



**FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
COMBINED NOVEMBER/DECEMBER REGULAR BOARD MEETING**

AGENDA

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

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

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

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

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

**AUDIO CALL-IN 1-408-418-9388
ACCESS CODE 126 162 6849
AUDIO PASSWORD 28753354**

<https://fallbrookpublicutilitydistrict.my.webex.com/fallbrookpublicutilitydistrict.my/j.php?MTID=mc9800b0c332019a9e6152d26188f9504>

**MONDAY, DECEMBER 7, 2020
4:00 P.M.**

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

Any person with a disability who requires a modification or accommodation to participate in the meeting should call the Secretary at (760) 999-2704.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

PUBLIC COMMENT

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

- A. SEATING OF DIRECTORS
 - 1. Dave Baxter, Division No. 1
 - 2. Jennifer DeMeo, Division No. 3
 - 3. Don McDougal, Division No. 4

- B. ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS
 - 1. President
 - 2. Vice-President

- C. APPOINTMENTS TO BOARD STANDING COMMITTEES
 - 1. Fiscal Policy & Insurance
 - 2. Personnel
 - 3. Engineering & Operations

- D. NEW EMPLOYEE ANNOUNCEMENTS
 - 1. Matt Bench, Utility Worker

- E. EMPLOYEE OF THE QUARTER FOR NOVEMBER 2020
 - 1. Lauren Eckert

- F. MANAGER'S AWARD
 - 1. Christian Hernandez

II. CONSENT CALENDAR----- (ITEMS G–J)

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.

- G. CONSIDER APPROVING MINUTES
 - 1. October 26, 2020 Regular Board Meeting
 - 2. November 10, 2020 Special Board Meeting

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

H. CONSIDER 2020 BOARD OF DIRECTORS REGULAR MEETING SCHEDULE

Recommendation: The Board establish the 2021 Board of Directors' regular meeting schedule, to include combining the November and December regular Board meetings to Monday, December 6, 2021, at 4 p.m.

I. CONSIDER CLAIM FOR REIMBURSEMENT

Recommendation: The claim will exceed the District retrospective allocation point of \$25,000 per occurrence; therefore, it is beyond the District settlement authority and needs to be forwarded to JPIA as required. Staff recommends rejection of the claim, and to forward claim to ACWA/JPIA for resolution.

J. CONSIDER APPROVAL OF EASEMENT FOR SDG&E SERVICES TO SMRCUP FACILITIES

Recommendation: The Engineering & Operations Committee recommends that the Board approve the two easements for SDG&E facilities.

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

K. ELECTRIC UTILITY COST REDUCTION EFFORTS

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

L. CONSIDER APPROVING THE DRAFT COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FY ENDING JUNE 30, 2020

Recommendation: The Committee recommends that the Board approve the Draft CAFR for Fiscal Year Ending June 30, 2020.

M. CONSIDER ADOPTING RESOLUTION NO. 5002 APPROVING THE INCREASED RATES FOR WATER AND RECYCLED WATER SERVICE CHARGES AND RATES FOR WASTEWATER SERVICE CHARGES AND TAKING OTHER RELATED ACTIONS

Recommendation: The Board adopt Resolution No. 5002 adopting calendar year 2021 rates and charges for water, recycled water and wastewater services.

- N. CONSIDER AWARD OF SEWER MAIN RELINING PROJECT (JOB #3155)

Recommendation: The Engineering & Operations Committee recommends that the Board authorizes award of the Sewer Main Relining Project to the lowest responsible bidder, Insituform Technologies, for \$106,961.

- O. CONSIDER AWARD OF SMRCUP GAC TREATMENT SYSTEM EQUIPMENT PROCUREMENT

Recommendation: That the Committee recommend to the Board authorization to award the SMRCUP GAC Treatment System Equipment Procurement to Calgon Carbon, the lowest responsive, responsible bidder for \$1,260,493.

- P. CONSIDER GAC TREATMENT SYSTEM YARD PIPE CHANGE ORDER

Recommendation: The Engineering & Operations Committee recommends that the Board approves the change order for the installation of SMRCUP GAC Treatment System Yard Piping.

- Q. CONSIDER REQUEST TO AWARD FENCING UPGRADES TO RED HAWK SERVICES, INC.

Recommendation: The recommended action is that the FPUD Board of Directors approves award for fencing upgrades to Red Hawk Services, Inc. in the amount of \$91,085.56.

- R. CONSIDER THE TRANSITIONAL SPECIAL AGRICULTURAL WATER RATE (TSAWR) PROGRAM BECOMES THE PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR) PROGRAM, WITH ELIGIBILITY CHANGES AND DISTRICT ADMINISTRATIVE CODE UPDATES (*supplemental materials to be posted prior to Board meeting*)

- S. CONSIDER AD-HOC COMMITTEE FOR 100 YEAR ANNIVERSARY PUBLIC RELATIONS PLAN

Recommendation: That the Board authorize formation of the proposed ad-hoc Board Committee.

- T. CONSIDER PLANT OPERATOR II POSITION SALARY ADJUSTMENT

Recommendation: Personnel Committee recommends that the Board approve the proposed salary adjustment.

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

1. General Counsel
2. SDCWA Representative Report
3. General Manager
 - a. Engineering and Operations Report
4. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended
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 PER GC § 54956.9 (d)(2):

Two (2) Potential Cases (Claims filed by Victor and Terri Popa and Paul W. and Gail H. Leehey)

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

One (1) Potential Case

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.

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.

December 2, 2020
Dated / Fallbrook, CA

/s/ Lauren Eckert
Executive Assistant/Board Secretary

M E M O

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: December 7, 2020
SUBJECT: Seating of Directors

Michael Vu, Registrar of Voters for the County of San Diego, will certify the official canvass of returns from the November 3, 2020 General Election. Once certified, the Registrar's Office will send the District the certification via email and by mail. The Registrar of Voters has represented the certification will be released Thursday, December 3, 2020, the day after publication of the agenda.

The incumbents for Division 1, Dave Baxter, Division 3, Jennifer DeMeo, and Division 4, Don McDougal, ran unopposed; and due to the lack of opposition, the election did not appear on the ballot.

Directors Baxter, DeMeo and McDougal will have taken their Oaths of Office prior to the December 7, 2020 Board Meeting, and their terms begin on Friday, December 4, 2020 (pending receipt of the official certification by the Registrar of Voters).

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 7, 2020
SUBJECT: Election of Officers to the Board of Directors

Pursuant to Administrative Code Article 2, Section 2.2.1, *Election of Officers*, the officers of the Board of Directors shall consist of a President and a Vice-President chosen by its members, and reorganization (election of officers) will be placed on the agenda in December of each year.

The following is a list of Board members who have held the office of President and Vice-President over the past five years:

Year	President	Vice President
2020	Ken Endter	Jennifer DeMeo
2019	Don McDougal	Jennifer DeMeo
2018	Al Gebhart	Don McDougal
2017	Charley Wolk	Al Gebhart
2016	Milt Davies	Charley Wolk

The General Manager will conduct the election; and upon its conclusion, will turn the gavel over to the newly elected Board President who will preside over the remainder of the meeting.

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 7, 2020
SUBJECT: Appointments to Board Standing Committees

Purpose

To appoint members to the three Board standing committees as prescribed in the Administrative Code.

Summary

Each year after the election of officers, and in accordance with Administrative Code Article 2, Section 2.2.2, *Duties of President*, the President of the Board of Directors shall appoint members to serve on the Board standing committees.

As of December 1, 2020, the appointments to the Board standing committees were as follows:

- Fiscal Policy & Insurance: *Directors Wolk and McDougal*
- Personnel: *Directors DeMeo and McDougal*
- Engineering & Operations: *Directors Baxter and Endter*

Recommended Action

That the Board President appoint members of the Board of Directors to the Fiscal Policy & Insurance, Personnel, and Engineering & Operations Board standing committees as prescribed by the Administrative Code.

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M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 7, 2020
SUBJECT: November 2020 Employee of the Quarter

As Jose Mendoza, August 2020 Employee of the Quarter, has resigned from the District, General Manager Jack Bebee chose Lauren Eckert as the November 2020 Employee of the Quarter for the following reasons:

“Lauren has become a key part of the overall District operation. She led efforts make our transition to remote committee and Board meetings very smooth. She keeps the Board prepared for the meetings and helps support staff to get everything ready for meeting. She also does a great job keeping me organized so that I’m prepared and can keep things running during the unusual time. She has a great attitude and is always willing to help out where needed.”

Lauren received a Certificate of Appreciation and chose a gift valued at \$150. Additionally, Lauren will have lunch with the General Manager, a member of the Board of Directors, the previous Employee of the Quarter, and a member of the Recognition Committee, once COVID-19 restrictions permit.

M E M O

TO: Board of Directors
FROM: Steve Stone, Field Services Manager
DATE: December 7, 2020
SUBJECT: Manager's Award Recipient

Description

To recognize Manager's Award recipient Christian Hernandez.

Purpose

Over the past several months, Christian Hernandez has displayed exemplary work performance in his duties as a Utility Worker I in the Meter Department. In addition to taking the initiative to conduct proactive troubleshooting to address various meter-related issues, Christian has also worked extensively to execute meter repairs which helped to rapidly restore services to customers.

In addition, Christian is an outstanding representative of the District and has established an excellent rapport with customers. For these reasons, I would like to recognize Mr. Hernandez for his excellence work performance by nominating him for a Manager's Award.

Christian will receive a \$25 gift card.

Budgetary Impact

Approximately \$25 will be expensed under the Human Resources Staff Development budget for the 2020-21 fiscal year.

Recommended Action

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

M E M O

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: December 7, 2020
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. October 26, 2020 Regular Meeting
2. November 10, 2020 Special Board Meeting and Facilities Tour

October 26, 2020 Regular Board Meeting



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING

MINUTES

MONDAY, OCTOBER 26, 2020
4:00 P.M.

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

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President Endter called the October Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:03 p.m.

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

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

A quorum was established, and attendance was as follows:

Board of Directors

- Present: Ken Endter, Member/President
Jennifer DeMeo, Member/Vice-President
Dave Baxter, Member
Don McDougal, Member
Charley Wolk, Member
- Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Jason Cavender, Operations Manager
Aaron Cook, Senior Engineer
Noelle Denke, Public Affairs Specialist
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Bob Campbell, Rodney Smith, Kim Thorner, Lani Lutar, Craig Balben, and Meena Westford.

PLEDGE OF ALLEGIANCE

President Endter led the Pledge of Allegiance.

APPROVAL OF AGENDA

President Endter announced that he would call on staff to make a presentation of each agenda item. After the presentation was made, to avoid everyone speaking at once, President Endter reported he would then call on each Director to see if there were questions for staff regarding their presentation. President Endter stated after the round of questions, he would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, President Endter would call on each Director to see if there were any comments. He announced all votes would be done by roll call.

PUBLIC COMMENT

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

There were no public comments.

A. YEARS OF SERVICE

1. Kevin Stamper, Utility Worker II – 20 years

General Manager Bebee recognized Utility Worker II, Kevin Stamper for his 20 years of service to the District.

B. NEW EMPLOYEE ANNOUNCEMENT

1. Alex Stanko, Utility Technician

General Manager Bebee introduced Alex Stanko as the new Utility Technician.

II. CONSENT CALENDAR----- (ITEMS C–E)

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

- C. CONSIDER APPROVAL OF MINUTES
1. September 22, 2020 Special Meeting
 2. September 28, 2020 Regular Meeting

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

- D. CONSIDER NOTICE OF COMPLETION – FRP HEADWORKS COVER REPLACEMENT

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

- E. CONSIDER ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: That the Board authorize advance approval for Directors' attendance to the San Diego County Water Authority Study Session on Proposed Regional Conveyance System on October 27, 2020.

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

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

III. INFORMATION----- (ITEMS F–H)

- F. WATER AUTHORITY REGIONAL CONVEYANCE SYSTEM BRIEFING

Dr. Rodney Smith of Stratecon presented a slideshow on the proposed Water Authority Regional Conveyance System.

Director McDougal asked the total cost of Phase A, B, and the additional analysis that will be done before a decision to move forward or to not move forward is made. Dr. Smith responded that the current definition of Phase B outlined a \$1.3 million cost, but that the scope of what Phase B should look like was still under staff discussion. Director McDougal stated that SDCWA water rates were already \$500 per acre foot higher than they would be through Metropolitan, and that he had a hard time trying to understand the justification of spending millions of dollars to study something that was already costing the District way over what it would be by not being with the SDCWA. The SDCWA costs have been greatly higher compared to Metropolitan. As SDCWA spends money, the District receives very little benefit from it.

Director Wolk noted the projected cost of this project was about \$26 billion and asked if there was a ballpark number for interest charges. Dr. Smith responded that the staff assumption was 4% or about \$300 million. Director Wolk asked if Dr. Smith's analysis included what the required water rate would be to pay the loan. Dr. Smith answered that his analysis had not yet included that information. Director Wolk asked if Dr. Smith's analysis included how long it would take to amortize this project. Dr. Smith responded that it would depend either on the debt structure or the useful life of the asset.

