace plant and collections system assets
- Meet the Regional Water Quality Control Board’s discharge permit requirements
- Operate and maintain the District’s six collections system lift station and 100 miles of wastewater system piping

Wastewater Services is broken down into divisions that support a specific functions. Wastewater Services historic and proposed staffing levels are shown in Table 11.

Table #11 - Wastewater Services Approved Positions

Position	Actual FTE*	Actual FTE*	Proposed FTE*
	FY 2021-22	FY 2022-23	FY 2023-24
Collections Supervisor	1.0	1.0	1.0
Utility Technician	2.0	-	-
Crew Leader	-	2.0	2.0
Utility Worker I & II	5.0	5.0	5.0
Chief Plant Operator	0.85	0.85	0.7
Lead Plant Operator	1.7	1.7	1.7
Plant Operator I & II	1.7	1.7	1.7
Operations Manager	0.25	0.25	0.25
Environmental Compliance Technician	0.5	0.5	0.7
Laboratory Technician I & II	0.85	0.85	0.7
Senior Maintenance Technician	0.6	0.6	0.6
Maintenance Technician I & II	0.6	0.6	0.6
SCADA/Electrical/Maintenance Supervisor	0.25	0.25	0.25
Instrumentation, Electrical & Controls Tech I & II	0.5	0.5	0.5
TOTAL FTE	15.8	15.8	15.7

* FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

Collections

- Provide emergency repairs and routine maintenance to the collections system
- Manage the District’s collection system inspection program that includes TV inspection of the collections system
- Maintain and operate a vactor truck
- Maintain lift stations, clean outs and system ocean outfall
- Provide light and heavy construction services

Treatment

- Operate and maintain the Water Reclamation Plant processes in the following areas: Headworks, Primary Sedimentation, Activated Sludge, Secondary Sedimentation and Solids Handling (which includes an aerobic digester and centrifuges)
- Conducts laboratory analysis and reporting to meet the Regional Water Quality Control Board’s discharge permit requirements

Table #12 - Wastewater Services Operating Budget Summary*

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to
	Actual	Amended Budget	Projected	Budget	Budget Change (%)
Total Labor **	\$ 1,368,222	\$ 1,422,416	\$ 1,370,210	\$ 1,536,968	8.1%
Total Non-Labor	1,333,288	1,283,300	1,131,377	1,329,000	3.6%
Operating Total	\$ 2,701,510	\$ 2,705,716	\$ 2,501,587	\$ 2,865,968	5.9%
Allocated Benefits Expenditures	922,051	920,272	920,272	992,703	7.9%
Total Direct Wastewater Costs	\$ 3,623,560	\$ 3,625,988	\$ 3,421,859	\$ 3,858,671	6.4%
Allocation of Administrative Services	2,419,149	2,564,878	2,544,013	2,776,925	8.3%
Total Services Budget	\$ 6,042,709	\$ 6,190,866	\$ 5,965,872	\$ 6,635,596	7.2%

* Appendix A provides the detailed revenue, expense and fund balance projections for Wastewater operations.

** Total Labor does not include District’s Benefits.

Table #13 - Wastewater Services, Division Budget to Budget Comparison

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to
	Actual	Amended Budget	Projected	Budget	Budget Change (%)
Collections					
Labor:					
Salaries	\$ 533,263	\$ 500,812 ⁽¹⁾	\$ 510,234	\$ 624,127	24.6%
Non-Labor:					
Contractor Services	40,763	75,000	55,000	93,500	24.7%
Equipment (Non Capital)	4,158	5,000	5,786	5,000	0.0%
Materials/Services/Supplies	165,421	170,000	150,130	219,000	28.8%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	900	1,809	2,000	122.2%
Utilities **	162,034	122,300	112,000	118,000	-3.5%
Total Non-Labor	\$ 372,377	\$ 373,200	\$ 324,724	\$ 437,500	17.2%
Division Operating Total	\$ 905,640	\$ 874,012	\$ 834,958	\$ 1,061,627	21.5%

(1) Amended Standby Budget by increase of \$20,970.

** Utility cost increase driven by actual cost levels.

Table #13 - Wastewater Services, Division Budget to Budget Comparison, cont.

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to
	Actual	Amended Budget	Projected	Budget	Budget Change (%)
Treatment					
Labor:					
Salaries	\$ 834,959	\$ 921,605 ⁽¹⁾	\$ 859,976	\$ 912,841	1.0%
Non-Labor Expenses:					
Contractor Services	397,018	353,000	300,000	348,000	-1.4%
Equipment (Non Capital)	3,915	7,000	7,400	17,000	142.9%
Materials/Services/Supplies	316,524	297,500	246,653	287,500	-3.4%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	84,703	95,000	95,000	95,000	0.0%
Utilities **	158,752	157,600	157,600	144,000	-8.6%
Total Non-Labor	\$ 960,911	\$ 910,100	\$ 806,653	\$ 891,500	-2.0%
Division Operating Total	\$ 1,795,870	\$ 1,831,705	\$ 1,666,629	\$ 1,804,341	-1.5%

(1) Amended Standby Budget by increase of \$25,905.

**Utility cost increase driven by actual cost levels.

Fiscal Year 2022-23 Accomplishments

- Wastewater Treatment Plant achieved a >95% compliance rating with state and federal regulations, including the new NPDES permit R9-2019-0169
- Maintained equipment from the headwork’s to the secondary, including solids handling equipment
- Maintained energy consumption +/- 5%; FY 2022 energy consumption had a 3.5% decrease in total KWh
- Maintained chlorine usage +/- 5%; FY 2022 chlorine usage decreased by 12%
- Completed startup and commissioning of Tesla Megapack battery storage system-currently online and operating in peak-shaving capacity
- Began IPS motor controls upgrade project, involving the replacement of failed legacy variable frequency drives with Allen Bradley VFDs and new control panel wiring
- Upgraded 4 level transmitters throughout the plant to new Vega radar level transmitters and sensor
- Removal and refurbishment of both secondary clarifier RAS pumps- installation and testing of one has been completed- awaiting return of second pump for installation and testing
- Training of maintenance, electrical and controls staff in order to facilitate more effective preventative maintenance and more efficient corrective maintenance
- Installed new security camera systems (WWTP and Main Office)
- Kept average spills under 9,075
- Kept sewer spills under to 3 or less during the year

Fiscal Year 2023-24 Goals and Objectives

- Effectively operate Wastewater Treatment Plant to meet state and federal regulations, achieving a 100% compliance rating
- Efficiently reduce Total Energy KWh (Costs) by 5%
- Effectively complete overtime audit and implement operational changes to reduce overtime expense by 10%

- Develop, create and implement a Wastewater Treatment predictive maintenance program to properly budget critical equipment replacement/repair
- Maintain Wastewater Plant equipment from the headwork’s to secondary, including solids handling equipment using preventative and predictive measures
- Complete IPS motor controls upgrade to utilize new Allen Bradley variable frequency drives and control panel wiring
- Continue review and revision of existing preventative maintenance program to incorporate more comprehensive testing procedures and data acquisition in order to better predict failures
- Complete monthly inspections of the land outfall
- Complete weekly and monthly inspections on the sewer lift stations
- Reduce 10-year average wastewater spills by 10%. - Keeps spills under 8,100 gallons
- Keep common sewer spills to 3 or less during the year
- Clean 20,000 feet of regular sewer mains each month to total 240,000 feet a year
- Televis 8,000 feet a month of sewer mains to total 96,000 feet a year
- Complete monthly inspections of the land outfall
- Complete weekly and monthly inspections on the sewer lift stations

Table #14 - Wastewater Services Key Performance Indicators

Strategic Goal	Key Performance Indicator	Target	FY 2021-22 Actual	FY 2022-23 Actual	Target Met
Infrastructure	Cost/MGD of Wastewater Influent Flows	Below \$3,500/MGD	\$3,497/MGD	Not Available	Yes
Efficiency	Reduce 10-year average wastewater spills by 10% - Keep spills under 9,075 gallons	Below 9,075 gallons	N/A	3,010 gallons 10 year average	Yes
Efficiency	Keep common sewer spills to 3 or less during the year	3 or less spills/year	5 spills; 2 contractor spills	1 spill	Yes
Efficiency	Clean 20,000 feet of regular sewer mains each month to total 240,000 feet per year	240,000 feet/year	288,337 feet	Not Available	Yes
Efficiency	Maintain energy consumption to stay within the annual average target	Below 2,760,000 kWh	2,773,051/ kWh	Not Available	No

Recycled Water Services

The District provides Recycled Water Services to 30 meters within the District’s service area. The largest component of the Recycled Water Services’ operating budget is the operating costs of the District’s water reclamation plant. Appendix A provides the detailed revenue, expense and fund balance projections for Recycled Water operations. Recycled Water Services includes the following functions:

- Operate the Water Reclamation Plant, equipment and processes necessary to produce recycled water
- Liaise with recycled water customers to schedule deliveries and inspections of service connections
- Operate and maintain the District’s distribution system, which includes 10.5 miles of pipe and 14 customers in the Fallbrook service area

Recycled Water Services is broken down into Divisions that support a specific function. Recycled Water Services historic and proposed staffing levels are shown in Table 15.

Table #15 - Recycled Water Services Approved Positions

Position	Actual FTE*	Actual FTE*	Proposed FTE*
	FY 2021-22	FY 2022-23	FY 2023-24
Chief Plant Operator	0.15	0.15	0.3
Lead Plant Operator	0.3	0.3	0.3
Plant Operator I & II	0.3	0.3	0.3
Environmental Compliance Technician	0.5	0.5	0.3
Laboratory Technician I & II	0.15	0.15	0.3
Senior Maintenance Technician	0.2	0.2	0.2
Maintenance Technician I & II	0.2	0.2	0.2
Utility Technician	0.5	-	-
Crew Leader	-	0.5	0.2
Utility Worker I	0.5	0.5	0.2
TOTAL FTE	2.8	2.8	2.3

* FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

Production

- Operates and maintains the Water Reclamation Plant tertiary processes, such as the filters, chlorine contact basin, recycled water pumps, and recycled water storage/pond
- Laboratory analyses and reporting to meet permit requirements

Distribution

- Maintains the Districts Recycled Water Services distribution assets
- Conducts valve, meter maintenance and meter replacement
- Operates and maintains a SCADA telemetry system
- Conducts site connection and system inspections
- Maintains right-of-way and interconnects with neighboring districts

As shown in Table 16, the Recycled Services Budget is increasing by 28.5%. This is being driven by an increase in labor cost allocation. The change in labor cost allocation was driven by the 2022 Water, Recycled Water and Wastewater Cost of Service Study. The changes better allocate the District’s labor costs to the Recycled Water Service.

Table #16 - Recycled Water Services Operating Budget Summary*

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Total Labor **	\$ 131,098	\$ 160,078	\$ 161,114	\$ 259,144	61.9%
Total Non-Labor	217,716	222,500	223,210	217,500	-2.2%
Operating Total	\$ 348,813	\$ 382,578	\$ 384,324	\$ 476,644	24.6%
Allocated Benefits Expenditures	88,347	107,097	107,097	167,377	56.3%
Total Direct Recycled Water Costs	\$ 437,160	\$ 489,675	\$ 491,421	\$ 644,021	31.5%
Allocation of Administrative Services	69,119	73,282	72,686	79,341	8.3%
Total Services Budget	\$ 506,279	\$ 562,957	\$ 564,107	\$ 723,362	28.5%

* Appendix A provides the detailed revenue, expense and fund balance projections for Recycled Water operations.

** Total Labor does not include District’s Benefits.

Table #17 - Recycled Water Services, Division Budget to Budget Comparison

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Production					
Labor:					
Salaries	\$ 101,968	\$ 149,640	\$ 139,990	\$ 229,979	53.7%
Non-Labor:					
Contractor Services	34,403	36,000	36,000	36,000	0.0%
Equipment (Non Capital)	8,723	4,000	4,000	4,000	0.0%
Materials/Services/Supplies	105,833	89,500	105,228	96,500	7.8%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	68,036	68,000	68,000	62,000	-8.8%
Total Non-Labor	\$ 216,995	\$ 197,500	\$ 213,228	\$ 198,500	0.5%
Division Operating Total	\$ 318,963	\$ 347,140	\$ 353,218	\$ 428,479	23.4%

**Utility cost increase driven by actual cost levels.

Table #17 - Recycled Water Services, Division Budget to Budget Comparison, cont.

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Distribution					
Labor:					
Salaries	\$ 29,130	\$ 10,438	\$ 21,125	\$ 29,165	179.4%
Non-Labor:					
Contractor Services	-	-	1,622	-	NA
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	6	25,000	8,500	19,000	-24.0%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	715	-	(140)	-	NA
Total Non-Labor	\$ 720	\$ 25,000	\$ 9,982	\$ 19,000	-24.0%
Division Operating Total	\$ 29,850	\$ 35,438	\$ 31,107	\$ 48,165	35.9%

**Utility cost increase driven by actual cost levels.

Fiscal Year 2022-23 Accomplishments

- Operated the Water Reclamation Plant tertiary treatment units while staying in compliance with applicable recycled water permits: Order No. 91-39, Title 22, State Recycled Water Permits and Policy
- Provided reliable recycled water production by maintaining the Water Reclamation Plant tertiary equipment from the filters to the reclaimed water pond, using preventative and predictive measures
- Completed Annual isolation, inspection and cleaning of 1 million gallon Recycled Storage Pond
- Completed Annual Secondary Clarifier rotation for maintenance and reliability purposes
- Completed Annual preventative maintenance and safety reliability verification on Chlorine Gas Feed system
- Completed integrity inspection and reliability verification on Emergency Gas Scrubber System and replaced critical pump/motor in-kind unit
- Installed/replaced critical equipment for headwork’s washing/compaction process
- Raised Safety and Security standards by upgrading antiquated video surveillance system and facility remote access points
- Successfully extracted and refurbished 3 large critical pumps/motors
- Refurbishment of 2 recycled water distribution pumps and motors

Fiscal Year 2023-24 Goals and Objectives

- Effectively operate Water Reclamation Treatment Plant to meet state and federal regulations, achieving a 100% compliance rating
- Efficiently reduce Total Energy KWh (Costs) by 5%
- Efficiently reduce Total Chlorine usage (Costs) by 5%
- Effectively complete overtime audit and implement operational changes to reduce overtime expense by 10%

- Develop, create and implement a Water Reclamation Plant predictive maintenance program to properly budget critical equipment replacement/repairs to achieve 95% accuracy with CIP budget
- Maintain Water Reclamation Plant equipment from the headwork’s to Recycled Water Storage Pond equipment using preventative and predictive measures to maintain a 10% deviation from proposed budget
- Maintain critical equipment data for proper diagnostic/troubleshooting and predictive life expectancy
- Accurately maintain/manage Chlorine disinfection system to reduce total operational costs

Table #18 - Recycled Water Services Key Performance Indicators

Strategic Goal	Department	Key Performance Indicator	Target	FY 2021-22 Actual	FY 2022-23 Actual	Target Met
Efficiency	Recycled	Maintain an overall compliance of >99.9% each month from all samples associated with the Title 22 and WDR Permit	>99.9%	100%	Not Available	Yes
Efficiency	Recycled	Maintain energy consumption data to stay within the annual average target	2,760,000 kWh or below	2,773,051/kWh	Not Available	No

Community Benefit Program

In response to the community’s request, the District has formed the Community Benefit Program (CBP). The CBP maintains public spaces in the District’s service area. The CBP is funded by water property tax revenues. Each year the amount established by the Board will be transferred into the CBP fund and used for the benefit of community. The funds will be managed by a Board appointed committee and require minimal staff support.

Table #19 - Community Benefit Program Approved Positions

Position	Actual FTE* FY 2021-22	Actual FTE* FY 2022-23	Proposed FTE* FY 2023-24
Purchasing Warehouse Supervisor	-	0.05	0.01
TOTAL FTE	0.0	0.05	0.01

* FTE - Full-Time Equivalents

Table #20 - Community Benefit Program Operating Budget Summary

Description	FY 2021-22*	FY 2022-23 **		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Total Labor	\$ -	\$ 6,961	\$ 6,961	\$ 1,464	-79.0%
Total Non-Labor	-	28,491	28,491	544,536	1811.2%
Total Budget	\$ -	\$ 35,452	\$ 35,452	\$ 546,000	1440.1%

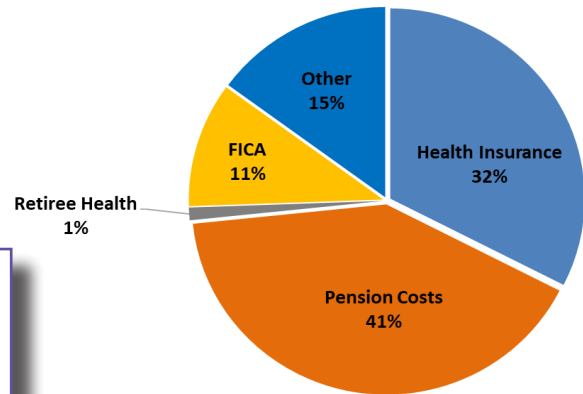
*Community Benefit Program not yet operational.

** Amended Budget based on projection.

Employee Benefits

The District updates the cost of the benefits offered to District staff as part of the annual budget. A new Memorandum of Understanding (MOU) between the District and its employee associations was negotiated in 2022 and is set to expire in June 2027. The budget was developed based upon the terms of the MOU. Table 21 shows the breakdown of the District’s costs related to employee benefits.

Chart #6 - Fiscal Year 2023-24 Benefits Breakdown



STRATEGIC PLANNING

The District’s proactive management of the district’s pension obligations has resulted in 85% funding of its pension obligations. This limits the potential for future rate and charge increases due to pension obligation funding needs.

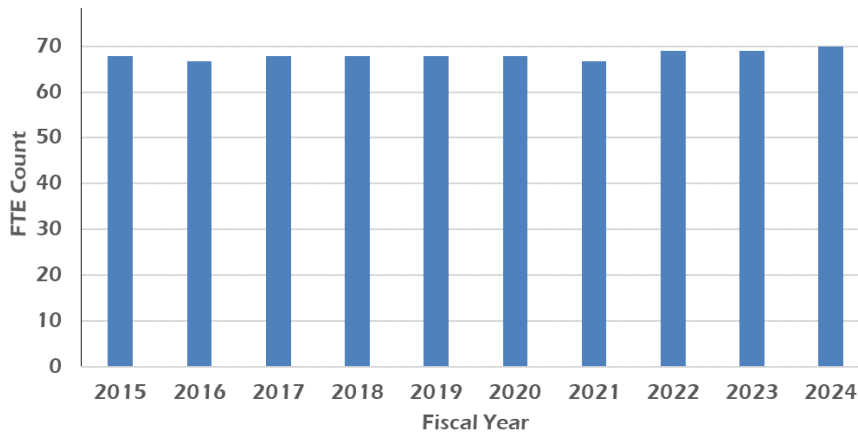
Table #21 - Breakdown of District’s Employee Benefit Costs

Description	FY 2021-22	FY 2022-23		FY 2023-24	Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Auto Allowance	\$ 18,962	\$ 21,750	\$ 23,500	\$ 21,750	0.0%
Insurance - Dental	66,565	73,817	72,697	84,731	14.8%
Insurance - Vision	13,649	14,606	13,267	14,818	1.5%
Insurance - Health	1,078,333	1,135,576	1,096,942	1,310,890	15.4%
Insurance - Life and Disability	48,937	50,481	58,082	57,390	13.7%
Insurance - Worker’s Comp	117,551	167,266	167,266	153,532	-8.2%
Performance Bonus	35,029	26,921	8,211	20,800	-22.7%
FICA - Employer’s share	462,748	478,138	516,434	529,000	10.6%
CalPERS Annual Contribution	602,815	688,148	688,148	803,005	16.7%
CalPERS Unfunded Liability Payment	1,112,995	1,285,994	1,285,994	1,237,755	-3.8%
Pension/OPEB Liability Trust Payment *	500,000	500,000	500,000	500,000	0.0%
Employer’s share (401 & 457)	49,167	95,095	78,256	125,489	32.0%
District Share of Retiree Medical Insurance	53,607	50,812	57,626	53,318	4.9%
Merit Increase Bonus	-	20,000	30,789	33,000	65.0%
Uniforms & Boots	52,491	43,607	46,580	45,543	4.4%
Total	\$ 4,212,848	\$ 4,652,210	\$4,643,792	\$ 4,991,021	7.3%

*\$500,000 transferred to the District’s Section 115 Pension Trust.

The District’s staffing levels shown in Chart 7 show the addition of a one FTE for a total of 70 FTEs. The District participates in the California Public Employees’ Retirement System (CalPERS). While the calculations are complex, the District’s pension costs can be split into the annual required contribution and the Annual Unfunded Liability (AUL) Payment. The budget utilizes the latest CalPERS annual report that provides these costs. While the annual contribution has increased, the AUL has decreased reducing

Chart #7 - Fallbrook Public Utility District's Approved Full-Time Staffing Equivalent



the total CalPERS payment for this Budget. The District has maintained its contribution to the Pension/OPEB Liability 115 Trust as part of the Board's strategy to mitigate the impacts of changing pension costs. Appendix D provides the District's CalPERS annual payment schedule for the Unfunded Actuarial Accrued Liability (UAAL).

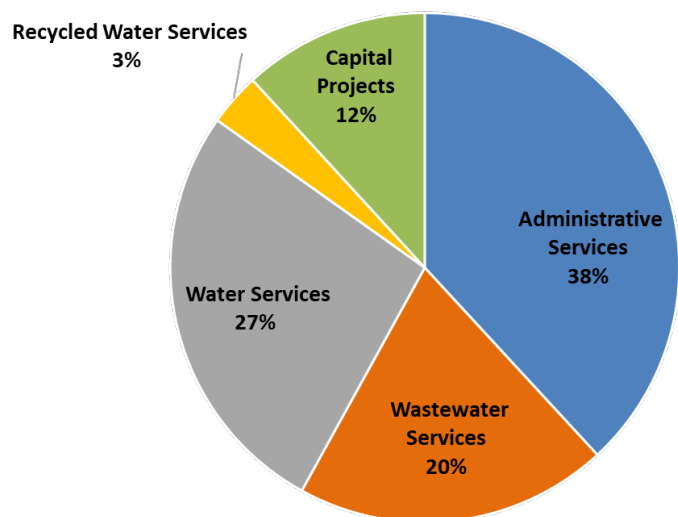
The District's healthcare insurance costs are up due to higher premiums, the addition of an FTE and the trend for new hires to elect family coverage under the District's healthcare plans. Under the new MOU the District is increasing the employee contribution match to 401 and 457 plans increasing the cost. The increase in Merit Bonus cost is a true up to actual. The last year's budget was estimated prior to MOU implementation. Changes to other benefits are shown on the table.

This year 60% of the District's staff fall under the Public Employees' Pensions Reform Act (PEPRA). The changes in pension benefits for PEPRA staff are expected to lower the District's future pension costs.

Benefit Allocation

The District's benefit costs are allocated to each of the District's Services based upon its share of the budgeted salary and wages. This allocation methodology aligns the benefit cost allocation with salary and wages, which are the primary determinants of the benefit costs. A portion of the Benefits cost is allocated to labor associated with Capital Projects and is integrated into the projects budget. This year the portion of benefits allocated to Capital Projects is 12%, a decrease of 1% from last year.

Chart #8 - Fiscal Year 2023-24 Benefits Allocation



Debt Service

The District currently has four outstanding long-term debt obligations, the Red Mountain State Revolving Fund Loan (2011 SRF Loan), the 2021 Wastewater Refunding Revenue Bonds (2021 WWRRB), the Qualified Energy Conservation Revenue Bonds (2010 QECB) and the State Revolving Fund Loans (2018 SRF Loan). The 2011 SRF Loan funded the construction of a water treatment facility serving the Red Mountain Reservoir. The 2021 Wastewater Refunding Revenue Bonds (2021 WWRRB), which refunded a SRF Loan that funded the rehabilitation and modernization of the District’s Water Reclamation Plant. The 2010 QECB loan funded the District’s 1 MW solar facility. The 2018 SRF loan funded the District’s SMGTP. With construction completed and final amounts set, the 2018 SRF loan schedule is finalized. It should be noted that during construction only interest payments were due, however, now that the project is completed principal payments are beginning this year. Chart 9 shows the annual debt service payments are flat through 2027, and decrease thereafter.

The District successfully executed a public debt offering. With a rating from Standard and Poor’s of A+, the District debt was well received by investors and highlights the recent improvements to the District’s financial disclosure.

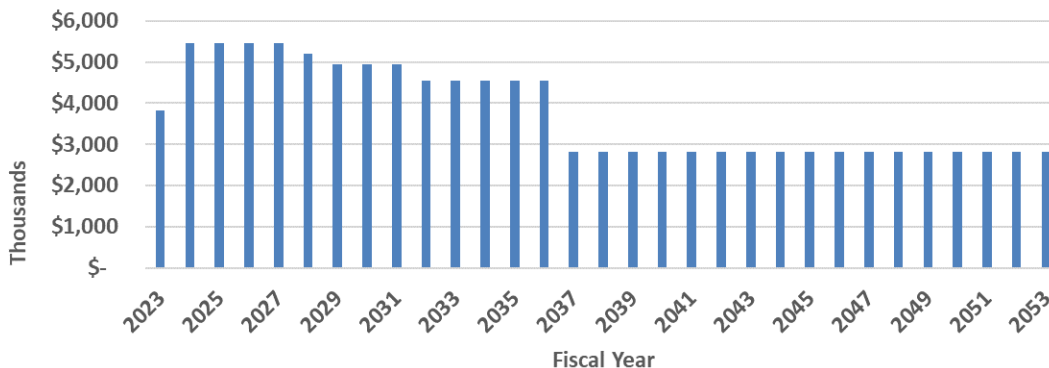
Each debt issuance is linked to the Service that it was used to fund. In some cases, the debt service can be allocated to more than one service. The table below shows the debt service payments for Fiscal Year 2023-24 and the amount allocated to each service.

Table #22 - Debt Service Budget Summary

Debt Issuance	Service			Total Debt Service
	Water	Wastewater	Recycled Water	
2018 SRF Loan	\$ 2,814,795	\$ -	\$ -	\$ 2,814,795
2011 SRF Loan	395,851	-	-	395,851
2021 WWRRB*	-	1,211,522	519,224	1,730,746
2010 QECB	-	521,690	-	521,690
Total	\$ 3,210,646	\$ 1,733,212	\$ 519,224	\$ 5,463,081

* 70% is allocated to wastewater and 30% of the debt service is allocated to recycled water.

Chart #9 - Annual Debt Service



The table below shows the debt service payment schedule for each debt issuance. The debt service in Fiscal Year 2023-24 increases significantly because, as discussed previously full debt service payments for the 2018 SRF loan begin. The financial projections in this document include this debt service starting in Fiscal Year 2023-24.

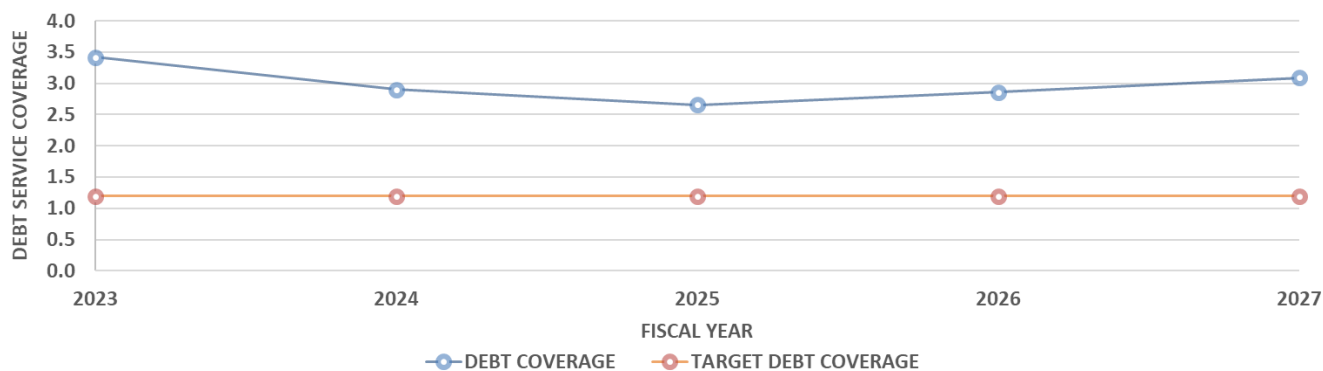
Table #23 - Fiscal Year 2023-24 Debt Service Schedule

Year Ending June 30	Red Mountain State Revolving Fund Loan		Wastewater Revenue Refunding Bonds		QECPB* Loan		SMRCUP State Revolving Funds		District Annual Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023	316,573	79,277	1,115,000	616,022	387,783	133,884	-	1,174,396	\$ 3,822,936
2024	324,764	71,087	1,120,000	610,746	410,388	111,302	1,600,373	1,214,422	\$ 5,463,081
2025	333,166	62,685	1,130,000	603,575	433,953	87,409	1,630,780	1,184,015	\$ 5,465,583
2026	341,786	54,065	1,145,000	584,934	458,515	62,150	1,661,765	1,153,030	\$ 5,461,244
2027	350,628	45,222	1,185,000	546,700	484,114	35,465	1,693,339	1,121,456	\$ 5,461,925
2028	359,700	36,151	1,230,000	498,400	254,219	7,296	1,725,512	1,089,283	\$ 5,200,561
2029	369,006	26,844	1,280,000	448,200	-	-	1,758,297	1,056,498	\$ 4,938,846
2030	378,553	17,297	1,335,000	395,900	-	-	1,791,704	1,023,091	\$ 4,941,546
2031	388,347	7,503	1,390,000	341,400	-	-	1,825,747	989,048	\$ 4,942,046
2032	-	-	1,445,000	284,700	-	-	1,860,436	954,359	\$ 4,544,495
2033	-	-	1,505,000	225,700	-	-	1,895,784	919,011	\$ 4,545,495
2034	-	-	1,565,000	164,300	-	-	1,931,804	882,991	\$ 4,544,095
2035	-	-	1,630,000	100,400	-	-	1,968,509	846,287	\$ 4,545,195
2036	-	-	1,695,000	33,900	-	-	2,005,910	808,885	\$ 4,543,695
2037	-	-	-	-	-	-	2,044,022	770,773	\$ 2,814,795
2038	-	-	-	-	-	-	2,082,859	731,936	\$ 2,814,795
2039	-	-	-	-	-	-	2,122,433	692,362	\$ 2,814,795
2040	-	-	-	-	-	-	2,162,759	652,036	\$ 2,814,795
2041	-	-	-	-	-	-	2,203,852	610,943	\$ 2,814,795
2042	-	-	-	-	-	-	2,245,725	569,070	\$ 2,814,795
2043	-	-	-	-	-	-	2,288,394	526,401	\$ 2,814,795
2044	-	-	-	-	-	-	2,331,873	482,922	\$ 2,814,795
2045	-	-	-	-	-	-	2,376,179	438,616	\$ 2,814,795
2046	-	-	-	-	-	-	2,421,326	393,469	\$ 2,814,795
2047	-	-	-	-	-	-	2,467,332	347,464	\$ 2,814,795
2048	-	-	-	-	-	-	2,514,211	300,584	\$ 2,814,795
2049	-	-	-	-	-	-	2,561,981	252,814	\$ 2,814,795
2050	-	-	-	-	-	-	2,610,658	204,137	\$ 2,814,795
2051	-	-	-	-	-	-	2,660,261	154,534	\$ 2,814,795
2052	-	-	-	-	-	-	2,710,806	103,989	\$ 2,814,795
2053	-	-	-	-	-	-	2,762,311	52,484	\$ 2,814,795

*Qualified Energy Conservation Revenue Bonds. Debt service is not adjusted for interest rate subsidy payments.

While there is no established legal debt limit for the District, the District has an adopted Debt Management Policy. The Debt Management Policy creates the framework for issuing debt. The District’s debt service indentures require that the debt service coverage ratio be maintained at or above 1.2x. Chart 10 shows the projected debt service coverage above the target level of 1.2x. Currently the District has no subordinate debt outstanding.

Chart #10 - Debt Service Coverage Ratio



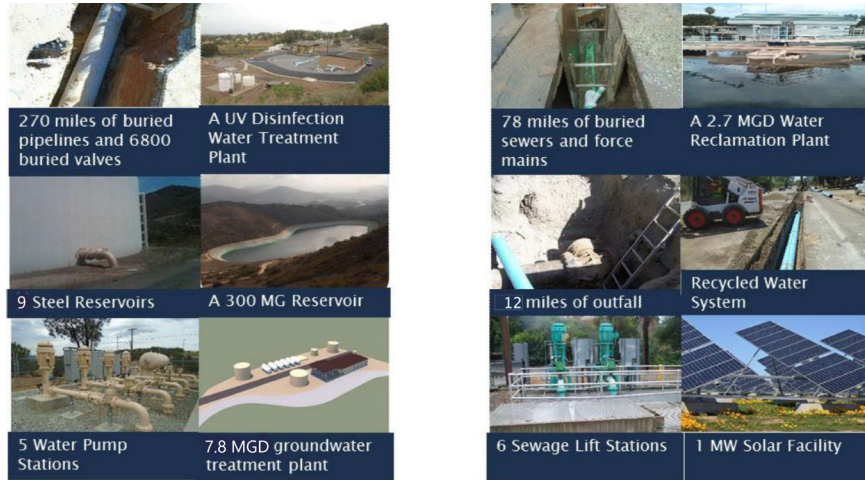
Santa Margarita Groundwater Treatment Plant

Project Summary for Fiscal Year 2023-24

District Capital Program

Utility districts require long-term investments in extensive capital facilities. The District maintains over 370 miles of buried water and sewer pipe that must be maintained and replaced. The District also has pump stations, lift stations and treatment facilities that require significant expenses to replace and maintain. Figure 1 summarizes the facilities owned and operated by the District. It is critical to develop plans to reduce the overall cost of operating these facilities by completing pro-active capital projects to replace and rehabilitate these assets versus waiting for system failures. A well-planned Capital Program is critical to the long-term stability of the District.

Figure #1 - Fallbrook District Facilities



The annual Capital Improvement Budget is used to implement the District’s long-range capital goals. These goals are developed using the District’s Strategic Plan, Urban Water Management Plan, Asset Management Plan and Master Plans. These plans are utilized to develop the lowest lifecycle cost to meet water and wastewater needs and maintain system reliability for the District’s customers. Projects are selected based on weighing prioritized needs versus available capital funds. Individual project costs are estimated based on current construction cost information. While some projects are well into the design phase and costs can be fairly accurately estimated, others are based on early stage planning estimates. Additionally, unforeseen changes to priorities can result from changing materials and construction costs, pipeline failures, extreme weather, etc.

For Fiscal Year 2022-23, Table 1 shows budget versus projected actual expenses for each capital project category. Water Capital expenses are projected to end under budget for various reasons, but primarily due to mainline replacement delays caused by longer than typical procurement times for materials, and emergency repairs pulling field staff from other planned work. Recycled system capital expenses are projected to be over budget as a result of additional mainline replacement costs. Wastewater capital expenses are projected to be close to plan. And lastly, administrative capital expenses are projected to finish slightly over plan.

Capital Budget Project Summary for Fiscal Year 2023-24

The District has implemented a capital program to improve the overall reliability of the water, wastewater and recycled systems. The most significant component of the capital program is replacement of aging infrastructure. With the SMRCUP complete and online, the primary focus in the coming year will continue to be catching up on both installation and planning of water main replacements, collections system relining, needed reclamation plant equipment replacements and identifying potential expansions for the recycled water system. The key capital projects scheduled for Fiscal Year 2023-24 are summarized on the following pages.

Water Capital Projects

District construction staff will continue with valve replacement projects to reduce outage impacts of breaks and failures. The District implemented an escalating capital improvement charge to ensure the District is meeting pipeline infrastructure replacement needs. Over the past 5 years, completed pipeline replacements have been very close to the current goal of 5,000 linear feet per year. However, due to challenges procuring materials since 2021, projects continue to take more time and advanced planning than in the past. In an effort to gain on and exceed replacement goals, additional pipeline replacement efforts are planned for the coming year. Last year, a single pipeline replacement package with approximately 9,500 linear feet of pipe of various sizes was awarded, but work has just begun in May. The majority of this work will be completed in the coming fiscal year. Staff are also working to design and award two separate pipeline replacement jobs with a total of approximately 14,000 linear feet of pipe to be completed over the next two years.

Wastewater/ Recycled Capital Projects

As part of the long-term sewer system replacement plan, the focus will be on replacing and relining aging collection mains and manholes, and creek crossing replacements.

At the Water Reclamation Plant (WRP), aging mechanical equipment and security fencing will be replaced.

For the recycled water system, the system pump station will be rebuilt, while also continuing to plan and strategize for expanding service.

Table #1 - Capital Improvements Projects Summary Table

	Budget	Projected	FY 2022-23	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Water Capital Projects										
Pipelines & Valve Replacement Projects by District	\$ 570,000	\$ 644,574	\$ 680,000	\$ 598,500	\$ 622,440	\$ 647,338	\$ 673,231	\$ 822,995		
Pipeline Replacement Projects by Contractors	4,543,350	2,662,018	5,760,000	4,928,344	3,739,067	4,060,056	4,771,673	4,962,540		
DeLuz ID Projects	100,000	261,950	100,000	105,000	109,200	113,568	118,111	122,835		
Pump Stations	300,000	56,562	100,000	1,123,500	54,600	56,784	59,055	61,418		
Meter Replacement	25,000	38,957	20,000	21,000	21,840	22,714	23,622	24,567		
Pressure Reducing Station Rehabilitation	65,000	37,144	40,000	21,000	-	-	-	-		
Red Mountain Reservoir Facility Improvements	175,000	11,155	24,000	236,250	54,600	56,784	118,111	61,418		
Steel Reservoir Improvements	60,000	20,826	162,000	577,500	873,600	738,192	767,720	921,264		
Santa Margarita Groundwater Treatment Plant	200,000	202,175	200,000	210,000	218,400	227,136	236,221	245,670		
SCADA and Security	90,000	67,121	150,000	136,500	141,960	147,638	177,166	184,253		
Vehicles and Heavy Equipment	-	118,940	143,500	267,893	521,430	346,382	481,301	638,743		
Total PAYGO Water Capital Projects	\$ 6,128,350	\$ 4,121,422	\$ 7,379,500	\$ 8,225,487	\$ 6,357,137	\$ 6,416,592	\$ 7,426,212	\$ 8,045,702		
Recycled Water Capital Projects										
Recycled Water Improvements	\$ 465,000	\$ 539,678	\$ 119,000	\$ 119,700	\$ 69,888	\$ 68,141	\$ 70,866	\$ 73,701		
Total Recycled Water Capital Projects	\$ 465,000	\$ 539,678	\$ 119,000	\$ 119,700	\$ 69,888	\$ 68,141	\$ 70,866	\$ 73,701		
Wastewater Capital Projects										
Water Reclamation Plant Improvements	\$ 281,000	\$ 211,833	\$ 855,000	\$ 315,000	\$ 436,800	\$ 738,192	\$ 767,720	\$ 491,341		
Collections System Projects	400,000	422,190	390,000	280,350	316,680	295,277	307,088	319,371		
Outfall Improvements	50,000	19,991	25,000	52,500	273,000	124,925	129,922	135,119		
Vehicles and Heavy Equipment	-	189,099	495,000	70,875	133,770	51,106	79,725	42,992		
Total Wastewater Capital Projects	\$ 731,000	\$ 843,113	\$ 1,765,000	\$ 718,725	\$ 1,160,250	\$ 1,209,499	\$ 1,284,454	\$ 988,823		
Administrative Capital Projects										
Administrative Upgrades	\$ 105,000	\$ 85,131	\$ 50,000	\$ 26,250	\$ 464,100	\$ 28,392	\$ 29,528	\$ 30,709		
Engineering & Operations Information Systems	30,000	31,786	-	5,250	32,760	34,070	35,433	36,851		
Facility Improvements/Upgrades/Security	410,000	421,849	496,000	68,250	70,980	255,528	76,772	30,709		
District Yard Improvements	-	-	420,000	52,500	-	56,784	-	61,418		
Vehicles and Heavy Equipment*	255,000	-	-	-	-	-	-	-		
Total Administrative Capital Projects	\$ 800,000	\$ 538,766	\$ 966,000	\$ 152,250	\$ 567,840	\$ 374,774	\$ 141,733	\$ 159,686		
Total Capital Budget Projects	\$ 8,124,350	\$ 6,042,979	\$ 10,229,500	\$ 9,216,162	\$ 8,155,115	\$ 8,069,006	\$ 8,923,265	\$ 9,267,912		

* Vehicles and Heavy Equipment were originally budgeted in Administrative Capital Projects, but starting with the FY 23 projections are budgeted in the corresponding water/wastewater category.

Capital Expenditure Carry-Over

As mentioned in the Water Capital Projects summary, additional pipeline replacement efforts are planned for the coming year to continue to catch up with long term goals. The unused portion of the planned budget, currently estimated to be approximately \$2,000,000, will be carried over to the coming year’s budget to enable funding additional pipeline replacement efforts. The Pipeline replacement lines on Table 1 reflect this carry-over into Fiscal Year 2023-24.

Table #2 - Capital Expenditure Carry-Over Summary Table

Project	FY 2022-23 Budget	FY 2022-23 Projected Actual	FY 2022-23 Carry-Over	FY 2023-24 Revised Budget*
Pipeline Replacements Projects by Contractors	\$ 4,543,350	\$ 2,662,018	\$ 1,881,332	\$ 5,760,000

*Includes FY 2022-23 carry-over

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Pipeline and Valve Replacement Projects by District

Project Description:

Projects include replacing existing valves and pipelines by District staff based on identified priority areas to reduce service interruptions. The primary focus is on valve replacements with a target of replacing 100 valves per year.

The proposed purchases and costs for Fiscal Year 2023-24 also include:

- Valve Replacement Program – Goal to replace 100 valves. Well-functioning isolation valves are critical to minimize the number of customers impacted during planned or unplanned shutdowns.
- Miscellaneous Pipeline Replacements–Small segments of mainline identified as needing repaired/replaced throughout the year.
- Mainline Leak Detection Survey – Survey of selected segments of water main to identify existing small leaks to help prioritize the pipeline replacement program.
- Fire Hydrant Replacements – New program to replace fire hydrants in poor condition.
- Easement Rehabilitation – Restoration of easement roads to maintain access to District pipelines and facilities.



Valves Replaced by Year	
Year	Quantity
FY 2017-18	112
FY 2018-19	57
FY 2019-20	89
FY 2020-21	82
FY 2021-22	73
FY 2022-23	73 (as of 5/1/23)
FY 2023-24	100 (Target)

Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

The valve replacement program is critical in reducing the number of accounts effected by planned shutdowns and unplanned water outages. District pipeline and valve replacement projects do not require any additional operating budget funds, and are expected to reduce emergency repair costs.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Valve Replacement Program	Continuous Replacement Program	\$ 430,000
Miscellaneous Pipeline Replacements	Continuous Replacement Program	\$ 150,000
Mainline Leak Detection	Continuous Detection Program	\$ 20,000
Fire Hydrant Replacements	Continuous Replacement Program	\$ 30,000
Easement Rehabilitation	Continuous Rehabilitation Program	\$ 50,000
Total		\$ 680,000



Pipeline Replacement Projects by Contractors

Project Description:

Significant pipeline replacement projects installed by contractors. Projects are prioritized based on the pipeline asset risk assessment model to minimize pipeline failures and unplanned service outages. Specific projects planned for Fiscal Year 2023-24 include:



- FY22-23 Pipeline Replacement Package – Approximately 9,500 linear feet of main line replacements on various streets. Pipe diameters range from 6-inches to 12-inches. Project was awarded in July 2022 and field work began in May 2023. The majority of this work will be completed in the summer and fall of 2023.
- Via Arroyo/Alta Vista Pipeline Replacement – 5,500 linear feet of 12-inch water main. The original installation date of the existing cement lined iron pipe is unknown, but it was relined in 1968. There have been multiple breaks over the past year and the pipe is in poor condition. This project will be awarded in the summer of 2023 and expected to be completed by fall 2024.
- Downtown Primary Pipeline Replacement – 9,000 linear feet of main line replacements on various streets. Pipe diameters range from 6-inches to 12-inches. The existing pipe was installed in the 1950s and has had multiple breaks over the past year. This project will be awarded in the fall of 2023 and expected to be completed by spring of 2025.

Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

These projects will reduce the cost of leak repair and potential property damage due to pipe failure, but do not require additional operating funds long term.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
FY23-24 Pipeline Replacements	\$ 4,043,350	\$ 3,000,000
Via Arroyo/Alta Vista Pipeline Replacement	\$ 2,700,000	\$ 1,750,000
Downtown Primary Pipeline Replacement	\$ 4,050,000	\$ 1,010,000
Total		\$ 5,760,000



DeLuz ID Projects

Project Description:

Capital Projects in the DeLuz Improvement District using Deluz Improvement District Funds. Projects include pipeline extension to specified parcels per adopted policy and replacement of existing infrastructure. Projects for Fiscal Year 2023-24 include:

- De Luz Area Pump and Valve Replacements



Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

The replaced pumps and valves at existing pump stations will improve water reliability by maintaining expected levels of service in the Deluz service area. The project will have a negligible impact on operation costs.

Project Budget:

Project	Total Project Budget	FY 2023-24 Budget
DeLuz Area Pump and Valve Replacements	\$ 100,000	\$ 100,000
Total		\$ 100,000



Pump Stations

Project Description:

The District has 6 pump stations that deliver water to higher elevation areas. In Fiscal Year 2023-24, the following Pump Station projects are planned



- Toyon Pump Station Replacement Final Design – This pump station has been scheduled for replacement for some time now, but has been deferred due to other capital priorities and new planning complexities introduced by details of the SMRCUP and potential change of imported water supplier. The design will be finalized, but construction is not planned until more details of the imported water supply are known. The pump station serves 63 accounts in the Toyon Service Area above Red Mountain Reservoir. The existing facility, built in 1982, is housed in a wood structure adjacent to the narrow Toyon Heights Road and is in poor condition. The new station will be constructed at the Red Mountain site, near the UV Plant, making it easier for operators to access and away from public right-of-way. The project will include new pumps, improved SCADA capabilities, and approximately 550 linear feet of new 8-inch water main to connect it to the Toyon Service Area.
- De Luz Pump Station – In order to deliver SMRCUP water to the De Luz Service Area, additional pumping capabilities will be needed. The new pump station will be constructed with the Toyon Pump Station. Similarly, the design will be finalized, but construction is not planned until the long term imported water supplier situation is understood.
- Miscellaneous Pump Motor Rebuilds – The pumps at other existing pump station sites are exceeding their intended useful service time and will be needing rebuilt motors. The most critical pumps will be prioritized, with the expectation of rebuilding two to three pumps at various pump stations.

Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

These projects will reduce operations and maintenance cost for the facilities by replacing the equipment that is at the end of its useful life. There will be additional SCADA controls added to help with remote operation and troubleshooting. The projects will improve water service reliability in their respective service areas.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Toyon Pump Station Replacement	\$ 515,000	\$ 25,000
DeLuz Pump Station	\$ 515,000	\$ 25,000
Miscellaneous Pump Replacements	Ongoing	\$ 50,000
Total		\$ 100,000



Meter Replacement Program

Project Description:

The Meter Replacement Program that was started in 2015 has been completed. The program replaced over 9,000 existing Automatic Meter Reading (AMR) meters with Advanced Metering Infrastructure (AMI) meters, which are able to provide real time data collection and alerts. New meters typically have a service life of 15 to 20 years, but some regular replacements will be necessary to keep all meters in working order. A small budget will be set aside on an ongoing basis for this purpose.

Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

This project ensures accurate billing of water use and reduces labor for reading meter by providing remote radio readings.

Project Budget:

Project	Total Project Budget	FY 2023-24 Budget
Meter Replacement Program	Ongoing Replacement Program	\$ 20,000
Total		\$ 20,000



Pressure Reducing Station Rehabilitation

Project Description:

Routine improvements and replacements of the District’s pressure reducing stations are needed to maintain reliable service. Projects planned for FY23-24 include replacing the isolation valves at the Kaufman PRV. The valves have exceeded their useful life and are no longer holding water.

Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

This project will reduce operations and maintenance cost for the facility by replacing the equipment that is at the end of its useful life.



Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Kaufman Isolation Valves	\$ 40,000	\$ 40,000
Total		\$ 40,000



Red Mountain Reservoir Facility Improvements

Project Description:

Replacement and rehabilitation of equipment and facilities at the Red Mountain Site, including the reservoir and UV plant. Projects for Fiscal Year 2023-24 include:

- Site Pavement Seal – A pavement seal will be performed to prolong the useful life of the pavement at the facility.



Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

Maintaining the site pavement will improve site access and operational efficiency.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Red Mountain Pavement Seal	\$ 24,000	\$ 24,000
Total		\$ 24,000



Steel Reservoir Improvements

Project Description:

Each existing reservoir has been recoated within the last ten years, protecting the existing reservoirs from corrosion and extending their useful life. The coatings typically last 10 to 15 years, so no recoating projects are anticipated for the next few years. Other projects planned in Fiscal Year 2023-24 include:



- Cathodic Protection Replacements – The steel reservoirs use sacrificial anodes to further prevent corrosion. The anodes are replaced regularly based on assessed condition at each tank.
- Rattlesnake Tank Site Improvement Planning – The tank site is in need of rehabilitation. Alternatives will be developed to select the best path forward for this reservoir.
- 8MG Tank Mixer Phase 1 – A new mixer will be added to improve water quality in the De Luz area.
- 2.8MG Tank Security Fence – Additional security fencing will be installed around the tank site.

Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

The projects will ensure the long-term integrity of these water supply tanks. There are no additional operating costs expected. The operating costs for the mixer at the 8MG Tank are expected to be lower than costs for the current operators time.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Rattlesnake Tank Site Development	\$ 50,000	\$ 50,000
Cathodic Protection Repair	Ongoing Replacement Program	\$ 15,000
8 MG Tank Mixer Phase 1	\$ 27,000	\$ 27,000
2.8 MG Tank Security Fence	\$ 70,000	\$ 70,000
Total		\$ 162,000



Santa Margarita Groundwater Treatment Plant

Project Description:

Construction of the Santa Margarita Groundwater Treatment Plant (SMGTP) was completed in FY21-22. The plant treats water delivered by Camp Pendleton per the executed settlement agreement of US v. FPUD. On average, it is expected to provide 3,100 acre-feet per year of local water. Each year’s actual quantity is determined by hydrologic conditions in the river basin. This year the project is expected to yield 4,523 acre-feet.



With the construction complete, the plant will require routine equipment replacements and improvements. Capital Budget funds have been allocated for that purpose.

Supports Strategic Goals:

Provide a reliable, cost effective water supply through implementation of local water supply projects.

Operating Impacts:

The project will provide on average about 40% of the District water needs and will help mitigate against future imported water cost increases. Without the project, the District would continue to rely on SDCWA for 99% of District potable water needs. The new facilities will result in significant additional operating costs, but the overall impact to the operating budget is more than offset by reduced expenditures on lower quantities of imported water.

Project Budget:

Project	Total Project Budget	FY 2023-24 Budget
Plant Improvements	Continuous Program	\$ 200,000
Total		\$ 200,000

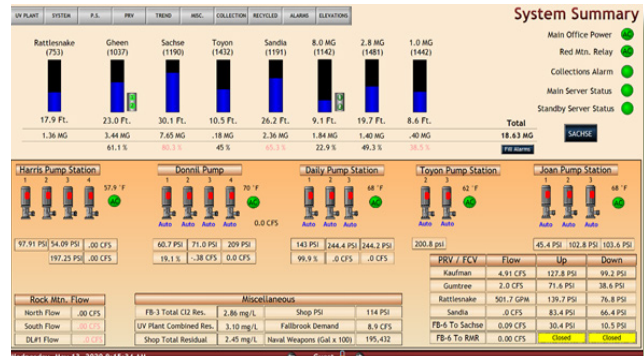


SCADA and Security

Project Description:

SCADA and security upgrades protect the District’s facilities and enable improved remote operations and controls. Projects for Fiscal Year 2023-24 include:

- SCADA Upgrades – Replacement of outdated equipment with newer technology increases remote capabilities. The focus will be on replacing outdated RTUs and backup power with batteries or solar at more communications sites.



Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

Reduces long-term operating costs of the system by improving ability to address and monitor system conditions remotely.

Project Budget:

Project	Total Project Budget	FY 2023-24 Budget
SCADA Upgrades	Ongoing Replacement Program	\$ 150,000
Total		\$ 150,000



Recycled Water Improvements

Project Description:

The recycled system delivers water that has been treated to Title 22 tertiary standards for outdoor use. Projects for Fiscal Year 2023-24 include:

- Recycled Water Pumps Rebuild – the primary pumps have exceeded their recommended run time and will be rebuilt to maintain reliable service.
- Distribution SCADA Improvements



Supports Strategic Goals:

Provide a reliable, cost effective water supply through implementation of local water supply projects.

Operating Impacts:

There is no impact to the operating budget.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Recycled Water Pumps Rebuild	\$ 100,000	\$ 100,000
Distribution SCADA Improvements	Continuous Improvement Program	\$ 19,000
Total		\$ 119,000



Water Reclamation Plant Improvements

Project Description:

On-going repair and replacement of key components of the Water Reclamation Plant (WRP) are critical to maintaining this critical facility. The projects for Fiscal Year 2023-24 include:



- Capital Equipment Replacements – Several pieces of mechanical equipment have exceeded their useful life and are in need of replacement. These include air vacuum release valves, pumps, sludge drying system, scrubber replacement, decanter piping improvements, etc.
- Pavement Replacement – Some additional pavement around the plant site will be resealed or replaced.
- Concrete Repair – The concrete wall of the headworks structure is leaking and will be repaired and recoated.
- Arc Flash Project – Safety improvements for electrical equipment.
- Security Fence – Replace security fence along the creek.
- Storm Water Basins – Continued improvements to the storm water basins around the property.

Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

On-going replacement of equipment will ensure long-term reliability of the facility. The projects will not have any impact on operation costs.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Capital Equipment Replacements	Continuous Replacement Program	\$ 525,000
Pavement Replacement	\$ 18,000	\$ 18,000
Concrete Repair	\$ 30,000	\$ 30,000
Arc Flash Project	\$ 162,000	\$ 162,000
Security Fence	\$ 70,000	\$ 70,000
Storm Water Improvements	\$ 50,000	\$ 50,000
Total		\$ 855,000



Collections System Projects

Project Description:

Projects include replacements and major repairs to existing sewer infrastructure.

The proposed projects for Fiscal Year 2023-24 include:

- Mainline Replacement and Relining – Approximately 2,000 linear feet of sewer main line will be replaced or relined to like-new condition.
- Creek and Culvert Crossing Replacement – Replace aging main lines crossing creeks to preemptively prevent any spills into sensitive habitat.
- Shady Lane Lift Station – Completion of electrical and controls upgrades of Shady Lane Lift Station.
- SCADA & Controls Upgrades – General improvements to the communications and controls network for the collections system.



Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

The collection systems capital program is critical in reducing the number of spills and potential fines. The planned projects do not require any additional operating budget funds, and are expected to reduce emergency repair costs.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Mainline Replacement & Relining	\$ 170,000	\$ 170,000
Creek and Culvert Crossing Replacement	\$ 150,000	\$ 150,000
Shady Lane Lift Station	\$ 50,000	\$ 50,000
SCADA & Controls Upgrades	Ongoing Program	\$ 20,000
Total		\$ 390,000



Outfall Improvements

Project Description:

The project includes replacement of air/vac valves, drain valves, and connecting piping on the outfall. Replacement of these items is critical to preventing overflows and spills.



Supports Strategic Goals:

Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

On-going replacement of the items is critical to preventing spills and back-ups in the outfall. This project will reduce the cost of emergency repairs and maintenance, but does not require additional operating funds long term.

Project Budget:

Project	Total Project Budget	FY 2023-24 Budget
Outfall Improvements	Ongoing Improvement Program	\$ 25,000
Total		\$ 25,000



Facility Improvements/Upgrades/Security

Project Description:

The project includes capital projects for administration facilities, including staff offices, shop, and warehouse facilities to help maintain efficient operation of the District, as well as network and server improvements for the main office.



The projects include the following:

- EV Charging Facility – Installation of EV Charging capabilities for future electric fleet vehicles. This is part of a state required program to transition the fleet to electric vehicles. 80% of the cost will be reimbursed by grant funds, so the anticipated net cost to the District is \$84,000.
- Upgrade Network/Server Room – Additional replacement of servers for improved network speed and security.
- Facility Renovations – Continued renovation of the yard restroom facilities, door replacements, and electrical safety improvements in the yard offices.
- Board Room Audio/Visual Upgrades – Replacement of the audio/visual system in the boardroom.
- Building Roof Replacement – Complete replacement of main office roof. The roof has had multiple leaks and has exceeded its intended useful life.

Supports Strategic Goals:

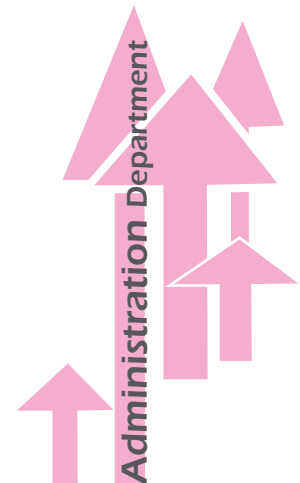
Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

On-going investments in administrative facilities and systems is critical to maintain overall reliable and efficient operation.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
EV Charging Facility	\$ 420,000	\$ 420,000
Upgrade Network/Server Room	\$ 50,000	\$ 50,000
Minor Rehabilitation and Office Furniture	Ongoing Rehabilitation	\$ 15,000
General Office Improvements	Ongoing Rehabilitation	\$ 45,000
Board Room Audio/Visual Upgrades	\$ 36,000	\$ 36,000
Building Roof Repair	\$ 400,000	\$ 400,000
Total		\$ 966,000



Vehicles and Heavy Equipment

Project Description:

The fleet consists of a combination of light duty vehicles, heavy equipment, and trailers. In addition, the department maintains the District’s refueling station, generators, and various hydraulic and gas powered tools.

During Fiscal Year 2020-21, the department updated its methodology for fleet replacement in combination with a new software program to better track how much is spent on each vehicle.



Supports Strategic Goals:

By reviewing various data points using the new software, staff can ensure ratepayers that funds are being spent prudently on vehicle replacements and repairs. This new method of evaluation helps guarantee an extremely reliable fleet. In turn, the fleet allows field operations to respond quickly to leaks, new installations, and infrastructure operations and maintenance.

Operating Impacts:

Detailed documentation of repairs and inspections will allow the District to make better informed decisions about true needs. Long-term, this will lead to cost reduction as it will enable staff to focus on problematic vehicles and replace them while keeping reliable vehicles for an extended period of time.

Projects Budgets:

Project	Total Project Budget	FY 2023-24 Budget
Fleet Vehicles	Ongoing Replacement Program	\$ 135,000
Vactor Truck	\$ 450,000	\$ 450,000
Miscellaneous Equipment	\$ 53,500	\$ 53,500
Total		\$ 638,500*

*\$495,000 will be from wastewater capital and the remaining \$143,500 will be from water capital funds.



Accrual Basis of Accounting - The basis of accounting under which transactions are recognized when they occur, regardless of the timing of cash receipts and disbursements.

ACFR - Annual Comprehensive Financial Report

Acre-Foot (AF) - A unit of measure equivalent to 325,851 gallons of water.

AG - Agricultural Customers

AMI - Advanced Meter Infrastructure

AMR - Automatic Meter Reading

Appropriation - An amount of money in the budget authorized by the Board of Directors for expenditure or obligation within organizational units for specific purposes.

Assessed Valuation - An official government value placed upon real estate or other property as a basis for levying taxes.

Assets - Resources owned or held which have monetary and economic value.

AWIA – America’s Water Infrastructure Act of 2018.

Bay-Delta - Refers to an environmentally sensitive area of Sacramento/San Joaquin Rivers Delta through which State Water Project water must flow to reach Southern California and other areas.

Budget - A balanced financial plan for a given period of time, which includes expenditures and revenues funded through various funds. The budget serves as a financial plan as well as a policy guide, an operations guide and a communications medium.

CalPERS - California Public Employee Retirement System

Capital Equipment - Fixed assets such as vehicles, computers, furniture and technical instruments which have a life expectancy of more than three years and a value over five thousand dollars.

Capital Improvement Program (CIP) - A long-range plan for the construction, rehabilitation and modernization of the District-owned and operated infrastructure and assets.

Capital Outlay - Expenditures which result in the acquisition of, or addition to, fixed assets including land, buildings, improvements, machinery and equipment. Most equipment or machinery is included in the Capital Budget. Capital improvements such as acquisition of land, construction and engineering expenses are included in the Capital Budget.

Cash Management - A conscious effort to manage cash so that interest and penalties paid are minimized and interest earned is maximized. Funds received are deposited on the day of receipt and invested as soon as the funds are available. The District maximizes the return on all funds available for investment without sacrifice of safety.

CBP - Community Benefit Program



CEQA - California Environmental Quality Act

CFS - Cubic Feet per Second

CMMS - Computerized Maintenance Management System

CSMFO – California Society of Municipal Finance Officers

Days Cash on Hand – Calculation using total operating expense including debt and water supply costs, less depreciation divided by 365 days of the year to give you the daily cash operating expenses. The cash equivalents will be divided by the daily cash operating expenses to give you the days cash on hand.

Debt Service - The current year portion of interest costs and current year principal payments incurred on long-term debt issued by the District.

Disbursements - Payments made on obligations.

District Services - The District's main cost centers are broken into Services, which include Administrative, Water, Recycled Water and Wastewater.

Division - Part of the District's organizational structure that performs a specific service or function.

DSCR - Debt Service Coverage Ratio

DWR - California Department of Water Resources

Each Parcel of Land - Shall mean each parcel of land assigned a parcel number by the San Diego County Assessor.

EAM - Enterprise Asset Management

EIR/EIS - Environmental Impact Report/Environmental Impact Statement

EMWD - Eastern Municipal Water District

EPA - Environmental Protection Agency

ERP - An Enterprise Resource Planning information management system integrate areas such as planning, purchasing, inventory, billing, customer accounts and human resources.

EUM - Effective Utility Management

Expenditure - An amount of money disbursed or obligated. Expenditures include current operating disbursements requiring the present or future use of net current assets, debt service and capital improvements.

FCF - Flow Control Facility

Fiscal Year (FY) - The timeframe in which the budget applies. This is the period from July 1 through June 30.

Fixed Assets - Long-term tangible assets that have a normal use expectancy of more than three years and do not lose their individual identity through use. Fixed assets include buildings, equipment and improvements other than buildings and land.

FPUD - Fallbrook Public Utility District

FTE - Full Time Equivalent

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements and Financial Accounting Standards Board (FASB) pronouncements. GAAP provides a standard by which to measure financial presentations.

GFOA - Government Financial Officers Association

GIS - Geographic Information System. An organized collection of computer hardware, software and geographic data designed to efficiently capture, store, update, manipulate, analyze and display all forms of geographically referenced information.

GPS - Global Positioning System

HCF - Hundred Cubic Feet

IAC - Infrastructure Access Charge

IAWP - Interim Agricultural Water Program

IID - Imperial Irrigation District

IPR - Indirect Potable Reuse project

IRWM - Integrated Regional Water Management Program

KPI - Key Performance Indicator

LAFCO - Local Agency Formation Commission

Leases and Rentals - This includes costs to rent equipment, copy machines, temporary easements and other items.

LRP - MWD's Local Resource Program

LWSD - SDCWA's Local Water Supply Development, which provides funds to support local supply development.

M&I - Municipal and Industrial
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Master Plan - Regional Water Facilities Master Plan

ME - Meter Equivalent

MG - Million Gallon

MGD - Million Gallons per Day

MOU - Memorandum of Understanding

MW - Megawatt

MWD - Metropolitan Water District of Southern California

Non-Labor Expenditures - This includes professional services, services and other operating expenditure like materials, supplies and equipment but excludes the cost of water.

NPDES - National Pollutant Discharge Elimination System

OPEB - Other Post-Employment Benefits, which includes the District's retiree health care obligation.

Operating Budget - The normal, ongoing operating costs incurred to operate the District.

OTLS - Overland Trail Lift Station

PARS - Public Agency Retirement Services

PAYGO - Pay-as-you-go capital funding uses cash and reserves to fund Capital Outlays. .

PEPRA - Public Employees' Pension Reform Act.

Professional Services - The normal, ongoing operating costs incurred to operate the District that are procured from companies outside of the District. Examples include legal, auditing, appraisals, engineering, drafting and design.

PRV- Pressure Reducing Valve

Purchased Water Costs- These are the costs of the District's wholesale water purchases from SDCWA.

QECB - Qualified Energy Conservation Revenue Bond

Reliability - Consistently providing a water supply that adequately supports the regional economy.

Revenue - Income generated by taxes, notes, bonds, investment income, land rental and user charges.

ROW - Right of Way

RSF - Rate Stabilization Fund

RTS - Readiness to Service charge

S&P - Standard and Poor's rating services

Salary - This is the cost of labor for 2,080 hours a year and does not include any employee benefits.

SANDAG - San Diego Association of Governments

SAWR - Transitional Special Agricultural Water Rate

SCADA - Supervisory Control and Data Acquisition

SD - San Diego

SDCWA - San Diego County Water Authority

Services - The normal, ongoing operating costs incurred to operate the District that are procured from companies outside of the District. Examples include repair, maintenance, custodial and security.

SMGTP - Santa Margarita Groundwater Treatment Plant

SMRCUP - Santa Margarita River Conjunctive Use Project

SMR - Santa Margarita River water

SpringBrook - The District's ERP.

SR - State Route

SRF - State Revolving Fund

Sundry/Other Revenues – This includes disposal of assets and other miscellaneous revenues.

Total Capital Budget - The total budget requests for construction projects and associated expenses and equipment.

Total District Budget - The sum of the total Operating Budget, Debt Service, Cost of water and Capital Budget.

Treated Water - Water delivered to member agencies which has been treated by coagulation, sedimentation, filtration and chlorination.

Unfunded Actuarial Accrued Liability - The unfunded actuarial accrued liability (UAAL) is the difference between the value of benefits earned by employees and the value of assets held in the pension plan.

Utilities - This includes gas, electricity, water, and sewer.

UV - Ultraviolet

UWMP - Urban Water Management Plan

Water Supply Costs - Comprised of Purchased Water Costs and pumping costs.

WRP - Water Reclamation Plant



Table #1 - Fallbrook Public Utility District's Enterprise Projections

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenues					
Revenue from Rates					
Water	\$ 24,579,212	\$ 27,603,306	\$ 29,453,472	\$ 31,411,174	\$ 33,492,715
Recycled Water	1,267,442	1,299,770	1,331,501	1,364,396	1,398,435
Wastewater	6,820,069	6,971,339	7,285,954	7,604,301	7,926,443
Subtotal Revenue from Rates	\$ 32,666,723	\$ 35,874,415	\$ 38,070,927	\$ 40,379,871	\$ 42,817,593
Other Operating Revenue					
Pass-through Charges					
MWD RTS Charge*	\$ 130,039	\$ -	\$ -	\$ -	\$ -
SDCWA IAC Charge	603,768	608,142	635,035	679,487	727,051
Pumping Charge	100,000	100,000	100,000	100,000	100,000
Backflow Charge	200,000	200,000	200,000	200,000	200,000
Sundry	101,000	75,000	75,000	75,000	75,000
MWD/CWA Incentive	-	-	-	-	-
Subtotal Other Operating Revenues	\$ 1,134,807	\$ 983,142	\$ 1,010,035	\$ 1,054,487	\$ 1,102,051
Non-Operating Revenue					
Water Availability Charge	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
1% Property Tax	2,417,248	2,700,000	2,710,462	2,731,833	2,753,692
Investment Earnings	122,819	400,923	306,318	289,233	308,975
Water CIP Charge	1,581,828	1,740,011	1,879,211	2,010,756	2,151,509
Pumping Capital Improvement Charge*	6,760	-	-	-	-
Facility Rent/Lease Revenue	306,261	312,386	318,634	325,007	331,507
Gain/Loss on Sale of Assets/SDCWA Refund	178,749	-	-	-	-
Grant Funds	569,957	-	-	-	-
Water Capacity Fees	105,000	85,000	85,128	85,255	85,383
Wastewater CIP Charge	1,244,630	1,328,198	1,394,608	1,450,392	1,508,408
Wastewater Capacity Fees	70,000	45,000	45,068	45,135	45,203
Federal Interest Rate Subsidy	84,516	70,261	55,178	39,233	22,388
Subtotal Non-Operating Revenue	\$ 6,887,767	\$ 6,881,779	\$ 6,994,606	\$ 7,176,844	\$ 7,407,064
Total Revenues	\$ 40,689,298	\$ 43,739,336	\$ 46,075,567	\$ 48,611,203	\$ 51,326,709
Operating Expenses					
Water Supply Costs					
SDCWA Purchased Water Costs	\$ 11,167,836	\$ 8,338,813	\$ 11,291,860	\$ 11,942,963	\$ 12,587,418
SMRCUP Supply Costs	612,878	1,219,265	871,128	905,973	942,212
Subtotal Water Supply Costs	\$ 11,780,714	\$ 9,558,078	\$ 12,162,988	\$ 12,848,937	\$ 13,529,630
Labor Costs	3,763,190	3,865,068	4,111,115	4,313,962	4,526,844
Fringe Benefits	2,242,015	2,497,331	2,634,684	2,766,418	2,904,739
Services, Materials & Supplies	3,121,475	3,997,356	4,178,547	4,348,440	4,525,266
Allocated Admin Expenses	7,268,608	7,934,072	8,291,105	8,622,750	8,967,660
Community Benefit Program	35,452	546,000	546,000	546,000	546,000
Total Operating Expenses	\$ 28,211,454	\$ 28,397,906	\$ 31,924,439	\$ 33,446,507	\$ 35,000,139
Net Operating Revenues	\$ 12,477,844	\$ 15,341,430	\$ 14,151,128	\$ 15,164,696	\$ 16,326,569
Debt Service					
Total Debt Service	\$ 3,822,936	\$ 5,463,081	\$ 5,465,583	\$ 5,461,244	\$ 5,461,925
Capital Expenditures					
Total Capital Expenditures	\$ 6,042,979	\$ 10,229,500	\$ 9,216,162	\$ 8,155,115	\$ 8,069,006
Total Expenditures	\$ 38,077,369	\$ 44,090,487	\$ 46,606,184	\$ 47,062,866	\$ 48,531,070
Change in Net Position	\$ 2,611,929	\$ (351,151)	\$ (530,616)	\$ 1,548,337	\$ 2,795,639
Beginning Balances	\$ 20,469,853	\$ 23,081,782	\$ 22,730,631	\$ 22,200,015	\$ 23,748,352
Ending Balances	\$ 23,081,782	\$ 22,730,631	\$ 22,200,015	\$ 23,748,352	\$ 26,543,990

* Starting in FY 2023-2024, the RTS is not treated as a pass-through and the Pumping Capital Improvement Charge is discontinued.