Director McDougal confirmed the RCS project required water from the Colorado Water Supply and questioned if, that supply became less reliable, it would have the same impact on Metropolitan as it would have on the new RCS. Dr. Smith disagreed, as he believed in the priority system, which would show Metropolitan losing water before IID.

Director McDougal questioned the sea level increase noted in the environmental impact section of the presentation. Dr. Smith explained this was related to the climate change analysis that the State government has concluded.

Vice-President DeMeo asked about the cost to the current ratepayers. Dr. Smith explained there were three types of schedules that were on a timeline. These included the pre-environmental review, which is where we were now, as well as what Phase A and Phase B, and the project development plan. He believed this would be a very small amount of money relative to the size of this project.

Dr. Smith announced he was available to answer any further questions via email.

G. PROCESS FOR SETTING CY 2021 RATES AND CHARGES

AGM/CFO Shank outlined the process for setting calendar year 2021 rates and charges that will be effective January 1, 2021. He reported that the FP&I Committee would be meeting once or twice in November to outline options and

come up with potential opportunities for rate relief before the December Board Meeting.

H. CMMS PRESENTATION

General Manager Bebee and Operations Manager Cavender presented a slideshow which provided an overview of the District's operational software systems. This presentation also included the costs and savings of each system.

Director Baxter reiterated the positive return on investment of these systems as it related headcount and additional necessary resources.

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

I. CONSIDER GAC TREATMENT SYSTEM EQUIPMENT PROCUREMENT
(*SUPPLEMENTAL MATERIALS*)

President Endter reported there was a disagreement regarding the low bid, which resulted in a protest. The recommendation from staff was to rebid the project prior to the next Board Meeting.

General Counsel de Sousa explained public agencies do have the option to reject all bids, for any reason, as long as it is not for an illegal reason.

General Manager Bebee did state this scenario is atypical, as generally these bids go to a general contractor, and we are pre-procuring equipment instead.

Director Baxter asked what the District was doing to encourage additional bidders. Senior Engineering Cook stated he had reached out to the third bidder to make sure they were interested in bidding.

Director Baxter asked about the legal implications of the District's options. General Counsel de Sousa stated the least risk the District had would be to reject all bids and rebid, as long as the District had time to go through that process. Awarding to the second lowest bid would be the second lowest risk, and awarding to the lowest bidder would be the riskiest for the District.

MOTION: Director McDougal moved to reject all bids and directed staff to re-advertise the procurement of the GAC treatment system equipment prior to the next Regular Board Meeting scheduled for December 7, 2020; Director Baxter seconded. Motion passed; VOTE:

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

ABSENT: None

J. CONSIDER AWARD OF 2.8 MG RESERVOIR PAINTING & COATING PROJECT

Recommendation: *That the Board authorize award of the 2.8MG Reservoir Painting & Coating Project to the lowest responsible bidder, Simpson Sandblasting, for \$648,274.*

Director Baxter announced this agenda item went through the Engineering & Operations Committee. He did report that the capital budget for this project was approved at \$654,000, but that with internal administrative and construction management costs, this project would most likely be closer to \$690,000. Director Baxter also noted that this project had \$80,000 set aside for miscellaneous capital costs, and based on staff's review of this project, that additional \$80,000 may not all be used, and that \$40,000 of that could be allocated to cover the budget override. Director Baxter also reported that the scope of this recoating project also included the inspection of the tank, which was not something that was normally included in a recoating bid. This inspection could cost roughly \$50,000, but was included in Simpson Sandblasting's bid. With that inspection considered, the budget for this project was right on track.

MOTION: Director McDougal moved to authorize award of the 2.8MG Reservoir Painting & Coating Project to the lowest responsible bidder, Simpson Sandblasting for \$648,274; Vice-President DeMeo seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

K. CONSIDER 100 YEAR ANNIVERSARY PUBLIC RELATIONS PLAN

Recommendation: *That the Board authorize Jeff Crider to begin research to write the historical book, and create an ad-hoc committee for further planning of this historic occasion.*

Public Affairs Specialist Denke announced the District will turn 100 in June 2022. She provided a brief background on Jeff Crider, a former reporter and historian who would research and document the District's history for a 100 year anniversary event, as long as the COVID-19 pandemic allows for an event. These research efforts would also include interviewing past District staff, Board members, and other significant individuals. This research is scheduled to take about a year.

Public Affairs Specialist Denke reported that because of the COVID-19 pandemic, much of the current Public Affairs budget would not be used as originally intended, and therefore no additional money would be needed for this anniversary project. She suggested an ad-hoc committee be formed to work through this project.

Director McDougal recommended Public Affairs Specialist Denke appoint the Directors she would like to work with for the ad-hoc committee.

MOTION: Director McDougal moved to approve a 100-year anniversary Public Relations plan, which included authorizing Jeff Crider to begin research to write a historic book and creating an ad-hoc committee for further planning of this historic occasion; Director Wolk seconded. Motion passed; VOTE:

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

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

1. General Counsel

- General Counsel de Sousa provided a brief overview of some legislation that will be effective January 1, 2021, as it may impact the water industry and/or local communities. This reported legislation included AB1577, SB1447, SB115, SB73, SB865, and AB2231.
- General Counsel de Sousa reported that there were 428 bills sent to the Governor from legislature, of which 56 were vetoed. This was much lower compared to prior years, due to the COVID-19 pandemic.

2. SDCWA Representative Report

- General Manager Bebee stated the SDCWA Representative written report was included in the Board packet.

3. General Manager

a. Engineering and Operations Report

- General Manager Bebee reported there were scheduled shutdowns that were postponed due to Santa Ana winds and the fire risk.
- Senior Engineer Cook provided a CIP plan update.
 - Director Wolk noted that meter exchange and valve replacement had fallen behind scheduled and that there was an increase in broken valves. He asked if something was interfering with this project or if there was a plan to catch up. General Manager Bebee responded that the District was short staffed, but they have now filled those positions. There was also an effort on backflow devices, which

displaced resources. The goal is to come up with a way to get back on track moving forward.

4. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - AGM/CFO Shank provided an overview of the written reports included in the Board packet.
5. Public Affairs Specialist
 - Public Affairs Specialist Denke stated she had placed a Village News article and has been working on keeping up with social media.
6. Notice of Approval of Per Diem for Meetings Attended
 - Notification of Approval for Director's attendance for a meeting with Otay Water District's General Manager and Board President on Tuesday, October 13, 2020.
 - President Endter provided notice to the Board that he approved Director Wolk's attendance for a meeting with Otay Water District's General Manager and Board President on Tuesday, October 13, 2020.
 - General Counsel de Sousa made clear for the record that Director Wolk's report from this meeting was included in the agenda packet.
 - President Endter requested Directors provide him with enough notice to approve their attendance to meetings well in advance.
7. Director Comments/Reports on Meetings Attended
 - Director McDougal reported Senior Engineer Cook took a group of residents on Palomino Road on a tour of the Conjunctive Use Project, and it was well received. Director McDougal suggested tours should be something the District offers in the future, once the COVID-19 pandemic allows. He also suggested this could be included in the 100 year anniversary project and that it was important to showcase what the District has and what we do.
 - Director Wolk asked why Filanc reopened the street. General Manager Bebee reported that the pipeline was now in place, but we have to go back in and connect it to existing infrastructure, which will happen over the next few months.
 - Director Baxter commended General Manager Bebee and Field Services Manager Stone for their efforts on resolving an issue for a customer who was unfortunately taken advantage of by a plumber.
8. Miscellaneous

ADJOURN TO CLOSED SESSION

General Counsel de Sousa announced that members of the public were welcome to continue to stay on the teleconference line while the Board was in

Closed session, however they would only hear silence. Following Closed Session and prior to adjournment, an oral announcement of reportable action, should there be any, would be made to the public on the teleconference line.

The Board of Directors adjourned to Closed Session at 6:37 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1 and VI.2.

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

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

Name of Case: Bonnie Kessner and Andrea McCartney-Page, et al. vs. City of Santa Clara et al., Santa Clara Co. Sup. Ct. Case Number 20CV364054

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

One (1) Potential Case (Claim filed by David S. Lacey and Suzanne Lacey)

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:52 p.m.

REPORT FROM CLOSED SESSION

On Motion of President Endter, seconded by Vice President DeMeo, the Board unanimously (with all Directors present) voted to reject the claim filed by David S. Lacey and Suzanne Lacey.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, the October Regular Meeting of the Fallbrook Public Utility District was adjourned at 6:55 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

November 10, 2020 Special Board Meeting
and Facilities Tour



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
SPECIAL BOARD MEETING AND FACILITIES TOUR

MINUTES

TUESDAY, NOVEMBER 10, 2020
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 Endter called the Special Meeting and Facilities tour of the Board of Directors of the Fallbrook Public Utility District to order at 2:04 p.m.

President Endter made clear for the record that this meeting was conducted by teleconference using the call-in information listed on the agenda. The meeting was held pursuant to the waivers of certain provisions of the Brown Act provided under the Governor's Executive Orders in response to the COVID-19 State of Emergency.

President Endter announced that the agenda provided notice that members of the public were encouraged to participate in the Board Meeting via teleconference using the call-in information, and that members of the public could also submit public comments in advance of the meeting by emailing or submitting them to the Board Secretary. Any such written comments received would be read onto the record at the appropriate portion of the meeting, up to a limit of three (3) minutes per comment.

A quorum was established, and attendance was as follows:

Board of Directors

Present: Ken Endter, Member/President
Jennifer DeMeo, Member/Vice-President
Dave Baxter, Member
Don McDougal, Member
Charley Wolk, Member (*arrived at 2:05 p.m.*)

Absent: None

District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel

Aaron Cook, Senior Engineer
Noelle Denke, Public Affairs Specialist
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Franz Schauer, Project Manager and Anthony Dazzo, Construction Manager

PLEDGE OF ALLEGIANCE

President Endter led the Pledge of Allegiance.

PUBLIC COMMENT

Members of the public are invited to address the Board of Directors on agenda items. The Board President may limit comments to three (3) minutes.

There were no public comments.

II. FACILITIES TOUR

A. TOUR OF THE SANTA MARGARITA RIVER CONJUNCTIVE USE FACILITY

The meeting begins at 2:00 p.m., and the Board of Directors, staff, and others will assemble in their vehicles in the parking lot of the Fallbrook Public Utility District located at 990 East Mission Road, Fallbrook, California and will call in using the teleconference information identified above. Participants will each take their own vehicle to tour the Santa Margarita River Conjunctive Use Facility. All participants shall wear masks and comply with social distancing requirements in compliance with all State and County Health Officer Orders and/or guidelines, when outside of their individual vehicle. Members of the public are allowed to also attend in their individual vehicle and/or listen to the tour by using the call-in information noted above. No action will be taken by the Board of Directors at this meeting

General Manager Bebee announced the purpose of the meeting was to tour the Santa Margarita River Conjunctive Use Facility. As stated on the agenda, General Manager Bebee reported that all participants, including Board members, staff, and members of the public were able to participate in the tour by using their own vehicles and by calling into teleconference line. General Manager Bebee announced that all participants shall wear face coverings and comply with social distancing requirements in compliance with all State and County Health Officer Orders and/or guidelines, when outside of their individual vehicle. He stated members of the public who do not join the tour in their vehicle may listen to the tour using the call-in information. Members of the Board may ask questions and discuss the facility and related issues during the tour, but no action will be taken by the Board during the meeting.

Project Manager, Franz Schauer led the Board of Directors and staff on a vehicle tour of the Santa Margarita River Conjunctive Use Facility, including stops along the way at the Reclamation Plant and the Gheen Reservoir Site. The tour began at 2:10 p.m. and concluded at 3:15 p.m.

III. ADJOURNMENT OF MEETING

There being no further business to discuss, the Special Meeting and Facilities Tour of the Board of Directors of the Fallbrook Public Utility District was adjourned at 3:15 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

MEMO

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: December 7, 2020
SUBJECT: Proposed 2021 Board of Directors Regular Meeting Schedule

Purpose

To establish the 2021 Board meeting dates.

Summary

Administrative Code Article 2, Section 2.5, *Time and Place of Board Meetings*, establishes the fourth Monday of each month at 4 p.m. as the time and place for regular Board meetings.

Additionally, it has been the Board’s practice to combine the November and December regular Board meetings into one meeting to accommodate the fall/winter holiday schedule. The proposed 2021 schedule combines the November and December regular meetings to Monday, December 6, 2021, at 4 p.m., as follows:

Month	Day	Month	Day	Month	Day	Month	Day
January	25	April	26	July	26	October	25
February	22	May	24	August	23	November	<i>Combined with December</i>
March	22	June	28	September	27	December	6

Recommendation

The Board establish the 2021 Board of Directors’ regular meeting schedule, to include combining the November and December regular Board meetings to Monday, December 6, 2021, at 4 p.m.

|

M E M O

TO: Board of Directors
FROM: Larry Ragsdale, Safety and Risk Officer
DATE: December 7, 2020
SUBJECT: Claim for Reimbursement

Purpose

To present the claim filed by Donald and Michele Bain for property damage.