Table #2 - Fallbrook Public Utility District's Water Projections

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenues					
Revenues from Rates					
Revenues from Current Rates	\$ 24,579,212	\$ 26,735,775	\$ 26,789,250	\$ 26,829,434	\$ 26,869,678
Proposed Revenue Adjustments	-	867,531	2,664,222	4,581,740	6,623,037
Subtotal Operating Revenues	\$ 24,579,212	\$ 27,603,306	\$ 29,453,472	\$ 31,411,174	\$ 33,492,715
Other Operating Revenues					
Pass-through Charges					
MWD RTS Charge*	\$ 130,039	\$ -	\$ -	\$ -	\$ -
SDCWD IAC Charge	603,768	608,142	635,035	679,487	727,051
Pumping Charge	100,000	100,000	100,000	100,000	100,000
Backflow Charge	200,000	200,000	200,000	200,000	200,000
Sundry	84,000	60,000	60,000	60,000	60,000
Subtotal Other Operating Revenues	\$ 1,117,807	\$ 968,142	\$ 995,035	\$ 1,039,487	\$ 1,087,051
Non-Operating Revenue					
Water Availability Charge	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
1% Property Tax **	711,681	854,000	862,540	871,165	879,877
Investment Earnings	108,413	381,762	287,754	270,485	289,260
Water Capital Improvement Charge	1,581,828	1,740,011	1,879,211	2,010,756	2,151,509
Pumping Capital Improvement Charge*	6,760	-	-	-	-
Other Revenue	306,261	312,386	318,634	325,007	331,507
Gain/Loss on Sale of Assets/SDCWA Refund	178,749	-	-	-	-
Water Capacity Fees	105,000	85,000	85,128	85,255	85,383
Subtotal Non-Operating Rev	\$ 3,198,691	\$ 3,573,159	\$ 3,633,267	\$ 3,762,668	\$ 3,937,536
Total Revenues	\$ 28,895,711	\$ 32,144,607	\$ 34,081,773	\$ 36,213,329	\$ 38,517,302
Operating Expenses					
Water Supply Costs					
SDCWA Purchased Water Costs	\$ 11,167,836	\$ 8,338,813	\$ 11,291,860	\$ 11,942,963	\$ 12,587,418
SMRCUP Supply Costs	612,878	1,219,265	871,128	905,973	942,212
Subtotal Water Supply Costs	\$ 11,780,714	\$ 9,558,078	\$ 12,162,988	\$ 12,848,937	\$ 13,529,630
Labor Costs	2,231,866	2,068,956	2,203,438	2,313,610	2,429,290
Fringe Benefits	1,214,646	1,337,251	1,410,800	1,481,340	1,555,407
Services, Materials & Supplies	1,766,888	2,450,856	2,561,145	2,663,590	2,770,134
Allocated Administrative Expenses	4,651,909	5,077,806	5,306,307	5,518,560	5,739,302
Total Operating Expenses	\$ 21,646,022	\$ 20,492,948	\$ 23,644,678	\$ 24,826,036	\$ 26,023,764
Net Operating Revenue	\$ 7,249,689	\$ 11,651,659	\$ 10,437,096	\$ 11,387,293	\$ 12,493,538
Debt Service					
Total Debt Service	\$ 1,570,247	\$ 3,210,646	\$ 3,210,646	\$ 3,210,646	\$ 3,210,646
Capital Expenditures					
Total Capital Expenditures	\$ 4,660,188	\$ 8,345,500	\$ 8,377,737	\$ 6,924,977	\$ 6,791,366
Total Expenditures	\$ 27,876,457	\$ 32,049,093	\$ 35,233,060	\$ 34,961,659	\$ 36,025,775
Change In Net Position	\$ 1,019,254	\$ 95,514	\$ (1,151,287)	\$ 1,251,670	\$ 2,491,527
Beginning Balances	\$ 18,068,843	\$ 19,088,097	\$ 19,183,611	\$ 18,032,323	\$ 19,283,994
Ending Balances	\$ 19,088,097	\$ 19,183,611	\$ 18,032,323	\$ 19,283,994	\$ 21,775,520

* Starting in FY 2023-2024, the RTS is not treated as a pass-through and the Pumping Capital Improvement Charge is discontinued.

**Property tax revenue reduced by \$546,000 in Fiscal Years 2022-23 and 2023-24 for Community Benefit Program.

Chart #1 - Water Fund Balances and Change in Target Level

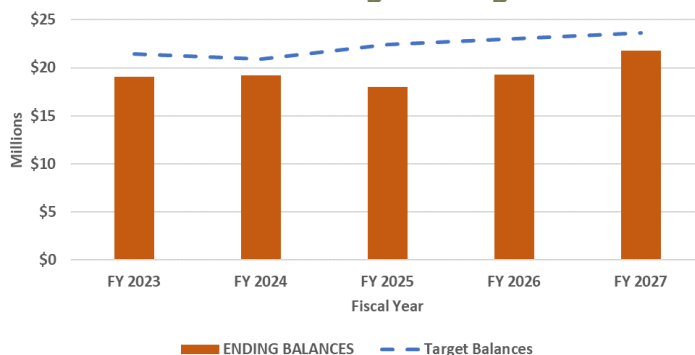


Table #3 - Fallbrook Public Utility District's Wastewater Projections

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenues					
Revenues from Rates					
Revenues from Current Rates	\$ 6,820,069	\$ 6,820,069	\$ 6,830,299	\$ 6,840,545	\$ 6,850,806
Proposed Revenue Adjustments	-	151,269	455,655	763,756	1,075,637
Subtotal Operating Revenues	\$ 6,820,069	\$ 6,971,339	\$ 7,285,954	\$ 7,604,301	\$ 7,926,443
Other Operating Revenues					
Sundry	\$ 12,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Subtotal Other Operating Revenues	\$ 12,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Non-Operating Revenue					
Wastewater Capital Improvement Charge	\$ 1,244,630	\$ 1,328,198	\$ 1,394,608	\$ 1,450,392	\$ 1,508,408
Wastewater Capacity Fees	70,000	45,000	45,068	45,135	45,203
1% property Tax - IDS	1,105,537	1,235,000	1,247,350	1,259,824	1,272,422
Federal Interest Rate Subsidy	84,516	70,261	55,178	39,233	22,388
Investment Earnings	14,834	15,131	15,358	15,588	15,822
Subtotal Non-Operating Revenues	\$ 2,519,518	\$ 2,693,590	\$ 2,757,562	\$ 2,810,172	\$ 2,864,243
Total Revenues	\$ 9,351,587	\$ 9,674,929	\$ 10,053,516	\$ 10,424,473	\$ 10,800,685
Operating Expenses					
Labor Costs	\$ 1,370,210	\$ 1,536,968	\$ 1,636,871	\$ 1,718,714	\$ 1,804,650
Fringe Benefits	920,272	992,703	1,047,302	1,099,667	1,154,650
Services, Materials & Supplies	1,131,377	1,329,000	1,390,115	1,448,471	1,509,298
Allocated Administrative Expenses	2,544,013	2,776,925	2,901,887	3,017,962	3,138,681
Total Operating Expenses	\$ 5,965,872	\$ 6,635,596	\$ 6,976,174	\$ 7,284,814	\$ 7,607,279
Net Operating Revenue	\$ 3,385,714	\$ 3,039,333	\$ 3,077,342	\$ 3,139,659	\$ 3,193,407
Debt Service					
Total Debt Service	\$ 1,733,383	\$ 1,733,212	\$ 1,734,864	\$ 1,731,618	\$ 1,731,769
Capital Expenditures					
Total Capital Expenditures	\$ 843,113	\$ 1,765,000	\$ 718,725	\$ 1,160,250	\$ 1,209,499
Total Expenditures	\$ 8,542,368	\$ 10,133,808	\$ 9,429,764	\$ 10,176,682	\$ 10,548,547
Change in Net Position	\$ 809,219	\$ (458,879)	\$ 623,752	\$ 247,790	\$ 252,139
Beginning Balances	\$ 2,472,411	\$ 3,281,630	\$ 2,822,751	\$ 3,446,503	\$ 3,694,294
Ending Balances	\$ 3,281,630	\$ 2,822,751	\$ 3,446,503	\$ 3,694,294	\$ 3,946,432

Chart #2 - Wastewater Fund Balances and Change in Target Level

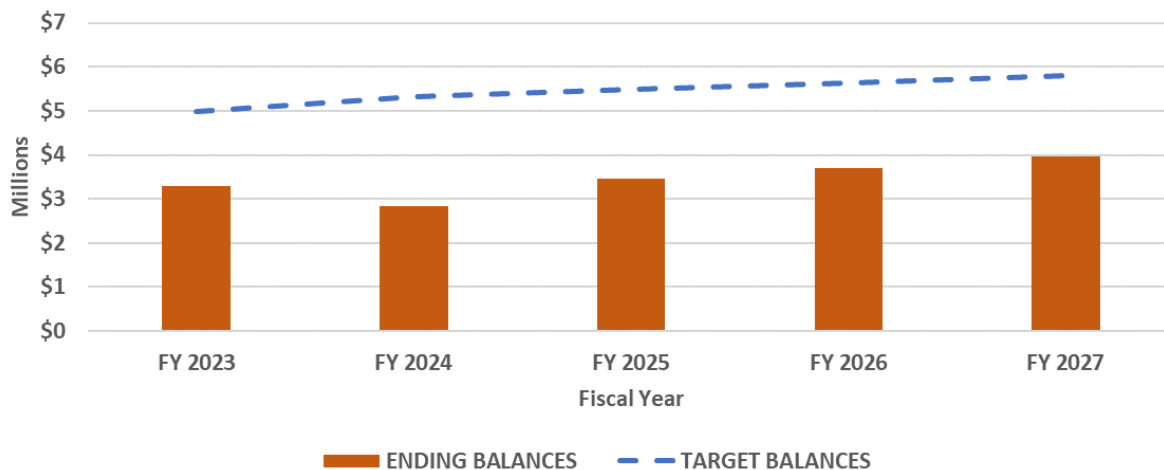


Table #4 Fallbrook Public Utility District’s Recycled Water Projections

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenues					
Revenues from Rates					
Revenues from Current Rates	\$ 1,267,442	\$ 1,284,113	\$ 1,284,113	\$ 1,284,113	\$ 1,284,113
Proposed Revenue Adjustments	-	15,657	47,387	80,283	114,322
Other Operating Revenues					
SDCWA Incentive	\$ -	\$ -	\$ -	\$ -	\$ -
Sundry	5,000	5,000	5,000	5,000	5,000
Subtotal Other Operating Revenues	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Non-Operating Revenue					
Grant Funds	\$ 569,957	\$ -	\$ -	\$ -	\$ -
1% Property Tax	54,030	65,000	54,572	54,844	55,393
Investment Earnings	(428)	4,030	3,206	3,160	3,893
Subtotal Non-Operating Revenue	\$ 623,558	\$ 69,030	\$ 57,777	\$ 58,004	\$ 59,286
Total Revenue	\$ 1,896,000	\$ 1,373,800	\$ 1,394,278	\$ 1,427,400	\$ 1,462,721
Operating Expenses					
Labor Costs	\$ 161,114	\$ 259,144	\$ 270,806	\$ 281,638	\$ 292,903
Fringe Benefits	107,097	167,377	176,583	185,412	194,682
Services, Materials & Supplies	223,210	217,500	227,288	236,379	245,834
Allocated Administrative Expenses	72,686	79,341	82,911	86,227	89,677
Total Operating Expenses	\$ 564,107	\$ 723,362	\$ 757,587	\$ 789,656	\$ 823,097
Net Operating Revenue	\$ 1,331,893	\$ 650,438	\$ 636,691	\$ 637,744	\$ 639,624
Debt Service					
Total Debt Service	\$ 519,307	\$ 519,224	\$ 520,072	\$ 518,980	\$ 519,510
Capital Expenditures					
Total Capital Expenditures	\$ 539,678	\$ 119,000	\$ 119,700	\$ 69,888	\$ 68,141
Total Expenditures	\$ 1,623,092	\$ 1,361,586	\$ 1,397,359	\$ 1,378,524	\$ 1,410,748
Change in Net Position	\$ 272,908	\$ 12,215	\$ (3,081)	\$ 48,876	\$ 51,973
Beginning Balances	\$ (71,401)	\$ 201,507	\$ 213,722	\$ 210,640	\$ 259,516
Ending Balances	\$ 201,507	\$ 213,722	\$ 210,640	\$ 259,516	\$ 311,490

Chart #3 - Recycled Water Fund Balances and Change in Target Level

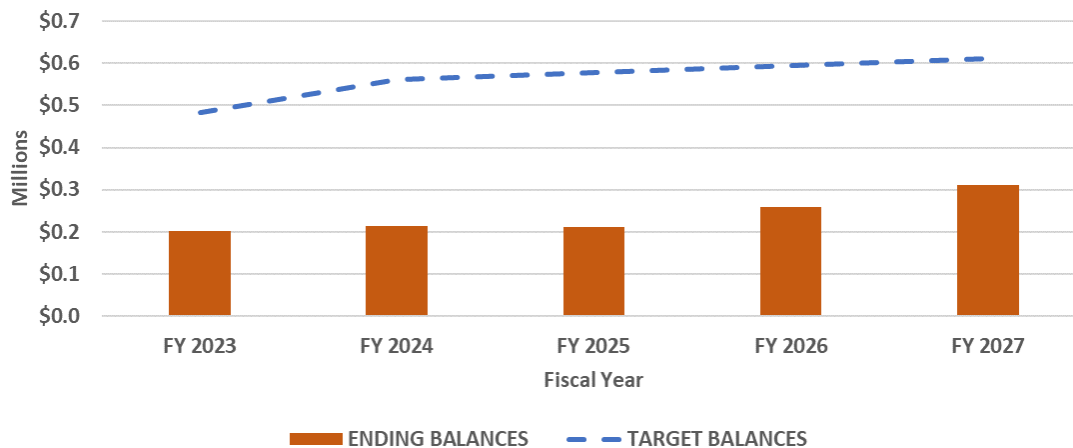


Table #5 Fallbrook Public Utility District's Community Benefit Program Projections

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenues					
Non-Operating Revenue					
1% Property Tax	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000
Subtotal Non-Operating Revenue	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000
Total Revenue	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000
Operating Expenses					
Labor Costs	\$ 6,961	\$ 1,464	\$ 1,464	\$ 1,464	\$ 1,464
Fringe Benefits	-	-	-	-	-
Services, Materials & Supplies	28,491	544,536	544,536	544,536	544,536
Allocated Administrative Expenses	-	-	-	-	-
Total Operating Expenses	\$ 35,452	\$ 546,000	\$ 546,000	\$ 546,000	\$ 546,000
Net Operating Revenue	\$ 510,548	\$ -	\$ -	\$ -	\$ -
Change in Net Position	\$ 510,548	\$ -	\$ -	\$ -	\$ -
<i>Beginning Balances</i>	\$ -	\$ 510,548	\$ 510,548	\$ 510,548	\$ 510,548
<i>Ending Balances</i>	\$ 510,548	\$ 510,548	\$ 510,548	\$ 510,548	\$ 510,548

Table #6 - Changes in Net Position and Net Position by Component, Last Ten Fiscal Years

	FY 2012-13	FY 2013-14	FY 2014-15
Changes in Net Position:			
Operating Revenues	\$ 27,582,160	\$ 28,955,183	\$ 27,483,881
Operating Expenses	(28,007,733)	(33,062,764)	(28,604,249)
Other Operating Revenues	439,560	681,876	-
Operating Income (loss)	\$ 13,987	\$ (3,425,705)	\$ (1,120,368)
Non-Operating Revenues (expenses)			
Property Taxes Ad-Valorem	\$ 1,582,219	\$ 1,623,510	\$ 1,719,296
Capital Improvement Charges	1,252,501	1,981,822	2,134,025
California Solar Initiative Rebate	779,786	843,714	729,519
Investment income (Loss)	30,507	209,175	141,433
Lease Interest Income	-	-	-
Water Availability Charges	201,037	200,779	200,810
MWD Local Resource Program	-	-	-
Lease Revenue	181,100	183,641	185,770
Intergovernmental Revenue - Federal Interest Subsidy	-	-	206,584
Connection Fees	247,607	118,581	208,521
SDCWA Rate Refund	-	-	-
COVID Relief Grant	-	-	-
Water Supply Grant Funds	-	-	-
Gain on Impairment	-	-	(444,252)
Other Non-Operating Revenues	81,008	140,396	162,913
Other Non-Operating Expenses	(291,721)	(344,730)	(847,725)
Total Non-Operating Revenues(expenses), net	\$ 4,064,044	\$ 4,956,888	\$ 4,396,894
Net income Before Capital Contributions	\$ 4,078,031	\$ 1,531,183	\$ 3,276,526
Capital Contributions	595,205	76,746	153,790
Capital Grant - Proposition 50	-	828,598 ⁽¹⁾	224,596 ⁽¹⁾
Capital Grant - Proposition 84	-	-	-
Extraordinary Items	-	-	-
Changes in Net Position	\$ 4,673,236	\$ 2,436,527	\$ 3,654,912
Net Assets			
Beginning, as restated	\$ 72,159,502	\$ 76,678,353	\$ 79,114,880
Adjustments to restate balance	(154,385)	-	(7,734,801) ⁽²⁾
Ending, as restated	\$ 76,678,353	\$ 79,114,880	\$ 75,034,991

(1) Capital Grant of \$828,598 was received from State of California Wildlife Conservation Board Proposition 50 Funding.

(2) Accumulative effect of change in accounting principles.

(3) State Proposition 50 in the amount of \$874,040 and State Proposition 84 in the amount of \$68,428 was received.

Source: FPUD Finance Department

Table #6 - Changes in Net Position and Net Position by Component, Last Ten Fiscal Years, cont.

FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$ 25,356,017 (27,144,267)	\$ 27,256,065 (29,890,177)	\$ 29,882,022 (33,319,799)	\$ 26,944,550 (31,708,417)	\$ 28,931,007 (33,234,259)	\$ 32,511,601 (33,933,185)	\$ 32,814,986 (37,929,546)
-	-	-	-	-	-	-
\$ (1,788,250)	\$ (2,634,112)	\$ (3,437,777)	\$ (4,763,867)	\$ (4,303,252)	\$ (1,421,584)	\$ (5,114,560)
\$ 1,815,734 2,224,529 740,125 324,126 - 200,808 - 185,220 185,040 131,894 - - - (551,281) 91,361 (916,212)	\$ 1,889,808 2,283,558 234,930 63,861 - 200,730 - 166,012 238,765 238,124 - - - - 32,729 (1,174,011)	\$ 1,984,543 2,476,452 - 18,188 - 229,400 - 178,602 145,338 411,744 - - - (273,396) - (959,015)	\$ 2,106,034 2,505,876 - 915,275 - 204,359 - 199,433 134,924 180,966 - - - 9,338,297 - (909,966)	\$ 2,205,975 2,559,135 - 920,135 - 204,418 - 249,092 123,762 107,107 - - - (31,450) - (910,224)	\$ 2,340,185 2,604,061 - 1,543,078 - 208,842 - 251,047 112,207 149,650 909,413 - - 38,100 - (1,665,457)	2,397,429 2,650,202 - (1,835,245) 15,437 202,234 197,884 284,819 99,240 193,201 839,398 184,762 213,368 36,543 - (1,524,767)
\$ 4,431,344	\$ 4,174,506	\$ 4,211,886	\$ 14,675,198	\$ 5,427,950	\$ 6,491,127	\$ 3,954,505
\$ 2,643,094	\$ 1,540,394	\$ 774,109	\$ 9,911,331	\$ 1,124,698	\$ 5,069,543	\$ (1,160,055)
75,299 874,040 ⁽³⁾ 682,428 -	59,509 773,163 - -	73,661 - 67,100 -	73,789 - - -	372,507 - - -	47,842 - - -	59,898 - - -
\$ 4,274,861	\$ 2,373,066	\$ 914,870	\$ 9,985,120	\$ 1,497,205	\$ 5,117,385	\$ (1,100,157)
\$ 75,034,991	\$ 79,309,852	\$ 85,168,437	\$ 86,083,307	\$ 97,207,549	\$ 98,704,754	\$ 103,822,139
-	3,485,519	-	1,139,122	-	-	-
\$ 79,309,852	\$ 85,168,437	\$ 86,083,307	\$ 97,207,549	\$ 98,704,754	\$ 103,822,139	\$ 102,721,982

Chart #1 - Operating Expenses by Activity

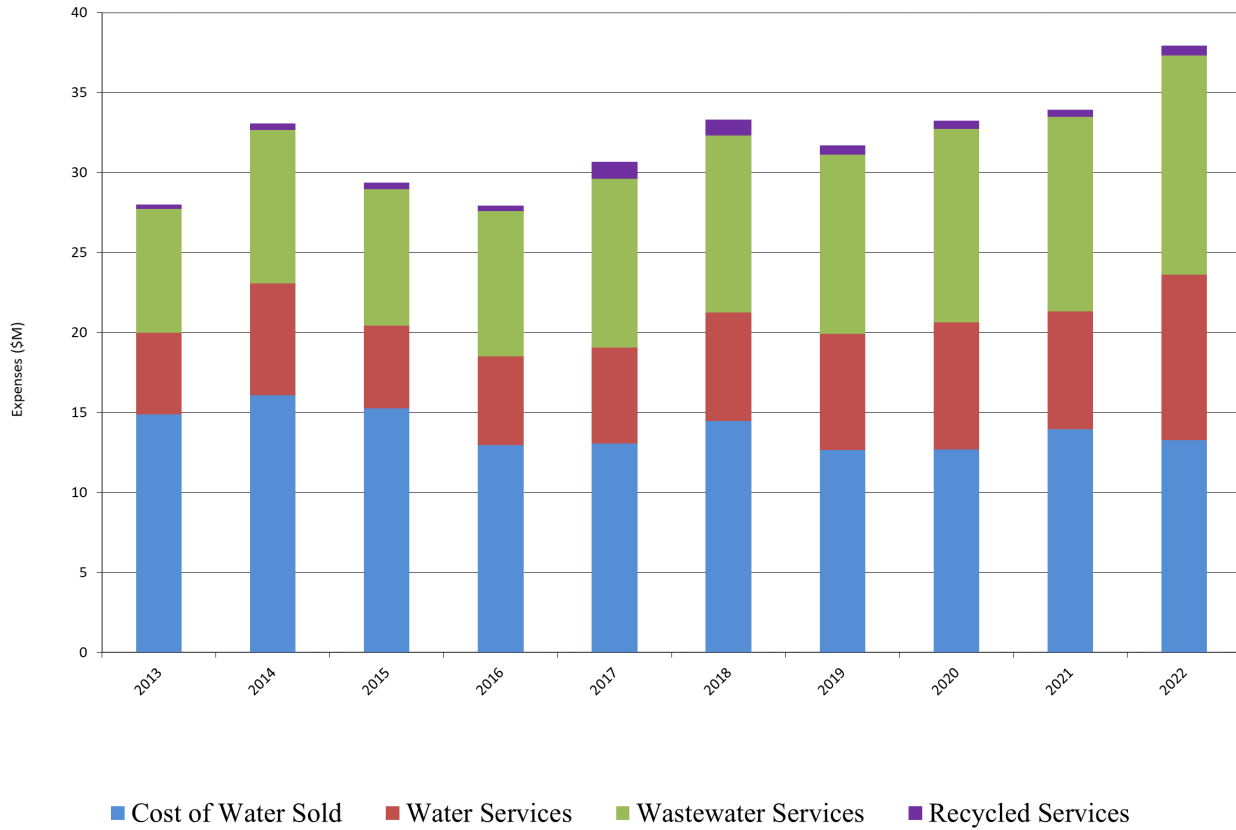


Chart #2 - Operating Revenues by Source

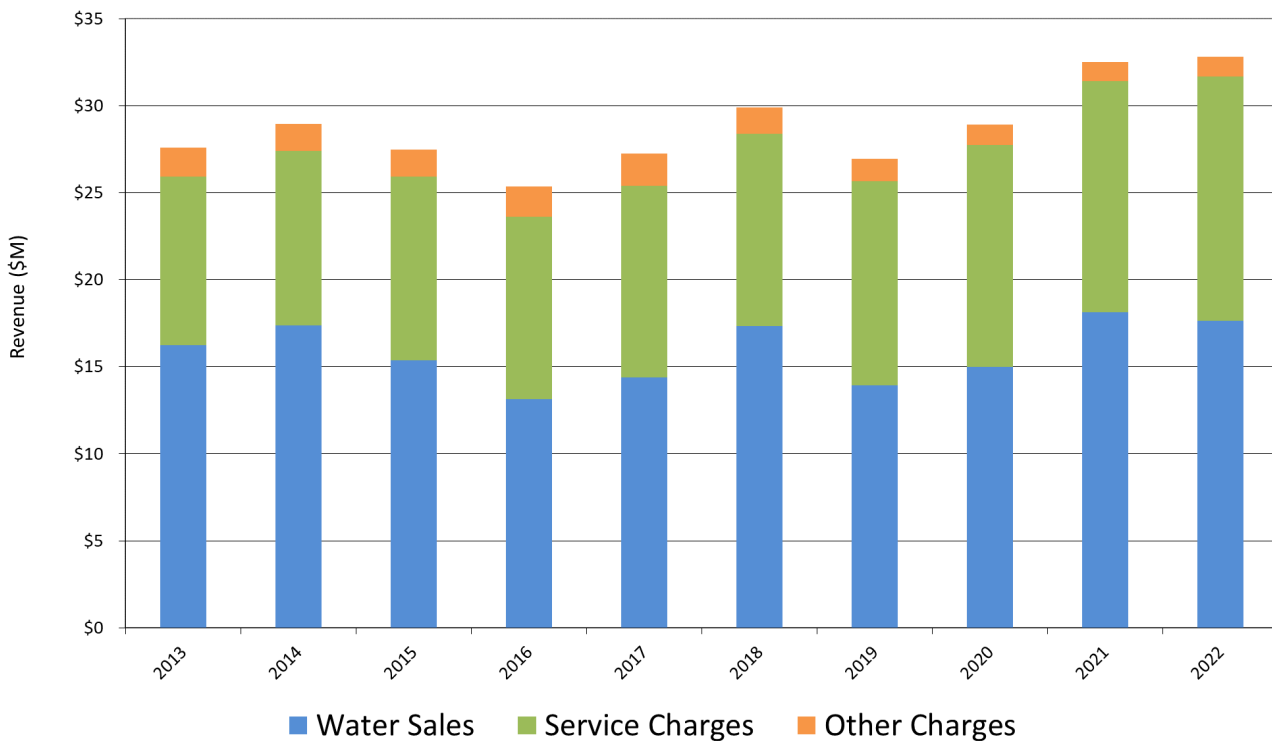


Table #7 - Summary of Services Approved Positions

Position	Actual FTE* FY 2021-22	Actual FTE* FY 2022-23	Proposed FTE* FY 2023-24
Accounting Technician I & II	2.0	2.0	2.0
Administrative Office Specialist	1.0	-	-
Assistant General Manager/Chief Financial Officer	1.0	1.0	1.0
Chief Plant Operator	1.0	1.0	1.0
Collections Supervisor	1.0	1.0	1.0
Construction Supervisor	-	-	1.0
Crew Leader	-	7.0	5.0
Customer Service Representative I & II	1.0	2.0	2.0
Customer Service Specialist	2.0	1.0	1.0
Engineering Manager	1.0	1.0	1.0
Engineering Technician I, II & III	3.0	3.0	3.0
Environmental Compliance Technician	1.0	1.0	1.0
Equipment Mechanic	1.0	1.0	1.0
Executive Assistant/ Board Secretary	1.0	1.0	1.0
Field Services Manager	1.0	1.0	1.0
General Manager	1.0	1.0	1.0
GIS Coordinator	1.0	1.0	1.0
Human Resources Manager	1.0	1.0	1.0
Human Resources Technician	-	1.0	1.0
Information Systems Technician	1.0	1.0	1.0
Instrumentation, Electrical & Controls Tech I & II	2.0	2.0	2.0
Laboratory Technician I & II	1.0	1.0	1.0
Lead Plant Operator	2.0	2.0	2.0
Maintenance Technician I & II	1.0	1.0	1.0
Management Analyst	1.0	1.0	1.0
Operations Manager	1.0	1.0	1.0
Operations Specialist	1.0	1.0	1.0
Plant Operator I & II	2.0	2.0	2.0
Public Affairs Specialist	1.0	1.0	-
Public Information Officer	-	-	1.0
Purchasing Warehouse Supervisor	1.0	1.0	1.0
Safety & Risk Officer	1.0	1.0	1.0
SCADA/Electrical/Maintenance Supervisor	1.0	1.0	1.0
Senior Accountant	1.0	-	-
Senior Maintenance Technician	1.0	1.0	1.0
Supervising Accountant	-	1.0	1.0
System Operations Supervisor	1.0	1.0	1.0
System Services Supervisor	1.0	1.0	1.0
Systems Operator I, II & III	4.0	4.0	5.0
Utility Technician	7.0	-	-
Utility Worker I, II & III	17.0	17.0	18.0
Warehouse Purchasing Specialist	1.0	1.0	1.0
TOTAL FTE	69.0	69.0	70.0

* FTE - Full-Time Equivalents

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Fallbrook Public Utility District 's Capitalization Policy

FALLBROOK PUBLIC UTILITY DISTRICT	Standard Policy		
	Drafted by:	CFO/General Manager	
	Original Date:	4-10-2018	
	Revision Date:		
Capital Policy	Review by department:	1 _____ 2 _____ 3 _____	4 _____ 5 _____ 6 _____
	Approved by:	General Manager	

Purpose:

To identify standard process for establishing capital versus operating expenses and placing items in the operating and capital improvement budgets

Personnel:

Accounting and Supervisors

Policy:

General Policy

The capital policy is established to distinguish capital and operating expenses and placement of projects and items in the Operating or Capital Improvement Budget. Capital expenses are recorded as capital assets and a depreciation schedule is established for these assets. Capital expenses will generally be identified in the Capital Budget as part of the Capital Program (CIP), which identifies the District's capital projects. This budget includes large multi-year construction projects as well as acquisitions of capital equipment and materials. The operational budgets may also include some items that are capitalized based on the criteria identified below:

Definitions

Capital Budget: part of the annual budget adopted by the Board of Directors that identified all Capital Projects for a division including construction projects and acquisition of capital equipment.

Operating Budget: Part of the annual budget adopted by the Board of Directors that identifies all on-going annual operating costs for a division.

Construction Projects: Includes actual physical projects completed to build new facilities or rehabilitate existing facilities.

Plant Equipment: Includes actual physical equipment that may or may not be a part of a larger facility. May include mobile equipment utilized by that division.

Useful Life: The period of time it is anticipate that the piece of equipment would normally last before having to be replaced. The useful life of the equipment can be extended due to a significant rehabilitation project on the equipment.

Capital Projects

A. Construction Projects

All construction projects for construction of new facilities will be capitalized and included in the Capital Improvements Program. The costs to be capitalized include the costs of associated studies, design, construction, equipment, construction management, legal and administrative expenses. Construction projects related to rehabilitation of existing facilities will be capitalized if the project extends the useful life of the asset for three or more years and the cost of the project related to the asset exceeds \$5,000. Repairs to existing pipelines, valves, meters, etc. that maintain the existing service and repair a leak or failure and do not extending the life of the asset by three or more years and do not exceed \$5,000 are not capitalized. For example, repairing a leak with a leak repair coupling does not change the assets service life and will be expensed even if the project costs exceed \$5,000. If a valve is replaced or a full section of pipe is replaced and the value exceeds \$5,000 the project will be capitalized and the service life adjusted.

B. Plant Equipment

All Plant Equipment purchased with a value of \$5,000 or greater and a useful life of greater than three years will be capitalized. In general, these items will be included under the capital Improvement budget either as part of a larger capital improvement project or as an acquisition of capital equipment. Routine part replacement costs, such as air filters for the high efficiency blowers, are considered operating expense. Improvements to existing fixed assets may be capitalized and appear in the Capital Budget if they extend the useful life of the asset by three or more years and the cost of the improvement exceeds the \$5,000 threshold.

C. Office Equipment

Office equipment will be capitalized with a value of \$5,000 or greater and a useful life of greater than three years. Office equipment includes: Office furniture, cabinets, copiers, computer systems and other information technology system. This includes larger software system integrations including initial software costs and implementation costs. In general, these items will be included as a project in the Capital Improvement Program.

Fallbrook Public Utility District 's Fund Balance Policy

Article 6. Budget and Fund Management

Sec. 6.1 District's Annual Budget.

Preparation of the District Budget is directed by the Assistant General Manager/CFO. Working with the Fiscal Policy and Insurance Committee the General Managers develops annual financial goals and objectives for the budget in February. A first preliminary Budget is presented to the Committee/Board of Directors and public in April and a second preliminary Budget in May. The final Budget is presented in June for adoption, along with a resolution adopting a tax rate for Bonded Indebtedness.

The budgeting process is intended to create a transparent process that enables the Board of Directors to estimate the Districts revenues and expenses including employee compensation arising from negotiations and changes in other costs of operations.

6.1.1 Annual Budget Resolution.

The Board shall approve an annual budget resolution that establishes the total appropriation for the fiscal year based on the following budget categories:

1. Administration, operations, and maintenance
2. Water purchases and contingencies
3. Capital improvements and equipment
4. Revenue Bonds, State Revolving Fund, interest, and principal
5. Established annual Liquidity Fund level

In addition, the budget resolution shall identify any anticipated net withdrawal of District reserves for the Fiscal Year. Any unanticipated net withdrawal of District reserves shall be a separate board action. Any withdrawal of funds from long-term investments, as shown in the District's Treasurer's Report, shall require prior Board approval.

Any spending above the established appropriations or additional withdrawal of reserves shall require Board approval. As part of the annual budget process, the Board will review and approve the District's liquidity fund level.

Sec. 6.2 Treasurer's Fund.

The Treasurer's Fund is established primarily to account for all District cash and investments and also to record detailed accounting for fringe benefits. Revenues are obtained from a budgeted mark-up on District labor. Revenue and Expense accounts in this fund are closed to the Utility fund annually.

Sec. 6.3 General Fund.

The General Fund shall consist of accounts for property tax revenues and appropriations to other funds as determined by the Board.

Sec. 6.4 Utility Funds.

The Utility Funds consists of three separate funds reflecting the operating departments of Water, Wastewater and Recycled Water. The funds reflect the revenues from water sales, monthly service charges and other recurring fees and all expenses, including Operating and Maintenance (O&M) and General & Administrative (G&A).

Sec. 6.5 Capital Funds.

The Capital Funds consists of all Property, Plant and Equipment and the expenditures as well as revenues from Capital Improvement Charges that are dedicated/restricted to capital expenditures. All use of revenues in the Capital Funds is restricted to capital investments, which includes capital assets as defined by the District's accounting policy and debt service. Sources of funding and expenditures for capital assets are maintained in three separate funds:

Water – all capital assets associated with the water treatment and distribution system; all administrative buildings and equipment; and all construction equipment and vehicles.

Wastewater – all capital assets associated with treatment facilities and the wastewater collection system.

Recycled Water – all capital assets associated with the recycled water facilities and the recycled water distribution system.

Sec. 6.6 Equipment Fund.

The Equipment Fund consists of all expenses for field equipment operations, maintenance, repair and replacement. Revenues are obtained from a budgeted mark-up on District labor. Revenue and expenses are closed to the Utility fund annually.

Sec. 6.7 Debt Service Funds.

Debt Service funds shall be established to account for General Obligation Bonds, Certificates of Participation, or other indebtedness which the District may incur for construction, completion, or acquisition of works, for the treatment, storage and distribution of water and water rights, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment, and all necessary equipment and property therefor. The funds shall record annual transactions showing source of revenue, and both interest and principal payments.

Sec. 6.8 Appropriated Fund Balances.

Appropriated Fund Balances shall be established to provide adequate funding to meet the District's short term and long term plans and commitments; to minimize adverse annual and multi-year budgetary impacts from unanticipated expenditures; and to preserve the financial stability of the District against present and future uncertainties in an ever-changing environment. The following Appropriated Fund Balances will be established and maintained.

6.8.1 Utility Funds Appropriated Fund Balances.

1. Water.

- a) Working Capital. To be established and maintained at a level of three months operating and maintenance expenses including water purchases.

- b) Santa Margarita Debt Payment Fund. To prevent “spikes” and mid-year changes in rates because of net revenue shortfalls due to weather conditions, state or federal legislation or other future uncertainties. The target level is set equal to 2-years of debt service payments on the Santa Margarita Conjunctive Use Project financing.

2. Wastewater.

- a) Working Capital. To be established and maintained at a level of three months operating and maintenance expenses.
- b) Rate Stabilization Fund. To promote smooth and predictable rates and charges a Rate Stabilization Fund is established with a target of level equal to 10% of annual revenues.

3. Recycled Water.

- a) Working Capital. To be established at three months operating and maintenance expenses.

6.8.2 Utility Capital Funds Appropriated Fund Balances.

1. Water Capital Fund.

The primary source of funds are the Water and Pumping Capital Improvement charges, annexation fees, connection fees and meter fees. Target fund balance is set to the equivalent of 3-year average expenditures on recurring capital projects (*i.e.* pipeline renewal/replacement).

- a) Funds related to the 1958 Annexation and the DeLuz Service Area bond proceeds are tracked separately in the fund.