Summary

November 5, 2020 Claimant alleges that storm drain damage to District easement alleged to be within his property and is seeking reimbursement in initial costs, plus other future repairs.

Budgetary Impact

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

Recommended Action

The claim will exceed the District retrospective allocation point of \$25,000 per occurrence; therefore, it is beyond the District settlement authority and needs to be forwarded to JPIA as required.

Staff recommends rejection of the claim, and to forward claim to ACWA/JPIA for resolution.

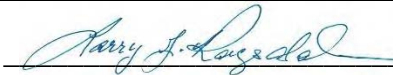
GENERAL INCIDENT INFORMATION
Form "A" Property Liability - Accept/Reject endorsements


Event ID: 20-310
 DOI: 4/5/2020
 Type Claim: Real property
 Parties address: [REDACTED]
Timeliness of Claim: 0 Year(s) 5 Month(s) 27 Days


Name of Party: Don and Michele Bain
 Contact # [REDACTED]
 Email: [REDACTED]
 Company: Property owner

Type of Incident: Water Damage		Nature of Incident: Storm Drain failure	
Incident Description: Claimant alleges the storm drain located within Fallbrook's PUD easement has caused a large sinkhole and erosion and is seeking reimbursement for his costs toward repairs.			
Location of Incident: [REDACTED]			
Date Claim Received:	10/2/2020	Date Closed:	
Settlement:			
Release Signed:		Incident Reported to JPIA:	
REMARKS:	<i>Recommend to reject the claim; storm drains are controlled by county or owner of the property.</i>		

ACCEPT/REJECT

Date: 11/12/2020  Claim Request: Accept Reject
 Safety & Risk Officer
 Remarks:

Date: 11/12/2020  Claim Request: Accept Reject
 Assistant General Manager / CFO
 Remarks:

Date: 11/12/2020  Claim Request: Accept Reject
 General Manager
 Remarks:

BOARD ACTION If applicable
 Accept Reject

Claim Form

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

NAME OF DISTRICT: District 4 we believe									
1	<p>Claimant name, address (mailing address if different), phone number, social security number, e-mail address, and date of birth. <i>Effective January 1, 2010, the Medicare Secondary Payer Act (Federal Law) requires the District/Agency to report all claims involving payments for bodily injury and/or medical treatments to Medicare. As such, if you are seeking medical damages, we MUST have both your Social Security Number and your date of birth.</i></p> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 50%;">Name: Donald & Michele Bain</td> <td style="border: none; width: 50%;">Phone Number: [REDACTED]</td> </tr> <tr> <td style="border: none;">Address(es): [REDACTED] Fallbrook CA 92028</td> <td style="border: none;">Social Security No.:</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;">Date of Birth:</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;">E-mail: [REDACTED]</td> </tr> </table>	Name: Donald & Michele Bain	Phone Number: [REDACTED]	Address(es): [REDACTED] Fallbrook CA 92028	Social Security No.:		Date of Birth:		E-mail: [REDACTED]
Name: Donald & Michele Bain	Phone Number: [REDACTED]								
Address(es): [REDACTED] Fallbrook CA 92028	Social Security No.:								
	Date of Birth:								
	E-mail: [REDACTED]								
2	<p>List name, address, and phone number of any witnesses.</p> <p>Name:</p> <p>Address:</p> <p>Phone Number:</p>								
3	<p>List the date, time, place, and other circumstances of the occurrence or transaction, which gave rise to the claim asserted.</p> <p>Date: 04/05/2020 Time: Place: [REDACTED]</p> <p>Tell What Happened (give complete information):</p> <p style="text-align: center;">See Attachment 1: 2 pages ✓</p> <p style="text-align: center;">Attatchmentt Photos</p> <p style="text-align: center;"><i>NOTE: Attach any photographs you may have regarding this claim.</i></p>								
4	<p>Give a general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of presentation of the claim.</p> <p>We have spent \$25,977.00 with Hoffman Engineering and Pipeline, Inc., Vista, CA and have a current estimated expense of \$28,735.00 from DownStream Services, Inc, Escondido, CA for relining 160 feet of 24" storm drain pipe. This may well go higher. Approximately \$90.00 mailing to owners of property in Country Knolls Estates. \$160.00 protective fencing surrounding sinkhole erosion.</p>								
5	<p>Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.</p> <p>No known individual at this time.</p>								
6	<p>The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.</p> <p>\$25,977.00 Repairs made to date. \$28,735.00 minimum projected future costs. \$90.00 mailing \$160.00 fence</p>								
<p>Date: 11-5-2024 Time: 11:15 Signature: <i>Donald E Bain</i></p>									
ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT!									

Revised - July 2019

Claim Form Attachment 1

Item 3.

During the spring rains in March-April 2020 a large sinkhole type erosion occurred over the 10 foot wide by 160 foot easement granted to Fallbrook Sanitary District/FPUD in 1992 at [REDACTED], Fallbrook, CA 92028.

This hole began at about 15 feet from the drain inlet on Palomares Road eventually extending about 55 feet towards Stage Coach Lane. We contacted FPUD and San Diego County seeking help at that time. FPUD sent an employee to investigate and informed us that it was the storm drain and FPUD only did sewer lines. FPUD did, on 04-13-2020, video the sewer line and the storm drain and found dirt and debris in the storm drain at the 15.6 foot mark from the inlet on Palomares Road making it impossible to go any further with the camera within the storm drain. We were told to contact the county for storm drain problems.

We contacted the county and were told that the storm drain was done by a private contractor and that the county was not responsible.

We contacted pipeline contractors and the other 35 owners of property in Country Knolls Estates by mail at a cost of about \$90.00 seeking financial participation. The residents said the development was not an association and denied any financial responsibility citing the CC&Rs and The Road Agreement and as a group they refused financial responsibility for any repairs to the storm drain.

Due to the continued erosion occurring over the storm drain on about April 21, 2020 we installed fencing around the hole to keep children and animals from coming to harm because of the erosion at a cost of about \$160.00.

We then contracted with Hoffman Engineering and Pipeline, Inc., Vista, CA to remove and replace the damaged 24" storm drain pipe. Work commenced on about June 1 and was completed on June 12. 55 feet of 24" Storm Drain pipe was removed and replaced. Mr. Hoffman determined that the pipe had separated and the upper 55 feet of drain pipe was removed and replaced at a cost of \$25,977.00.

Mr. Hoffman indicated that the remaining 105 feet of Storm Drain pipe was probably good enough to withstand a normal rainfall but it would be questionable if more heavy rains should happen the remaining drain pipe might collapse as well. We discussed our options. He recommended continuing to remove and replace the drain pipe. We told him we had no more money to pay for such a project, and when asked if there were

other options, he said that pipe relining would be an option and gave us the phone number for DownStream Services, Inc., Escondido.

DownStream has given us an estimate for relining 160 feet of 24” storm drain pipe at a cost of \$28,735.00.

Because of the costs of repairs and expected further repair costs and possible litigation costs, we sold our house at 2034 Santa Margarita Drive for less than we paid for the property plus the costs of improvements, new flooring, new master bathroom and solar electric system. Purchase price of the property in 2005 was \$860,000.00 Sale price \$769,000.00 (\$91,000 loss).

We reviewed all documents we received during escrow with regard to this property and we have reviewed documents forwarded to us by San Diego County Department of Public Works related to this development. Among the documents we reviewed were Tract Maps of this development, Hansen Park II / Country Knolls Estates, related to grading, sewer and drainage of the development.

The easement over our property is a ten foot wide portion of a thirty foot wide easement granted to Fallbrook Sanitary District for sewers. On all of the drawings provided by the county the storm drain located on our property is noted as “Proposed Storm Drain Easement”.

The original document that is noted on all drawings “Sewer Easement to Fallbrook Sanitary District per DOC NO 92-228268, recorded 04-20-1992”. That is the only document referenced on all Tract Maps showing this easement.

We read the easement document and noted that on page 3 it states:

“No other easement or easements shall be granted on, under, or over this easement without obtaining prior written consent of GRANTEE.”

There is no written permission of a storm drain easement in any of the documents we received from Equity Title or San Diego County Department of Public Works.

On October 27, 2020, we wrote to the San Diego County Department of Public Works requesting a copy of the written permission that allowed placement of a storm drain across our property but as yet no such document has been forwarded to us.

We contacted Mr. Bebee seeking a copy of FPUD’s copy of the written permission for the storm drain placement across our property and received the Claim Form in response to that request.



The end of the eroding area about 55 feet from inlet on Palomares Rd



04-06-2020 Hole is about 15 feet from Inlet at [REDACTED]



April 8, 2020 Hole has expanded due to rain. Taken on Wednesday April 8, 2020.



Sinking continues toward back of lot toward Stage Coach Lane. Approximately 50 feet from Inlet on Palomares Road
Apr 8, 2020



This is a continuation of the sinking toward the back of the lot. About 50 feet from Palomares Rd inlet.

April 8, 2020

Photos taken 04-15-2020

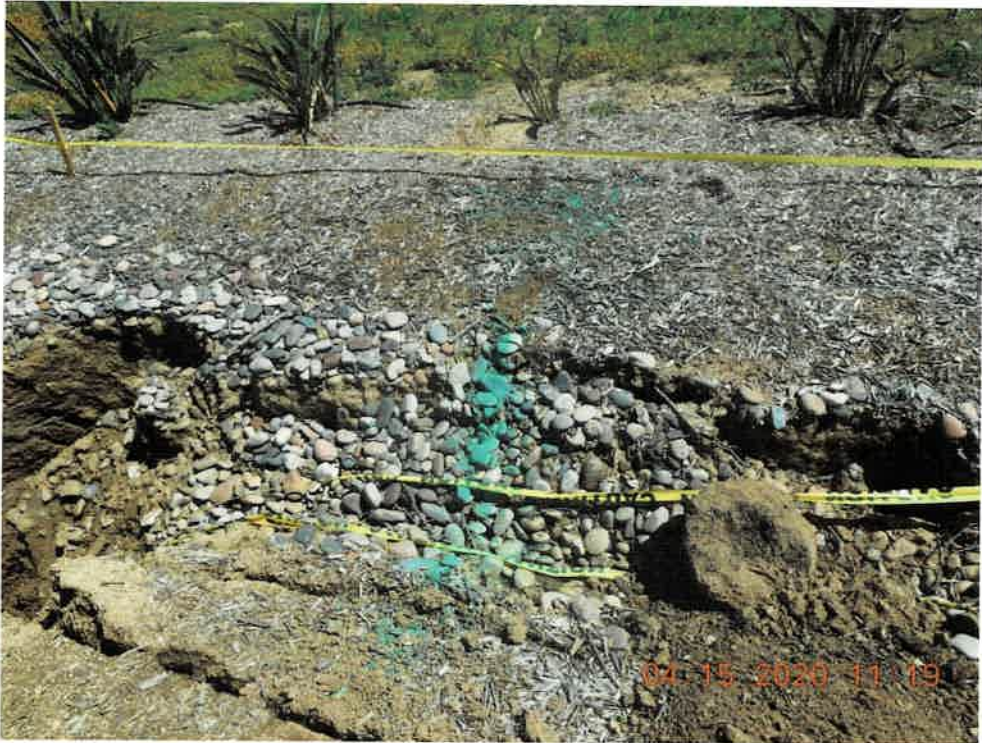


Upper part of sinkhole measures about 7 feet deep. Green paint done by FPUD, 15.6 feet from Storm Drain Inlet

Photos taken 04-15-2020



Photo from below major damage from below looking up towards Palomares Road, at about 50 feet from Palomares Road



Green paint left by FUPD when they investigated the sinkhole. 15.6 feet from inlet at Palomares Rd

04-21-2020 Photos of expanding hole after putting up fence to keep people and animals out.



M E M O

TO: Board of Directors
FROM: Engineering & Operations Committee
DATE: December 7, 2020
SUBJECT: Approval of Easement for SDG&E Services to SMRCUP Facilities

Description

Approval of two easements granted to SDG&E for facilities needed to serve electricity to the SMRCUP facilities.

Purpose

In order to provide electricity service to the SMRCUP Groundwater Treatment Plant and the Gheen Pump Station currently being constructed, SDG&E will be installing new infrastructure and will require an easement for the portion of their facilities installed on FPUD property. Article 22 of the Administrative Code requires approval by the Board of Directors to grant easements. The easement descriptions and plats are included in the attached exhibits.

Budgetary Impact

No budgetary impact.

Recommended Action

The Engineering & Operations Committee recommends that the Board approve the two easements for SDG&E facilities.