2. Wastewater Capital Fund.

The primary source of funds are Wastewater Capital Improvement Charges, connection fees and meter fees. Target fund balance is set to the equivalent of 3-year average expenditures on recurring capital projects (*i.e.* pipeline renewal/replacement).

3. Recycled Water Capital Fund.

Target fund balance is set to the equivalent of 3-year average expenditures on recurring capital projects (*i.e.* pipeline renewal/replacement).

6.8.3 Debt Service Funds.

Each borrowing activity is maintained within a separate Debt Service fund. Some indentures require the establishment of a reserve fund and the District must comply with any creditor imposed requirements. Since sources of funding to repay each debt instrument varies, the possibility of that inflow being interrupted is

likely/possible with different issues in differing circumstances. Because of the possibility of this interruption, each Debt Service Fund should establish an Appropriated Fund Balance equal to the next year’s total debt service (principal and interest).

Sec. 6.9 Petty Cash.

The responsibility for and the accountability for the petty cash fund is assigned to the Assistant General Manager/CFO and/or the Accountant. The fund at all times will total \$400.00 in cash and disbursement receipts. When an employee requires reimbursement, not-to-exceed \$50.00, for an out-of-pocket District expense, a petty cash voucher is filled out and the receipts for purchases attached.

Reimbursement will not be made from the petty cash fund without the immediate supervisor’s approval on the petty cash voucher and receipts attached thereto.

During the planned absence of either the Assistant General Manager/CFO or Accountant, the Supervising Accounting Assistant will be authorized to make petty cash reimbursements. Prior to assumption of these duties, cash in the fund will be counted and verified by both the Assistant General Manager/CFO and Accountant.

Periodic audits will be performed as required by District management or the Auditor. Checks drawn to replace the disbursement will be processed in the same manner as any other invoice paid by the District.

ARTICLE	15
(Renumbered	as
Article 6	by
Resolution 5006)	
Sec. 15.8 - Rev.74/97	
Sec. 15.4 & 15.5 – Rev. 4/03	
Sec. 15.8 added 4/03	
Sec. 15.1 & 15.9 – Rev. 6/06	
Sec. 15.9 – Rev. 8/08	
Sec. 15.6 – Rev. 9/09	
Sec. 15.8.1 – Rev. 12/09	
Secs. 15.1, 15.5, 15.8.1, 15.8.2, 15.8.4, 15.9 – Rev. 1/18	
Secs. 15.1.1, 15.8.1 – Rev. 2/19	
Sec. 15.1.1 – Rev. 4/19	
Sec. 15.1 – Rev. 7/19	

Fallbrook Public Utility District's Investment Policy

Article 18. Investment Policy

Sec. 18.1 General.

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

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

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

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

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

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

Sec. 18.2 Treasurer's Annual Statement of Investment Policy.

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

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

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

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

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

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

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

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

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

- a) Inverse Floater
- b) Range Notes
- c) Interest-only strips derived from a pool of mortgages
- d) Any security that could result in zero interest accrual, except as authorized by Government Code Section 53601.6.

Sec. 18.3 Internal Controls.

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

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

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

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

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

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

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

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

Sec. 18.4 Permissible Investments.

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

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

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

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

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

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

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

Minimum Credit Requirement: None.

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

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

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

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

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category shall be 25%. The District may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category shall be 30%. The District may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

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

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

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

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

Minimum Credit Requirements: None

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

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

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

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

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

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

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

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 18.4.10 and 18.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 18.4.10 and 18.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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

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

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

Minimum Credit Requirement: None.

18.4.13 Money Market Mutual Funds.

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

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

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

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

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

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

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

18.4.15 Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

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

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

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

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

Sec. 18.5 Maturity/Limit of Investments.

With the exception of U.S. Treasury and Federal Agency securities, the maturity of a give investment will not exceed five (5) years, without prior board approval per Section 18.2.4.

Sec. 18.6 Reporting Requirements.

The Treasurer shall prepare a quarterly investment report to the Board of Directors that provides an overview of the District’s investments and lists the investment transactions for the period. The report shall also (1) state the compliance of the portfolio with the statement of investment policy, or the manner in which the portfolio is not in compliance, and (2) the report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available. The Treasurer shall also provide the Board a summary report of investments on a monthly basis.

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

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

ARTICLE 27 (Renumbered as Article 18 by Resolution 5006)

Revised in its entirety: 2/94
 Adopted in current form: 1/96, 1/97, 1/98, 1/99
 Sec. 27.2.4 – Rev. 1/00
 Adopted in current form: 1/01
 Sec. 27.4.7 – Rev. 10/01
 Sec. 27.6 – Rev. 1/03
 Sec. 27.2.4 – Rev. 1/07
 Sec. 27.4.4 – Rev. 3/07
 Secs. 27.2.3, 27.4.1(2), 27.4.2, 27.4.3, 27.4.4, & 27.4.6 – Rev. 9/07
 Sec. 27.2.1 – Rev. 1/10
 Secs. 27.4.10-12 – Rev. 1/12
 Secs. 27.2.4, 27.2.5, 27.4.5, 27.4.6, 27.4.7, 27.4.10, 27.4.11, 27.4.13, 27.4.14, 27.5 – Rev. 2/13
 Secs. 27.4.6, 27.4.11 – Rev. 1/14
 Secs. 27.1, 27.1.1, Attachment A – Rev. 3/15
 Secs. 27.1, 27.1.1, 27.1.2, 27.1.3, 27.2, 27.2.3, 27.2.4, 27.3, 27.4, 27.4.1, 27.4.2, 27.4.3, 27.4.4, 27.4.6, 27.4.10, 27.4.11, 27.4.12, 27.4.13, 27.4.14, 27.4.15, 27.5 – Rev. 2/16
 Secs. 27.2.4, 27.4, 27.4.3, 27.4.4, 27.4.6, 27.4.10, 27.4.11, 27.4.14, 27.4.15 – Rev. 3/17
 Sec. 27.2.3 – Rev. 6/18
 Sec. 27.6 – Rev. 7/18
 Sec. 27.4.14 – Rev. 2/19
 Sec. 18.2.5 – Rev. 6/21
 Sec. 18.4.3 – Rev. 6/21
 Sec. 18.4.4 – Rev. 6/21

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District's Pension Benefits

The District participates in CalPERS and has two benefit tiers. The Classic employees are eligible to receive 2.5% of their single highest annual salary for each year of service at the age of 55. An employee hired after January 1, 2013, and is new to CalPERS, or those that have had a break in service of more than six-months fall under the California Public Employees' Pension Reform Act of 2013 (PEPRA). PEPRA employees are eligible to receive 2.0% of the highest three-year average annual salary for each year of service at the age of 62. Both Classic and PEPRA employees are potentially subject to salary maximums when determining their benefit.

CalPERS Unfunded Actuarial Accrued Liability (UAAL):

The AUL is portion of the pension liability that has been earned but has not been fully funded. The liability is estimated by an actuary based upon many different underlying assumptions. CalPERS amortizes these existing liabilities over a 30-year period. The payment schedule for the Unfunded Liability is shown below for both Classic and PEPRA. The District's net pension liability in Fiscal Year 2020-21 was \$11.5 million. In Fiscal Year 2021-22, the latest CalPERS valuation date, the District's pension liability was 79.2% funded for Classic employees and 104.2% funded for PEPRA employees. Overall, including the Pension Trust Funds, the District has funded 85% of its pension liabilities.

Fiscal Year Ending (6/30)	Classic	PEPRA	Total
FY 2022-23	\$1,237,755	\$ -	\$1,237,755
FY 2023-24	1,230,501	-	1,230,501
FY 2024-25	1,187,448	-	1,187,448
FY 2025-26	1,141,019	-	1,141,019
FY 2026-27	1,074,139	-	1,074,139
FY 2027-28	1,114,452	-	1,114,452
FY 2028-29	1,155,892	-	1,155,892
FY 2029-30	1,198,439	-	1,198,439
FY 2030-31	1,242,285	-	1,242,285
FY 2031-32	1,226,643	-	1,226,643

Current Normal Cost

The Normal Cost Rate (NCR) is the percentage of payroll that is contributed to CalPERS to pay for the benefit earned by employees in the current year. This rate is expressed as a percent of payroll. The NCR for Classic employees for Fiscal Year 2023-24 is 14.92% of payroll, which is up from the Fiscal Year 2022-23 which was 13.02%. The NCR for PEPRA employees is 8.0% of payroll in Fiscal Year 2023-24 and was 7.76% in Fiscal Year 2022-23.

District's 115 Pension Trust

As part of the District's commitment to fiscal sustainability, a Section 115 Pension Trust has been established. The trust holds assets pledged to pay for future pension related expenses. The Trust as of March 31st held \$8.6 million.

District's Other Post-Employment Benefits (OPEB)

Effective January 7, 2022, the District provides a retiree healthcare benefit to employees who were hired before July 1, 2022, have ten years of service and are 50 or older. Under the OPEB benefit the District pays for half of the employees' health insurance premium until the beneficiary is 65-years old. The employee must contribute the other half of the insurance premium. The District has established the Section 115 Pension and OPEB Trust Fund (See Fund Structure Section) to fund the District's OPEB liabilities. The District's OPEB liability is almost fully funded based upon an actuarial valuation report as of June 30, 2021. As of March 31, 2023, the OPEB Trust Fund held \$1,122,669.

Attachment B

RESOLUTION NO. 5052

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT APPROVING AND
ESTABLISHING THE DISTRICT'S FISCAL YEAR 2023-24 BUDGET
FOR OPERATIONS, MAINTENANCE, WATER PURCHASES, CAPITAL
IMPROVEMENTS, EQUIPMENT, AND DEBT SERVICE AND
APPROPRIATING \$44,090,487 CONSISTENT WITH THE APPROVED
BUDGET**

* * * * *

WHEREAS, the Fiscal Policy and Insurance Committee has reviewed and considered the Recommended Fiscal Year 2023-24 Budget during publicly noticed meetings on April 18, 2023, April 24, 2023 and June 1, 2023; and

WHEREAS, the Board has reviewed and considered the Recommended Fiscal Year 2023-24 Budget during a publicly noticed meeting on June 26, 2023;

NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of the Fallbrook Public Utility District as follows:

1. The District's Fiscal Year 2023-24 Budget, as presented to the Board of Directors at the publicly noticed meeting on June 26, 2023, is hereby approved.
2. Expenditure under the District's approved Fiscal Year 2022-23 Budget is hereby appropriated as follows:

For administration, operations, and maintenance:	\$18,293,828
Community benefit program:	\$ 546,000
For water purchases:	\$ 9,558,078
For PAYGO capital improvements, and equipment:	\$10,229,500
For Revenue Bonds, State Revolving Fund, and interest and principal:	\$ 5,463,081
	<hr/>
TOTAL	<u>\$44,090,487</u>

3. Expenditure of appropriated funds shall be consistent with the approved Budget. Except as provided in this Resolution, no increases or decreases to the Budget shall occur except upon prior approval by the Board.

4. Notwithstanding the total appropriations, set forth herein, the General Manager is authorized subject only to the total appropriations to exceed the expenditure amount designated in the approved Budget for water purchases to meet the District's water demands.
5. The annual Liquidity Fund Level target for Fiscal Year 2023-24 is kept at the current level and no draws from the District's long-term investment portfolio is planned.
6. No deposit or withdrawal to the District's long-term investments is planned, and any unanticipated draws will go to the Board for approval.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 26th day of June, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Aaron Cook, Engineering Manager
DATE: June 26, 2023
SUBJECT: Update of Emergency Declaration for Pipeline Replacements

Description

California Public Contract Code Section 22050 authorizes special contracting procedures in case of an emergency; the General Manager may take immediate action required by the emergency to procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids. However, the GM must report to the Board of Directors with an update at each regularly scheduled meeting to determine that there is a need to continue the action. When the Board reviews the emergency action, it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts. In the March 2023 meeting of the board, three prequalified contractors were approved for on-call emergency pipeline repair services.

Purpose

Multiple recent leaks have occurred on sections of existing water main on North Main Ave and Acacia Lane, resulting in repeated emergency shutdowns in these areas. To restore reliable service, staff have engaged Filanc Construction, one of the prequalified contractors for emergency repairs, per the on-call emergency pipeline repair services procedures. The targeted area consists of approximately 300 linear feet of 6-inch water main on North Main and 1,000 linear feet of 6-inch water main on Acacia Lane. Materials have been ordered and the contractor has begun preliminary field survey work. The majority of the emergency replacements are expected to be completed in July and August.

Budgetary Impact

The estimated cost of these repairs is \$600,000. The costs will be covered by the approved capital budget pipeline replacement funds. These pipelines were planned for replacement later in the coming year.

Recommended Action

The recommended action is for the Board to continue the emergency action to replace the failed pipelines.

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: June 26, 2023
SUBJECT: 2023 California Special Districts Association Board of Directors Election, (Seat C), Southern Network

Purpose

Fallbrook Public Utility District is a member of the California Special Districts Association (CSDA), and as such, is entitled to vote for candidates in the 2023 CSDA Board of Directors Election, (Seat C) Southern Network.

Summary

There are three (3) candidates seeking election to Seat C for the 2024-2026 term in the Southern Network, which includes the counties of Los Angeles, San Bernardino, Orange, Riverside, San Diego, and Imperial. Arlene Schafer of Costa Mesa Sanitary District currently represents the Southern Network on the CSDA Board of Directors for Seat C and is running for re-election.

The slate of candidates is as follows: Arlene Schafer of Costa Mesa Sanitary District, Albert Nederhood of Municipal Water District of Orange County, and John Skerbelis of Rubidoux Community Services District (Attachment A).

The District General Manager has been designated by CSDA to cast the District's vote by electronic ballot (Attachment B) subject to Board direction. The due date for ballots is July 14, 2023.

Budgetary Impact

There is no budgetary impact of this action.

Recommended Action

That the Board select one candidate from the slate of candidates in the 2023 California Special Districts Association Board of Directors Election, (Seat C), Southern Network for the 2024-2026 term and authorize the District General Manager to cast its vote by electronic ballot.

Attachment A



2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Arlene Schafer

District/Company: Costa Mesa Sanitary District

Title: Board of Directors – Vice President

Elected/Appointed/Staff: Elected

Length of Service with District: 25 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

I served on CSDA Board of Directors and several committees including chair of the membership and professional development committees and served on the legislative and fiscal, and I served on the Alliance Executive Council. I have completed the Special District Leadership Academy, Good Governance Foundation workshop and I attend the annual conference and Legislative Days.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

I have been associated with the Solid Waste Association of North America (SWANA) of Southern California, and the Independent Special Districts of Orange County (ISDOC) and

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

I am a current member of the Board of Directors for CSDA Finance Corporation, and I am the former Vice President of ISDOC and the former commissioner of the Orange County Local Formation Commission (LAFCO). I am also the former Mayor of the City of Costa Mesa.

4. List civic organization involvement:

Harbor Mesa Lions Club, Costa Mesa Chamber of Commerce, Ambassador for the City Costa Mesa during special events.

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot.**

Candidate Statement

Arlene Schafer
Costa Mesa Sanitary District
Southern Network, Seat C

It has been an honor serving you on CSDA's Board of Directors for the past nineteen years. I have had the privilege of establishing long lasting relationships with local officials that forged an organization to become one of the leading advocacy groups in California on statewide and national issues. I am proud of my past and current board members for the accomplishments we achieved to enhance special district's visibility in the capital, as well as broadening educational opportunities to help you govern effectively and openly. There is much more important work to be done, so I humbly ask for your trust and support in re-electing me to Seat C of the Southern Network.

I believe we are approaching a year that could have an everlasting effect on the way we provide services. It is very likely the November 2024 Statewide Ballot will have Initiative 21-0042A1, which is now Initiative 1935. If approved by the voters, this initiative will significantly restrict how we fund critical services like fire, parks, libraries, sewers, water, etc. Initiative 1935 will jeopardize the ability of special districts to deliver essential services, which is why as your CSDA representative I am committed to helping defeat this deceptive and dangerous measure.

In addition to my advocacy efforts, I believe CSDA provides some of the best training and professional development programs for local government officials. I will continue serving on the Professional Development Committee to work with CSDA staff and others on making sure you continue receiving top quality workshops, seminars, and conferences. I hope I earned your trust by voting for me by **July 14, 2023**.



**California Special
Districts Association**
Districts Stronger Together

2023 CSDA BOARD CANDIDATE INFORMATION SHEET The following information MUST accompany your nomination form and Resolution/minute order:

Name: Albert M. Nederhood

District/Company: Municipal Water District of Orange County (MWDOC)

Title: Director

Elected/Appointed/Staff: Elected

Length of Service with District: 2 years with MWDOC, 4 years with Yorba Linda Water District as elected Board Member

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.): I have attended most of the quarterly meetings for ISDOC (Independent Special Districts of Orange County) over the last 6 years. I spent 2 years working with Jim Fisler and Sandra Jacobs (both past ISDOC Presidents) to successfully revise the Special District dues structure created in 2000 to more accurately and fairly reflect revenue and dues payable to LAFCO. As part of this process I attended virtually all ISDOC Board meetings for 2 years.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.): Over the last 6 years I have attended most of the conferences held by the Urban Water Institute, ACWA, the Colorado River Water Users, as well as many Metropolitan Water District Board meetings.

3. List local government involvement (such as LAFCO, Association of Governments, etc.): For the 2 years that it took to initiate, revise and successfully change the LAFCO dues required of Special Districts in Orange County, I attended virtually all of the monthly OC-LAFCO meetings.

4. List civic organization involvement: I was elected twice and served on the Yorba Linda Water District Board, a Special District. I've actively participated in the WACO (Water Advisory Committee of Orange County) both in attendance and planning of the meetings.

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot. Page 133 of 173 2023 BOARD OF DIRECTORS NOMINATION FORM**

Al Nederhood Candidate Statement:

I was introduced to CSDA in 2016 as a newly elected Director to the Yorba Linda Water District. I attended the CSDA training for new directors which opened my eyes to the responsibilities and value of Special Districts. I made friends at that training that continue on today including former YLWD Director Brooke Jones and current Director John Sears of East Orange County Water District.

Before getting involved in water issues later in life, I began my professional career as a high school teacher. I moved on to the business world including Xerox and 7-Eleven Stores as a Merchandise Manager. I was the college president for a variety of vocational colleges and ended my career as the President of a non-profit in Santa Ana.

After my 2016 election I attended ISDOC and LAFCO meetings. I became aware of the dues structure created by ISDOC in 2000. This structure, in place for 20 years, no longer represented the realities of revenue and dues. Many smaller revenue Special Districts had disproportionately large dues. By working with Director Jim Fisler from Mesa Water and

Director Saundra Jacobs of Santa Margarita Water District, we revised the 20-year-old structure into a more equitable dues arrangement that saved smaller districts tens of thousands of dollars each year.

As an elected director to two different Special Districts, first YLWD and now MWDOC, I've experienced first-hand the vital role that Special Districts have in California life, infrastructure and politics.

As the elected representative for the Southern Network, it is my commitment to work hard to support Special Districts, provide active, collegial representation focused on key issues, and listen to Special District members.

I would appreciate your vote to be the CSDA representative for the Southern Network, one of 18 members on the CSDA Board. Thank you!

Name of Candidate: Albert Nederhood

District: Municipal Water District of Orange County (MWDOC)

Mailing Address: 18700 Ward Street Fountain Valley CA 92708

Network: Southern Network (see map)

Telephone: 714-261-3964

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: anederhood@mwdoc.com

Nominated by (optional): Board of Directors for MWDOC

Return this form, a Board resolution/minute action supporting the candidate, and Candidate Information Sheet by mail or email to: CSDA Attn: Amber Phelen 1112 I Street, Suite 200 Sacramento, CA 95814 (877) 924-2732 amberp@csda.net
DEADLINE FOR RECEIVING NOMINATIONS: Northern, Sierra, Coastal and Southern Networks: April 6, 2023 at 5:00 p.m.
Bay Area and Central Networks: April 17, 2023 at 5:00 p.m.



Al Nederhood

MWDOC Board

Elect to CSDA Board

Southern Network

Seat C

Professional & Personal History

6 Years as Elected Official for Special Districts, Yorba Linda Water District (YLWD) & Municipal Water District of Orange County (MWDOC)

LAFCO dues revision through Independent Special Districts of Orange County. First revision after 20 years saving small districts thousands of dollars annually.

Heli-Hydrant sponsor, supporter creating nations first system (helicopter enabled fire suppression in wild-fire zones)

President of a Non-Profit

30 years of Senior Management Leadership positions with nationally known firms

President of an Educational Institution with \$100 million in revenue, 500 staff and 5000 students.

BA, Long Beach State
MA, Central Michigan University

Retired, Married for 50+ years, 4 kids and 12 grandkids

Why should you vote for Al Nederhood?

Here's a sample of my history of measurable change created by active questioning and positive decision making based on the facts.

Seven years ago, I identified, initiated, and transformed an outdated LAFCO dues system on behalf of special districts in Orange County. The dues structure was developed in 2002 by ISDOC to fulfill their legal responsibility, but over time, it resulted in small districts subsidizing the large districts.

After two years of working with my fellow Special Districts, the new dues structure was unanimously approved and implemented. This effort created a balanced and proportionate LAFCO dues structure for Special Districts throughout the county, saving smaller districts with smaller operating budgets thousands of dollars each year.

As a Board Member for Yorba Linda Water District we investigated and implemented the nation's first Heli-hydrant to modernize fighting wild fires. YLWD now has two heli-hydrants with a third in development with Metropolitan Water District.

I would appreciate your Board voting for me, Al Nederhood.

If you want to contact me:

Al Nederhood
MWDOC, Director Division One

anederhood@mwdoc.com

C. 714-261-3964



2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: John Skerbelis

District/Company: Rubidoux Community Services DIST

Title: Vice President

Elected/Appointed/Staff: Elected

Length of Service with District: 12 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

None

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

None

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

Past member of Riverside County Solid Waste Advisory Committee 7 Years

4. List civic organization involvement:

Riverside County Dept of Environmental Health Community Clean ups and Illegal Dumping

Small text at the bottom of the page, likely a disclaimer or contact information.

Attachment B



- Home
- How It Works
- Logout **Jack Bebee**

CSDA Board of Directors Election Ballot - Term 2024 - 2026; Seat C - Southern Network

Please vote for your choice

Choose **one** of the following candidates:

- *Arlene Schafer, Director, Costa Mesa Sanitary District (incumbent)
- Al Nederhood, Director, Municipal Water District of Orange County
- John Skerbelis, Director, Rubidoux Community Services District

*Incumbent

Arlene Schafer* [\[view details\]](#)

Al Nederhood [\[view details\]](#)

John Skerbelis [\[view details\]](#)

Continue

Cancel

M E M O

TO: Board of Directors
FROM: Dave Shank, Assistant General Manager/CFO
DATE: June 26, 2023
SUBJECT: Transfer a portion of the District's Annual Appropriations for PAYGO Capital Improvements to Administration, Operations and Maintenance.

Purpose

Amend the District's Annual Appropriations for a change in the District's Operating Budget expenditures.

Summary

In April, the Board amended the District's Operating Budgets to reflect the extraordinary costs associated with several emergency pipeline repairs and numerous emergency backflow valve repairs that occurred early in the year as well as an increase in water deliveries from Camp Pendleton due to wet hydrology. At the time of the amendment, staff were projecting some savings on non-labor and a return to allocating time to capital projects and a lower water supply level from Camp Pendleton. Instead of adjusting the appropriations at this time, the Fiscal Policy and Insurance committee decided to wait until additional information was available and have staff closely monitor expenditures. Water treatment and production costs have continued to trend higher as Camp Pendleton has increased their water deliveries. In addition, the impact of the emergency repairs on labor and overtime budgets as well as supply costs have contributed to the District's operating budget overage. The overall budget expenditures are still within the amount appropriated but there has been a shift in water expenses from capital to operating.

Staff are recommending a \$500,000 transfer of appropriations from PAYGO capital improvements, and equipment to the administration, operations and maintenance appropriations to ensure that the District under all potential scenarios does not exceed its appropriations. This has no impact on the District's total appropriations for the year.

Recommended Action

That the Board adopt Resolution No. 5053 amending the District's annual appropriations.

RESOLUTION NO. 5053

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT APPROVING AND
AMENDING THE DISTRICT'S FISCAL YEAR 2022-23 BUDGET FOR
OPERATIONS, MAINTENANCE, WATER PURCHASES, CAPITAL
IMPROVEMENTS, EQUIPMENT, AND DEBT SERVICE AND
APPROPRIATING \$41,995,796 CONSISTENT WITH THE APPROVED
AMENDED BUDGET**

* * * * *

WHEREAS, the Fiscal Policy and Insurance Committee has reviewed and considered the Recommended Fiscal Year 2022-23 Budget during publicly noticed meetings on April 25, 2022, May 18 & 23, 2022 and June 17, 2022; and

WHEREAS, the Board has reviewed, considered and approved the Recommended Fiscal Year 2022-23 Budget during a publicly noticed meeting on June 27, 2022;

WHEREAS, the Board approved Resolution 5032 on June 27, 2022 establishing the District's Fiscal Year 2022-23 Budget;

WHEREAS, the Board approved Resolution 5035 on August 22, 2022 amending the District's Fiscal Year 2022-23 Budget;

WHEREAS, the Board approved Resolution 5047 on May 22, 2023 amending the District's Fiscal Year 2022-23 Budget;

WHEREAS, an amendment to the District's Fiscal Year 2022-23 Budget to increase the appropriation for Revenue Bonds, State Revolving Fund, and interest and principal by \$92,428 and the total appropriation by the same amount that was presented to the Board at its publicly noticed regular meeting on May 22, 2023;

WHEREAS, an amendment to the District's Fiscal Year 2022-23 Budget to transfer \$500,000 in appropriations from PAYGO Capital Improvements to Administration, Operations and Maintenance resulting in no change in the total appropriation. The amendment being made was presented to the Board at its publicly noticed regular meeting on June 26, 2023;

WHEREAS, the Board now seeks to adopt this Resolution to update and supersede Resolution 5047 establishing the District's Fiscal Year 2022-23 Budget.

NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of the Fallbrook Public Utility District as follows:

1. The District’s amended Fiscal Year 2022-23 Budget, as presented to the Board of Directors at the publicly noticed meeting on June 26, 2023, is hereby approved.
2. Expenditure under the District’s amended Fiscal Year 2022-23 Budget is hereby appropriated as follows:

For administration, operations, and maintenance:	\$16,930,739
For water purchases:	\$13,617,771
For PAYGO capital improvements, and equipment:	\$ 7,624,350
For Revenue Bonds, State Revolving Fund, and interest and principal:	\$ 3,822,936
TOTAL	<u>\$41,995,796</u>

3. Expenditure of appropriated funds shall be consistent with the approved Budget. Except as provided in this Resolution, no increases or decreases to the Budget shall occur except upon prior approval by the Board.
4. Notwithstanding the total appropriations set forth herein, the General Manager is authorized, subject only to the total appropriations, to exceed the expenditure amount designated in the approved Budget for water purchases to meet the District’s water demands.
5. The annual Liquidity Fund Level target for Fiscal Year 2022-23 is kept at the current level and no draws from the District’s long-term investment portfolio is planned.
6. No deposit or withdrawal to the District’s long-term investments is planned, and any unanticipated draws will go to the Board for approval.
7. Resolution 5047 approved by the Board on May 22, 2023 is hereby superseded by adoption of this Resolution 5053.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 26th day of June, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:

ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: June 26, 2023
SUBJECT: Consider Position on Assembly Bill 399 (AB 399)

Purpose

To obtain Board direction on whether the District should take a position on Assembly Bill 399 (AB 399).

Background

On May 15, 2023, Assemblywoman Tasha Boerner Horvath (Encinitas) amended AB 530 from a proposed bill on methane emissions to a bill on the County Water Authority Act at the request of the City of San Diego in an effort to prevent the detachment of the District from the San Diego County Water Authority (SDCWA). The Bill did not get out of the assembly in time, so next Assemblywoman Boerner Horvath was able to find a bill that had already passed the Assembly and gut and amend that bill – SB 399. This bill was originally adopted by the assembly for reporting of vehicle pursuits by local safety agencies. The proposed bill text of the amended bill is included as Attachment 1. The author also added an urgency provision so that the bill would take effect immediately. An urgency provision can be included when:

From California Constitution Article IV, Section 8:

(d) Urgency statutes are those necessary for immediate preservation of the public peace, health, or safety. A statement of facts constituting the necessity shall be set forth in one section of the bill. In each house the section and the bill shall be passed separately, each by rollcall vote entered in the journal, two thirds of the membership concurring. An urgency statute may not create or abolish any office or change the salary, term, or duties of any office, or grant any franchise or special privilege, or create any vested right or interest.

At the May 25, 2023 SDCWA Board meeting, SDCWA's Board of Directors voted to support AB 530. On June 14, 2023, LAFCO held a special meeting and the commission voted to oppose AB 530/SB 399 (Attachment B). Camp Pendleton requested SDCWA not support the bill and provide time to first address their concerns. At this time, their concerns have not been addressed. The Ramona Municipal Water District Board of Directors took a formal oppose position due to the bills transfer of authority from rural to urban areas even though they do not necessarily support our detachment. A number of other member agencies have expressed concerns over the proposed precedent set by the City of San Diego using the legislature to advance their objectives at SDCWA.

Recommended Action

As the proposed legislation would further dilute any ability of our District's Board and ratepayers to make their own water supply decisions, and the bill would essentially cede that authority to the City of San Diego and the remainder of the county and effectively prevent the detachment of our agency from SDCWA after four years of effort and substantial expenditures as part of the LAFCO process, it is recommended the Board oppose AB 399 and authorize the General Manager to initiate any necessary measures to prevent the bill from being enacted.

Attachment A



AB-399 Water Ratepayers Protections Act of 2023: County Water Authority Act: exclusion of territory: p

SHARE THIS:

Date Published: 06/14/2023 09:00 PM

AMENDED IN SENATE JUNE 14, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 399

Introduced by Assembly Member ~~Ting~~ **Boerner**

February 02, 2023

~~An act to amend Section 14602.1 of the Vehicle Code, relating to vehicles.~~ *An act to amend Section 11 of the County Water Authority Act (Chapter 545 of the Statutes of 1943), relating to water, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 399, as amended, ~~Ting~~ **Boerner**. ~~Vehicles: police pursuit data reporting.~~ *Water Ratepayers Protections Act of 2023: County Water Authority Act: exclusion of territory: procedure.*

The County Water Authority Act provides for the formation of county water authorities and grants to those authorities specified powers with regards to providing water service. The act provides 2 methods of excluding territory from any county water authority, one of which is that a public agency whose corporate area as a unit is part of a county water authority may obtain exclusion of the area by submitting to the electors within the public agency, at any general or special election, the proposition of excluding the public agency's corporate area from the county water authority. Existing law requires that, if a majority of the electors approve the proposition, specified actions take place to implement the exclusion.

This bill, the Water Ratepayers Protections Act of 2023, would additionally require the public entity to submit the proposition of excluding the public agency's corporate area from the county water authority to the electors within the territory of the county water authority. The bill would require the 2 elections to be separate; however, the bill would authorize both elections to run concurrently. The bill would require a majority vote for withdrawal in both elections for the withdrawal of the public agency from the territory of the county water authority.

This bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law requires every state and local law enforcement agency to report all vehicle pursuit data, as specified, to the Department of the California Highway Patrol no later than 30 days after a pursuit.~~

~~This bill would instead require every state and local law enforcement agency to report vehicle pursuit data to the department no later than 45 days after a pursuit.~~

Vote: ~~majority~~2/3 Appropriation: no Fiscal Committee: ~~yes~~no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *This act shall be known, and may be cited, as the Water Ratepayers Protections Act of 2023.*

SEC. 2. *Section 11 of the County Water Authority Act (Chapter 545 of the Statutes of 1943), as amended by Section 3 of Chapter 1408 of the Statutes of 1985, is amended to read:*

Sec. 11. (a) Exclusion of territory from any county water authority may be effected by either of the following methods:

(1) Territory excluded from the portion of the corporate area of any public agency ~~which that~~ lies within the exterior boundaries of a county water authority, the public agency being a unit of the authority, and ~~which that~~ exclusion occurs in accordance with the provisions of law applicable to those exclusions, shall thereby be excluded from and shall no longer be a part of the authority; provided, that the taxable property within the excluded territory shall continue to be taxable by the county water authority for the purpose of paying the ~~bounded~~ *bonded* or other indebtedness outstanding or contracted for at the time of the exclusion and until the bonded or other indebtedness has been satisfied; provided further, that if the taxable property within the excluded territory or any part thereof shall be, at the time of the exclusion, subject to special taxes levied, or to be levied, by the county water authority pursuant to terms and conditions previously fixed under paragraph subdivision (c) or (d) of Section 10 for the annexation of the excluded territory or part thereof to the county water authority, the taxable property within the excluded territory or part thereof so subject to those special taxes shall continue to be taxable by the county water authority for the purpose of raising the aggregate sums to be raised by the levy of special taxes upon taxable property within the respective annexing areas pursuant to terms and conditions for the annexation or annexations as so fixed and until the aggregate sums have been so raised by the special tax levies.

Exclusion of territory from a county water authority pursuant to this paragraph shall not occur if two or more public agencies that are included in a county water authority as separate units are subject to a reorganization of their boundaries under applicable provisions of law ~~which that~~ would result in an exchange or transfer, but not an overlapping, of territory that is entirely within the county water authority. The boundaries of those agencies within the county water authority, upon that reorganization and the filing with the secretary of the county water authority of a copy of the certificate of completion prepared, executed, and filed by the executive officer of the local agency formation commission responsible therefore constitute the boundaries of the agencies for all purposes of the county water authority, without action by the board of directors of the county water authority. If the exchange includes territory subject to special conditions and tax levies pursuant to the terms of annexation at the time the territory became a part of the county water authority, the territory shall continue to be subject to those conditions and to be taxable by the county water authority or those levies.

From and after the effective date of the inclusion of the territory by the including public agency, the territory shall be considered to be a part of the corporate area of the including agency; provided, however, that, if the taxable property within the territory, or any portion thereof, is subject to special taxes levied or to be levied by the county water authority pursuant to terms and ~~condition~~ *conditions* previously fixed under subdivision (c) or (d) of Section 10 for the annexation of the territory or portion thereof to the county water authority, then the taxable property within the territory shall continue to be taxable by the county water authority for the purpose of raising the aggregate sums to be raised by the levy of the special taxes pursuant to the terms and conditions for the annexation or annexations as so fixed and until the aggregate sums have been ~~or~~ *so* raised by the special tax levy.

(2) Any public agency whose corporate area as a unit has become or is a part of any county water authority may obtain the exclusion of the area therefrom *by elections conducted* in the following manner:

~~The~~

(A) (i) *The* governing body of any public agency may submit to the electors thereof at any general or special election the proposition of excluding from the county water authority the corporate area of the public agency. Notice of the election shall be given in the manner provided in subdivision (c) of Section 10. The election shall be conducted and the returns thereof canvassed in the manner provided by law for the conduct of elections in the public agency. If a majority of electors voting thereon vote in favor of withdrawal, the result thereof shall be certified by the governing body of the public agency to the board of directors of the county water authority. ~~A~~

(ii) The governing body of any public agency may submit to the electors within the territory of the county water authority at any general or special election the proposition of excluding from the county water authority the corporate area of the public agency. Notice of the election shall be given in the manner provided in subdivision (c) of Section 10. The election shall be conducted and the returns thereof canvassed in the manner provided by law for the conduct of elections in the public agency. If a majority of electors within the territory of the county water authority voting thereon vote in favor of withdrawal, the result thereof shall be certified by the governing body of the public agency to the board of directors of the county water authority.

(iii) The elections conducted pursuant to this subparagraph shall be separate elections; however, they may run concurrently with one another. A majority vote in both elections for withdrawal is necessary for the withdrawal of the public agency from the territory of the county water authority.

(B) A certificate of the proceedings shall be made by the secretary of the county water authority and filed with the Secretary of State. Upon the filing of the certificate, the corporate area of the public agency shall be excluded from the county water authority and shall no longer be a part thereof; provided, that the taxable property within the excluded area shall continue to be taxable by the county water authority for the purpose of paying the bonded and other indebtedness of the county water authority outstanding or contracted for at the time of the exclusion and until the bonded or other indebtedness has been satisfied; provided further, that if the taxable property within the excluded area or any part thereof

is, at the time of the exclusion, subject to special taxes levied or to be levied by the county water authority pursuant to the terms and conditions previously fixed under subdivision (c) or (d) of Section 10 for the annexation of the excluded area or part thereof to the county water authority, the taxable property within the excluded area or part thereof so subject to the special taxes shall continue to be taxable by the county water authority for the purpose of raising the aggregate sums to be raised by the levy of special taxes upon taxable property within the respective annexing areas pursuant to the terms and conditions for the annexation or annexations as so fixed and until the aggregate sums have been so raised by the special tax levies. Upon the filing of the certificate of proceedings, the Secretary of State shall, within 10 days, issue a certificate reciting the filing of the papers in ~~his or her~~ *the Secretary of State's* office and the exclusion of the corporate area of the public agency from the county water authority. The Secretary of State shall transmit the original of the certificate to the secretary of the county water authority and shall forward a certified copy thereof to the county clerk of the county in which the county water authority is situated.

(b) Whenever territory is excluded from any public agency in accordance with paragraph (1) of subdivision (a), the governing body, or clerk thereof, of the public agency shall file with the board of directors of the county water authority a statement of the change of boundaries of the public agency, setting forth the legal description of the boundaries of the public agency, as so changed, and of the part thereof within the county water authority, which statement shall be accompanied by a map or plat indicating the boundaries.

(c) Whenever any territory has been excluded from any public agency prior to the effective date of this section, under conditions ~~which~~ *that* would have resulted in the exclusion of the territory from a county water authority had paragraph (1) of subdivision (a) then been in effect, upon compliance with the following provisions of this paragraph, the territory shall be excluded from and shall no longer be a part of, the authority, the last-mentioned provisions being as follows:

(1) The governing body of the public agency may adopt an ordinance ~~which;~~ *that*, after reciting that the territory has been excluded from the public agency by proceedings previously taken under statutory authority, and after referring to the applicable statutes and to the date or dates upon which the exclusion became effective, shall describe the territory and shall determine and declare that the territory shall be, and thereby is, excluded from the county water authority.

(2) The governing body, or clerk thereof, of the public agency shall file a certified copy of the ordinance with the Secretary of State. Upon the filing of the certified copy of the ordinance in the office of the Secretary of State, the territory shall be excluded from, and shall no longer be a part of, the county water authority; provided, that the taxable property within the excluded territory shall continue to be taxable by the county water authority for the purpose of paying the bonded or other indebtedness outstanding or contracted for at the time of the exclusion, and until the bonded or other indebtedness has been satisfied; provided further, that if the taxable property within the excluded territory or any part thereof is, at the time of the exclusion, subject to special taxes levied or to be levied by the county water authority pursuant to terms and conditions previously fixed under subdivision (c) or (d) of Section 10 for the annexation of the excluded territory or part thereof to the county water authority, the taxable property within the excluded territory or part thereof so subject to the special taxes shall continue to be taxable by the county water authority for the purpose of raising the aggregate sums to be raised by the levy of special taxes upon taxable property within the respective annexing areas pursuant to the terms and conditions for the annexation or annexations as so fixed, and until the aggregate sums have been so raised by the special tax levies.

(3) Upon the filing of the certified copy of the ordinance, the Secretary of State shall, within 10 days issue a certificate describing the territory, reciting the filing of certified copy of the ordinance and the exclusion of the territory from the county water authority, and declaring that the territory is no longer a part of the county water authority. The Secretary of State shall transmit the original of the certificate to the secretary of the county water authority and shall forward a certified copy of the certificate to the county clerk of the county in which the county water authority is situated.

(d) Whenever any territory has been exchanged or transferred pursuant to law prior to January 1, 1986, among two or more public agencies that are included in a county water authority as separate units, the territory shall not be deemed excluded from the county water authority, notwithstanding the failure of the county water authority to give its consent to the exchange or transfer of the territory, if there has been filed with the board of directors of the county water authority prior to January 1, 1986, a statement of the change of boundaries of the agencies, as so changed, and of the part within the county water authority, which statement shall be accompanied by a map or plat indicating those boundaries.

SEC. 3. *This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:*

In order to provide immediate relief for ratepayers to have a voice in decisions affecting their access to affordable and safe water, essential to public health, it is necessary that this act take effect immediately.

~~SECTION 1. Section 14602.1 of the Vehicle Code is amended to read:~~

~~14602.1.(a) Every state and local law enforcement agency, including, but not limited to, city police departments and county sheriffs' offices, shall report to the Department of the California Highway Patrol, on a paper or electronic form developed and approved by the Department of the California Highway Patrol, all motor vehicle pursuit data:~~

~~(b) Effective January 1, 2006, the form shall require the reporting of all motor vehicle pursuit data, which shall include, but not be limited to, all of the following:~~

~~(1) Whether a person involved in a pursuit or a subsequent arrest was injured, specifying the nature of that injury. For all purposes of this section, the form shall differentiate between the suspect driver, a suspect passenger, and the peace officers~~

involved:

~~(2)The violations that caused the pursuit to be initiated:~~

~~(3)The identity of the peace officers involved in the pursuit:~~

~~(4)The means or methods used to stop the suspect being pursued:~~

~~(5)All charges filed with the court by the district attorney:~~

~~(6)The conditions of the pursuit, including, but not limited to, all of the following:~~

~~(A)Duration:~~

~~(B)Mileage:~~

~~(C)Number of peace officers involved:~~

~~(D)Maximum number of law enforcement vehicles involved:~~

~~(E)Time of day:~~

~~(F)Weather conditions:~~

~~(G)Maximum speeds:~~

~~(7)Whether a pursuit resulted in a collision, and a resulting injury or fatality to an uninvolved third party, and the corresponding number of persons involved:~~

~~(8)Whether the pursuit involved multiple law enforcement agencies:~~

~~(9)How the pursuit was terminated:~~

~~(c)In order to minimize costs, the department, upon updating the form, shall update the corresponding database to include all of the reporting requirements specified in subdivision (b):~~

~~(d)All motor vehicle pursuit data obtained pursuant to subdivision (b) shall be submitted to the Department of the California Highway Patrol no later than 45 days following a motor vehicle pursuit:~~

~~(e)The Department of the California Highway Patrol shall submit annually to the Legislature a report that includes, but is not limited to, the following information:~~

~~(1)The number of motor vehicle pursuits reported to the Department of the California Highway Patrol during that year:~~

~~(2)The number of those motor vehicle pursuits that reportedly resulted in a collision in which an injury or fatality to an uninvolved third party occurred:~~

~~(3)The total number of uninvolved third parties who were injured or killed as a result of those collisions during that year:~~

Attachment B



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

June 15, 2023

DELIVERED BY ELECTRONIC MAIL

Assemblymember Tasha Boerner
 State of California
 77th Assembly District
 c/o Robert Charles, Chief of Staff
robert.charles@asm.ca.gov

SUBJECT: Opposition to Assembly Bill (AB) 399

Honorable Assemblymember Boerner:

On behalf of the San Diego County Local Agency Formation Commission (LAFCO), I respectfully write to communicate our opposition this session to AB 399 as amended on June 14th. The proposed legislation seeks an affirmative vote of the entire San Diego County Water Authority electorate via its principal act as a statutory condition to any member agency receiving LAFCO approval to detach. The proposed legislation also includes an urgency clause to enact the provisions immediately.

As previously communicated through our Executive Officer, the amended bill – which had been initially placed in AB 530 through its own comprehensive amendment process on May 15th – generates substantive concerns with respect to timing and content. These concerns are collectively marked by disenfranchising Fallbrook Public Utility District and Rainbow Municipal Water District given their current proposal filings by establishing new and inconsistent thresholds in statute for special district detachments.

LAFCO appreciates the otherwise fair intentions you and the sponsor – City of San Diego Mayor’s Office – have in proposing the legislation. However, the timing is not right, and the content merits further refining based on our expertise in managing local agency boundaries and municipal services to effectuate orderly and responsive growth and development. To this end, if you are agreeable, we would welcome the opportunity to collaborate on potential amendments and in doing so be ready to reverse positions. We are nonetheless compelled to go on record now with our opposition given the urgency clause.

Administration
 Keene Simonds, Executive Officer
 2550 Fifth Avenue, Suite 725
 San Diego, California 92103-6624
 T 619.321.3380
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Chair Jim Desmond
 County of San Diego
Joel Anderson
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Kristi Becker
 City of Solana Beach
Dane White
 City of Escondido
John McCann
 City of Chula Vista

Vice Chair Stephen Whitburn
 City of San Diego
Marni von Wilpert, Alt.
 City of San Diego

Jo MacKenzie
 Vista Irrigation
Barry Willis
 Alpine Fire Protection
David A. Drake, Alt.
 Rincon del Diablo

Andy Vanderlaan
 General Public
Harry Mathis, Alt.
 General Public

Should you or your staff have any questions and/or would like to schedule a meeting, please contact LAFCO Executive Officer Keene Simonds by telephone at 619.321.3380 or e-mail at keene.simonds@sdcounty.ca.gov.

Respectfully,

A handwritten signature in black ink, appearing to read "Jim Desmond". The signature is fluid and cursive, with the first name "Jim" and last name "Desmond" clearly distinguishable.

Jim Desmond
Chair

cc:

San Diego LAFCO Commissioners
Keene Simonds, Executive Officer
Holly O. Whatley, Commission Counsel
René LaRoche, CALAFCO Director
Nick Serrano, Honorable Mayor Todd Gloria's Deputy Chief of Staff
Adrian Granda, Honorable Mayor Todd Gloria's Intergovernmental Affairs Director
Sandy Kerl, County Water Authority General Manager
Jack Bebee, Fallbrook Public Utility District General Manager
Tom Kennedy, Rainbow Municipal Water District General Manager
Nick Kanetis, Eastern Municipal Water District Assistant General Manager

1. **MWD Issues/Water Supply Conditions**

The Board Chair of MWD sent a letter to LAFCO before the June 5th hearing suggesting that MWD must weigh in on proposed FPUD/RMWD detachment, which is attached. This item was put on the MWD agenda for discussion. The General Council from MWD made it clear that the MWD Act is clear that MWD has no role in this process. The transcript from the meeting is attached. MWD determined to form an ad-hoc committee to discuss in general about the process of changing of territory within MWD member agencies.

2. **Budget and rates**

The SDCWA Board voted at the May regular meeting to move forward with option 2B which was an “effective” rate increase of 8.2%. The effective rate is a new calculation that SDCWA developed that uses proposed rate increases and past water demands to develop an overall increase. This approach essentially backs out the impact of declining demands on overall rates, which is a significant rate driver. The overall increase in each rate category is below. They have stooped providing the “all-in” rate which is more of an industry standard approach to look at wholesale water costs.

Alternative 2B: Reserves Beyond Board Policy + Defeas

Incur added risk to provide short term rate relief through reserves below policy target

	CY 2023	CY 2024	%Δ
Variable (\$/AF)			
Supply Rate	\$1,085	\$1,183	9.0%
Treatment Rate	\$350	\$400	14.3%
Transportation	\$173	\$189	9.2%
Untreated SAWR	\$855	\$903	5.6%
Treated SAWR	\$1,205	\$1,303	8.1%
Fixed (\$M)			
Customer Service	\$26.00	\$27.00	3.8%
Storage	\$60.00	\$62.00	3.3%
Supply Reliability	\$40.85	\$43.40	6.2%
IAC (\$/ME)	\$4.24	\$4.35	2.6%

Bottom Line:

Effective CY 2024 rate impact of 8.2%



The proposed budget adds new positions and made no substantial cost reductions in any area.

3. **Detachment**

The LAFCO hearing is now scheduled for July 10th. LAFCO had a special meeting and voted to move the meeting forward to July 10th from August. The pending legislation by the City of San

Diego to give them overall control on the ability for an agency to detach from SDCWA (AB 399) was a key driver for moving the meeting forward.

4. **Key Upcoming Issues**

Some key issues for the upcoming year include:

- Review of alternatives for potential partnerships with other agencies for SDCWA IID transfer and Desalination supplies to help offset impacts of local supply development and conservation.
- Fully understanding the use of consultants and lobbyist within San Diego County.
- Evaluation of development of an independent ethics mechanism within SDCWA.
- Continuing the evaluation of potential changes to the existing rate structure

FINANCE, AUDIT, INSURANCE, AND REAL PROPERTY COMMITTEE

June 13, 2023

Item 1: Public comment

Tom Kennedy: My name is Tom Kennedy. I'm the General Manager at Rainbow Municipal Water District. I'm also a member of the San Diego County Water Authority Board. I'm here to talk to you about your item, I believe it's 7b regarding annexations. And I just want to give a little background for this committee so you have the full picture. Rainbow's a small rural agency in Northern San Diego County. We're home to the Avocado Festival, and used to have the largest avocado growing region in the state, but we've lost over a million trees in the last 15 years due to the cost of water. And we've been struggling with how to protect our region's only economic infrastructure and the workers that supports many of whom are low income and we have in the Fallbrook area, is in the highest rates of poverty in San Diego County.

And so we've tried to work within the structure at the Water Authority to affect rates that are equitable for our region as opposed to those that meet the needs of the urban areas down south. But as some of you come from smaller agencies within this Board, it's difficult when you're the minority vote structure and you are unable to affect policies that impact your region. And so we initiated a process over four years ago to commence detachment from the Water Authority and annexation Eastern Municipal Water District. And the MWD Act is clear. We're a little puzzled now by the Chair's involvement in this matter because the law is clear, and I'm sure you've heard from your legal counsel about what the law says about this and that we're surprised by the last minute introduction of, what we believe is, inaccurate information into the LAFCO process.

We've been, our application at LAFCO have been processed for over three and a half years with extensive input from all parties. And here at the 11th hour, we've got some concerns being brought up that, that we don't believe are politically accurate, or legally accurate. People tell me that, oh, this is just political payback for the Chair, helping out those people who helped got him elected. But I don't think so. I hope not. And I hope the Chair can make time to meet with some of us agents, our agencies, Fallbrook and Rainbow, so that we can figure it out better where he's coming from and he can understand what we're doing. I think that there's important for this Board to understand that there

won't be any impacts to Metropolitan or regional planning efforts with regard to the detachment.

We're gonna use the same amount of water we do from the Skinner service area, whether it gets invoiced through the San Diego County Water Authority or it gets invoiced to Eastern Municipal Water District, it's not gonna change the source of water, it's not gonna change the treatment plant, pipelines, turnouts or anything. So it's hard for us to understand that there's gonna be an impact. There's also the fact that there's a considerable departure fee being levied by LAFCO, \$64 million we're gonna have to pay to get out. Now we're gonna get some credits for savings the Water Authority has, but that's what the staff has determined. So there's no impacts to the Water Authority. They're only gonna be held whole for at least five years, and considering they've already had four years to plan for it, by the time we're done, there'll be a 10 year offering [?] period.

So, in closing, I just wanted to come up here and inform you folks of where we are down in Rainbow and encourage the Chair, should he have any further concerns, to reach out to us. We'd be happy to meet at the time and place of his choosing so that we can all understand each other's positions a little more clearly. Thank you.

Item 7b: Annexation Policies within Metropolitan's Current Boundaries

Chair Smith: All right. Moving on to item 7B is the annexation policies with Metropolitan's current boundary. I will ask Mr. Chapman to please introduce the presenter.

Shane Chapman: Thank you, Chair Smith. This will be a two-part presentation and Ethel Young, a resource specialist in the Real Property Group with over 30 years of experience here at Metropolitan, principally administering the Board's policy on annexations will take us through the first part. And then Cathy Stites from the Legal Department will then take over and will walk us through the language in the MWD Act as it relates to annexation. So Ethel, please.

Ethel Young: Thank you, Shane. Good morning, Chair Smith and committee members. This is an informational presentation regarding Metropolitan's annexation policy and processes. I will start with going over the history formation of Metropolitan service area and our process for discretionary annexation, which are the most common processes staff handles. Staff

counsel, Cathy Stites, who will conclude the presentation with the review of the law relevant to Metropolitan's annexation process, including the MWD Act and LAFCO.

Annexation is the growth of Metropolitan service area, which currently exercises and reports to the Finance, Audit, Insurance, and Real Property Committee and to Metropolitan's Board at the request of the member agency.

Metropolitan was formed in the late 1920s by the original cities of the coastal plain of Southern California. Between 1942 and 1954, 14 additional member agencies joined Metropolitan with the addition of the Municipal Water Districts and County Water Authority.

Between 1960 and 1971, Ventura County, with Upper San Gabriel and Las Virgenes MWDs joined. In 1971, the city of San Fernando joined after the earthquake. And in 1997, Coastal MWD consolidated with MWDOC, which leaves the current total of 26 member agencies.

Metropolitan's current service area is approximately 5,181 square miles. The MWD Act authorizes Board approval or discretionary annexations and automatic annexations, which do not require Board approval. Cathy will further discuss automatic annexations later in the presentation.

Metropolitan's most common process is the approval of discretionary annexations of new territory governed by the procedures set forth in the Administrative Code section 3100 through 3108. The annexation process begins as a member agency request to annex property into Metropolitan's service area. Staff reviews the required materials submitted by the member agency, included for example, legal description and map, acreage, and parcel information, land use existing and proposed, water use efficiency plan and CEQA compliance documents, meeting the Administrative Code requirements within section 3100.

Committee and Board set the terms and conditions for the annexation and approve the member agency request. Subject to water service regulations, no direct or indirect benefit of area outside the District, no obligation for additional facilities, water availability, annexation criteria, terms and conditions.

Member agency approval of the annex Metropolitan's resolution, LAFCO board approval, which includes public hearing and then recording at the county recorder's office completed.

Metropolitan's annexation fee is section 3300 of Metropolitan's Administrative Code and is either the back tax computation or the per an acre charge, whichever is greater. The per an acre charge is typically used to calculate the annexation charges. This year's rate is \$6,875 per a net acres. Once parcels are annexed, Metropolitan's ad valorem tax is applied and for agencies who request it, the standby charge is applied. All but four member agencies request that MWD levy the standby charge. They are Los Angeles, Santa Monica, Beverly Hills, and West Basin.

This chart shows the per an acre annexation charge over the past 10 years. Over the past 10 years, Metropolitan's Board approved annexations for Calleguas, Western, Eastern and San Diego County Water Authority.

This chart shows the relationship of the acres of territory annexed and the acre feet of water supply added to the area annexed to Metropolitan over the past 10 years by these member agencies.

In total, during the past decade, Metropolitan annexed approximately 1,433 acres with a new water demand of 886 acre feet per year.

Metropolitan's authority to annex rise out of the MWD Act, the MWD Administrative Code and the MWD Policy Principles. The only annexation specific policy adopted recently was done in 2016 as a response to legislation providing LAFCOs with the authority to do forced annexations, and making it clear Metropolitan opposes such efforts unless the new territory is subject to all the terms and conditions applicable to all the other rate paying customers.

At this time, I'd like to call up Cathy Stites, who will continue the presentation with review of the laws relevant to Metropolitan's annexation process, including MWD Act and LAFCO. Cathy.

Cathy Stites:

Thanks Ethel. We were asked to address LAFCOs authority over Metropolitan and also to go through the sections of the MWD Act as they relate to annexations.

So in addition to our Act, and Administrative Code, and the policies that this Board adopts, the LAFCO laws were adopted in 1963 and with their adoption, the legislature gave the authority to change public agency boundaries to the LAFCO commissions in each county. It was intended to address the rapid growth following World War II and to ensure the public agency obligations didn't overlap or duplicate one another.

However, based on the MWD Act and limited exemptions in the LAFCO laws, Metropolitan determines its own boundary changes and annexations, and LAFCOs may not force Metropolitan to take on new territory involuntarily, nor alter our boundaries from that of our member agencies.

However, LAFCOs do have to approve any final boundary changes to Metropolitan and its member agency's boundaries. It's essentially a ministerial function recording a certificate of completion on the property that makes the boundary change official, and allows Metropolitan to assess its special levies, including its ad valorem tax and when requested, the standby charge.

However, the LAFCOs are also required to do a municipal service review and determine a sphere of influence for all public agencies within each county. There is no exception from that requirement on LAFCO for Metropolitan Water District. And so in five of the counties that Metropolitan resides in, those LAFCOs have deemed Metropolitan's sphere of influence co-terminus with its member agencies in that county.

Los Angeles County has not done that to date. And ironically, the law contemplates that for multi-county agencies like Metropolitan, it is the county with the most assessed value that should do the MSR and sphere of influence. But to date, LA has elected not to do that.

So I was asked to also go through the MWD Act as it applies to annexation, and a few of the relevant sections. The annexation laws in our Act are in part 7, sections 350 to 455.

Chapter 1 governs annexation of new territory to a Metropolitan Water District. Articles 1, 3 and 4 provide authority for discretionary or Board-approved annexations of new territory that require Board approval. This is distinct from automatic annexations under articles 2 and 5 that do not require Board approval. These were limited to the original cities within Metropolitan and the cities within the County Water Authority pursuant to provisions in both acts, basically grandfathering in the original cities in their right to annex, and largely the automatic annexations have been exhausted. There are some pockets of areas that could still be automatically annexed, but it's limited and it doesn't happen that frequently.

Chapter 2, deals with the exclusion of territory or what they call detachment. Basically, chapter 2 just confirms that when area is detached from a Metropolitan member agency, it should be concurrently

detached from Metropolitan unless it's absorbed into another member agency, consolidated, merged, dissolved, whatever that is.

And chapter 3 of the Act applies when there is an exchange or reorganization of territory between two member agencies. Board approval has not been required for these changes. Historically, we viewed them simply as internal reorganizations amongst member public agencies.

So I was asked to provide a few sections of the Act. These are all, our Act is on our website if you want to see the entire section. But section 350 deals with discretionary or Board-approved annexations. You can see it allows territory to be annexed to a Metropolitan Water District upon terms and conditions fixed by our Board.

Section 450 deals with detachments and it states that areas excluded from a member public agency shall be excluded from Metropolitan. This is to ensure that if they are detached, water's not served outside the service area.

Section 455 addresses exclusions, or excuse me, exchanges or what we call reorganizations that are internal to Metropolitan's boundaries. Section 455 was added to Metropolitan's Act in 1969 in the amendments that were done at that time. To clarify the boundary changes between Metropolitan member agencies did not require its Board's approval. This was on the heels of Western obtaining the Lake Matthew area from Eastern, and it was part of a packet of amendments done at that time.

So that concludes what I was asked to address, and I'd be willing to take any questions.

Chair Smith: Thank you, Ethel and Cathy for the presentations. So we may have questions or a statement here. We'll start with our Chair, Chair Ortega.

Chair Ortega: Thank you very much, Chair Smith, and thank you very much to Real Property and the legal team for giving us this thorough statutory review of what governs annexations and detachments within our service area. I have never challenged the interpretation of the law. What I have done is to defend the Board's policy prerogative on these issues. The reason I thought that this was important is that it involves two separate counties. The issues in San Diego are not member agency-sponsored by either party that would be impacted. Thirdly, it would be imposed by a third party, and it's based on the issue of affordability. And finally, it coincides with our planning process. And I think it's important for the Board to

understand that as affordability gains more traction in the public discourse, that we may not be in charge of our own destiny, based on the precedent that would be taken if this annexation and detachment takes place.

Now in my communications with San Diego LAFCO, I have never told them not to approve it. What I have asked them to do is to consider it in the context of our planning. As you know, they've used the rationalization that a letter was submitted by our General Manager, our then-General Manager in 2020. And I don't think any of us would dispute that our water supply conditions and our governance have dramatically changed over this period. We went through, last year, a dramatic issue with respect to the State Water Project in the State Water Project-dependent areas. I think the Board deserves to weigh if such impacts translate into an annexation that would be fully dependent on imported water, not sharing in the supply portfolio that either member agency of Metropolitan has developed.

I think the other implication here with respect to policy considerations that the Board ought to make is what other third parties feel that they have the ability to change the boundaries of our member agencies, and what impacts could that have?

I think as we're planning for the next 25 years, we need to have our eyes open. Just yesterday, for example, we distributed a new report by the grand jury in Orange County that is basically saying, I read it, it said that number one, Metropolitan and our member agency in Orange County has failed to develop alternative water supply resources fast enough. And so now they're suggesting the creation of yet another entity that would be superimposed to plan and expedite projects. I think they too should be paying attention to our planning process. I think Metropolitan, in its history, has shown incredible foresight, and just because the methods of communication have shifted and people are not interested in the boring work that we do, doesn't mean that things are not happening.

We have a process in place right now to plan for the next 25 years, and the integrity of that process is going to weigh on how we deal with outside sources. Yesterday, for example, I addressed a forum of cities that have been gathered by the Sonora Institute in Arizona for cities to have a more coherent way of weighing in on water policy. And one of the things I did is I talked about our climate adaptation master planning process and that they ought to pay attention to that process because it's going to impact, I think, water planning in Southern California in a very fundamental way. And so I have nothing against the entities in San Diego

County that are looking for more affordable water. I think they share that with many other communities in California and in Southern California in particular. But if we're going to start moving our member agency boundaries to assure the lowest cost for water based on what our member agencies have done to price their water, then it's the Wild West, and I don't know how we manage that. And the Board ought to be able to have a policy discussion and weigh its options as we're moving forward with our plans.

And so with that, I hope that the Board will opine its direction to the staff in terms of any follow up that might need to be done on this front. But again, I'm not suggesting that we go out and oppose what's going on with LAFCO in San Diego. I hope that LAFCO would pay more attention to our planning process, as I do the grand jury in Orange County. And then I hope that the Board, as we move forward with our planning, understands that this is a risk because of its unprecedented nature. So thank you very much.

Chair Smith: Yeah, thank you for those introductory remarks. Looking for any members of the committee or other members that would like to make comments on this issue. Director Armstrong.

Director Armstrong: Thank you, Chair. No, I think this was really informative and I appreciate it, and I think this all really does bring to light a need for a policy discussion on this. I'm not clear actually how all of this applies to this current effort going on within the Water Authority in Fallbrook and Rainbow, I'm not sure how all of these act provisions apply to that. So a request I would have would be to help us understand more on that and especially going forward.

I want to just also kind of reiterate, I represent Eastern, but Eastern, our position is very neutral on this. We're not advocating for it or the opposite either, we're just neutral on this. But I do think this is important and I think it's important that we get, if there is going to be some direction or some action from Metropolitan, that it happens very quickly too, because I know the LAFCO commission is meeting again I think in early August, and I think we should, if we're going to have some resolution to something, we should work to have that done before that point in time. But anyways, I think this is important going forward, and I would think it brings to light the need for further policy discussion. I just would hope if it's going to impact this, we do it really quickly so that we can keep things moving and not stall their process. Thank you.

Chair Smith: Great. Director Camacho.

Director Camacho: Yeah, I'm not on the committee.

Chair Smith: Oh, it's okay, you're up next.

Director Camacho: In trying to go through all of this and have it all make sense to me as well because it is a little bit confusing, I just had a few things. One, I wanted to get a better understanding of what you meant by the Wild West, if you have examples of what that means, could potentially mean for MWD and the family. And to Director Armstrong's point for better and further clarification, we may even want to put together or ask you to consider putting together maybe a ad hoc committee that could get a outside third party legal opinion, that will look at things and kind of get us that definition of what exactly this all means and how it should take place.

I also understand that there is legislation working through the process right now, to deal with annexation such as this, and maybe the folks of San Diego should be deciding some of their own fate. So those are my three comments, but I did have, of the three, that one question, I just want to better understand what the Chairman meant by the Wild West, if there's examples of what that means? Thank you.

Chair Ortega: Thank you, Director Camacho. Thank you, Chairman Smith. Well, to put it simply, I spent the early part of my career in water as the assistant general manager of Western Central Basin. They took different approaches to funding their local projects. West Basin put the cost of their water recycling project under the leadership of Director Rich Atwater, who's our colleague on this Board on the volumetric rate. Central Basin placed their cost on a standby charge. There's a area in a investor-owned utility where a UCLA study about a year ago found that the poorest people are paying the highest water rates, and the reason is that under the Public Utilities Commission, their rate is weighted on the cost of imported water from West Basin. So it was suggested to me that maybe a way to get this severely disadvantaged area that's paying the highest water rates in the county some relief is by redrawing the boundaries so that this investor-owned utility would rest fully within the Central Basin Municipal Water District.

Well, knowing full well what was involved in financing the West Basin Recycling Project and the bond covenants, of course I indicated that it wouldn't be a good idea. And I think that from that, I took seriously the fact that there is a basic burden here that has to be addressed. But if we're going to start redrawing boundaries as a way of providing that relief, the Wild West means that we won't be able to predict on a year to year basis, or our member agencies won't be able to predict, what may

change within their boundaries and in their assurances to the bond market in order to pay the debt for the resiliency projects that they are building. It's a very fundamental issue.

And so if that starts happening everywhere, because this unprecedented action in two counties, I mean, there's a lot simpler lines that we could redraw than those that are taking place right now between San Diego and Riverside Counties. And so the Wild West means greater unpredictability and uncertainty for our member agencies on how they pay for their projects. Now, I have great sympathy for agriculture. I'm a graduate of the California Agricultural Leadership Program, and I know full well, and I've looked at what's happening in San Diego, and while there are issues that have been explained today, a lot of the burden could be shifted to other portions of agriculture in San Diego County. San Diego, just for everybody's knowledge, I chaired the Water Committee for the State Board of Food and Agriculture for seven years. And one fact that few people know about San Diego County is that it has the largest number of family farms in California. You would never guess it. And so, it's a huge issue there. And I think the desire would be to help all of agriculture in San Diego County, not just some, and to do it in a way that's orderly and that guarantees, ultimately, that they're going to get the outcome that they want. And my fear right now is that there may be expectations of an outcome that we may frustrate with our planning process because at the end of our planning process, guess what we're going to talk about? Rates and rate structures.

And so, I believe that everybody should have their eyes open and I would be the first to welcome their input into our planning process, which I've been pushing for. I've been asking the General Manager, to the degree that we can, that we need to be involving people that will be impacted by our policies. And so it's with that, that I'm answering Director Camacho's question, and I'm sorry to be a little long-winded. But I will seriously consider putting together an ad hoc committee to address the policy issues and hopefully it can be informed by the guidance of the law, by our General Counsel as we contemplate policies that may help us cope with uncertainty that we're facing on this front. Thank you.

Chair Smith:

And Director Camacho, the way I see the Wild West is money and water. So that's what we're in the business for. So for the water aspect, having agencies leave completely undermines all of the water planning of the agency. How can you plan for water use when you don't know who's going to use your water? And money is when we have CIP projects and we have 30-year bonds. If an agency leaves and they don't pay their mortgage, then you've just lost out on all of the money. So, when we've

talked about the Wild West, that's kind of what I boiled it down to in the most simplest terms. So, yeah, and I think I agree with our Chair about creating some sort of annexation policy, ad hoc committee. Director from Eastern is involved and of course the Water Authority is involved. And it's something that's happening very quickly in August. And if that committee could get into the details, there's a lot of information. I mean you know me, I read everything with this agency and I think I've read a thousand pages on this issue. So, I'd be happy to entertain that direction. Yep, Director Quinn, is that you down there?

Director Quinn: Thank you for the opportunity to speak on this, and I feel much better educated and more well-rounded on this issue thanks to Chair Ortega's comments. I also have sympathy and am quite sensitive to the affordability issues raised by, I believe, it was Tom Kennedy in public comment. And I think that that's worthwhile having additional conversations and I know that this Board is doing so. But I would also be interested in a discussion around when these annexations or when these types of changes are going to impact the source of supply as well if you're going from a predominantly Colorado River to a predominantly State Water Project area or such. We ran into a similar issue just last month with our vote on Rubidoux and we had mentioned having a policy discussion. So I support the Chair's recommendation to form an ad hoc committee to look at some of these issues. And that's it. Thanks.

Chair Smith: Thank you. Any others?

Katano Kasaine: Director Peterson.

Chair Smith: Director Peterson? Yep.

Director Peterson: Thank you, Mr. Chairman. Nothing's more fundamental in this country than self-determination. I mean, we became a country because we weren't being represented by a king. And it's the same way with agencies. We had a letter that was written by our General Manager; there was no objection to that letter. The letter said, "We're neutral, we're not going to get involved in this." We didn't get involved in the Valley secession at all. There was no discussion at Met, and I think that was appropriate. We never got involved when Las Virgenes conceded quite a bit of land. We were forced to take all of LA County and yet we knew we'd never service them and they're paying taxes, they're voting in our elections, and you provide them all the services in L.A. So, it made no sense. And so, we decided to deannex. Met didn't get involved in that at all.

I think the most prudent thing for Met to do is stay out of this. And if you try to tie it into some climate action plan, that will mean it will never end or end at a long, long time from now, not in August. And to me, I think that self-determination is very important in this country. It's fundamental. I don't see any difference in sales from Met, same source of water's going to be going to San Diego and going to Eastern. And I just think, to me, that the issue of self-determination is very, very important. And I've appreciated Met's not getting involved in the Valley secession and of the secession of parts of my district to LA. And if the whole issue comes down to the votes, how about annexing Coronado Island? You get all those votes right back, they're taking water and they're not paying for it. They're not paying for that \$6,000 an acre. You can get all those votes back right then and there. So, if you have annex Coronado, I think the pot would be right.

Chair Smith: All right. Any other commenters? Director De Jesus? Oh, I've got this here. Go ahead.

Director De Jesus: Yeah. Well, I just want to thank the Directors for their comments and I think what it says is that this issue, as simple as some of us may think it should be, is very complicated. And so I appreciate putting together a committee. I'm not so sure if ad hoc, sub or a full Board is really what we're looking for of we're all having to eventually vote on it. I think we should be asked to attend such meetings so we can listen to some of these questions and ask some of the questions. I'm not an expert at this by no means, certainly, and I think that's the reason why I'm making the appeal that this be more transparent and allow us to at least hear and listen to some of these issues.

My knee-jerk reaction to all this, if I may share, is that perhaps I feel that Metropolitan, not to be naive, but that Metropolitan may be meddling in areas that we probably should not get involved in. And right away I think of the risk factor. I mean, are we looking for a lawsuit here as a result of us getting involved to some degree that is not in agreement with others? Those are the kind of things I think that need to be considered. If it doesn't impact Metropolitan and its mission, if you will, relative to I think, Chair Smith, you mentioned water and dollars, if you will, then I need to be more convinced or at least understanding, educated as to why we would want to be so concerned about an agency's ability to plan, if you will.

That's not our business. I don't think we want to get into that, into that deep in the weeds, if you will, on how others have to figure out how to manage their allocations, if you will. But I understand those other

impacts that it has on some of the things that you said, for example, the long-term financial plans and the future of those particular agencies. But I would have to believe taking a step back that those agencies are considering those impacts. And if they had any objections to that, that they would be making it to the LAFCO, if you will, or even going public with it or you know what? Suing. I mean, some of these agencies, that's all they like to do is just file lawsuits. And so, to the extent something like that would impact them, then do it to others, if you will, as well. Thank you.

Chair Smith: Yeah. Chair Ortega.

Chair Ortega: Well, thank you very much. When I look back at the minutes of the past annexation issues, one of them was mentioned here with respect to Eastern and Western. Two things happened. The two member agencies were engaged, and they were talking to each other and there was consent. Secondly, they came to the Metropolitan Board. I mean, read the minutes. It kind of goes through the whole process of what happened. The issue that we're addressing here, and I would not set up an ad hoc committee to get involved in the San Diego detachment issue. That would not be the purpose of a subcommittee or of an ad hoc committee. The purpose would be to look at the precedent and determine the policy implications for Metropolitan and its member agencies, particularly, as we're dealing with the issue of affordability because that issue is gaining steam, and it's something that we have to take seriously. I know we went through this exercise at a workshop just a few weeks ago to talk about our definition of affordability and how we deal with it. I had a meeting yesterday with the president of the Western Municipal Water District Board and Director Dennstedt, who had a very innovative way of dealing with affordability issues.