Recording Requested by
San Diego Gas & Electric Company

When recorded, mail to:

San Diego Gas & Electric Company
8690 Balboa Ave.
San Diego, CA 92123
Attn: Real Estate Records – CPA06

SPACE ABOVE FOR RECORDER'S USE

Project No. 3-155449
Notif. No. 3-303219, 3-303300
A.P.N. No. 104-271-03, 105-112-55
SR No. : 447743

Transfer Tax None
SAN DIEGO GAS & ELECTRIC COMPANY

RW 371521

EASEMENT

FALLBROOK PUBLIC UTILITY DISTRICT, A PUBLIC UTILITY DISTRICT ORGANIZED UNDER THE LAWS OF THE STATE OF CALIFORNIA, (Grantor), grants to SAN DIEGO GAS & ELECTRIC COMPANY, a corporation (Grantee), an easement and right of way in, upon, over, under and across the lands hereinafter described, to erect, construct, change the size of, improve, reconstruct, relocate, repair, maintain and use facilities consisting of:

1. Underground facilities, together with aboveground structures consisting of, but not limited to, pad-mounted electrical equipment, and appurtenances for the transmission and distribution of electricity.
2. Communication facilities, and appurtenances.

The above facilities will be installed at such locations and elevations upon, along, over and under the hereinafter described easement as Grantee may now or hereafter deem convenient or necessary. Grantee also has the right of ingress and egress, to, from and along this easement in, upon, over and across the hereinafter described lands. Grantee further has the right, but not the duty to clear and keep this easement clear from explosives, buildings, structures and materials.

The property in which this easement and right of way is hereby granted is situated in the County of San Diego, State of California described as follows:

That portion of Lots 3 and 4 of Section 25, Township 9 South, Range 4 West, San Bernardino Meridian and a portion of Rancho Santa Margarita y Las Flores, said portion is more particularly described in a deed recorded on April 14, 1971 as Document No. 73942, of Official Records, in the Office of the County Recorder of said County of San Diego, and that portion of the Southeast Quarter of Section 17, Township 9 South, Range 3 West, San Bernardino Meridian, said portion is more particularly described in a deed recorded on September 07, 1971 as Document No. 201426, of Official Records, in the Office of the County Recorder of said County of San Diego.

The easement in the aforesaid lands shall be:

Parcel A:

The easement in the aforesaid property shall be that certain strip of land, Eleven (11.00) feet in width and Twenty-two (22.00) feet in length, the approximate location shown and delineated as "EASEMENT AREA", on the Exhibit "A", attached hereto and made a part hereof.

Parcel B:

The easement in the aforesaid property shall be a strip of land, including all of the area lying between the exterior sidelines, which sidelines shall be three (3) feet, measured at right angles, on each exterior side of each and every facility installed, the approximate location being shown and delineated as "UTILITY FACILITIES" on the Exhibits "A" and "B", attached hereto and made a part hereof.

In order to provide adequate working space for Grantee, Grantor shall not erect, place or construct, nor permit to be erected, placed or constructed any building or other structure, park any vehicle, deposit any materials, plant any trees and/or shrubs or change ground elevation within eight (8) feet of the front of the door or hinged opening of any above ground facility installed within this easement.

Grantor grants to Grantee the right to erect and maintain on Grantor's property immediately adjacent to this easement retaining walls and/or protective barricades as may be necessary for Grantee's purposes.

Grantor shall not erect, place or construct, nor permit to be erected, placed or constructed, any building or other structure, plant any tree, drill or dig any well, within this easement.

Grantor shall not increase or decrease the ground surface elevations within this easement after installation of Grantee's facilities, without prior written consent of Grantee, which consent shall not unreasonably be withheld.

Grantee shall have the right but not the duty, to trim or remove trees and brush along or adjacent to this easement and remove roots from within this easement whenever Grantee deems it necessary. Said right shall not relieve Grantor of the duty as owner to trim or remove trees and brush to prevent danger or hazard to property or persons.

CONDUITS CARRY HIGH VOLTAGE ELECTRICAL CONDUCTORS, therefore Grantor shall not make or allow any excavation or fill to be made within this easement WITHOUT FIRST NOTIFYING SAN DIEGO GAS & ELECTRIC COMPANY BY CALLING (619) 696-2000, and OBTAINING PERMISSION.

The legal description for this easement was prepared by San Diego Gas & Electric Company pursuant to Section 8730 of the Business and Professions Code, State of California.

This easement shall be binding upon and inure to the benefit of successors, heirs, executors, administrators, permittees, licensees, agents or assigns of Grantor and Grantee.

Drawn: SLS/BT
Checked: _____
Date: 05/21/2020

IN WITNESS WHEREOF, Grantor executed this instrument this _____ day of _____, 20____.

GRANTOR

FALLBROOK PUBLIC UTILITY DISTRICT,
A PUBLIC UTILITY DISTRICT
ORGANIZED UNDER THE LAWS OF THE
STATE OF CALIFORNIA

Signature

Print Name

Title

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, before me _____
(name, title of officer)

personally appeared _____,

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

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

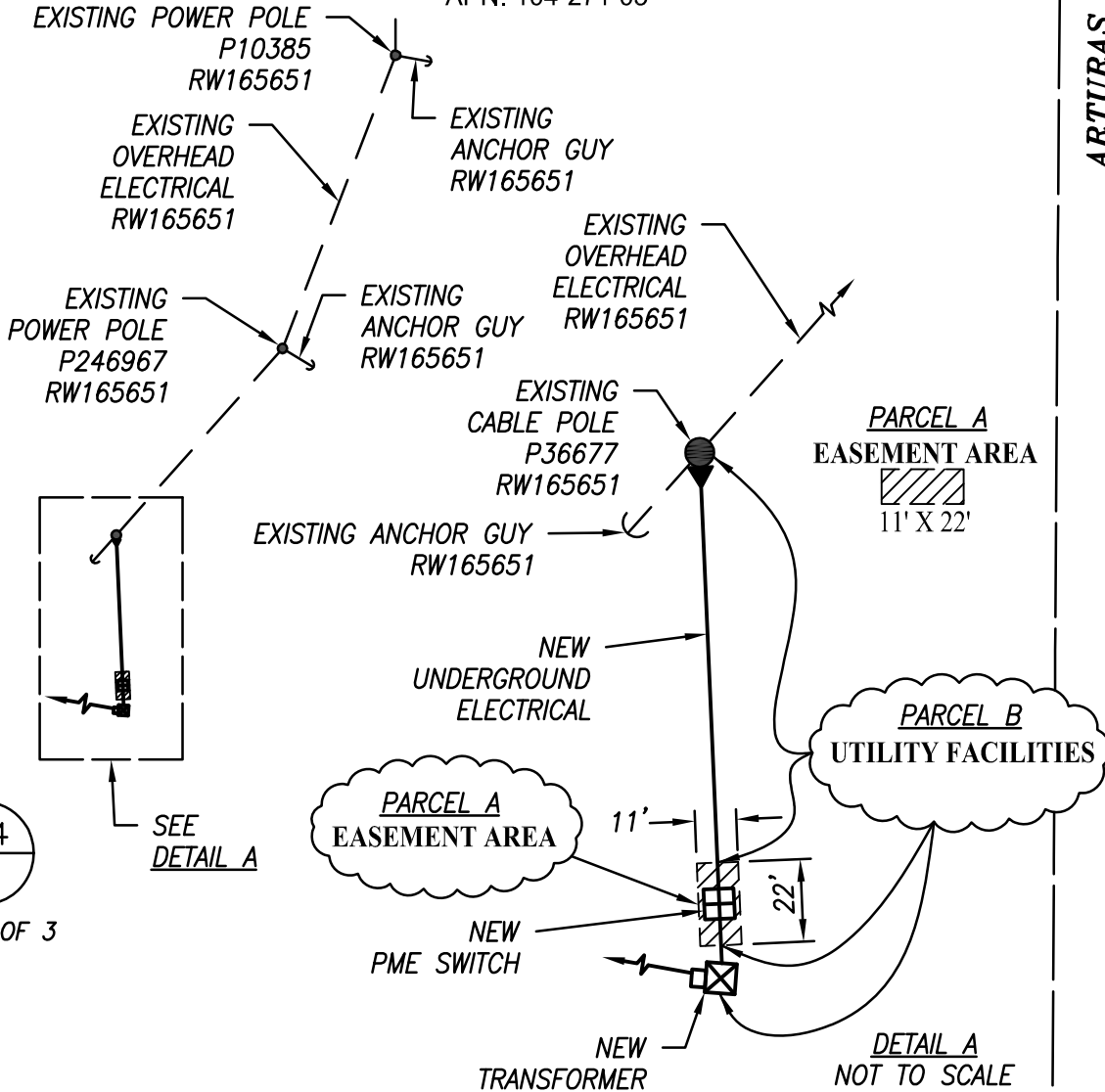
WITNESS my hand and official seal.

(Signature of Notary Public)

(Notary Seal)

**POR. LOTS 3 & 4
SEC 25
T9S R4W
S.B.M.**

Owner: FALLBROOK PUBLIC UTILITY DISTRICT,
A PUBLIC UTILITY DISTRICT
Recorded: April 14, 1971
Doc No: 73942
APN: 104-271-03



ARTURAS RD.



MERIDA DR.

CANCUN CT.

104
27

SEE
DETAIL A

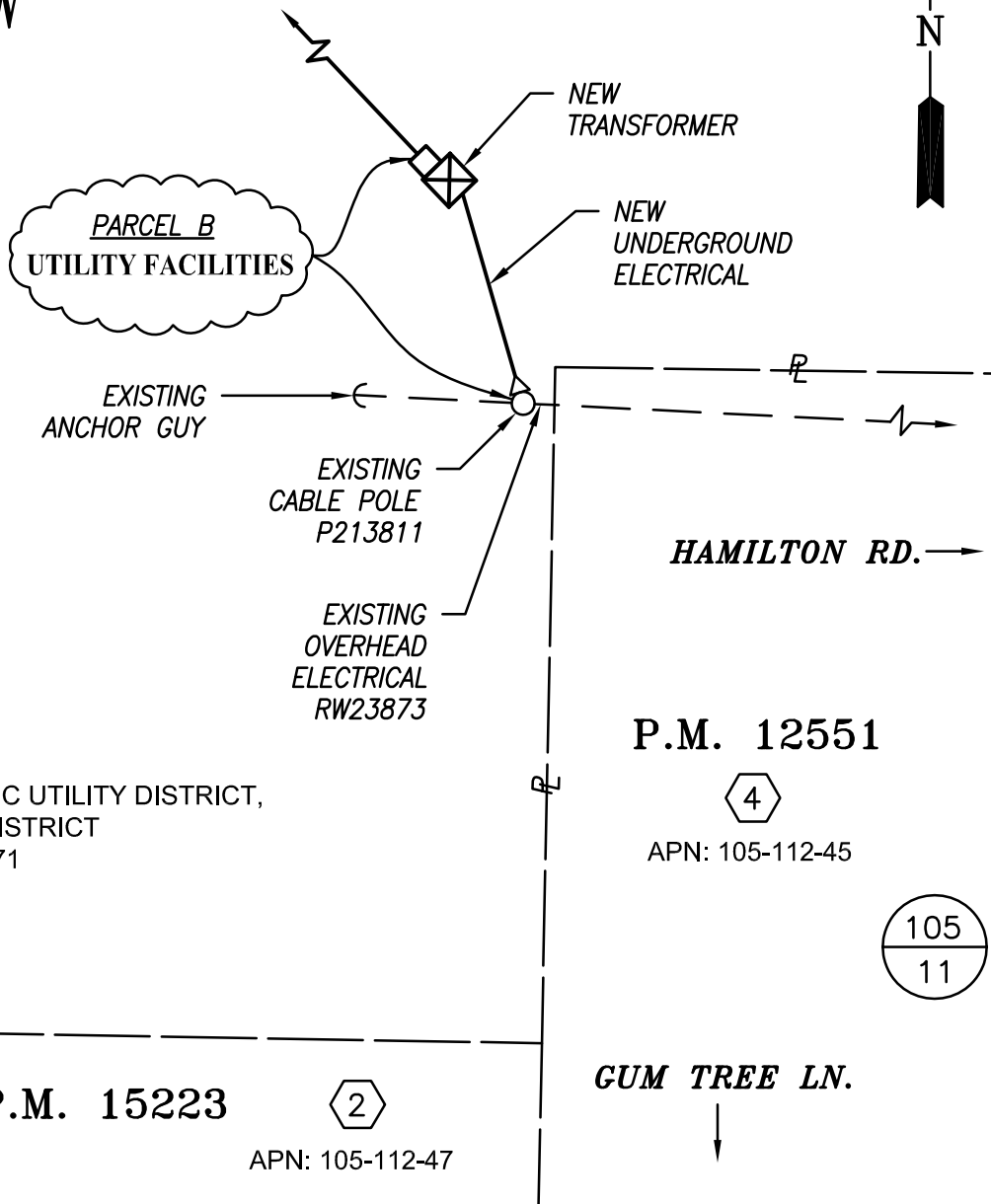
SHT 1 OF 3

SDG&E RW 371521

UG ELEC. EXHIBIT "A"

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA		ORIGINATOR: MMERSCHEIM	OK TO INSTALL:	PROJECT NO.		
		SURVEYED BY: NONE	R/W OK:	3-155449		
FALLBROOK PUBLIC UTILITY DISTRICT-FPUD WATER TREATMENT PLANT (MAIN) ALTURAS RD., FALLBROOK, CA SAN DIEGO COUNTY		DRAWN BY: SLS/BT	DATE:	CONST. NO.		
		DATE: 05/21/2020	THOS. BROS. 1027-E5	3-303300		
		SCALE: NOT TO SCALE		DRAWING NO.		
NO.	SUPPLEMENTS			DATE:	BY	APP'D

POR. SE 1/4
 OF SEC 17
 T9S R3W
 S.B.M.

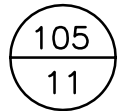


Owner: FALLBROOK PUBLIC UTILITY DISTRICT,
 A PUBLIC UTILITY DISTRICT
 Recorded: September 7, 1971
 Doc No: 201426
 APN: 105-112-55

P.M. 12551



APN: 105-112-45



P.M. 15223



APN: 105-112-47

SDG&E RW 371521

UG ELEC. EXHIBIT "B"

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA		ORIGINATOR: MMERSCHEIM	OK TO INSTALL:	PROJECT NO. 3-155449		
		SURVEYED BY: NONE	R/W OK:	CONST. NO. 3-303219		
FALLBROOK PUBLIC UTILITY DISTRICT-FPUD GHEEN WATER FACILITIES MISSION RD., FALLBROOK, CA SAN DIEGO COUNTY		DRAWN BY: SLS/BT	DATE:	DRAWING NO.		
		DATE: 05/21/2020	THOS. BROS. 1028-A1	DATE:		
		SCALE: NOT TO SCALE		BY		
NO.	SUPPLEMENTS				DATE:	APP'D

M E M O

TO: Board of Directors
FROM: Kevin Collins, Purchasing/Warehouse Supervisor
DATE: December 7, 2020
SUBJECT: Electric Utility Cost Reduction Efforts

Description

Information item to update the Board on staff efforts to reduce the District's electric utility costs.

Purpose

Staff have been working with various partners to secure grant funding for battery projects that support the District's efforts to reduce electric costs. In June 2020, FPUD entered into a partnership with Tesla to secure California Public Utility Commission (CPUC) Equity Resiliency grant funds. That grant will pay for Tesla battery walls to be installed, operated and maintained by Tesla at the Wastewater Treatment Plant and three pump stations. These battery walls not only provide backup power but also enable FPUD to take advantage of energy arbitrage. This works through smart programming that charges up the batteries while the cost of electricity is cheaper (off peak hours) and runs FPUD equipment using the batteries during peak electrical demand times.

By utilizing energy arbitrage, Tesla estimates that FPUD could realize savings of \$117,609 a year or more. With a 10-year agreement, the District's savings would be more than \$1,258,163. In addition to electrical savings, at the end of the 10-year agreement, the battery and all related equipment are owned by FPUD. Staff expect that the batteries and related equipment will provide many more years of service and savings.

Tesla is working with SDG&E to submit FPUD's application to the State. Once the funds are secured, the equipment, installation and 10-years of operation and maintenance expense will be funded. FPUD will incur no expenses for this project other than a few hours of staff time to provide information to Tesla.

Currently, Tesla is in the process of designing the battery walls for the Wastewater Treatment Plant and has submitted applications for three FPUD pump stations. There is currently no estimated date for project completion, but staff will return to the board with an updated informational item when those plans become available and funding has been secured.

Budget Impact

There is no cost to the District. The program is fully funded through CPUC state grant funds. If all batteries are installed, our energy cost will decrease.

Recommended Action

No recommended action is requested.

M E M O

TO: Board of Directors
FROM: Fiscal Policy and Insurance Committee
DATE: December 7, 2020
SUBJECT: Review Draft Comprehensive Annual Financial Report (CAFR) for FY Ending June 30, 2020

Purpose

Review the District’s Draft Comprehensive Annual Financial Report (CAFR) for Fiscal Year ending June 30, 2020, Attachment A. This year is the third year that the District’s staff have prepared a CAFR. In prior years, the District prepared and issued an Annual Financial Report (AFR). As part of the District’s continuous improvement efforts, staff have implemented the best management practice of issuing a CAFR. The CAFR provides all of the information provided in prior AFRs but includes additional components designed to enhance both transparency and financial data. Two notable additions are:

- Transmittal Letter – This section provides additional information on the District including District Profile, economic conditions, major initiatives and other basic information critical to understanding the District.
- Statistical Section – This section presents unaudited and historic data related to the District’s financial position, operations, customers and rates and charges. This information helps readers get a more complete understanding of the District.

Summary

The District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finances Officers Association for its Fiscal Year Ending June 30, 2019 CAFR. The receipt of this award highlights the District’s focus on adopting industry best management practices and enhancing its fiscal transparency.

The Fiscal Policy and Insurance Committee (the Committee) has reviewed the Draft CAFR and met with Clifton Larson Allen (CLA), LLP formerly White, Nelson, Diehl, Evans, LLP, the District’s independent auditor.

David Foreman, the engagement Partner, from CLA will be present at the Board meeting and will make a short presentation on the audit process and this year’s financial results and address any questions the Board has. Attachment B and C are required communications from the Auditor to the Board.

Recommended Action

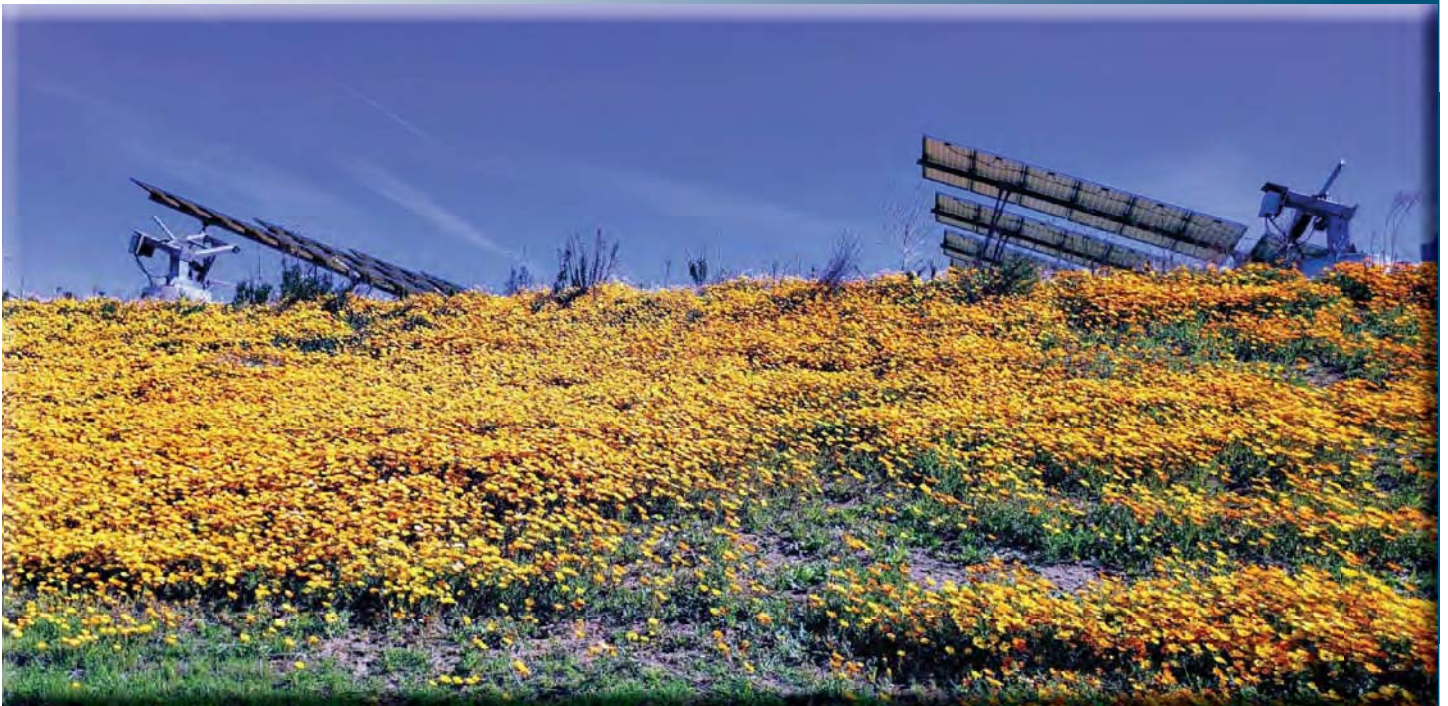
The Committee recommends that the Board approve the Draft CAFR for Fiscal Year Ending June 30, 2020.

Attachment A



Fallbrook Public Utility District

A Special District in the State of California



**Comprehensive Annual Financial Report
For the Fiscal Year Ending June 30, 2020**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ending June 30, 2020

Current Board of Directors:

District #1 - Dave Baxter

District #2 - Ken Endter, President

District #3 - Jennifer DeMeo, Vice-President

District #4 - Don McDougal

District #5 - Charley Wolk

Prepared by District Management:

General Manager - Jack Bebee

Assistant General Manager/CFO - David Shank

Acknowledgment: District Management would like to thank Jodi Brown, Kelly Laughlin, Mick Cothran, Joye Johnson, Annalece Bokma, Caroline Wilson and Veronica Tamzil for their support in preparing this document.

Fallbrook Public Utility District
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(760) 728-1125
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INTRODUCTORY SECTION



November 23, 2020

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

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Fallbrook, California
92028-2232
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(760) 728-1125

Board of Directors

Dave Baxter
Division 1

Ken Endter
Division 2

Jennifer DeMeo
Division 3

Don McDougal
Division 4

Charley Wolk
Division 5

Staff

Jack Bebee
General Manager

David Shank
*Assistant General Manager/
Chief Financial Officer*

Lauren Eckert
*Executive Assistant/
Board Secretary*

General Counsel

Paula de Sousa
Best Best & Krieger

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Fallbrook Public Utility District (District) for the fiscal year ended June 30, 2020. The purpose of this report is to provide the Board, the public, and other interested parties, with reliable and transparent financial information about the District.

The CAFR is being produced as part of management’s efforts to enhance the District’s fiscal transparency and to support a better understanding of the District’s financial operations. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen, LLP, Certified Public Accountants, have issued an unmodified opinion on the Fallbrook Public Utility District’s financial statements for the year ended June 30, 2020. The independent auditors’ report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditors’ report in the Financial Section and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. Following the MD&A are the basic financial statements, notes to the statements, and an unaudited section of statistical information.

This report has been prepared using the financial reporting model recommended in the Government Accounting Standards Board’s (GASB) Statement 34. The GASB requires proprietary fund governments to use the full accrual basis of accounting. The accompanying statements have been prepared using the full accrual basis.



District Profile

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."

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 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.

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

Water System

The District imports 99% of its water from the SDCWA with the remaining 1% coming from a local well. The District has 4 connections to the imported water system, three of the four are directly connected to MWD owned pipelines and the fourth, which is currently not in use, is connected to SDCWA's pipeline. 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 plans for a groundwater treatment plant. District staff operate the system, and conduct all system maintenance and repairs. The District is in the middle of an Advanced Metering Infrastructure (AMI) system upgrade that will enable real-time meter reading and provide customers with real-time water use.

The District also recently finalized an agreement with U.S. Marine Corps Base Camp Pendleton to share local water in the Santa Margarita River, of the Santa Margarita River Conjunctive Use Project (SMRCUP). The SMRCUP was originally projected to provide a long-term average annual of 3,100 acre-feet per year to the District's ratepayers based on an assessment of available supplies and demands for both the District and Camp Pendleton. The District's demands were also originally projected to be approximately 9,500 acre-feet per year so the project was projected to provide roughly 30% of the District's demands. Based on demand reductions from Camp Pendleton the available supplies from the SMRCUP project has increased to approximately 4,300 acre-feet per year of average annual water supplies. In addition, the District's long-term demand projections have decreased to roughly 8,100 acre-feet per year, so the long term expected supply percentage is now projected to be just over half of the District's total demands. Construction of a bi-directional pipeline and groundwater treatment plant began construction in the Fall of 2019.

The District's five-year average annual water sales is 8,263 acre-feet. Residential and commercial customers represent 64% of sales, and agricultural customers make up the remaining 36%. 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 gone from 7,000 acre-feet in Fiscal Year 2008 to 2,350 in Fiscal Year 2020 or down 66%.

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 23-mile ocean outfall line.

In an effort to go green, and to save money by reducing hauling and disposal costs of sewage sludge, the District began recycling its sewage sludge in 2008. A state-of-the-art thermal dryer heats the sludge to extremely high temperatures, killing all harmful pathogens. The end product is a sterile fertilizer that can be safely returned to the soil and is classified as a Class A soil amendment. Instead of paying to haul sewage sludge to a landfill, the fertilizer is sold to commercial growers.

The environmentally conscious decision to turn sludge into fertilizer came about as the cost of trucking the sludge out of the county had begun to skyrocket. The District was spending \$150,000 per year to haul its sludge to Riverside County, but that location was set to close and the nearest site was Kern County or out of state. This technology was cutting edge in 2008 and remains so today, reducing the District's environmental footprint, and reducing waste and saving money, all while meeting California's strict emissions standards.