But going forward, we need to understand what we're dealing with here. And if there's third parties that could come in and redraw your boundaries in order to make water less expensive, here's another term, it's a race to the bottom. Who else is going to take that cue? Who else is going to jump in and say, "Hey, I have the authority to do this." You've got land use planning entities like SCAG and SANDAG and others. The grand juries or others that are out there. Everybody assumes the legislature could always jump in, but we need to understand that category of risk and the challenge that it presents to us in our ability to do long-term planning. And so, that would be the nature of such a discussion. It would not be to get involved in this detachment issue. They can evaluate our actions and then determine whether it's in their interest, given what's happening in planning, whether to proceed or not.

But I would not ask this Board to take an official position on what's going on in San Diego.

Chair Smith: I have a couple more speakers on the queue. And a reminder, you can push your button. So, Director Miller?

Director Miller: I agree with what's being said here. This is a very complex issue. This is not something that gets done every day. If it's not unprecedented, it's nearly unprecedented on what's happening here. The San Diego Water agencies, agencies, the vast majority, if not all of them, are against this. I liken it to sitting down with 20 people and agreeing to spend money on projects and just as soon as the projects gets done, five agencies decide they don't want to pay for it because their costs are driven up. We all make 30, 40, 50 year plans and they all come with costs and they all come with foresight and planning, and you can't really plan on anything when you can have people decide they want to exit it at any moment, when they decide, well, I can get something cheaper over here than I can here.

This is a direct shift of costs from a couple of agencies to a bunch of other agencies and those bunch of other...we talk about self-determination. I don't get a vote on whether I want to accept those added costs. The person that's going to get the cheaper cost gets to vote. I'd like to vote that Tim Smith pays my property taxes. So if I'm the only one that gets allowed to vote, I'm going to vote, "Yeah." So that's what we're looking at here. And I don't think the San Water Authority has been unreasonable in making their requests of an exit fee and what have you. I worry about my rate payers just as every water agency out there should worry about your rate payers. I'm going to be charging my rate payers more money and they're not going to get better water, more water or actually anything for their money. They're just going to get to pay the bill.

And I think this is a far-reaching decision that's going to be made down there. And I agree with the Chair, and an ad hoc committee to make sure that the Met is in the right position with the right policy on this issue, has a value to us, because as the Chair said, another agency down the road can use this as a precedent to get off. Maybe one agency wants to merge with another agency because they can get water for \$10 an acre foot, cheaper. Because in the ultimate game here, using the numbers that have been proposed down there, we're talking about two agencies paying \$25 a month less for their water and everybody else paying more. And that's a precedent, when people start chasing \$20 an acre foot or \$20 a month, man, it doesn't take much to find another agency that

might be able to, that you could hook onto and get a, who has wells like Orange County, and you can get cheaper water. So I think an ad hoc committee to make sure that the Met is in the proper position and has the proper policy is a good idea. Thank you.

Chair Smith: Thank you Director Miller. I have Director Dennstedt and then Director Kurtz.

Director Dennstedt: Thank you, Mr. Chair. And thank you for all the comments and I appreciate legal counsel's presentation on the articles and what is being followed, and I appreciate the Chair bringing up the fact that Eastern and Western had an MSR review here recently. It took many, many, many, many years to go through that, but I really think that Metropolitan did not take a position on that. They didn't get involved in it. It really came down to the will of the people and what the people of Murrieta in that annexation area wanted and what they were vocalizing, and how they wanted to have their agencies, their water bills, maintained and issued. So I am not a fan of lawsuits and getting in the middle of creating more. We talk about affordability. Well, let's talk about the affordability of the legal counsel and no offense to the sharks in the room, but there are condos in Maui.

So I don't think that's the area that we need to go and to get involved in some unnecessary litigation that costs all of our customers additional monies that they're all having to pay for that, when we enter into those things. I think it really comes down to local control and what those agencies want to manage for themselves. And the exchange of water is still the exchange of water within the Met family and the overlying territories. So I appreciate all the comments and I think it's best left between San Diego and Fallbrook and that LAFCO agency to make those determinations, and ultimately the voters who will be, have the ability to be able to protest on that or not to make that change actually happen. So those are my comments. Thank you.

Chair Smith: Okay. Thank you. Director Kurtz.

Director Kurtz: I'm not a member of the committee, so thank you, Mr. Chair, for allowing me just take a moment. I do agree with the Chair of our Board that there may be better ways to handle affordability than searching for the cheapest water within the same area, but I feel equally as strong that making a policy specific to a certain decision makes bad policy. Cities, by law, are prevented from changing the rules in the middle of the process, and I think that's a good thing. It's always on a going forward basis. You also make bad policy when you try to do it too fast because you've got a

deadline, so you have to just deal with the box and that doesn't make good policy.

The legislation was mentioned, and it is my understanding, and please correct me if I have this wrong, but the legislature believes that as well, and any policy they may adopt would be on a going forward basis and would not affect any annexation that is in the process at this current time. So I'd just ask that as we go forward, we might consider that ourselves. This is something we need to talk about, there are different perspectives on it. I hope it's not the beginning of the Wild Wild West and we're going to see these multiply, but water affordability is an issue. This is one way people are dealing with it. I think we ought to have that discussion, but that any policy change would apply to the next request, not in the middle of the discussion that is underway in San Diego right now. Thank you.

Chair Smith: Okay. I'm not sure about that legislation one, Cynthia, I don't know if there's someone that could address whether it's going forward or current.

Cathy Stites: Well, I think you're referring to AB 530.

Chair Smith: Yep.

Cathy Stites: Just coming out of San Diego, and my understanding is that they're looking for a procedural exception to allow it to go forward.

But right now it would be a change to the County Water Authority Act that would require a vote of all residents within a County Water Authority on a detachment to approve it, a majority, versus just the area that is being detached. So right now, under existing law, it's only the detached area and the voters there that would vote for it and a majority has to vote to approve it. This would extend it to the 1.9 million voters within the entire Authority. And there is only one Authority, just like one Metropolitan Water District. And my understanding is that it would apply. So it could potentially, if it goes forward and if the legislature enacts it, it could apply to the current proposed detachment. That's just my understanding. The legislature could change that. It's still in its initial format, so amendments could be made, but yes.

Chair Smith: Yeah, and that was my understanding too. I wanted to make sure, Director Kurtz, you got that information.

Director Kurtz: Thank you.

Chair Smith: So Chair Ortega, I guess it's up to you for the creation of the committee. I'll leave that up to your prerogative. It sounds like there's some consensus here to get a better understanding. Even people who may not want to get involved, still want to understand the facts. We all don't have the time to get into all of the information, so thank you for suggesting that. I don't...

Director Dick?
[off mic]: Clarification on what kind of committee, sir?

Chair Smith: Yeah, so there was a clarification question about what type of committee, but I think I'll leave that up to the Chair, whether it's ad hoc, is it intended to be a temporary committee.

[off mic] [inaudible]

Chair Ortega: Well, I think that an ad hoc committee can vet the issues and set up a Board workshop that could involve everybody, but I think that an ad hoc committee can take the deep dive and then consider some of these issues that, for example, Director Kurtz raised about respecting ongoing processes and things of that sort.

Chair Smith: Great. All right. Well, I don't see any more hands. Thank you. Oh. I know you by first name. Go ahead.

Director Garza: It's all good.

Chair Smith: Director Garza. Yeah.

Director Garza: Thank you Chair for the opportunity. I'll make my remarks brief because I sense that we're about to tie it up here.

First of all, just, I hope that my comments are of value either now or later as we undergo this process. Everything I've heard this morning, frankly, has been healthy. There really isn't anything that I've heard that's wrong. I think everyone's points really are valid in terms of what our current policy guidance allows us, but I think it also shows that there are some gaps within our policies, and I'm really encouraged by our commitment to establish some sort of body. I think the recommendation from our Director from Eastern is valid on this. So I'm looking forward to that.

My comments, again, really aren't in any way to have a position either for or against Fallbrook or Rainbow or Eastern on this issue. But I think that what I'm hoping that we'll do is when we get to the next stage is that

we'll remember that sometimes the lenses that we look at for policy aren't just exclusively legal. There are other lenses that we have to look at things through. There are processes that depend on certainty, and if we have processes that allow for fluid tactics and instruments within our policy guidance, I think that starts undermining our agency at that point. Because again, these instruments, whether if it's insurance or financing or rates, things that are our agency still depends on our demand and it requires that certainty.

So I'm definitely concerned about pitting agencies against agencies in the future. If somebody wants to start negotiating on rates, one against another, and for me the question is where does it stop, right? I really do think that it can become, it's a cautionary tale of us just going to the bottom of the barrel. So I'm looking forward to what next steps are and I appreciate the opportunity to make comments. Thank you.

Chair Smith:

Great. Thank you, Director Garza. So I think we have a direction that we're going to be going forward with the next steps, and I will go back to my agenda.

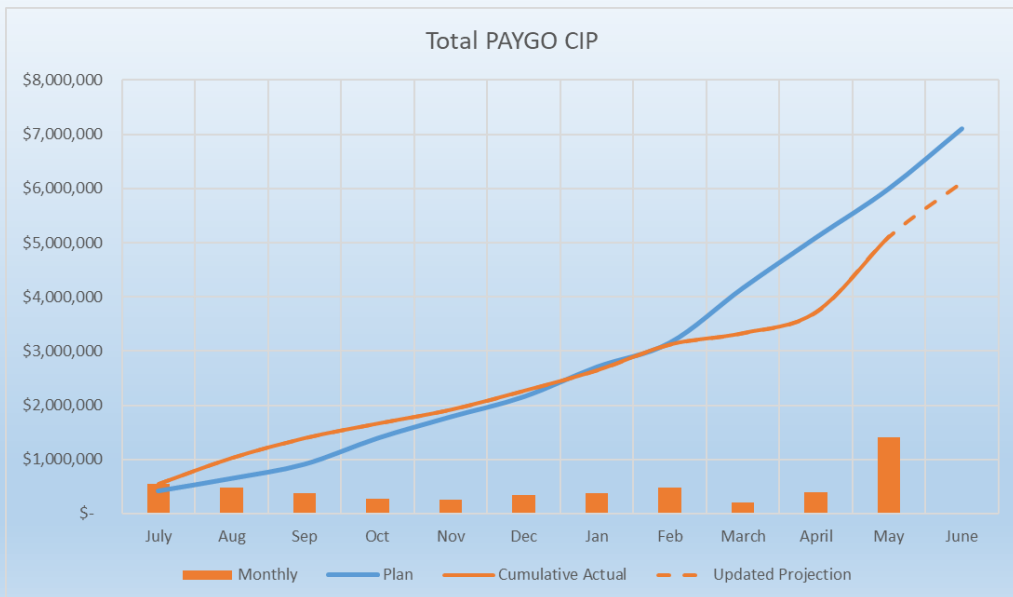


Fallbrook Public Utility District

Engineering and Operations FY23

Board Meeting June 2023

Total CIP FY23



Wastewater Treatment

Reclamation Plant

Recycled Water

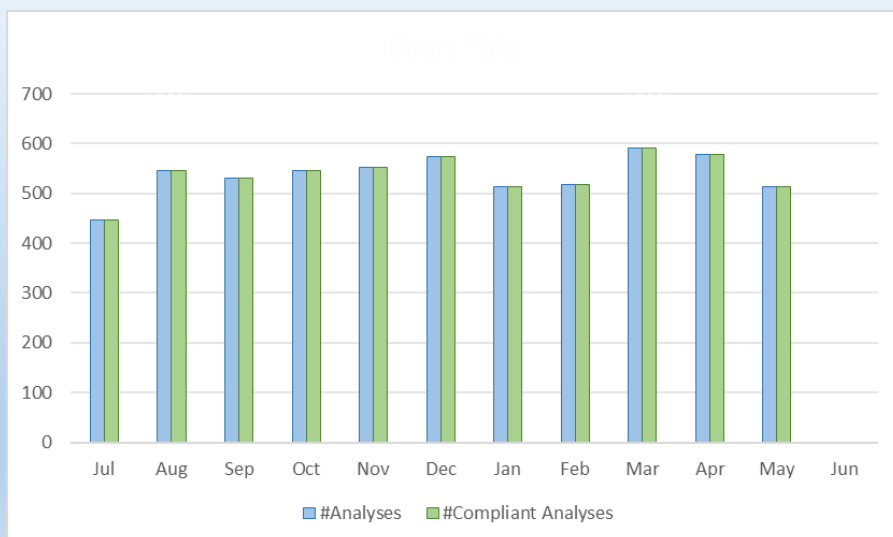
- Wastewater System Violations
- Reclamation Plant PMs Completed
- Energy Cost per MG
- Recycled Water – Time Out of Service

3

Wastewater Treatment System Regulatory Compliance

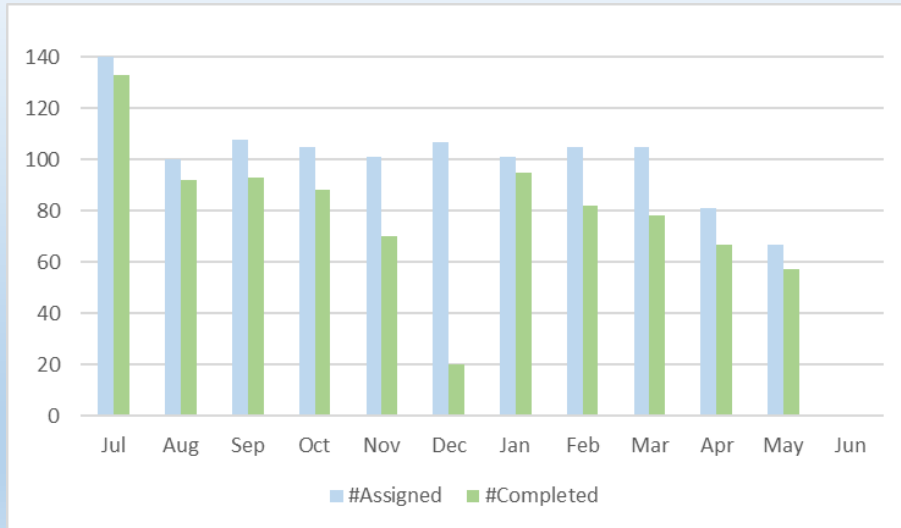
**SRWQCB
Compliance:**
NPDES
WDR

**Analyses
performed:**
Daily
Monthly
Quarterly
Semi-annually
Annually



4

Reclamation Plant – Wastewater PMs

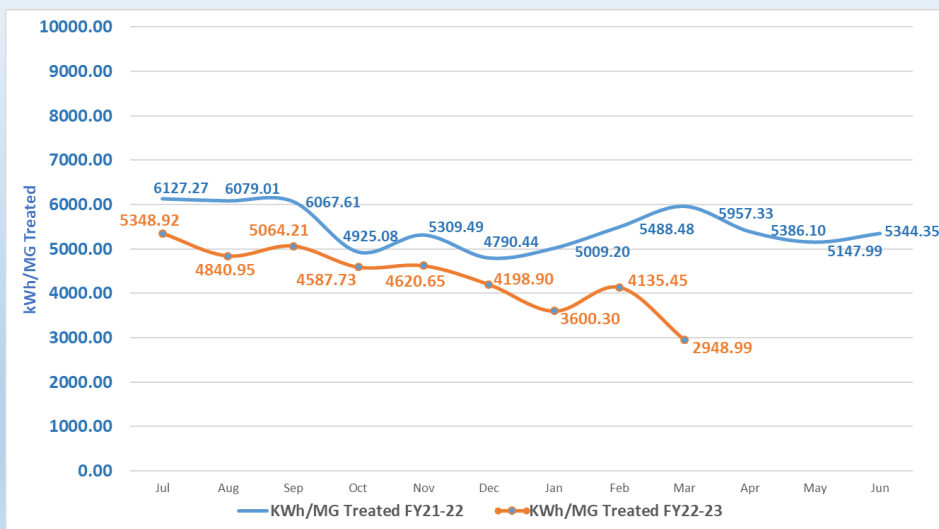


5

Formula =

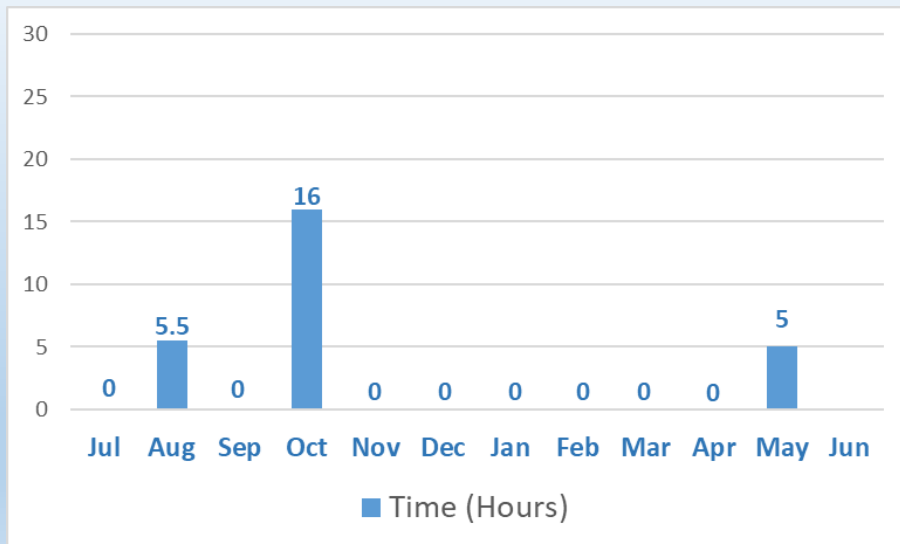
$$\frac{\text{Total Plant Energy Demand}}{\text{MG Treated Flow}}$$

Reclamation Plant – Energy Usage (KWh/MG Treated)



6

Recycled Water – Time out of Service (Hours)



7

Water Operations

Regulatory Compliance

Preventative Maintenance Work Orders

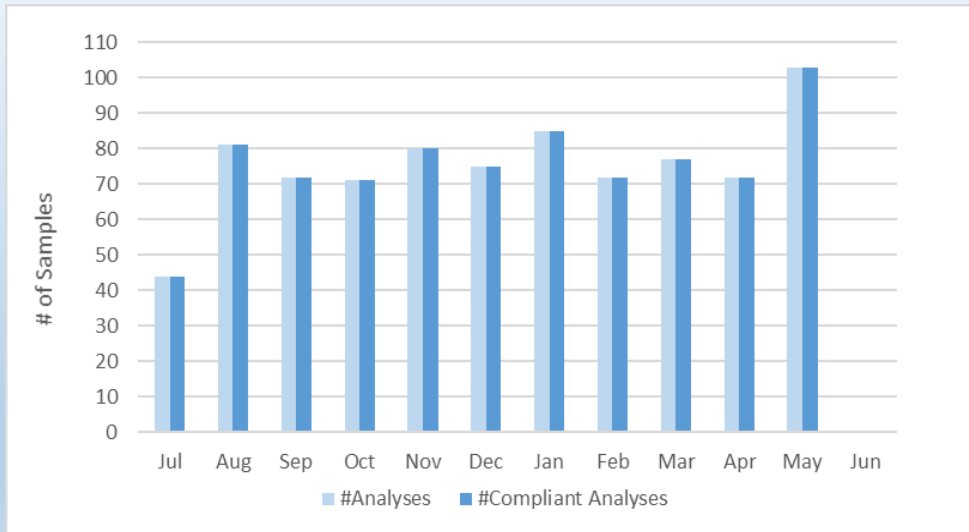
CUP Deliveries

SMGTP Flows

8

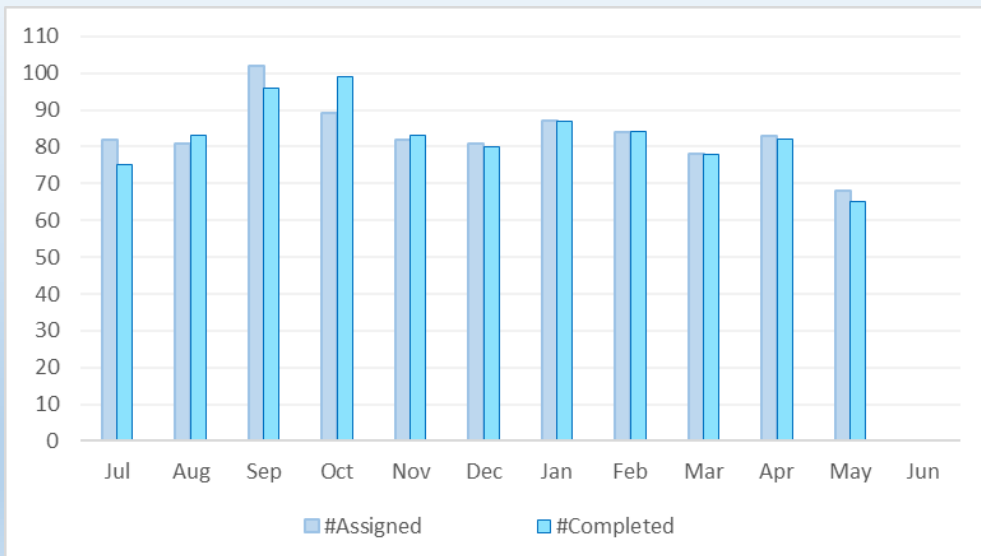
Water System Regulatory Compliance

- Facility Operation
- Routine Sampling



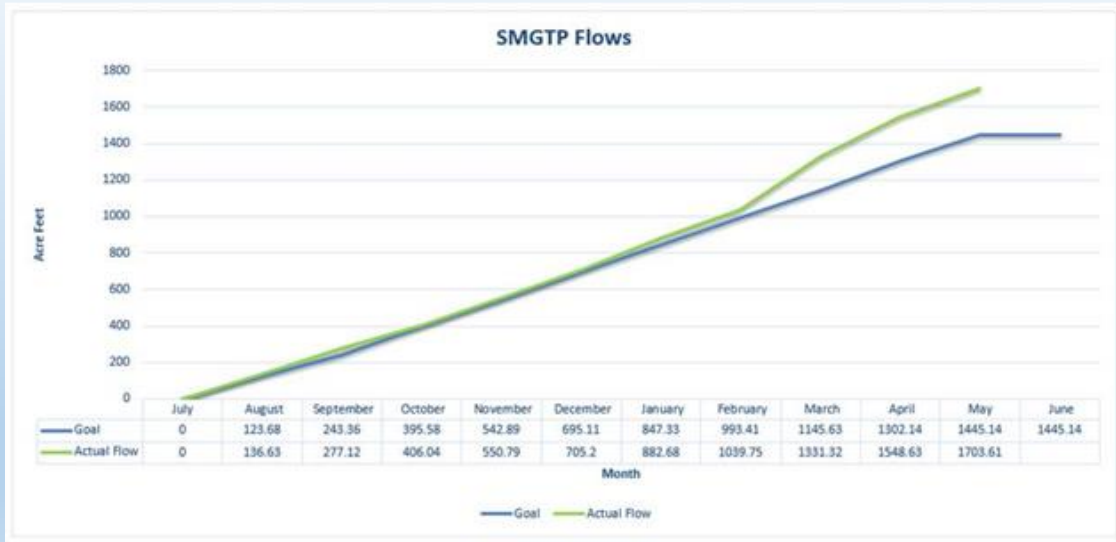
9

Water System PMs



10

SMGTP Flows



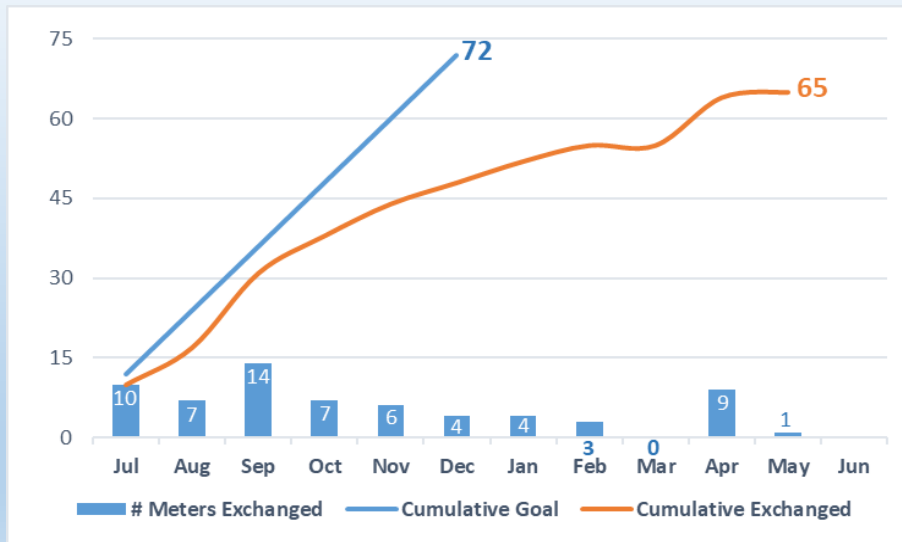
11

Meter Services

Meter Exchange Program

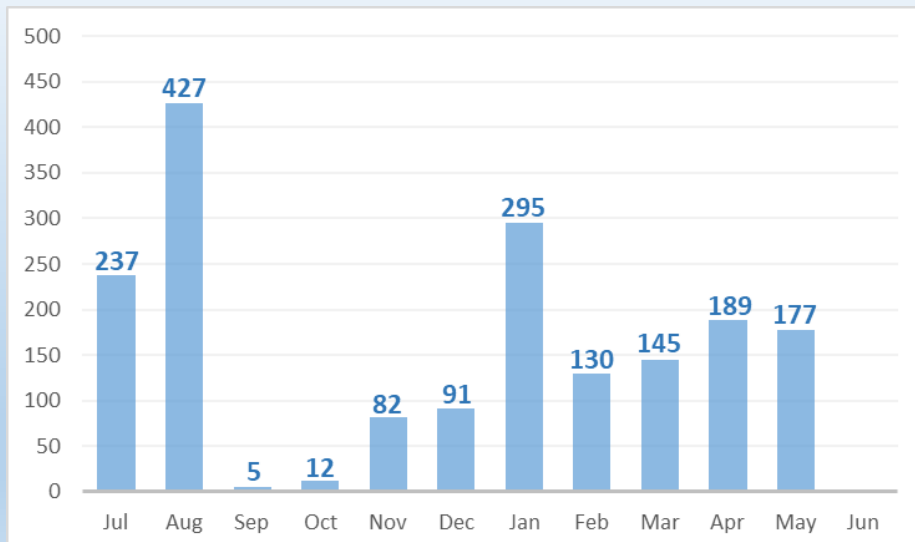
12

Meter Exchange



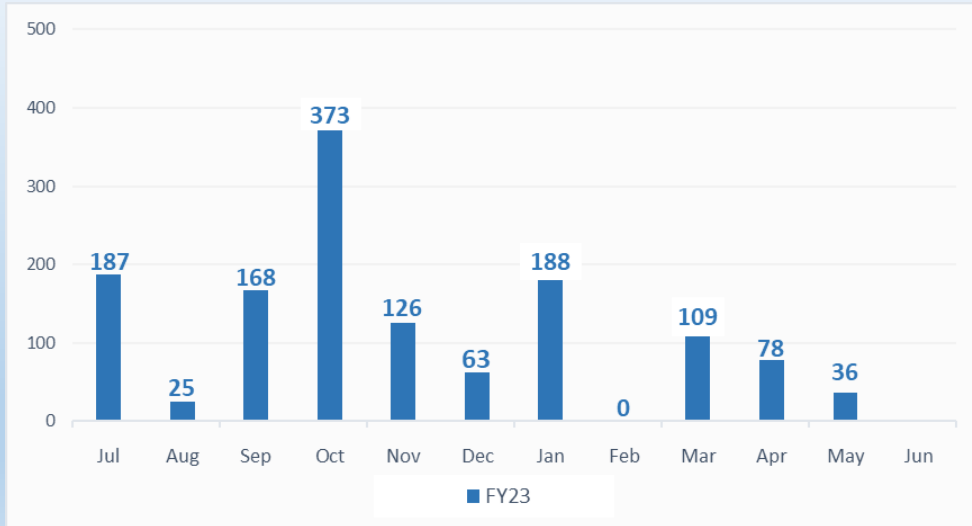
13

Planned Water Outages > 4 Hours # of Customers Affected



14

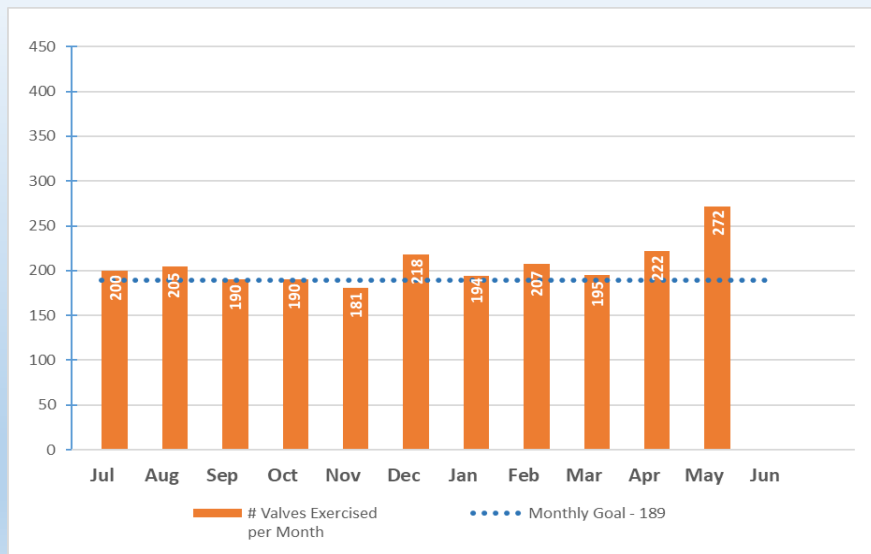
Unplanned Water Outages > 4 Hours # of Customers Affected



15

Main Line Valve Exercise Program

- Improve reliability
- Reduce impact of planned and emergency shutdowns



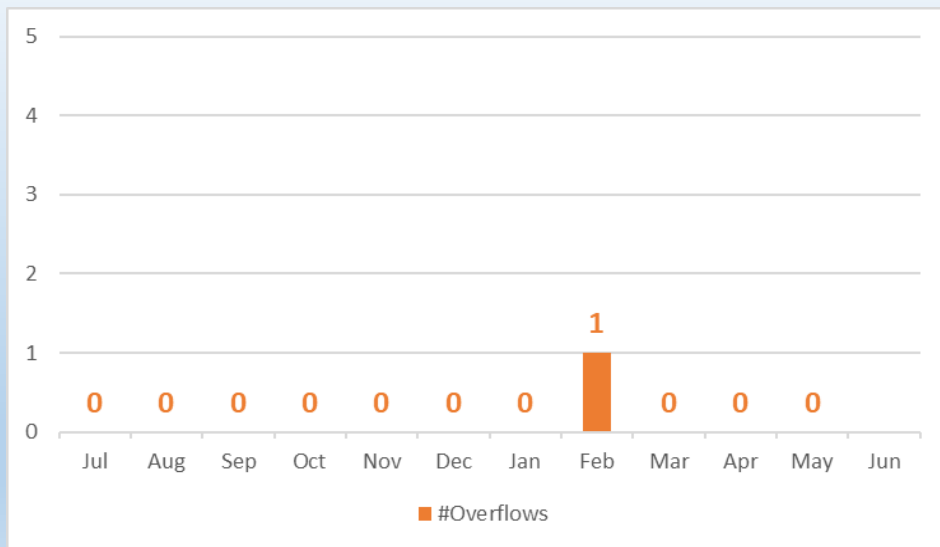
16

Wastewater Collections

Total Wastewater Spilled
Non-Recovered Wastewater Spilled
Odor Complaints

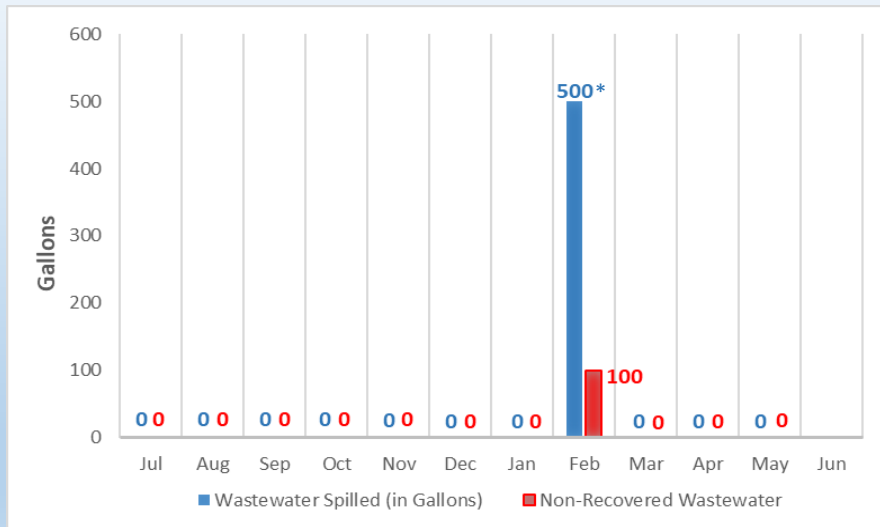
17

Wastewater Collections - Sewer Overflows



18

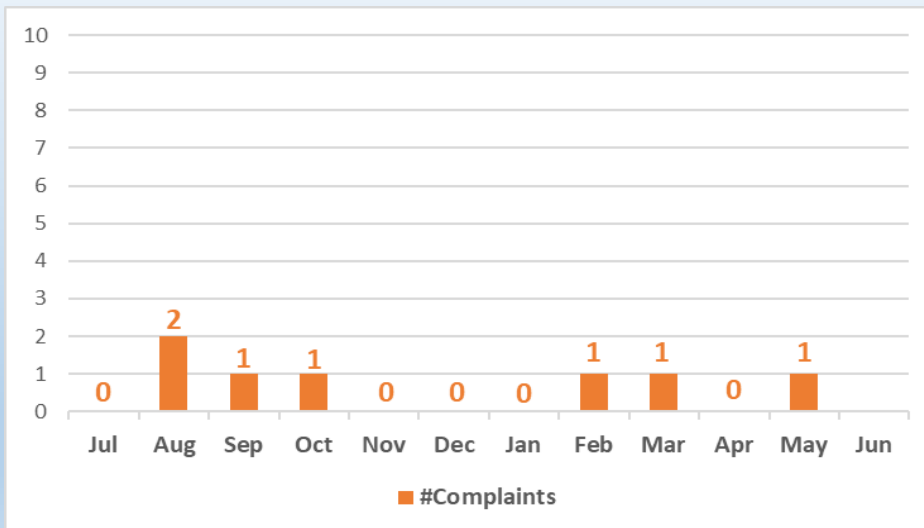
Wastewater Collections - Wastewater Spilled



*Sewer system overflow on 2/12. The spill occurred at the sewer main from a private lateral. Spill was 500 gal; 400 gal recovered, 100 gal reached surface water.