Recycled Water System

The District's recycled water system includes 10.5 miles of buried pipe. Currently the District has 29 recycled water customers, and delivers an average of 0.5 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 recently applied for grant funding to explore development of a joint Indirect Potable Reuse Project with Camp Pendleton Marine Corps Base. The District is in the process of securing grant funding to help off-set the cost of the project feasibility studies.

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.

Elected District Officials (As of 06/30/2020):

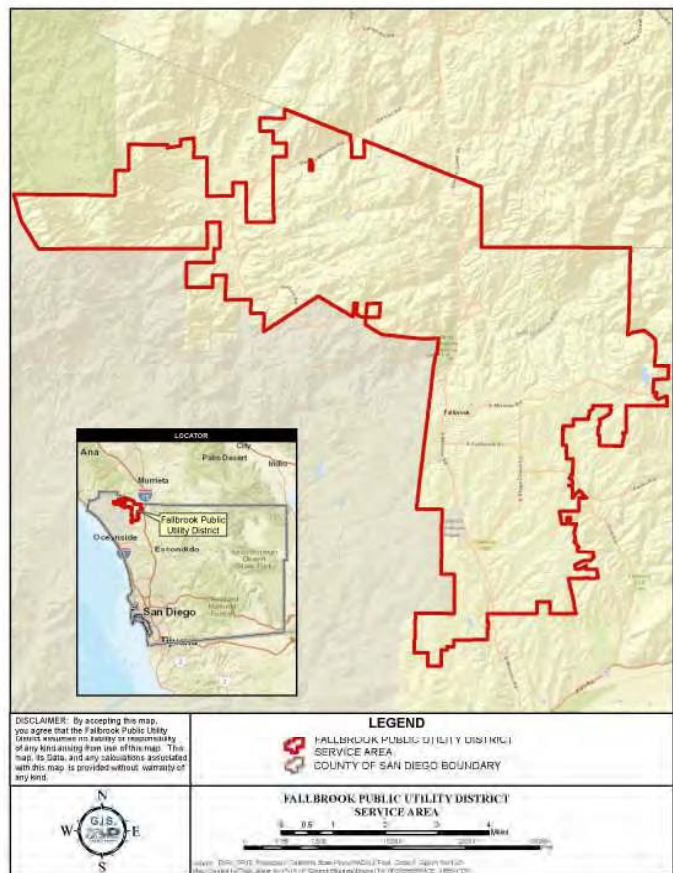
- District #1 - Dave Baxter**
- District #2 - Ken Endter, President**
- District #3 - Jennifer DeMeo, Vice-President**
- District #4 - Don McDougal**
- District #5 - Charley Wolk**

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 2018 population is estimated to be 33,021 with 11,289 households. Fallbrook’s population has remained relatively unchanged over the past several years.

The median household income in Fallbrook was \$60,223, which is less than the state median of \$71,228 and slightly higher than the national average of \$60,293. Being only slightly higher than the national average is noteworthy since California is one of the most expensive states to live in.

The San Diego Association of Governments (SANDAG) projects that the County’s population will approach 4.1 million residents in 2050, up from 3.4 million in 2020. The District’s 2050 housing density is expected to increase slightly as housing demands increase. Employment is also expected to slightly increase by 2050.



Financial Policies

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

- Debt Management Policy – Defines the District's debt management.
- Investment Policy – Establishes permitted investments in compliance with State Code.
- Fund Balance/Reserve Policies – Set target balances for reserves and working capital.
- 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.

Long-Range Planning

The District engages in a wide range of long range planning activities. In 2017, the District completed a comprehensive 10-year financial plan. As part of the financial plan, a Capital Improvement Plan was developed for water, recycled water and wastewater services. In addition, the District also restructured its rates and charges to better align them with the cost of service. Other planning activities include establishing and funding a 115 Trust to offset the District's pension and Other Post Employment Benefits (OPEB) liabilities. On June 30, 2020, the trust held \$7.9 million in assets to offset in District's OPEB and Pension liabilities.

In 2018, the District adopted a new Mission Statement to ensure the District's activities are aligned with the stakeholder interests. To benefit the community of Fallbrook by providing efficient and reliable services the District has identified the following long-range strategic focus areas.

#1 Strategic Focus Area | Water Supply

Need: *The District is almost 100% reliant on imported water purchased from the SDCWA, and has little control over the cost of this water. While our water is reliable due to regional investments in supply and storage, this has also resulted in the cost of water increasing significantly.*

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

Strategy: Maximize available local water resources through development of our Santa Margarita River water rights settlement, which will provide low-cost water from the Santa Margarita River and resolve over 60 years of water rights litigation between the United States Government and the District. Evaluate further expansion of recycled water supplies, which provide a local, cost-effective drought-proof supply.

#2 Strategic Focus Area | Infrastructure

Need: *The District was formed in 1922 and has aging infrastructure throughout its service area. Over the last few years, pipe failures have caused increased service disruptions and property damage. If not addressed, these problems will increase significantly as the existing infrastructure reaches the end of its useful life.*

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

Strategy: 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.

#3 Strategic Focus Area | Efficiency

Need: *While the District has been able to maintain reliable service with limited resources, additional legal and environmental requirements along with rising employee costs require the District to do more with less to help control water and wastewater rates.*

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

Strategy: Continue taking incremental steps toward developing an organization that is a model in the industry for operational practices and efficiency, and one that is looked to as an industry leader for a smaller utility. Collaborate with other agencies locally and nationally to implement best practices in the industry.

#4 Strategic Focus Area | Community

Need: *The District was formed by the community as a local resource, but the need to increase rates for long-term fiscal sustainability and to address past under-investments in infrastructure negatively affects our customers' public opinion of the District.*

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

Strategy: Improve messaging and District approach, from field staff to management, to make sure we are approaching our activities with a focus on the customer's perspective. Establish programs that help invest in our community.

#5 Strategic Focus Area | Workforce

Need: *Approximately 40% of our staff are currently eligible or within five years of being eligible for retirement. Recruiting is challenging for qualified replacements with necessary knowledge in water and wastewater operations, heavy construction, finance, and engineering.*

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

Strategy: Create an organization where many key positions are developed internally and a formal



program exists to identify staff with management potential and provide necessary training. Establish a work environment and reputation in the industry that draws qualified candidates with external recruitments.

Major Initiatives

Overcoming Challenges

This year has brought unprecedented challenges to the District and the World. The District's ability to adapt business practices to effectively manage the changes in operations required by the pandemic speak directly to management's recent efforts to both enhance and update the District's operations. The new phone system allowed Customer Service to receive calls like normal with staff working remotely. Remote access to the billing and water use information allowed them to answer customer questions. The payment options like PayNearMe and credit cards recently implemented provide customers more payment options. This ensured cash and other payments could be made even with the offices closed. Dedicated operators ensured uninterrupted service.

Water Affordability

The District has been faced in the past with escalating wholesale water costs driven by major infrastructure investments by the San Diego County Water Authority (SDCWA) in supply reliability. The SDCWA water purchase costs represent over 50% of the District's water enterprise operating costs. With SDCWA facing operational inefficiencies that result from declining water demands and considering the construction of a more than \$4 billion dollar pipeline to the All-American Canal, the District is facing significant water cost increases from SDCWA. To address this, the District has initiated a process to change its water wholesaler to Eastern Municipal Water District (EMWD). This change would reduce the District's cost of water by approximately 30% and not impact water 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.

Santa Margarita River Conjunctive Use Project

Development of a new groundwater treatment plant to treat water delivered by Camp Pendleton per the executed settlement agreement of US vs FPUD. Projected to provide on average 3,100 acre-feet per year of local water. The project construction is expected to take 24 months. Construction began in September 2019 and is expected to be completed in Fiscal Year ending June 30, 2022.

In addition to the regional investments in San Diego County water supplies, there is a significant proposed statewide water project to fix the Bay-Delta State Water Project, also known as the WaterFix, which delivers our key water supplies from Northern California. While the impact of the WaterFix on the cost of water is not known, the original cost in 2017 was expected to be just over \$16 billion. Since this cost is to be recovered on water rates, the project will cause an ongoing increase to wholesale water costs. With the additional increases in water costs due to WaterFix on the horizon, local water supply development, which will reduce our dependence on costly imported water, is another way to mitigate continued wholesale water rate increases.

The District recently settled over 66 years of water rights litigation with Camp Pendleton Marine Corps Base, which had been a hurdle to the District in securing a local water supply. This settlement allows the District to move forward on the Santa Margarita River Conjunctive Use Project (SMRCUP), which will make local supply for the District a reality and will provide District ratepayers long-term rate relief from increasing wholesale water costs. This project is under construction and is scheduled to begin producing water in fiscal year ending June 30, 2022. This project will be one of the largest capital investments made by the District over the next decade. The District has secured local supply development incentives from the Metropolitan Water District that will offset some of the projects operating costs and make the supply even more cost effective.

Asset Management

The District has implemented an asset management program that balances the cost of infrastructure rehabilitation with the cost of emergency repairs. 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 has proactively managed the renewal and rehabilitation program and is on a path to drive the system service life down from 400 years to 100 years. The recent decreased frequency of asset failures shows that some progress on this program has made, but this is a long-term program to meet the future replacement needs.

Continuous Improvement

The District is focused on improving the level of service to its customers in the most cost-effective manner and to continuously evaluate and modify operational practices to achieve this goal. This document is an example of the District’s commitment to continuous improvement and improved financial management and transparency. The District’s organizational chart is shown on the page 9.

Acknowledgments

Management would like to thank the Board of Directors for their leadership and vision guiding the implementation of the highest standards of financial management and securing District’s long-term financial sustainability.



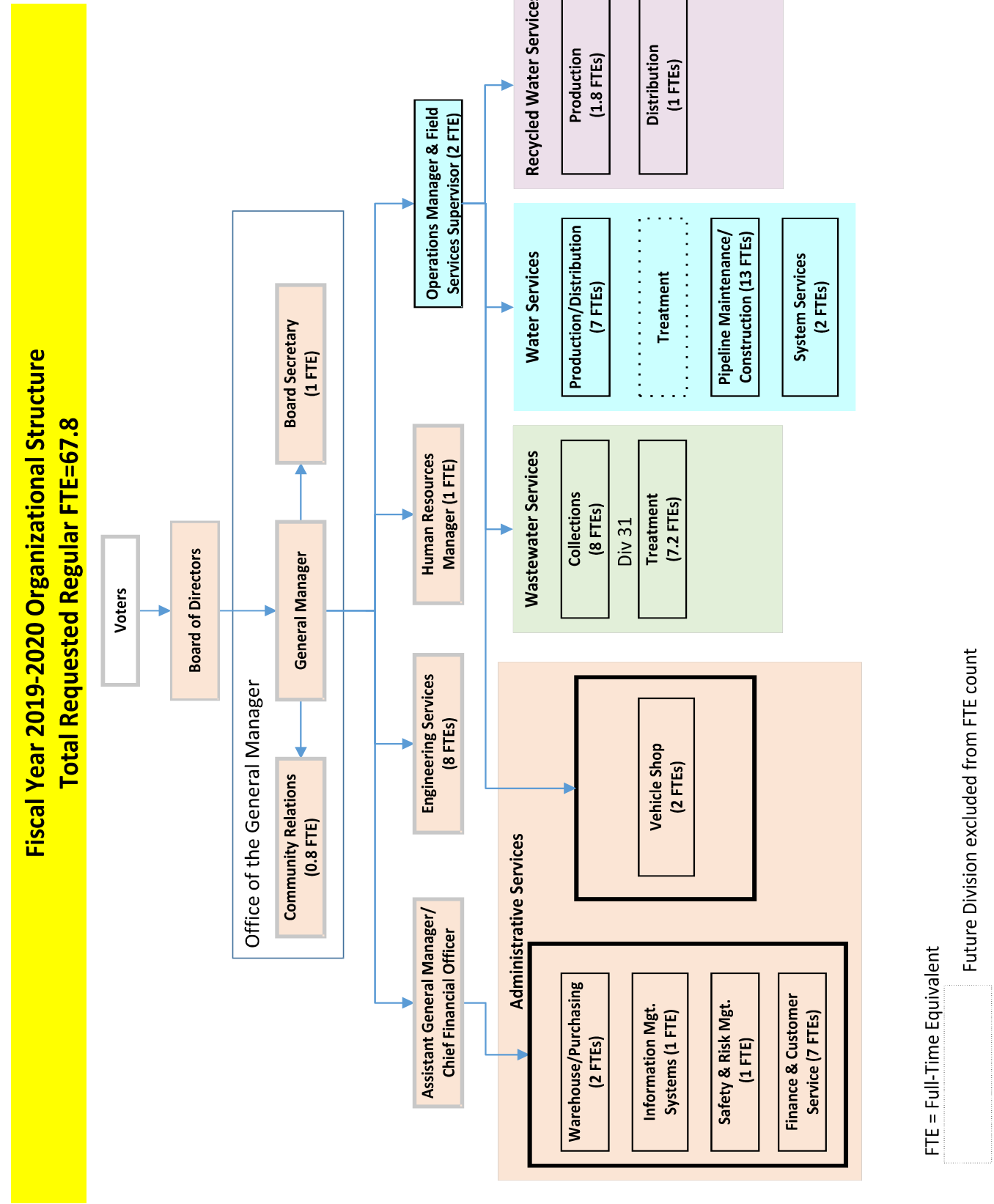
Jack Bebee
General Manager



David Shank
Assistant General Manager/CFO



Fiscal Year Organizational Structure (Total FTE 67.8)



Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

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Presented to

**Fallbrook Public Utility District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Fallbrook Public Utility District
Fallbrook, California

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Fallbrook Public Utility District (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fallbrook Public Utility District as of June 30, 2020, and the respective changes in financial position and, when applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in notes 3 and 10 to the financial statements, the District restated net position at June 30, 2019 in the amount of \$1,139,122 to correct an overstatement of accumulated depreciation in prior years. Our opinions are not modified with respect to these matters.

Other Matters*Prior-Year Comparative Information*

The 2019 financial statements were audited by WNDE, whose practice became part of CliftonLarsonAllen LLP as of November 1, 2020, and whose report dated November 25, 2019, expressed unmodified opinions on those respective financial statements of the major fund and the aggregate remaining fund information from which the prior year summarized financial information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Proportionate Share of the Net Pension Liability - Defined Benefit Pension Plans, Schedule of Contributions - Defined Benefit Pension Plans, Schedule of Changes in the Net OPEB Liability and Related Ratios, and Schedule of Contributions - OPEB, identified as Required Supplementary Information (RSI) in the accompanying Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, the Schedule of Operating Income and Expenses, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Operating Income and Expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Operating Income and Expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated November 23, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Carlsbad, California
November 23, 2020

Management's Discussion and Analysis

This section of the Fallbrook Public Utility District's (District) annual financial report provides management's summary and analysis of the District's financial performance for fiscal year ending June 30, 2020. Management's Discussion and Analysis (MD&A) are broken into the following sections:

- Financial Statement Overview
- Financial Highlights & Analysis
- Capital Assets
- Debt Management
- Currently Known Facts, Conditions and Decisions

Interested parties are encouraged to read this section of the District's annual financial report in conjunction with the Letter of Transmittal and the detailed financial statements included in this report.

Financial Statement Overview

The financial statements report information about the District's financial position and result of operations using the accrual basis of accounting, similar to methods used by private sector companies. The statements also present changes in cash balances, and information about both short and long-term activities. This section of the annual report contains three components: Management's Discussion and Analysis, the Basic Financial Statements, and the Notes to the Financial Statements.

The Basic Financial Statements include the following:

- The Statement of Net Position present financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statement of Revenues, Expenses and Changes in Net Position accounts for the District's activities during the last year. It provides the basis for measuring the relative success in recovering operational costs.
- The Statement of Cash Flows report the District's cash receipts and disbursements during the period, classified into operating, financing, and investing categories.
- The Notes to the Financial Statements provide additional information and present material disclosures required by generally accepted accounting principles that are not otherwise visible in the financial statements. The notes immediately follow the statements.

Financial Highlights

This year the District's net financial position increased 1.5% from the June 30, 2019 restated balance of \$97,207,549 to a June 30, 2020 balance of \$98,704,754. The District's total assets increased to \$189,612,774, which is a 30.7% increase from last year. The increase in District's assets is being driven by the construction of a water treatment plant, which is part of the District's Santa Margarita Conjunctive Use Project (SMRCUP). The treatment plant construction is being funded by a State Revolving Fund (SRF) Loan. Liabilities increased to \$93,128,287 by 81.7% from year ending June 30, 2019 due to the new SRF Loan funding the SMRCUP water treatment plant and construction related payments. Of the District's assets, 74.4% are related to infrastructure, which is the largest class of assets.

The District’s operating loss decreased from \$4,763,867 in fiscal year ending June 30, 2019 to \$4,303,252 in fiscal year ending June 30, 2020. Overall the District’s operating revenues increased 7.4% or from \$26,944,550 to \$28,931,007 in fiscal years ending June 30, 2019 and 2020, respectively. After net non-operating revenues and capital contributions the District’s fiscal year ending June 30, 2020 change in net position was \$1,497,205. During the past year, the District made contributions to the Pension and OPEB 115 Trust that when combined with investment earnings bring the trust balance from \$7,108,112 fiscal year ending June 30, 2019 to \$7,852,397 fiscal year ending June 30, 2020.

Condensed Statements of Net Position

	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019	For the Year Ended June 30, 2018
Assets			
Current Assets	\$ 37,944,043	\$ 21,737,022	\$ 17,589,075
OPEB and Restricted Assets	10,556,480	9,752,965	4,968,360
Capital Assets, net	141,112,251	113,599,777	114,647,596
Total Assets	189,612,774	145,089,764	137,205,031
Deferred Outflows of Resources			
	3,235,682	3,419,768	4,014,167
Liabilities			
Current liabilities	21,205,499	5,825,259	6,679,433
Noncurrent liabilities	71,922,788	45,425,373	47,605,222
Total Liabilities	93,128,287	51,250,632	54,284,655
Deferred Inflows of Resources			
	1,015,415	1,190,472	851,236
Net Position			
Net Investment in Capital Assets	82,199,752	81,264,522	79,333,568
Restricted	10,188,202	9,477,694	4,711,487
Unrestricted	6,316,800	6,465,333	2,038,252
Total Net Position	\$ 98,704,754	\$ 97,207,549	\$ 86,083,307

Financial Analysis

The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information about the District's enterprise fund activities in a way that will help answer questions as to whether the District, as a whole, is better or worse off as a result of this year's activities. These two statements report the net position of the District and changes in it. One can think of the District's net position as the difference between assets and deferred outflows of resources (what is owned) and liabilities and deferred inflows of resources (what is owed) and is one way to measure its financial health or financial position.

Fiscal year 2020 compared to Fiscal Year 2019

The largest and most significant portion of the District's net position is its investment in capital assets, which are used to provide services to its customers. Water assets include the pipeline distribution system, the dam at the Red Mountain reservoir and equipment and structures. Wastewater assets include the sewage collections system, wastewater treatment plant, solar generating plant, equipment and ownership of the Oceanside Ocean Outfall. Capital assets increased to \$141,112,251 in fiscal year ending June 30, 2020. In fiscal year ending June 30, 2020, the District spent \$27,331,718 million on the construction of a \$62.9 million dollar water treatment plant. This investment in District assets is driving the increase in capital assets.

Current assets increased by \$16,207,021 million from fiscal year ending June 30, 2019. The increase is primarily driven by \$15,412,415 in loan proceeds receivable, which are pending SMRCUP water treatment plant project reimbursements from the SRF Loan program. The loan proceeds receivable is included in Other Receivables in the financial statements. At year-end, the trust offsetting the District's OPEB and pension liabilities held \$7,852,396, \$1,040,486 for OPEB and \$6,811,910, for pensions. The OPEB assets are reported in this report as a Fiduciary Fund in compliance with GASB 75.

Net capital assets increased \$27,512,474 in fiscal year ending June 30, 2020, as restated. District wide depreciation in fiscal year ending June 30, 2020 was \$6,637,996. The increase in net capital assets indicates that the District's capital investments in system assets during fiscal year ending June 30, 2020 greatly outpaced the rate of asset depreciation.

Current liabilities increased by \$15,380,240 from fiscal year ending June 30, 2019. The driver behind the increase in current liabilities was corresponding increase in accounts payable, which is related to SMRCUP water treatment plant construction related outflows.

The District's total net position increased by \$1,497,205 primarily attributable to the \$6,369,624 in nonoperating revenue, which is predominantly made up of property taxes and capital improvement charges, and investment income. These along with offsetting nonoperating expenses of \$941,674, compensated for the operating loss of \$4,303,252.

Fiscal year 2019 compared to Fiscal Year 2018

The largest and most significant portion of the District's net position is its investment in capital assets, which are used to provide services to its customers. Water assets include the pipeline distribution system, the dam at the Red Mountain reservoir and equipment and structures. Wastewater assets include the sewage collections system, wastewater treatment plant, solar generating plant, equipment and ownership of the Oceanside Ocean Outfall. Capital assets decreased to \$113,599,777 in fiscal year ending June 30, 2019.

Current assets increased by \$4,147,947 from fiscal year ending June 30, 2018. The increase is primarily driven by the sale of the District’s Santa Margarita River properties for \$10 million. At year-end, the trust offsetting the District’s OPEB and pension liabilities held \$7,108,112, \$1,006,649 for OPEB and \$6,101,463 for pensions. The OPEB assets are reported in this report as a Fiduciary Fund in compliance with GASB 75.

Net capital assets remained relatively flat with a decrease of \$1,047,819 in fiscal year ending June 30, 2019. The decrease was driven by the sale of the Santa Margarita River properties with a cost basis of \$667,000. District wide depreciation in fiscal year ending June 30, 2019 was \$6,158,589. The slight decrease in net capital assets indicates that the District’s capital investments in fiscal year ending June 30, 2019 were slightly outpaced by the rate of asset depreciation.

Current liabilities decrease by \$854,174 from fiscal year ending June 30, 2018. The driver behind the decrease in current liabilities was corresponding decrease in accounts payable, which is related to construction related outflows.

The District’s total net position increased by \$9,985,121 primarily attributable to the \$9,338,297 net gain on disposal of capital assets. Other nonoperating revenue, which is predominantly made up of property taxes and capital improvement charges, and investment income.

These along with offsetting nonoperating expenses of \$909,966, compensated for the operating loss of \$4,763,867.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019	For the Year Ended June 30, 2018
Operating revenues	\$ 28,931,007	\$ 26,944,550	\$ 29,882,022
Operating expenses	33,234,259	31,708,417	33,319,799
Operating loss	(4,303,252)	(4,763,867)	(3,437,777)
Non-Operating revenue, net	5,427,950	14,675,198	4,211,886
Change in net position before capital contributions	1,124,698	9,911,331	774,109
Capital Contributions	372,507	73,789	140,761
Change in net position	1,497,205	9,985,120	914,870
Net Position - beginning	97,207,549	86,083,307	81,682,918
Prior Period Adjustments	-	1,139,122	3,485,519
Net position - end of year	\$ 98,704,754	\$ 97,207,549	\$ 86,083,307

Fiscal year 2020 compared to Fiscal Year 2019

Fiscal year ending June 30, 2020 water sales revenues were up 7.1% or \$1,458,446 from fiscal year ending June 30, 2019 due to increased rates. Wastewater revenues were up 8.5% from fiscal year ending June 30, 2019 levels due to rate increases and higher billable flows. While the Statements of Net Position shows the District's overall financial position, the Statements of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of the changes in the District's fiscal year ending June 30, 2020 net position. The District's restated net position increased by \$2,636,327 during fiscal year ending June 30, 2020.

Operating revenue increased \$1,986,457 due to rate increases and higher billable flows. Recycled water sales were flat at 560 AF as compared to 562 AF in fiscal year ending June 30, 2019. Wastewater revenues increased by \$467,648 versus fiscal year ending June 30, 2019. Operating revenues included potable water and recycled sales, monthly District water and wastewater operations charges and pass-through charges from the SDCWA.

Operating expenses increased by \$1,525,842 versus fiscal year ending June 30, 2019. The increase in operating expense was driven by a \$718,419 increase in water operations and a \$418,655 increase in wastewater operations from fiscal year ending June 30, 2019. Depreciation expense increased by \$479,407 from fiscal year ending June 30, 2019 while other operating costs increased by \$1,046,435. The operating increase also included costs associated with changes in the actuarial valuation of the District's pension obligation, which like depreciation, is the systematic allocation of the cost over a specified time horizon.

The District's operating loss of \$4,303,252 when netted against combined nonoperating revenues and expenses of \$5,427,950 results in a \$1,124,698 increase in net position before capital contributions. The District's nonoperating revenues come from six primary sources, property taxes in the amount of \$2,205,975, water and wastewater capital improvement charges in the amount of \$2,559,135, investment income in the amount of \$920,135, water availability charges in the amount of \$204,418, connection fees in the amount of \$107,107 and the Federal Interest Rates Subsidy Payments of \$123,762.

Fiscal year 2019 compared to Fiscal Year 2018

Fiscal year ending June 30, 2019 water revenues were down 12.1% or \$2,829,984 from fiscal year ending June 30, 2018. Wastewater revenues were up 4.2% from fiscal year ending June 30, 2018 levels due to rate increases and higher billable flows. While the Statements of Net Position shows the District's overall financial position, the Statements of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of the changes in the District's fiscal year ending June 30, 2019 net position. The District's net position increased by \$9,985,121 during fiscal year ending June 30, 2019.

Operating revenue decreased \$2,937,472 primarily due to water sales of 7,496 AF in fiscal year ending June 30, 2019 compared to 9,313 during fiscal year ending June 30, 2018. Recycled water sales were 562 AF, which was down from 704 AF in fiscal year ending June 30, 2018. Wastewater revenues increased by \$220,757 versus fiscal year ending June 30, 2018. Operating revenues included potable water and recycled sales, monthly District water and wastewater operations charges and pass-through charges from the SDCWA.