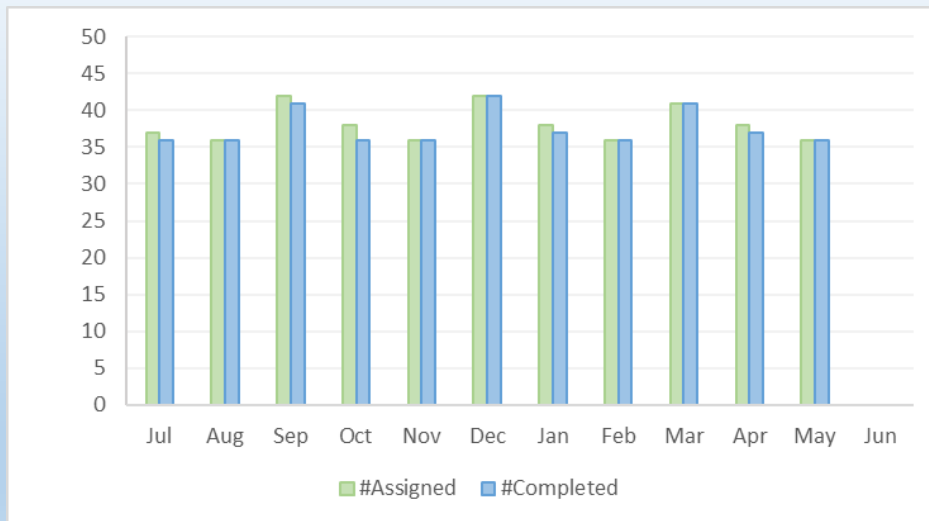
19

Reclamation Plant & Wastewater Collections Odor Complaints



20

Wastewater - Collections PMs



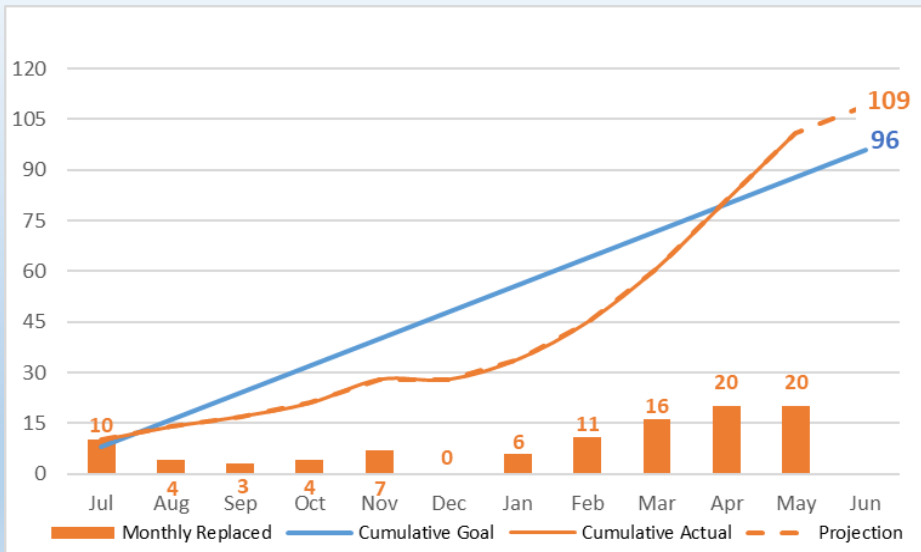
21

Construction/Maintenance

- Efforts continue in replacing valves with the greatest impact on water loss and customer outages during large main breaks.
- With new valves, crews will be capable of shutting down smaller controlled areas faster, impacting fewer customers while losing less water and completing repairs sooner.
- Our goal is to replace 100 valves per year. FY23, 28 valves have been replaced through December 2022. We currently have 6821 valves in the system with 144 known to be broken.
- We also have a goal to perform maintenance on 3,000 linear feet of easement roads. To date, 2,800 linear feet of maintenance has been completed.

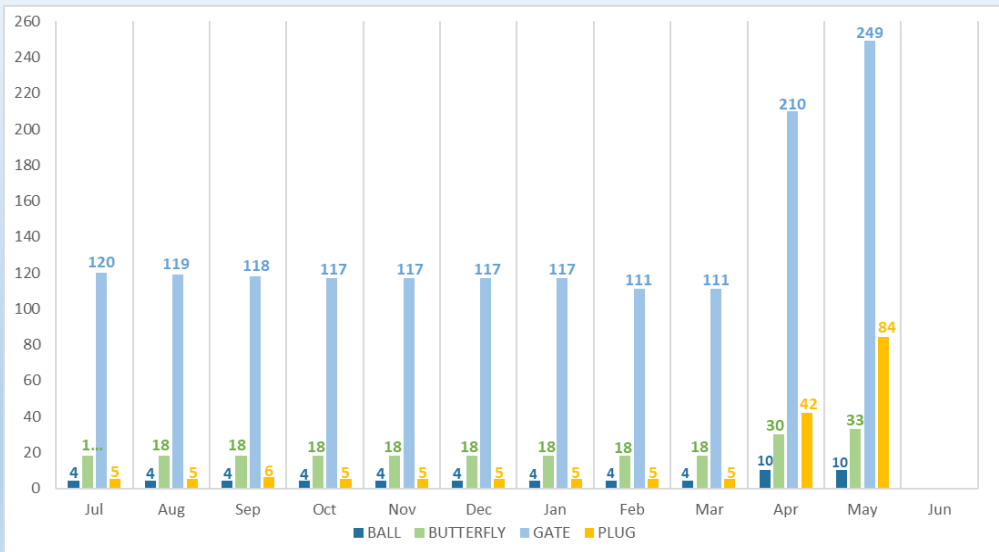
22

Main Line Valves Replaced



23

Rolling Total Broken Valves (all sizes & general problems)



24

M E M O

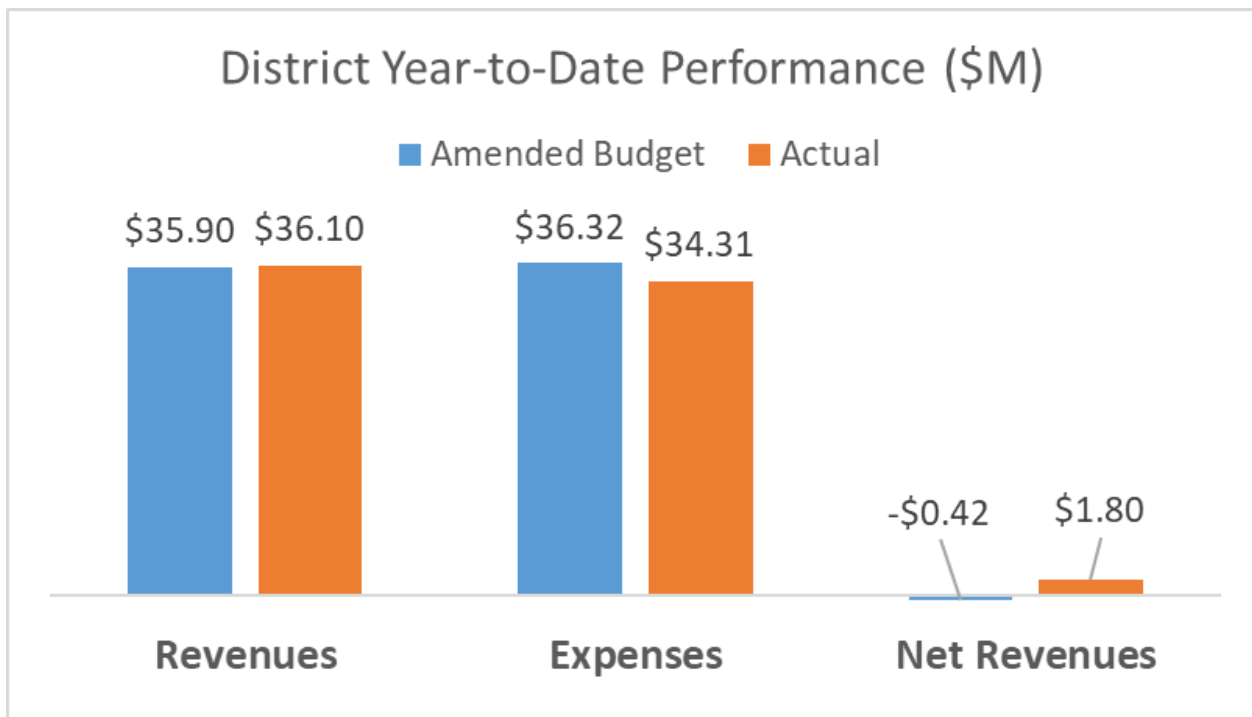
TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: June 26, 2023
SUBJECT: Financial Summary Report – May

Purpose

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

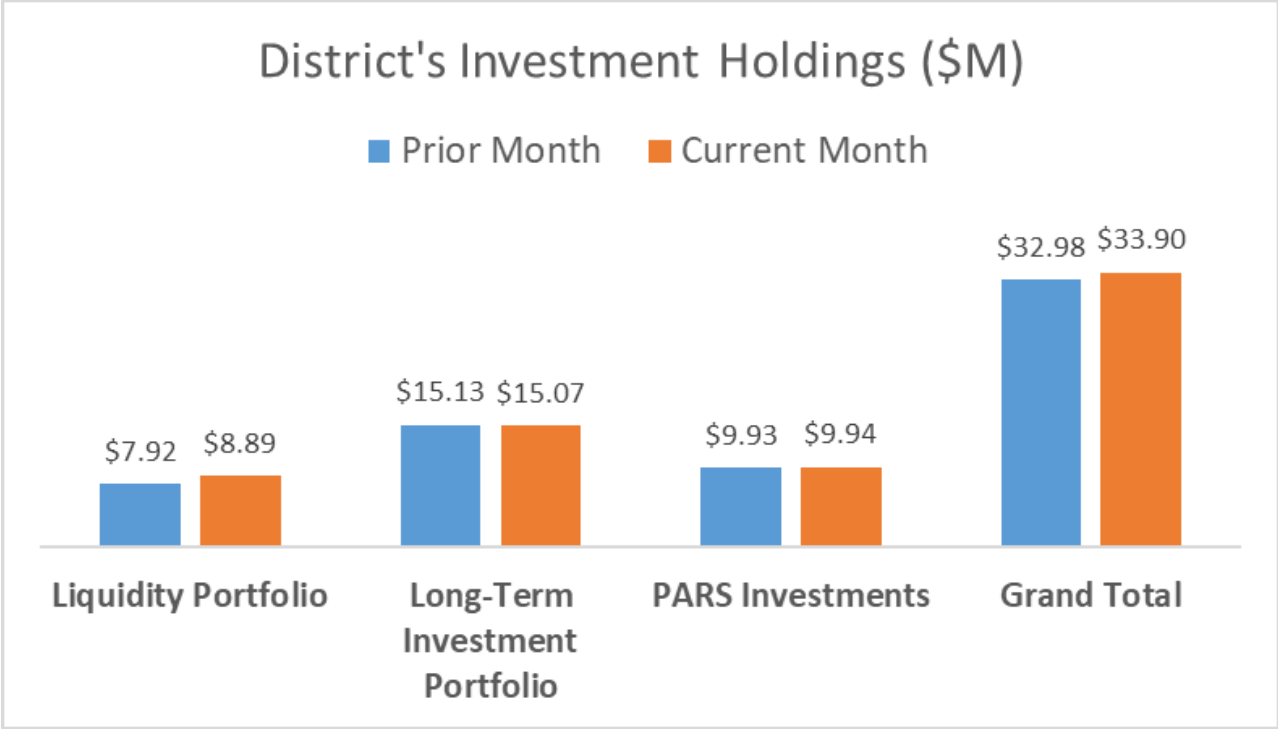
Summary

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



Revenues are slightly over the Amended Budget levels with total expenditures under the Amended Budget due to PayGo CIP expenditures. PayGo CIP execution is also under budget contributing to the higher level of net revenues. With year end here little change in the overall picture is expected in the final month of the year.

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 holdings increased this month. The changes in the market value of the PARS and Long-Term Portfolio Investments reflect the recent capital markets' volatility and are driving the increased balances. Overall these investments continue to perform in line with the capital markets.

Recommended Action

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

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: June 26, 2023
SUBJECT: Treasurer's Report

Purpose

Provide the May 2023 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

Overall the District's financial holdings increased this month. The increase in balances was driven by an increase in District's Liquidity Portfolio holdings. Overall the Long-term Portfolio and PARS investments continue to perform in line with the capital markets. The District continues to carefully manage its working capital to ensure its ability to meet its financial commitments.

Summary

Treasurer's Report May,2023

Account	Beginning Balance	Ending Balance
Operating Fund	\$ 5,000	\$ 340,055
Money Market	\$ 639,159	\$ 740,476
CAMP Account	\$ 7,271,871	\$ 7,805,563
<i>District's Liquidity Portfolio</i>	\$ 7,916,030	\$ 8,886,094
PFM Managed Long-term Investment Portfolio*	\$ 15,127,350	\$ 15,059,777
LAIF (Long-term Reserves)	\$ 6,638	\$ 6,638
PARS (OPEB & Pension Trust)**	\$ 9,925,373	\$ 9,943,871
<i>District Accounts Total</i>	\$ 32,975,391	\$ 33,896,380

*\$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.



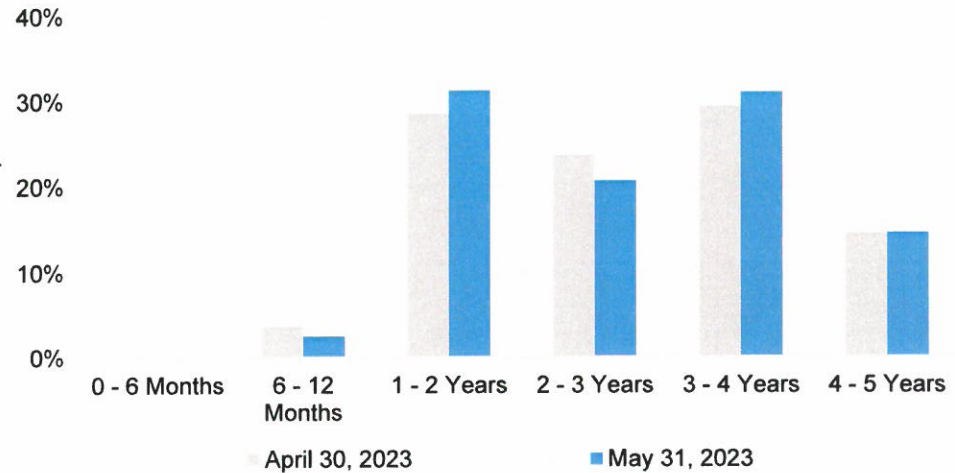
David Shank
June 26, 2023



Fallbrook Public Utilities District - Holdings Summary

Security Type	April 30, 2023	May 31, 2023	Change (\$)	Change (%)
U.S. Treasury	\$10,976,009.37	\$10,468,068.03	(\$507,941.34)	-4.6%
Municipal	\$105,691.90	\$105,276.75	(\$415.15)	-0.4%
Federal Agency CMO	\$287,280.34	\$523,620.77	\$236,340.43	82.3%
Federal Agency Bond	\$95,211.66	\$94,861.21	(\$350.45)	-0.4%
Corporate Note	\$2,934,490.25	\$2,853,865.13	(\$80,625.12)	-2.7%
Asset-Backed Security	\$697,001.03	\$981,622.25	\$284,621.22	40.8%
Securities Total	\$15,095,684.55	\$15,027,314.14	(\$68,370.41)	-0.5%
Money Market Fund	\$31,665.60	\$32,462.81	\$797.21	2.5%
Total Investments	\$15,127,350.15	\$15,059,776.95	(\$67,573.20)	-0.4%

Maturity Distribution



Summary

FY 22-23 Accrual Earnings	\$198,423.03
Yield to Maturity at Cost	2.58%
Weighted Average Maturity (Years)	2.71

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

California State Treasurer
Fiona Ma, CPA



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

June 12, 2023

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

FALLBROOK PUBLIC UTILITY DISTRICT

TREASURER
990 E MISSION ROAD
FALLBROOK, CA 92028

[Tran Type Definitions](#)

//

Account Number: 85-37-001

May 2023 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	6,668.37
Total Withdrawal:	0.00	Ending Balance:	6,668.37



Account Statement

For the Month Ending **May 31, 2023**

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					7,271,871.12
05/04/23	05/04/23	Purchase - Incoming Wires	1.00	350,000.00	7,621,871.12
05/12/23	05/12/23	Purchase - Incoming Wires	1.00	150,000.00	7,771,871.12
05/31/23	06/01/23	Accrual Income Div Reinvestment - Distributions	1.00	33,692.31	7,805,563.43
Closing Balance					7,805,563.43

	Month of May	Fiscal YTD July-May		
Opening Balance	7,271,871.12	1,820,099.08	Closing Balance	7,805,563.43
Purchases	533,692.31	11,185,464.35	Average Monthly Balance	7,685,861.19
Redemptions (Excl. Checks)	0.00	(5,200,000.00)	Monthly Distribution Yield	5.16%
Check Disbursements	0.00	0.00		
Closing Balance	7,805,563.43	7,805,563.43		
Cash Dividends and Income	33,692.31	195,464.35		



Account Statement - Transaction Summary

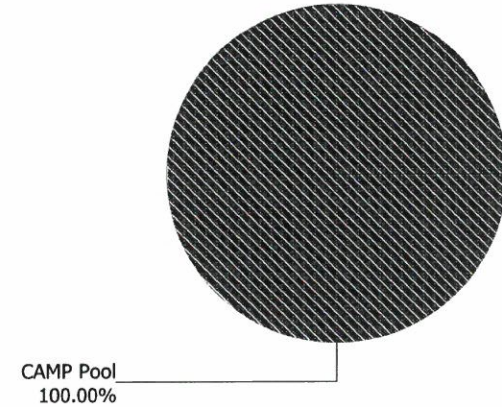
For the Month Ending **May 31, 2023**

Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	7,271,871.12
Purchases	533,692.31
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$7,805,563.43
Cash Dividends and Income	33,692.31

Asset Summary		
	May 31, 2023	April 30, 2023
CAMP Pool	7,805,563.43	7,271,871.12
Total	\$7,805,563.43	\$7,271,871.12

Asset Allocation	
CAMP Pool	100.00%



Managed Account Security Transactions & Interest

For the Month Ending May 31, 2023

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	05/01/23	05/04/23	HERSHEY COMPANY CORP NOTES CALLABLE DTD 05/04/2023 4.250% 05/04/2028	427866BH0	30,000.00	(29,957.10)	0.00	(29,957.10)			
	05/08/23	05/17/23	MERCK & CO INC CORP NOTES CALLABLE DTD 05/17/2023 4.050% 05/17/2028	58933YBH7	45,000.00	(44,963.55)	0.00	(44,963.55)			
	05/15/23	05/16/23	US TREASURY N/B NOTES DTD 11/15/2022 4.500% 11/15/2025	91282CFW6	200,000.00	(203,125.00)	(24.46)	(203,149.46)			
	05/15/23	05/16/23	US TREASURY NOTES DTD 12/31/2020 0.625% 12/31/2027	91282CBB6	180,000.00	(157,928.91)	(422.65)	(158,351.56)			
	05/17/23	05/24/23	COMET 2023-A1 A DTD 05/24/2023 4.420% 05/15/2028	14041NGD7	145,000.00	(144,966.75)	0.00	(144,966.75)			
	05/19/23	05/24/23	FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	100,000.00	(96,921.88)	(213.84)	(97,135.72)			
	05/19/23	05/24/23	FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82	145,000.00	(140,610.35)	(317.75)	(140,928.10)			
	05/23/23	05/25/23	LOCKHEED MARTIN CORP NOTES (CALLABLE) DTD 05/25/2023 4.450% 05/15/2028	539830BZ1	10,000.00	(9,982.00)	0.00	(9,982.00)			
	05/31/23	06/02/23	BACCT 2022-A2 A2 DTD 11/23/2022 5.000% 04/15/2028	05522RDF2	145,000.00	(145,685.35)	(342.36)	(146,027.71)			
Transaction Type Sub-Total					1,000,000.00	(974,140.89)	(1,321.06)	(975,461.95)			

INTEREST											
	05/01/23	05/01/23	MONEY MARKET FUND	MONEY0002	0.00	0.00	59.36	59.36			
	05/01/23	05/01/23	PNC BANK NA CORP NOTES (CALLABLE) DTD 11/01/2019 2.200% 11/01/2024	693475AY1	100,000.00	0.00	1,100.00	1,100.00			
	05/01/23	05/25/23	FHMS K046 A2 DTD 06/17/2015 3.205% 03/01/2025	3137BJP64	100,000.00	0.00	267.08	267.08			
	05/01/23	05/25/23	FHLMC MULTIFAMILY STRUCTURED POOL DTD 11/01/2017 3.064% 08/01/2024	3137FBTA4	96,890.59	0.00	247.39	247.39			

Managed Account Security Transactions & Interest

For the Month Ending May 31, 2023

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											
	05/01/23	05/25/23	FHMS K058 A2 DTD 11/09/2016 2.653% 08/01/2026	3137BSP72	100,000.00	0.00	221.08	221.08			
	05/10/23	05/10/23	NORTHERN TRUST CORP NOTE (CALLABLE) DTD 05/10/2022 4.000% 05/10/2027	665859AW4	60,000.00	0.00	1,200.00	1,200.00			
	05/15/23	05/15/23	WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	35,000.00	0.00	23.63	23.63			
	05/15/23	05/15/23	MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	105,000.00	0.00	455.88	455.88			
	05/15/23	05/15/23	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	60,659.25	0.00	27.80	27.80			
	05/15/23	05/15/23	FORDO 2022-A A3 DTD 01/24/2022 1.290% 06/15/2026	345286AC2	40,000.00	0.00	43.00	43.00			
	05/15/23	05/15/23	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	75,000.00	0.00	248.13	248.13			
	05/15/23	05/15/23	DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3	70,000.00	0.00	207.67	207.67			
	05/15/23	05/15/23	UNITEDHEALTH GROUP INC CORP NOTES (CALLA) DTD 05/20/2022 3.700% 05/15/2027	91324PEG3	145,000.00	0.00	2,682.50	2,682.50			
	05/15/23	05/15/23	US TREASURY N/B NOTES DTD 05/15/2022 2.750% 05/15/2025	91282CEQ0	50,000.00	0.00	687.50	687.50			
	05/15/23	05/15/23	US TREASURY NOTES DTD 11/15/2017 2.250% 11/15/2027	9128283F5	70,000.00	0.00	787.50	787.50			
	05/15/23	05/15/23	US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	325,000.00	0.00	3,859.38	3,859.38			
	05/15/23	05/15/23	COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/15/2026	14041NFY2	70,000.00	0.00	60.67	60.67			
	05/15/23	05/15/23	DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	70,000.00	0.00	33.83	33.83			
	05/15/23	05/15/23	HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	55,000.00	0.00	101.75	101.75			
	05/16/23	05/16/23	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	30,000.00	0.00	17.00	17.00			



Managed Account Security Transactions & Interest

For the Month Ending May 31, 2023

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											
	05/16/23	05/16/23	GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	20,000.00	0.00	21.00	21.00			
	05/20/23	05/20/23	GMALT 2021-3 A4 DTD 08/18/2021 0.500% 07/21/2025	36262XAD6	25,000.00	0.00	10.42	10.42			
	05/21/23	05/21/23	HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	35,000.00	0.00	25.67	25.67			
	05/25/23	05/25/23	BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	30,000.00	0.00	80.25	80.25			
	05/28/23	05/28/23	ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 1.200% 05/28/2026	04636NAA1	100,000.00	0.00	600.00	600.00			
	05/31/23	05/31/23	US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	250,000.00	0.00	1,875.00	1,875.00			
	05/31/23	05/31/23	US TREASURY N/B NOTES DTD 11/30/2021 1.250% 11/30/2026	91282CDK4	300,000.00	0.00	1,875.00	1,875.00			
	05/31/23	05/31/23	US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	365,000.00	0.00	1,368.75	1,368.75			
	05/31/23	05/31/23	US TREASURY N/B NOTES DTD 05/31/2022 2.500% 05/31/2024	91282CER8	500,000.00	0.00	6,250.00	6,250.00			
Transaction Type Sub-Total					3,282,549.84	0.00	24,437.24	24,437.24			
PAYDOWNS											
	05/01/23	05/25/23	FHLMC MULTIFAMILY STRUCTURED POOL DTD 11/01/2017 3.064% 08/01/2024	3137FBTA4	146.07	146.07	0.00	146.07	(0.19)	0.00	
	05/15/23	05/15/23	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	2,975.42	2,975.42	0.00	2,975.42	0.49	0.00	
Transaction Type Sub-Total					3,121.49	3,121.49	0.00	3,121.49	0.30	0.00	
SELL											
	05/08/23	05/10/23	US TREASURY NOTES DTD 04/30/2019 2.250% 04/30/2024	9128286R6	50,000.00	48,814.45	30.57	48,845.02	(2,761.72)	(1,848.81)	FIFO

Managed Account Security Transactions & Interest

For the Month Ending May 31, 2023

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
SELL										
05/15/23	05/16/23	US TREASURY NOTES DTD 04/30/2019 2.250% 04/30/2024	9128286R6	130,000.00	126,993.75	127.18	127,120.93	(7,104.30)	(4,701.66)	FIFO
05/15/23	05/16/23	US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	45,000.00	43,973.44	120.18	44,093.62	(689.06)	(966.36)	FIFO
05/15/23	05/16/23	US TREASURY NOTES DTD 04/30/2019 2.250% 04/30/2024	9128286R6	200,000.00	195,375.00	195.65	195,570.65	2,046.87	(355.98)	FIFO
05/18/23	05/24/23	US TREASURY N/B NOTES DTD 06/30/2021 0.875% 06/30/2026	91282CCJ8	95,000.00	86,798.83	330.66	87,129.49	(9,166.01)	(8,811.54)	FIFO
05/18/23	05/24/23	US TREASURY N/B NOTES DTD 06/30/2021 0.875% 06/30/2026	91282CCJ8	40,000.00	36,546.87	139.23	36,686.10	(640.63)	(1,393.30)	FIFO
05/19/23	05/24/23	US TREASURY NOTES DTD 04/30/2019 2.250% 04/30/2024	9128286R6	100,000.00	97,480.47	146.74	97,627.21	816.41	(433.81)	FIFO
05/22/23	05/24/23	US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	100,000.00	94,570.31	58.09	94,628.40	(2,859.38)	(3,286.04)	FIFO
05/22/23	05/24/23	US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	75,000.00	70,927.74	43.56	70,971.30	1,664.07	954.39	FIFO
05/31/23	06/02/23	MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	150,000.00	147,717.00	532.81	148,249.81	(11,062.50)	(3,956.25)	FIFO
Transaction Type Sub-Total				985,000.00	949,197.86	1,724.67	950,922.53	(29,756.25)	(24,799.36)	
Managed Account Sub-Total						(21,821.54)	24,840.85	3,019.31	(29,755.95)	(24,799.36)
Total Security Transactions						(\$21,821.54)	\$24,840.85	\$3,019.31	(\$29,755.95)	(\$24,799.36)

Bolded items are forward settling trades.



FALLBROOK PUBLIC UTILITY DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
5/1/2023 to 5/31/2023

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

Account Summary

Source	Balance as of 5/1/2023	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 5/31/2023
OPEB	\$1,147,750.47	\$0.00	-\$8,891.95	\$514.03	\$0.00	\$0.00	\$1,138,344.49
PENSION	\$8,777,622.91	\$100,000.00	-\$68,188.94	\$3,907.08	\$0.00	\$0.00	\$8,805,526.89
Totals	\$9,925,373.38	\$100,000.00	-\$77,080.89	\$4,421.11	\$0.00	\$0.00	\$9,943,871.38

Investment Selection

Source

OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

Investment Objective

Source

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	-0.77%	1.54%	-1.10%	4.31%	4.21%	-	2/16/2017
PENSION	-0.77%	1.54%	-1.10%	4.30%	4.17%	-	2/16/2017

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

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

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: June 26, 2023
SUBJECT: Budget Status Report for Fiscal Year 2022-2023

Purpose

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

Summary

The BSR shows the District's financial performance compared to the amended budget for the month of May, Year-to-Date and the annual budgeted amount.

Total revenues for the month and year-to-date are at budget levels. Year-to-date water sales are 7.9% under the amended budget sales level. Year-to-date water sales revenues are 6.4% below amended budget levels. Recycled water revenues are expected to continue the trend under budget. Wastewater revenues, while are expected to be slightly over the amended budget.

Non-operating revenues are over budget driven by the gain on sale of surplus land, grant funds, property tax receipts and investment earnings. Year-end total non-operating revenues are expected to be slightly higher than amended budget levels.

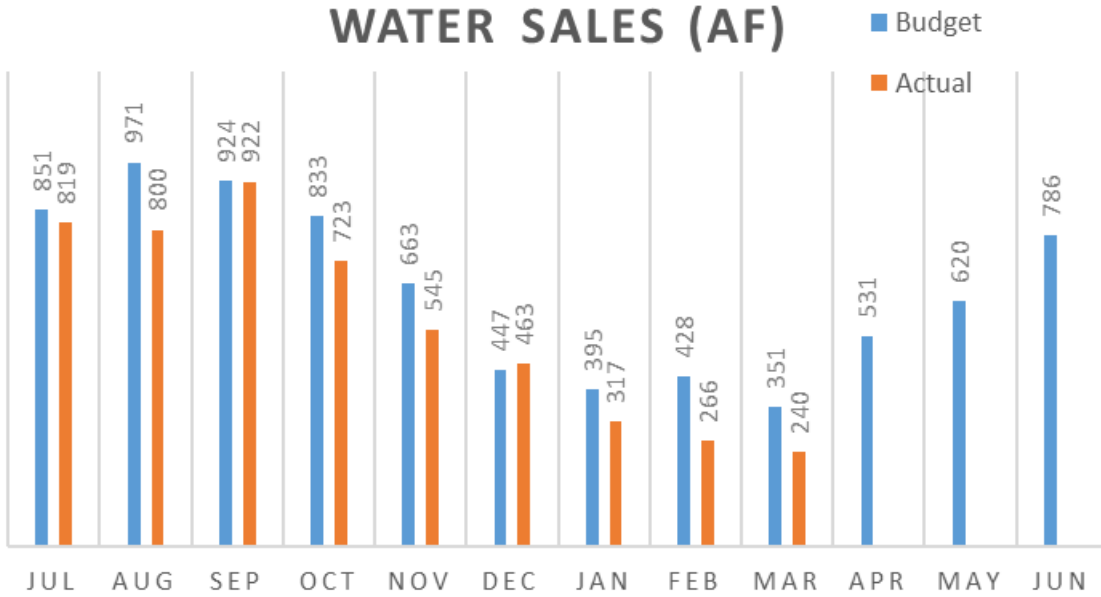
The District's monthly and year-to-date total expenditures are 0.1% over the amended budget due to the lower than budgeted water purchases. Staff are bringing forward a final budget amendment to ensure the District does not exceed its annual operating expenditure appropriation.

Total revenue is \$36,923,542 or 0.6% over budget and total expenditures are \$25,259,539 or 0.1% over budget. PAYGO CIP expenditures are under budget for the month and year-to-date. After adjusting for the PAYGO expenditures year-to-date net revenues are higher than Budgeted.

Recommended Action

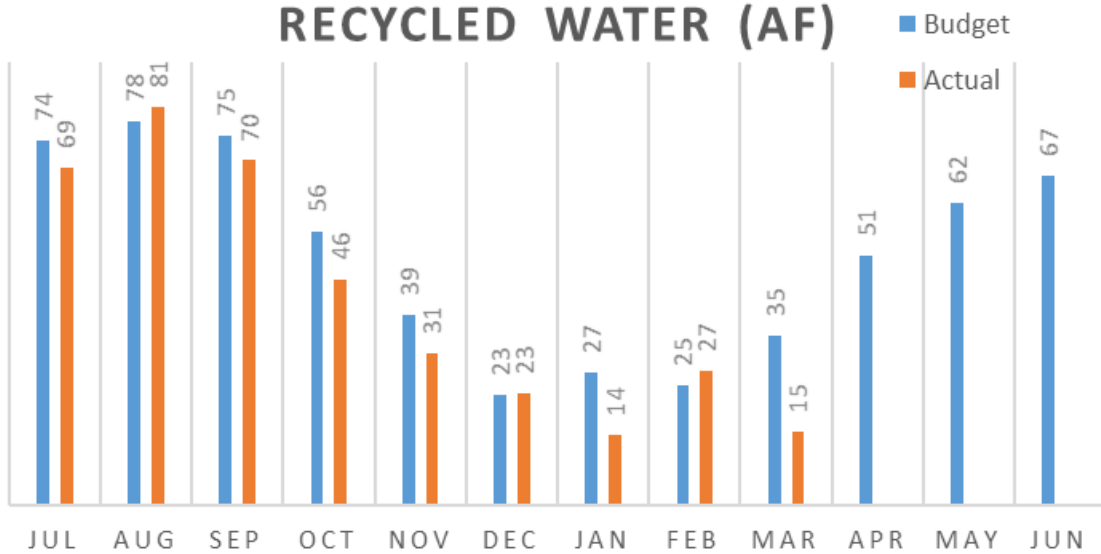
This item is for discussion only. No action is required.

WATER SALES (AF)



Year-to-Date Actual 5,097 AF Year-to-Date Budget 5,863 AF

RECYCLED WATER (AF)



Year-to-Date Actual 377 AF Year-to-Date Budget 431 AF

Monthly Budget Report for May

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date				Annual Budget		
	Actual	Amended Budget*	Actual	Amended Budget*	Variance	%	Amended Budget*	Remaining Balance	%
Operating Revenues:								Year remaining	8.3%
Water Sales ⁽¹⁾	1,143,824	1,416,070	14,372,028	15,351,845	(979,816)	-6.4%	17,132,543	2,760,515	16.1%
Water Meter Service Charges	740,281	714,773	7,733,066	7,619,751	113,315	1.5%	8,334,524	601,458	7.2%
Wastewater Service Charges	609,442	541,527	6,394,258	6,288,340	105,917	1.7%	6,829,867	435,609	6.4%
Recycled Water Revenues	84,291	134,109	932,116	1,149,270	(217,153)	-18.9%	1,294,803	362,687	28.0%
Other Operating Revenue	-	-	-	-	-	NA	-	-	NA
Total Operating Revenue	2,577,838	2,806,478	29,431,468	30,409,205	(977,737)	-3.2%	33,591,737	4,160,269	12.4%
Non Operating Revenues:									
Water Capital Improvement Charge	139,713	124,573	1,440,579	1,370,298	70,281	5.1%	1,494,870	54,291	3.6%
Wastewater Capital Improvement Charge	107,369	98,813	1,127,205	1,086,941	40,265	3.7%	1,185,754	58,548	4.9%
Property Taxes	157,314	19,435	2,532,009	2,156,741	375,268	17.4%	2,195,381	(336,628)	-15.3%
Water Standby/Availability Charge	14,513	4,142	186,535	198,428	(11,893)	-6.0%	208,842	22,307	10.7%
Water/Wastewater Capacity Charges	24,243	12,788	179,352	140,673	38,679	27.5%	153,461	(25,891)	-16.9%
Portfolio Interest	53,976	11,738	318,745	129,119	189,626	146.9%	140,857	(177,888)	-126.3%
Pumping Capital Improvement Charge	-	2,730	8,173	30,026	(21,853)	-72.8%	32,756	24,583	75.0%
Federal Interest Rate Subsidy	-	41,413	44,808	84,516	(39,708)	-47.0%	84,516	39,708	47.0%
Gain on Sale of Asset ⁽²⁾	-	-	170,307	-	170,307	NA	-	(170,307)	NA
SDCWA Refund/Covid Relief Grant ⁽³⁾	-	-	8,441	-	8,441	NA	-	(8,441)	NA
Grant Funds-IPRP Project ⁽⁴⁾	-	-	230,226	-	230,226	NA	-	(230,226)	NA
Facility Rents	23,397	21,766	298,522	239,424	59,098	24.7%	261,189	(37,332)	-14.3%
Fire Hydrant Service Fees	-	-	11,482	-	11,482	NA	-	(11,482)	NA
Other Non-Operating Revenues	10,954	4,917	116,310	54,092	62,218	115.0%	59,009	(57,301)	-97.1%
Total Non Operating Revenues	531,478	342,315	6,672,695	5,490,256	1,182,439	21.5%	5,816,635	(856,060)	-14.7%
Total Revenues	3,109,316	3,148,794	36,104,163	35,899,462	204,701	0.6%	39,408,373	3,304,209	8.4%
Expenditures									
Purchased Water Expense*	683,892	1,322,993	9,673,640	10,188,341	514,701	5.1%	11,780,714	2,107,075	17.9%
Water Services ^{(5)*}	536,545	425,395	4,973,737	4,526,006	(447,731)	-9.9%	4,951,401	(22,336)	-0.5%
Wastewater Services ^{(5)*}	315,505	305,639	3,206,568	3,320,349	113,782	3.4%	3,625,988	419,420	11.6%
Recycled Water Services ⁽⁵⁾	54,417	41,275	520,633	448,400	(72,233)	-16.1%	489,675	(30,958)	-6.3%
Administrative Services ⁽⁵⁾	655,741	617,705	6,884,863	6,710,518	(174,344)	-2.6%	7,328,223	443,361	6.1%
Community Benefit Program*	-	6,000	99	29,452	29,353	99.7%	35,452	35,353	99.7%
Total Operating Expenses	2,246,100	2,719,006	25,259,539	25,223,067	(36,472)	-0.1%	28,211,453	2,951,914	10.5%
Debt Service Expenses									
SMCUP SRF	-	-	1,174,396	1,174,396	-	0.0%	1,174,396	-	0.0%
Red Mountain SRF	-	-	395,851	395,851	-	0.0%	395,851	-	0.0%
WW Rev Refunding Bonds	-	-	1,731,022	1,731,022	-	0.0%	1,731,022	-	0.0%
QECB Solar Debt	-	-	521,667	521,667	-	0.0%	521,667	-	0.0%
Total Debt Service	-	-	3,822,936	3,822,936	-	0.0%	3,822,936	-	0.0%
Total Expenses	2,246,100	2,719,006	29,082,475	29,046,003	(36,472)	-0.1%	32,034,389	2,951,914	9.2%
Net Revenue/(loss) From Operations and Debt Service	863,216	429,788	7,021,688	6,853,459	168,229	2.5%	7,373,983	352,295	4.8%
Capital Investment									
Capital Investment ⁽⁶⁾									
Construction Expenditures-Admin	88,394	20,250	779,658	779,750	92	0.0%	800,000	20,342	2.5%
Construction Expenditures-Water	1,008,566	779,725	3,139,935	5,348,625	2,208,690	41.3%	6,128,350	2,988,415	48.8%
Construction Expenditures-Recycled	28,956	35,933	551,209	429,067	(122,142)	-28.5%	465,000	(86,209)	-18.5%
Construction Expenditures-Wastewater	319,281	73,000	753,137	720,500	(32,637)	-4.5%	731,000	(22,137)	-3.0%
Construction Expenditures-PAYGO TOTAL	1,445,198	908,908	5,223,939	7,277,942	2,054,003	28.2%	7,773,350	2,549,411	32.8%
Net Revenue/(Loss)	(581,982)	(479,120)	1,797,749	(424,483)	2,222,232	-523.5%	(399,367)	(2,197,116)	550.1%

(1) Includes Local Resource Credit of \$482,998

(2) Includes De Luz Land Sale of \$170,307.37

(3) Includes SDCWA Refund of \$8,441.37

(4) Includes IPRP Grant Funds of \$130,225.75 and \$100,000 of funds received from Rainbow Water District

(5) Includes share of \$400,000 PARS transfer

(6) Detailed CIP Summary Table attached

* Per Board meeting on April 24, 2023

CIP Summary Table

Water Capital Projects	Budget FY23	Current Month FY23	Actual-to- Date FY23
Pipelines and Valve Replacement Projects by District	\$ 570,000	\$ 149,588	\$ 740,006
Pipeline Replacement Projects by Contractors	\$ 4,543,350	\$ 720,202	\$ 1,656,320
Deluz ID Projects	\$ 100,000	\$ -	\$ 239,700
Pump Stations	\$ 300,000	\$ -	\$ 16,562
Meter Replacement	\$ 25,000	\$ 20,715	\$ 84,134
Pressure Reducing Stations	\$ 65,000	\$ 504	\$ 40,673
Red Mountain Reservoir Improvements	\$ 175,000	\$ -	\$ 11,155
Steel Reservoir Improvements	\$ 60,000	\$ -	\$ 20,826
Treatment Plant R&R	\$ 200,000	\$ 70,220	\$ 207,862
SCADA Upgrades/ Security/Telemetry	\$ 90,000	\$ 47,339	\$ 92,485
Total PAYGO Water Capital Projects	\$ 6,128,350	\$ 1,008,566	\$ 3,109,724

Recycled Water Capital Projects

Recycled Water Improvements	\$ 465,000	\$ 28,956	\$ 551,209
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Wastewater Capital Projects

WRP Improvements	\$ 281,000	\$ 21,018	\$ 253,155
Collection System Improvements	\$ 400,000	\$ 298,263	\$ 454,318
Outfall Improvements	\$ 50,000	\$ -	\$ 45,665
Total Wastewater Capital Projects	\$ 731,000	\$ 319,281	\$ 753,137

Administrative Capital Projects

Administrative Upgrades	\$ 105,000	\$ 28,251	\$ 90,186
Engineering and Operations Information Systems	\$ 30,000	\$ -	\$ 31,786
Facility Improvements/Upgrades/Security	\$ 410,000	\$ 13,576	\$ 303,765
District Yard Improvements	\$ -	\$ -	\$ -
Vehicles and Heavy Equipment	\$ 255,000	\$ 46,567	\$ 350,571
Total Administrative Capital Projects	\$ 800,000	\$ 88,394	\$ 776,308

Total PAYGO Capital Budget Projects	\$ 8,124,350	\$ 1,445,198	\$ 5,190,379
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05/31/2023

Treasurer's Warrant No. May

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 - 05/2023

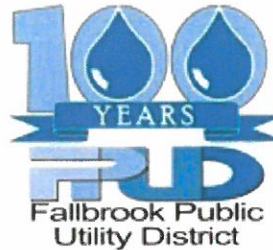
Computer Check Register

Payroll #1	\$ 177,615.01
Payroll #2	<u>\$174,914.71</u>
	<u>\$352,529.72</u>

Accounts Payable

Checks by Date - Summary by Check Date

User: annaleceb
 Printed: 6/7/2023 2:03 PM




Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	00152	FPUD EMPL ASSOCIATION	05/04/2023	461.00
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	05/04/2023	3,900.00
ACH	06758	UNITED STATES TREASURY	05/04/2023	69,703.69
ACH	06759	STATE OF CA - PR TAXES	05/04/2023	10,529.10
ACH	06760	STATE OF CA - SDI	05/04/2023	2,473.36
ACH	06761	LINCOLN FINANCIAL GROUP	05/04/2023	12,264.87
ACH	06763	PERS - PAYROLL	05/04/2023	45,055.17
91025	05560	FRANCHISE TAX BOARD	05/04/2023	850.49
91026	05560	FRANCHISE TAX BOARD	05/04/2023	50.00
91027	91804	ABATIX CORP	05/04/2023	95.49
91028	01460	AFLAC	05/04/2023	446.72
91029	91820	ALLIANCE COMMUNICATION CABLE	05/04/2023	2,149.47
91030	91286	AMAZON CAPITAL SERVICES, INC.	05/04/2023	1,895.84
91031	06536	ARCADIS U.S., INC	05/04/2023	5,775.90
91032	91608	AT&T MOBILITY LLC	05/04/2023	3,721.94
91033	91814	AURORA POWER SERVICES	05/04/2023	770.00
91034	91069	BRENNTAG PACIFIC INC.	05/04/2023	3,968.31
91035	02925	DATA NET SOLUTIONS	05/04/2023	1,602.50
91036	06762	DENALI WATER SOLUTIONS LLC	05/04/2023	12,122.16
91037	91585	LAUREN ECKERT	05/04/2023	35.40
91038	91401	KENNETH ENDTER	05/04/2023	63.67
91039	91569	EUROFINS ENVIRONMENT TESTING S	05/04/2023	1,912.50
91040	06303	EXECUTIVE LANDSCAPE INC.	05/04/2023	36,387.50
91041	09523	FALLBROOK EQUIP RENTALS	05/04/2023	960.69
91042	02411	FALLBROOK PRINTING CORP	05/04/2023	9,247.78
91043	01406	FALLBROOK PROPANE GAS CO	05/04/2023	215.07
91044	04494	FEDERAL EXPRESS CORPORATION	05/04/2023	71.05
91045	01432	FERGUSON WATERWORKS #1083	05/04/2023	47,625.56
91046	02170	GRAINGER, INC.	05/04/2023	1,906.08
91047	06561	HOWELLS GOVERNMENT RELATIONSE	05/04/2023	7,500.00
91048	06479	KNOCKOUT PEST CONTROL & TERMI	05/04/2023	100.00
91049	90887	LLOYD PEST CONTROL	05/04/2023	150.00
91050	91815	MAIN ELECTRIC SUPPLY COMPANY L	05/04/2023	547.37
91051	91029	MALLORY SAFETY AND SUPPLY CO	05/04/2023	750.00
91052	02618	MC MASTER-CARR	05/04/2023	158.00
91053	01267	PACIFIC PIPELINE	05/04/2023	422.04
91054	00215	PETTY CASH	05/04/2023	104.52
91055	06688	ANDO PILVE	05/04/2023	1,275.00
91056	91155	QUALITY GATE COMPANY, INC	05/04/2023	740.00
91057	91707	EDUARDO RODRIGUEZ	05/04/2023	264.53
91058	91482	S & R TOWING	05/04/2023	152.51
91059	90929	SOUTHWEST ANSWERING SERVICE, I	05/04/2023	53.00
91060	91723	SPECIALTY MOWING SERVICES, INC	05/04/2023	1,975.00
91061	00159	SUPERIOR READY MIX	05/04/2023	1,028.47
91062	91703	UNIVAR SOLUTIONS	05/04/2023	11,916.11
91063	04290	VILLAGE NEWS, INC.	05/04/2023	545.00
91064	05528	WATER ENVIRONMENT FEDERATION	05/04/2023	342.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
91065	06736	JEFF WOLFE	05/04/2023	429.50
Total for 5/4/2023:				304,714.36
91066	00231	SAN DIEGO COUNTY WATER AUTH	05/11/2023	278,139.92
91067	91286	AMAZON CAPITAL SERVICES, INC.	05/11/2023	421.83
91068	91490	AMAZON WEB SERVICES, INC.	05/11/2023	1,080.92
91069	05088	AT&T	05/11/2023	568.60
91070	91503	BACKGROUNDS ONLINE	05/11/2023	370.54
91071	06374	BOOT BARN INC.	05/11/2023	1,514.32
91072	91429	BSK ASSOCIATES	05/11/2023	2,182.50
91073	91705	CALIFORNIA SURVEYING AND DRAF	05/11/2023	1,178.87
91074	04178	CALOLYMPIC SAFETY CO., INC.	05/11/2023	542.90
91075	03978	CAMERON WELDING SUPPLY	05/11/2023	746.30
91076	91830	ISABEL CASTERAN	05/11/2023	199.28
91077	05714	COUNTY OF SD DEPT PUBLIC WORKS	05/11/2023	842.13
91078	06299	D & H WATER SYSTEMS, INC	05/11/2023	336.79
91079	02925	DATA NET SOLUTIONS	05/11/2023	2,317.25
91080	91689	DE NORA WATER TECHNOLOGIES, LL	05/11/2023	377.13
91081	06144	DUPERON CORPORATION	05/11/2023	19,543.88
91082	91469	ENVIRONMENTAL WATER SOLUTION	05/11/2023	15,098.52
91083	91569	EUROFINS ENVIRONMENT TESTING S	05/11/2023	202.50
91084	04122	EVOQUA WATER TECHNOLOGIES LLC	05/11/2023	377.13
91085	91611	FALLBROOK ACE HARDWARE	05/11/2023	1,389.52
91086	09523	FALLBROOK EQUIP RENTALS	05/11/2023	589.00
91087	01099	FALLBROOK IRRIGATION INC	05/11/2023	346.13
91088	00169	FALLBROOK OIL COMPANY	05/11/2023	5,713.87
91089	00170	FALLBROOK WASTE & RECYCLING	05/11/2023	1,079.74
91090	04494	FEDERAL EXPRESS CORPORATION	05/11/2023	194.16
91091	01432	FERGUSON WATERWORKS #1083	05/11/2023	10,279.46
91092	02170	GRAINGER, INC.	05/11/2023	541.58
91093	06062	HARRINGTON INDUSTRIAL PLASTICS	05/11/2023	41.59
91094	91083	NIKOLAY ILIEV	05/11/2023	349.00
91095	00190	JCI JONES CHEMICALS INC.	05/11/2023	9,418.90
91096	91304	LEARNSOFT CONSULTING INC	05/11/2023	510.00
91097	91192	MISSION LINEN SUPPLY	05/11/2023	1,237.13
91098	91734	MITCHELL1	05/11/2023	1,788.00
91099	90932	NAPA AUTO PARTS	05/11/2023	226.51
91100	03201	NATIONAL SAFETY COMPLIANCE INC	05/11/2023	58.40
91101	91803	NPG, INC.	05/11/2023	791.00
91102	00370	NUTRIEN AG SOLUTIONS, INC.	05/11/2023	1,392.81
91103	01267	PACIFIC PIPELINE	05/11/2023	3,239.03
91104	00216	PINE TREE LUMBER	05/11/2023	112.60
91105	91538	PUDGIL & COMPANY	05/11/2023	5,000.00
91106	91779	RINGCENTRAL, INC.	05/11/2023	1,099.38
91107	00232	SAN DIEGO GAS & ELECTRIC	05/11/2023	111,716.92
91108	05656	SLOAN ELECTROMECHANICAL SERV	05/11/2023	1,833.02
91109	91385	VERONICA TAMZIL	05/11/2023	60.00
91110	06735	TCN, INC.	05/11/2023	53.89
91111	91752	TEMECULA VALLEY BUICK GMC	05/11/2023	52.66
91112	91768	THE ALCHEMY GROUP INC	05/11/2023	7,500.00
91113	91574	TRUSSELL TECHNOLOGIES, INC.	05/11/2023	935.00
91114	91789	TSI	05/11/2023	5,520.00
91115	03358	US BANK TRUST NA	05/11/2023	1,465.00
91116	04995	AMERICAN MESSAGING	05/11/2023	110.33
91117	03134	CALIFORNIA WATER ENVIRONMENT	05/11/2023	110.00
91118	01719	MICKEY M. CASE	05/11/2023	60.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
91119	UB*00490	MICHAEL & CAROLYN DEAN	05/11/2023	89.75
91120	06303	EXECUTIVE LANDSCAPE INC.	05/11/2023	1,020.00
91121	UB*00487	PETER FOY	05/11/2023	82.50
91122	05814	GEORGE PLUMBING COMPANY INC	05/11/2023	344.00
91123	91832	RAYMOND HOFFMAN	05/11/2023	8,090.00
91124	91737	JORGE IBARRA	05/11/2023	200.00
91125	UB*00489	CHARLES & GUADALUPE LEGASPI	05/11/2023	399.36
91126	90902	MATTHEW LIAN	05/11/2023	55.51
91127	UB*00488	ROBERT NEUZIL	05/11/2023	193.96
91128	05064	RAINBOW MUNICIPAL WATER	05/11/2023	2,500.00
91129	05415	STATE WATER RESOURCE CONTROL I	05/11/2023	60.00
Total for 5/11/2023:				513,891.02
ACH	00152	FPUD EMPL ASSOCIATION	05/18/2023	474.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	05/18/2023	3,900.00
ACH	06758	UNITED STATES TREASURY	05/18/2023	67,944.04
ACH	06759	STATE OF CA - PR TAXES	05/18/2023	10,342.90
ACH	06760	STATE OF CA - SDI	05/18/2023	2,437.13
ACH	06761	LINCOLN FINANCIAL GROUP	05/18/2023	12,064.87
ACH	06763	PERS - PAYROLL	05/18/2023	45,431.60
ACH	91223	STERLING ADMINISTRATION	05/18/2023	125.00
91131	90979	ABABA BOLT	05/18/2023	6,654.29
91132	00101	ACWA JPIA	05/18/2023	125,769.67
91133	91286	AMAZON CAPITAL SERVICES, INC.	05/18/2023	10,456.91
91134	91724	ASPHALT & CONCRETE ENTERPRISES	05/18/2023	330.00
91135	06020	BABCOCK LABORATORIES, INC	05/18/2023	9,300.64
91136	05958	BAMM! PROMOTIONAL PRODUCTS, I	05/18/2023	3,195.88
91137	91440	BP BATTERY INC	05/18/2023	2,464.73
91138	91069	BRENNTAG PACIFIC INC.	05/18/2023	1,746.79
91139	91827	JUSTIN CAMERON	05/18/2023	100.00
91140	05953	CORODATA RECORDS MANAGEMENT	05/18/2023	822.72
91141	09705	CSDA SAN DIEGO CHAPTER TREASUI	05/18/2023	300.00
91142	06299	D & H WATER SYSTEMS, INC	05/18/2023	159.08
91143	06762	DENALI WATER SOLUTIONS LLC	05/18/2023	18,071.81
91144	05180	NOELLE DENKE	05/18/2023	1,273.43
91145	91305	DXP ENTERPRISES, INC.	05/18/2023	5,777.52
91146	UB*00492	JAMES DYE	05/18/2023	79.35
91147	01099	FALLBROOK IRRIGATION INC	05/18/2023	35.17
91148	91833	FAMILY SUPPORT REGISTRY	05/18/2023	100.15
91149	01432	FERGUSON WATERWORKS #1083	05/18/2023	4,160.52
91150	05560	FRANCHISE TAX BOARD	05/18/2023	850.49
91151	05560	FRANCHISE TAX BOARD	05/18/2023	50.00
91152	UB*00491	SHELTON & KATHY GREEN	05/18/2023	70.00
91153	03174	HAAKER EQUIPMENT COMPANY	05/18/2023	565.60
91154	91544	HAZEN AND SAWYER, D.P.C.	05/18/2023	28,956.00
91155	UB*00495	ANTHONY HEIMAN	05/18/2023	15.20
91156	UB*00494	JOSE & LINDSAY HERNANDEZ	05/18/2023	264.70
91157	03276	HOME DEPOT CREDIT SERVICES	05/18/2023	2,737.21
91158	06577	INFOSEND INC	05/18/2023	3,915.63
91159	06380	JANI-KING OF CALIFORNIA, INC - SA	05/18/2023	3,433.71
91160	91258	JASON JARED	05/18/2023	659.58
91161	91648	KING LEE CHEMICAL COMPANY	05/18/2023	3,359.84
91162	06479	KNOCKOUT PEST CONTROL & TERMI	05/18/2023	200.00
91163	91834	LEGACY ENDOWMENT COMMUNITY	05/18/2023	75.00
91164	91130	LINCOLN NATIONAL LIFE INSURANC	05/18/2023	3,767.36
91165	02618	MC MASTER-CARR	05/18/2023	406.87

Check No	Vendor No	Vendor Name	Check Date	Check Amount
91166	06338	MYTHOS TECHNOLOGY INC	05/18/2023	1,815.36
91167	91674	O'REILLY AUTO ENTERPRISES, LLC	05/18/2023	1,446.41
91168	01267	PACIFIC PIPELINE	05/18/2023	24,243.75
91169	03708	PAULEY EQUIPMENT CO INC	05/18/2023	26.83
91170	91155	QUALITY GATE COMPANY, INC	05/18/2023	451.25
91171	04075	RAYNE WATER SYSTEMS	05/18/2023	180.00
91172	91077	RED WING BUSINESS ADVANTAGE AC	05/18/2023	480.65
91173	91071	JACOB ROBINSON	05/18/2023	109.63
91174	UB*00483	BILL & LIZ ROSEBERRY	05/18/2023	272.16
91175	91599	RUSH TRUCK CENTERS OF CALIFORN	05/18/2023	170.25
91176	91482	S & R TOWING	05/18/2023	170.00
91177	91486	SATELLITE PHONE STORE	05/18/2023	78.28
91178	00236	SCRAPPYS	05/18/2023	671.35
91179	06046	SOUTHWEST BOULDER & STONE INC	05/18/2023	1,530.06
91180	91107	SPECTRUM BUSINESS	05/18/2023	147.44
91182	02927	TIM STERGER	05/18/2023	60.00
91183	91123	STREAMLINE	05/18/2023	550.00
91184	91082	TELETRAC, INC	05/18/2023	2,572.64
91185	UB*00493	JOHN TOMIK	05/18/2023	192.68
91186	00724	UNDERGROUND SERVICE ALERT	05/18/2023	490.72
91187	91703	UNIVAR SOLUTIONS	05/18/2023	7,496.83
91188	91835	GREGORY VARTANIAN	05/18/2023	4,795.00
91189	91284	WM CORPORATE SERVICES, INC	05/18/2023	1,916.48
91190	91700	STEPHEN WUERTH	05/18/2023	98.89
Total for 5/18/2023:				432,812.55
91191	91804	ABATIX CORP	05/25/2023	5,197.86
91192	91714	AGOSTINO CREATIVE PHOTOGRAPH	05/25/2023	75.00
91193	91286	AMAZON CAPITAL SERVICES, INC.	05/25/2023	3,724.71
91194	91716	AMERICAN MELT BLOWN & FILTRAT	05/25/2023	9,150.00
91195	91708	B2B SECURITY	05/25/2023	3,000.00
91196	06235	JACK BEBEE	05/25/2023	106.46
91197	02743	BEST BEST & KRIEGER	05/25/2023	10,051.07
91198	03978	CAMERON WELDING SUPPLY	05/25/2023	1,254.25
91199	91241	LISA CHAFFIN	05/25/2023	60.00
91200	03205	CITY OF OCEANSIDE	05/25/2023	2,237.48
91201	91272	KEVIN COLLINS	05/25/2023	60.00
91202	91819	COMPLETE OFFICE OF CALIFORNIA,	05/25/2023	138.37
91203	91594	CONCENTRA MEDICAL CENTERS	05/25/2023	260.00
91204	91210	CORE & MAIN LP	05/25/2023	6,347.05
91205	02176	CORELOGIC SOLUTIONS, LLC	05/25/2023	200.00
91206	05714	COUNTY OF SD DEPT PUBLIC WORKS	05/25/2023	795.78
91207	02925	DATA NET SOLUTIONS	05/25/2023	3,320.00
91208	03391	ELECTRICAL SALES INC	05/25/2023	1,246.89
91209	91569	EUROFINS ENVIRONMENT TESTING &	05/25/2023	327.50
91210	04122	EVOQUA WATER TECHNOLOGIES LLC	05/25/2023	17,195.62
91211	09523	FALLBROOK EQUIP RENTALS	05/25/2023	1,433.50
91212	00169	FALLBROOK OIL COMPANY	05/25/2023	9,453.58
91213	04494	FEDERAL EXPRESS CORPORATION	05/25/2023	95.81
91214	01432	FERGUSON WATERWORKS #1083	05/25/2023	10,230.56
91215	06286	GARDA CL WEST, INC.	05/25/2023	362.32
91216	02170	GRAINGER, INC.	05/25/2023	1,278.05
91217	06062	HARRINGTON INDUSTRIAL PLASTICS	05/25/2023	1,264.04
91218	06561	HOWELLS GOVERNMENT RELATIONS	05/25/2023	8,501.96
91219	06577	INFOSEND INC	05/25/2023	1,410.77
91220	06479	KNOCKOUT PEST CONTROL & TERMI	05/25/2023	100.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
91221	04926	KONICA MINOLTA PREMIER FINANCE	05/25/2023	2,164.92
91222	91304	LEARNSOFT CONSULTING INC	05/25/2023	510.00
91223	UB*00496	PARAGON RECOVERY LLC	05/25/2023	8,005.57
91224	91815	MAIN ELECTRIC SUPPLY COMPANY L	05/25/2023	1,616.25
91225	00370	NUTRIEN AG SOLUTIONS, INC.	05/25/2023	81.88
91226	01267	PACIFIC PIPELINE	05/25/2023	6,077.17
91227	91535	PAYMENTUS CORPORATION	05/25/2023	3,567.81
91228	91543	PRESTIGE STRIPING SERVICES, INC	05/25/2023	107,970.00
91229	91155	QUALITY GATE COMPANY, INC	05/25/2023	725.00
91230	06608	ROTARY CLUB OF FALLBROOK	05/25/2023	15.00
91231	91826	RS AMERICAS, INC.	05/25/2023	8,553.40
91232	06064	SOLENIIS LLC	05/25/2023	14,108.38
91233	05415	STATE WATER RESOURCE CONTROL I	05/25/2023	110.00
91234	00159	SUPERIOR READY MIX	05/25/2023	891.29
91235	06228	TECHNOLOGY UNLIMITED INC.	05/25/2023	2,800.00
91236	06454	TRIMARK ASSOCIATES INC	05/25/2023	910.00
91237	91700	STEPHEN WUERTH	05/25/2023	334.66
Total for 5/25/2023:				257,319.96
Report Total (226 checks):				1,508,737.89



Jack Bebee

General Manager

Lauren Eckert

From: Charley Wolk <bejoca@sbcglobal.net>
Sent: Wednesday, June 7, 2023 4:20 PM
To: Lauren Eckert
Subject: Re: You're Invited! Santa Fe Irrigation District Celebrates a Century of Service

Yes

On Wednesday, June 7, 2023 at 03:52:15 PM PDT, Lauren Eckert <leckert@fpud.com> wrote:

Charley,

Do you approve Ken and Jennifer's attendance at this event? Dave and Don are both out of town for this event.

Thanks,

Lauren

From: Celina McDowell <cmcdowell@sfidwater.org>
Sent: Monday, June 5, 2023 10:11 AM
To: Amy Pederson <apederson@padre.org>; Amy Reeh <amy@yuimamwd.com>; Ann Johnson <ajohnson@vwd.org>; Brett Sanders <lwdbsanders@sbcglobal.net>; Dawn Washburn <dwashburn@rainbowmwd.com>; Hoffman, Ligia <lhoffman@sweetwater.org>; Jeanette Brown <Jeanette.brown@carlsbadca.gov>; Jessica Mackey <Jessica.Mackey@HELIXWATER.org>; Jessica Reifschneider <jreifschneider@padre.org>; Kathy Hollywood <Khollywood@encinitasca.gov>; Kelli Garcia <GarciaK@ranchowater.com>; Kellie Barclay <kbarclay@rmwd.org>; Kelly Walker <kwalker@sdca.org>; Kirsten Peraino <kperaino@vcmwd.org>; Lauren Eckert <leckert@fpud.com>; Lesley Yeager <lyeager@sdwd.org>; Ligia Perez <lperez@sweetwater.org>; Lisa Soto <LSoto@vidwater.org>; Lorri Annett <lorri.annett@helixwater.org>; Sandy Janzen <Sandy.Janzen@HELIXWATER.org>; Sheila Zelaya <zelayas@emwd.org>; Stephanie Kaufmann <skaufmann@olivenhain.com>; Tami Martinez <martinet@emwd.org>; Terese Quintanar <terese@evmwd.net>; Tianne Baity <TBaity@lwwd.org>; Tita Cayetano <Tita.Cayetano@otaywater.gov>; Tita Ramos-Krogman <Tita.Ramos-Krogman@otaywater.gov>; Wanda Cassidy <wcassidy@rinconwater.org>
Cc: smcclelland@encinajpa.com; Melinda Nelson <MNelson@sdca.org>; Paul Bushee <pbushee@lwwd.org>; Martinez, Erica <ESMartinez@sandiego.gov>
Subject: You're Invited! Santa Fe Irrigation District Celebrates a Century of Service
Importance: High

Good morning, everyone! I hope you all had a great weekend. Here's the invite to our 100th Year Anniversary Celebration on June 21, 2023, and I would greatly appreciate it if you can forward this to your Board of Directors and RSVP.

Lauren Eckert

From: Jennifer DeMeo 3
Sent: Tuesday, June 13, 2023 9:00 PM
To: Lauren Eckert
Cc: bejoca@sbcglobal.net
Subject: RE: You're Invited! Santa Fe Irrigation District Celebrates a Century of Service

Of course yes. I'll see if I can go too.

Sent from my T-Mobile 5G Device

----- Original message -----

From: Lauren Eckert <leckert@fpud.com>
Date: 6/6/23 8:57 AM (GMT-08:00)
To: Jennifer DeMeo 3 <jdemeo@fpud.com>
Cc: bejoca@sbcglobal.net
Subject: FW: You're Invited! Santa Fe Irrigation District Celebrates a Century of Service

Hi Jennifer,

Charley is interested in attending this event. Since it's before our next Board meeting, do you approve his attendance?

Thanks,
Lauren

From: Celina McDowell <cmcdowell@sfidwater.org>
Sent: Monday, June 5, 2023 10:11 AM
To: Amy Pederson <apederson@padre.org>; Amy Reeh <amy@yuimamwd.com>; Ann Johnson <ajohnson@vwd.org>; Brett Sanders <lwdbsanders@sbcglobal.net>; Dawn Washburn <dwashburn@rainbowmwd.com>; Hoffman, Ligia <lhoffman@sweetwater.org>; Jeanette Brown <Jeanette.brown@carlsbadca.gov>; Jessica Mackey <Jessica.Mackey@HELIXWATER.org>; Jessica Reifschneider <jreifschneider@padre.org>; Kathy Hollywood <Khollywood@encinitasca.gov>; Kelli Garcia <GarciaK@ranchowater.com>; Kellie Barclay <kbarclay@rmwd.org>; Kelly Walker <kwalker@sdca.org>; Kirsten Peraino <kperaino@vcmwd.org>; Lauren Eckert <leckert@fpud.com>; Lesley Yeager <lyeager@sdwd.org>; Ligia Perez <lperez@sweetwater.org>; Lisa Soto <LSoto@vidwater.org>; Lorri Annett <lorri.annett@helixwater.org>; Sandy Janzen <Sandy.Janzen@HELIXWATER.org>; Sheila Zelaya <zelayas@emwd.org>; Stephanie Kaufmann <skaufmann@olivenhain.com>; Tami Martinez <martinet@emwd.org>; Terese Quintanar <terese@evmwd.net>; Tianne Baity <TBaity@lwwd.org>; Tita Cayetano <Tita.Cayetano@otaywater.gov>; Tita Ramos-Krogman <Tita.Ramos-Krogman@otaywater.gov>; Wanda Cassidy <wcassidy@rinconwater.org>
Cc: smcclelland@encinajpa.com; Melinda Nelson <MNelson@sdca.org>; Paul Bushee <pbushee@lwwd.org>; Martinez, Erica <ESMartinez@sandiego.gov>
Subject: You're Invited! Santa Fe Irrigation District Celebrates a Century of Service
Importance: High

Good morning, everyone! I hope you all had a great weekend. Here's the invite to our 100th Year Anniversary Celebration on June 21, 2023, and I would greatly appreciate it if you can forward this to your Board of Directors and RSVP.



You're Invited!

JUNE 21

10 a.m.

Come *celebrate* a

Century of Service

with Santa Fe Irrigation District

San Dieguito Reservoir
6333 El Camino Del Norte
Rancho Santa Fe, CA 92067

★ *Refreshments will be provided*



CLICK HERE to Let Us Know You're Coming!

Lauren Eckert

From: Jennifer DeMeo 3
Sent: Wednesday, June 21, 2023 11:32 AM
To: Lauren Eckert
Subject: Advance Approval

As current Vice President of the FPUD Board, I approve attendance to the June 14 2023 LAFCO Special Meeting for per diem compensation for Charles Wolk.

Jennifer DeMeo
Vice President

Sent from my T-Mobile 5G Device

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Kenneth Endter

Name & Location of Function: C. S. D. A
Butcher Shop Restaurant, San Diego, CA

Date(s) of Attendance: 5-18-2023

Purpose of Function: New Issues for Special Districts

Sponsoring Organization: CSDA

Summary of Conference or Meeting:

Maurice Lyles representing the Governor's Office reported on issues affecting "Special Districts": 48 million set aside for Conservation. Exec. order allocating funds for water recapture. Over 100 million set aside for Wildfire use: Helicopters, etc. 10.7 million to fund the States own "Insulin" production with a \$30 price cap to individuals. Behavioral Health Bond.

Director Signature: 

Date: 5-18-23

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

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

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Charley Wolk

Name & Location of Function: CSDA dinner Butcher Shop

Date(s) of Attendance: 5/18/23

Purpose of Function: Information

Sponsoring Organization: CSDA

Summary of Conference or Meeting:

Highlight was a presentation by the Governor's representative on the State budget. Spent most of the time talking about funding programs. Spent no time talking about the \$32M budget deficit clearly shown on a slide

Director Signature: [Signature]

Date: 6/15/23

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Charley Wolk

Name & Location of Function: Crop Swap RCMWD

Date(s) of Attendance: 5/31/23

Purpose of Function: Discuss available grant money

Sponsoring Organization: RCMWD

Summary of Conference or Meeting:

Talk about successes Rancho had getting grants. Everyone recognized available grant money was for conservation. We need money for increased efficiency. All agreed to work together for appropriate legislation to make funds available. There will probably be a MOU to formalize this.

Director Signature: [Signature]

Date: 6/15/23

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Charley Wolk

Name & Location of Function: LAFCD special meeting
County Admin Bldg.

Date(s) of Attendance: 6/14/23

Purpose of Function: Address AB 530 & date to reconvene

Sponsoring Organization: LAFCD

Summary of Conference or Meeting:

Many comments pro & con to support LAFCD
staff recommendation to oppose the bill.
The bill would change Water Authority law
to require voting in the entire SDCWA area.
S.D City and CWA advocated to oppose
staff recommendation. Second point was to
move the reconvene date back from Aug 7 to
Jul 10. Sides were the same.

Director Signature: CWolk

Date: 6/15/23

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo - Div 3
Name & Location of Function: ACWA Spring Conference & Exhibition 2023
ACWA JPIA Spring Conference at the Monterey Conference Center, Calle Principal, Monterey CA
Date(s) of Attendance: May 8, 2023
Purpose of Function: EDUCATION
Sponsoring Organization: ACWA and ACWA JPIA

Summary of Conference or Meeting:

May 8th 9:45am JPIA Executive Committee Meeting
11:45am Pre Board Lunch
1:00pm Board of Directors Meeting with Election - new board members were elected by paper vote in 3 rounds of voting New Worker's Comp Claims Mgr, Erin Bowles was introduced. Kevin Phillips who oversaw Paradise Irrigation District during the fires is the new JPIA Director of Member Outreach. Evening Reception followed at 5pm to celebrate the retirement of Andy Sells.

Director Signature: Jennifer DeMeo

06/21/2023

Date: _____

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo - Div 3
Name & Location of Function: ACWA Spring Conference & Exhibition 2023
ACWA JPIA Spring Conference at the Monterey Conference Center, Calle Principal, Monterey CA
Date(s) of Attendance: May 9, 2023
Purpose of Function: EDUCATION
Sponsoring Organization: ACWA and ACWA JPIA

Summary of Conference or Meeting:

May 9th 8:15am Breakout session Scott Klososky, Futurist Technologist spoke on the role of technology including AI including ChatGPT in the water industry. Evening Reception and ACWA Registration.

Director Signature: Jennifer DeMeo

06/21/2023

Date: _____

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo - Div 3
Name & Location of Function: ACWA Spring Conference & Exhibition 2023
ACWA JPIA Spring Conference at the Monterey Conference Center, Calle Principal, Monterey CA
Date(s) of Attendance: May 10, 2023
Purpose of Function: EDUCATION
Sponsoring Organization: ACWA and ACWA JPIA

Summary of Conference or Meeting:

May10th - Opening Breakfast Keynote by Chair Esquivel. He reflected on the challenges faced in the 4 years since his first ACWA conference as Chair of the State Water Board. He noted that extreme climate change has been at the most dramatic levels ever.

Also attended breakout sessions "Show Me the Money" panel and region 10 meeting. Facilitated a meeting between Jack Bebee and Neil from Oceanus regarding the potential of a DeSal / Power project on Camp Pendleton. I was surprised how little has been done since my last meeting with Neil last year.

Director Signature: Jennifer DeMeo

06/21/2023

Date: _____

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo - Div 3
Name & Location of Function: ACWA Spring Conference & Exhibition 2023
ACWA JPIA Spring Conference at the Monterey Conference Center, Calle Principal, Monterey CA
Date(s) of Attendance: May 11, 2023
Purpose of Function: EDUCATION
Sponsoring Organization: ACWA and ACWA JPIA

Summary of Conference or Meeting:

May 11th attended Statewide forum speaking about Equity Diversity Inclusivity efforts in hiring for the new generation. Also participated in a roundtable discussion about public relations in which I highlighted our Succulent Giveaway program. The presenter was aware and is working on a similar program in their district.

Director Signature: Jennifer DeMeo

06/21/2023

Date: _____

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo - Division 3
Name & Location of Function: SD CSDA Quarterly Dinner Meeting
The Butcher Shop
Date(s) of Attendance: 5/18/2023
Purpose of Function: Education
Sponsoring Organization: SD CSDA

Summary of Conference or Meeting:

Jack Bebee hosted and introduced the speaker. Maurice Lyles presented on the final budget Governor Newsom approved highlighting key funding for water infrastructure and other fund allocated specifically to special districts. Of note to me was 10.7 million for California to produce our own insulin allowing a \$30 price cap to consumers. I'm not sure where all this money will come from though.

Director Signature: Jennifer DeMeo

06/21/2023

Date: _____

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