Operating expenses decreased by \$1,611,382 versus fiscal year ending June 30, 2018. The decrease in operating expense was driven by a \$1,802,434 decrease in the cost of water from fiscal year ending June 30, 2018. Depreciation expense increased by \$464,866 from fiscal year ending June 30, 2018 while other operating costs decreased by \$273,814. The operating expenses decrease also included costs associated with changes in the actuarial valuation of the District’s pension obligation, which like depreciation, is the systematic allocation of the cost over a specified time horizon.

The District’s operating loss of \$4,763,867 when netted against combined nonoperating revenues and expenses of \$14,675,198 results in a \$9,911,331 increase in net position before capital contributions. This is a \$10,463,312 increase from fiscal year ending June 30, 2018. The majority of revenues came from the District’s sale of the Santa Margarita River properties which resulted in a net gain of \$9,308,952. The District’s other nonoperating revenues come from six primary sources, property taxes in the amount of \$2,106,034, water and wastewater capital improvement charges in the amount of \$2,505,876, investment income of \$915,275, water availability charges in the amount of \$204,359, lease revenues in the amount of \$199,433 and connection fees of \$180,966.

Supplemental information for each of the three operations divisions can be found on page 63 of this report.

Capital Assets

The District’s has implemented an asset management program to improve the system reliability and reduce the number of unscheduled repairs. A critical component of the asset management program is the District’s pipeline and valve replacement program. In fiscal year ending June 30, 2020, the District replaced 16,042 feet of pipe and 427 valves. The District’s pipeline and valve replacement program’s goal is to reduce the replacement cycle of pipelines to 100 years from the previous 400 year replacement cycle. Last year the District completed and capitalized its Santa Margarita Water Rights capital project. This multi-decade project resulted in perpetual rights to Santa Margarita River water. This local supply will provide water to future generations to come. This year, the District began construction of the SMRCUP water treatment plant, which when completed will provide the District’s ratepayers with a local water supply, which is not only reliable but also affordable. The water treatment plant will treat the District’s share of the Santa Margarita River water.

June 30, 2020, the District has the following commitments with respect to unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Completion Date
Overland Trail Lift Station Rehabilitation	\$ 2,220,000	2/1/2021
Santa Margarita Conjunctive Use Project (SMRCUP)	31,900,000	12/1/2021
Winterhaven Pipeline Replacement	250,000	9/1/2021
Water Supply Reliability Project	350,000	10/1/2021
EAM Implementation	35,000	6/1/2021

Additional information on the District’s capital asset activity can be found at Note 3 of the Notes to the Basic Financial Statements.

Debt Administration

At June 30, 2020, the District had \$58.9 million of long-term debt outstanding. \$3.1 million of this debt is attributable to the wastewater Qualified Energy Conservation Bonds (QECCB) solar loan, which qualifies for Federal Interest Rate Subsidy payments. The loan was originally for \$7.2 million. An additional \$3.8 million of indebtedness is attributable to the Red Mountain Filtration Plant SRF loan, which was originally for \$6.16 million. \$24.7 million of indebtedness is attributable to the Wastewater Treatment Plant SRF loan, which was originally for \$29.6 million. Of the approved \$62.9 SRF loan for the SMRCUP water treatment plant, only \$27.3 million had been drawn at the end of fiscal year ending June 30, 2020. Scheduled debt service payments (principal and interest) on this loan commence once the project is completed, which is anticipated to occur in the winter of 2022. During construction, the District only pays interest on the balance of loan proceeds received. During the year ending June 30, 2020 \$1.9 million of principal payments were made on the District's outstanding long-term obligations.

More detailed information about the District's debt structure is found in Note 4 to the Basic Financial Statements

FALLBROOK PUBLIC UTILITY DISTRICT

STATEMENT OF NET POSITION
 June 30, 2020
 (with prior year data for comparison only)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 8,137,414	\$ 3,997,334
Investments (Note 2)	7,831,917	11,647,359
Receivables - water sales and services	4,478,619	4,029,630
Accrued interest receivable	64,434	79,724
Property taxes receivable	10,160	12,370
Other receivables (Note 4)	15,519,773	87,217
Inventory (Note 5)	1,845,755	1,839,995
Prepaid expenses and other deposits	55,971	43,393
Restricted Assets		
Cash and cash equivalents	7,496,954	6,693,439
Investments	3,059,526	3,059,526
Total current assets	<u>48,500,523</u>	<u>31,489,987</u>
Noncurrent Assets		
Capital assets (Note 3)		
Capital assets, not being depreciated	42,118,554	14,145,536
Capital assets being depreciated, net	98,993,697	99,454,241
Total capital assets, net	<u>141,112,251</u>	<u>113,599,777</u>
Total noncurrent assets	<u>141,112,251</u>	<u>113,599,777</u>
Total assets	<u>189,612,774</u>	<u>145,089,764</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from Pension (Note 6)	3,004,079	3,197,216
Deferred amounts from OPEB (Note 7)	231,603	222,552
Total Deferred Outflows of Resources	<u>\$ 3,235,682</u>	<u>\$ 3,419,768</u>

The accompanying notes are an integral part of the financial statements.

(continued)



FALLBROOK PUBLIC UTILITY DISTRICT

STATEMENT OF NET POSITION (CONTINUED)
 June 30, 2020
 (with prior year data for comparison only)

	<u>2020</u>	<u>2019</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 18,213,752	\$ 2,871,022
Accrued wages	208,653	247,894
Construction and other deposits	14,884	8,908
Accrued interest payable	258,156	217,795
Compensated absences, current portion (Note 1)	560,892	586,045
Current portion of other long-term debt (Note 4)	1,949,162	1,893,596
Total current liabilities	<u>21,205,499</u>	<u>5,825,260</u>
Noncurrent Liabilities		
Health retirement account liability	351,796	258,421
Net OPEB liability (Note 7)	109,213	135,077
Net pension liability (Note 6)	13,629,333	12,541,929
Retention payable	27,771	30,098
Compensated absences, net of current portion (Note 1)	841,338	879,067
Long-term debt - net of current portion (Note 4)	56,963,337	31,580,781
Total Noncurrent Liabilities	<u>71,922,788</u>	<u>45,425,373</u>
Total Liabilities	<u>93,128,287</u>	<u>51,250,633</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts from Pension (Note 6)	915,032	957,275
Deferred amounts from OPEB (Note 7)	100,383	118,346
Deferred revenue	-	114,851
Total Deferred Inflows of Resources	<u>1,015,415</u>	<u>1,190,472</u>
NET POSITION		
Net investment in capital assets	82,199,752	80,125,400
Restricted for:		
1958 Annex projects	1,213,780	1,213,780
Debt service	2,162,512	2,162,451
Pension	6,811,910	6,101,463
Unrestricted	6,316,800	6,465,333
Total Net Position	<u>\$ 98,704,754</u>	<u>\$ 96,068,427</u>

The accompanying notes are an integral part of the financial statements.



FALLBROOK PUBLIC UTILITY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 For the year ended June 30, 2020
 (with prior year data for comparison only)

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Water	\$ 21,940,234	\$ 20,481,788
Recycled water	1,059,305	998,942
Wastewater	5,931,468	5,463,820
Total operating revenues	<u>28,931,007</u>	<u>26,944,550</u>
OPERATING EXPENSES		
Cost of water	12,663,006	12,650,795
Water operations	7,970,479	7,252,060
Recycled water operations	497,444	600,294
Wastewater operations	5,465,334	5,046,679
Operating expenses before depreciation	26,596,263	25,549,828
Operating income before depreciation	2,334,744	1,394,722
Depreciation	6,637,996	6,158,589
Operating loss	<u>(4,303,252)</u>	<u>(4,763,867)</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	2,205,975	2,106,034
Capital improvements charges	2,559,135	2,505,876
Investment income	920,135	915,275
Water availability charges	204,418	204,359
Lease revenue	249,092	199,433
Intergovernmental revenue - federal interest rate subsidy	123,762	134,924
Connection fees	107,107	180,966
Net gain (loss) on disposal of capital assets	(31,450)	9,338,297
Interest expense	(910,224)	(909,966)
Total nonoperating revenues (expenses)	<u>5,427,950</u>	<u>14,675,198</u>
Changes in net position before capital contributions	1,124,698	9,911,331
Capital contributions	372,507	73,789
Change in net position	<u>1,497,205</u>	<u>9,985,120</u>
Net position, beginning of year, as originally stated	96,068,427	86,083,307
Prior period adjustment	1,139,122	-
Net position - beginning of year, as restated	<u>97,207,549</u>	<u>86,083,307</u>
Net position - end of year	<u>\$ 98,704,754</u>	<u>\$ 96,068,427</u>

The accompanying notes are an integral part of the financial statements.

FALLBROOK PUBLIC UTILITY DISTRICT

STATEMENT OF CASH FLOWS
 For the year ended June 30, 2020
 (with prior year data for comparison only)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 28,461,877	\$ 26,957,492
Lease revenues collected	249,092	199,433
Payments for water	(12,513,388)	(13,239,336)
Payments for services and supplies	(3,846,281)	(5,099,812)
Payments for employee wages, benefits and related costs	(8,854,503)	(7,046,803)
Net cash provided by operating activities	<u>3,496,797</u>	<u>1,770,974</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	<u>2,208,185</u>	<u>2,102,847</u>
Net cash provided by noncapital financing activities	<u>2,208,185</u>	<u>2,102,847</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(17,662,519)	(5,977,474)
Proceeds from sales of capital assets	-	9,975,952
Proceeds of Issuance of Debt	11,919,303	-
Principal payments on long-term debt	(1,893,596)	(1,839,651)
Interest paid	(869,863)	(922,536)
Intergovernmental revenue - federal interest rate subsidy	123,762	134,924
Capital improvement charges and connection fees	2,666,242	2,742,322
Water availability charges	<u>204,418</u>	<u>204,359</u>
Net cash provided (used) by capital and related financing activities	<u>(5,512,253)</u>	<u>4,317,896</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,536,297)	(5,416,513)
Sales of investments	8,684,567	3,135,714
Interest received	<u>602,596</u>	<u>580,308</u>
Net cash provided (used) by investing activities	<u>4,750,866</u>	<u>(1,700,491)</u>
Net change in cash and cash equivalents	4,943,595	6,491,226
Cash and cash equivalents - beginning	<u>10,690,773</u>	<u>4,199,547</u>
Cash and cash equivalents - ending	<u>\$ 15,634,368</u>	<u>\$ 10,690,773</u>
Financial Statement Presentation		
Cash and cash equivalents	\$ 8,137,414	\$ 3,997,334
Cash and cash equivalents - Restricted Assets	7,496,954	6,693,439
Total Cash and cash equivalents	<u>\$ 15,634,368</u>	<u>\$ 10,690,773</u>

The accompanying notes are an integral part of the financial statements.

(Continued)



FALLBROOK PUBLIC UTILITY DISTRICT

STATEMENT OF CASH FLOWS (CONTINUED)
 For the year ended June 30, 2020
 (with prior year data for comparison only)

	2020	2019
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (4,303,252)	\$ (4,763,867)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	6,637,996	6,158,589
Lease revenues collected	249,092	199,433
(Increase) Decrease in:		
Receivables	(469,130)	12,942
Inventory	(5,760)	145,478
Prepaid expenses and other deposits	(12,578)	19,207
Deferred outflows of resources	184,086	594,399
Increase (decrease) in:		
Accounts payable	338,608	(722,062)
Accrued wages	(39,241)	(49,918)
HRA liability	93,375	17,607
Net OPEB obligation	(25,864)	(148,692)
Net pension liability	1,087,404	(204,365)
Compensated absences	(62,882)	172,987
Deferred inflows of resources	(60,206)	224,385
Deferred revenue	(114,851)	114,851
Net cash provided by operating activities	\$ 3,496,797	\$ 1,770,974
 Noncash investing and capital and related financing activities		
Change in fair value of investments	\$ 332,828	\$ 334,417
Capital assets contributed	\$ 311,842	\$ 73,789

The accompanying notes are an integral part of the financial statements.

FALLBROOK PUBLIC UTILITY DISTRICT

STATEMENT OF FIDUCIARY NET POSITION - OPEB TRUST FUND
 June 30, 2020
 (with prior year data for comparison only)

	<u>2020</u>	<u>2019</u>
Assets		
Cash and Cash Equivalents	\$ 1,040,486	\$ 1,006,649
Net Position		
Restricted for other postemployment benefits	<u>\$ 1,040,486</u>	<u>\$ 1,006,649</u>

The accompanying notes are an integral part of the financial statements.



FALLBROOK PUBLIC UTILITY DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - OPEB TRUST FUND
 For the year ended June 30, 2020
 (with prior year data for comparison only)

	<u>2020</u>	<u>2019</u>
Additions		
Employer contributions	\$ -	\$ -
Investment income	36,239	61,267
Total additions	<u>36,239</u>	<u>61,267</u>
Deductions		
Administration	2,402	2,402
Change in net position	<u>33,837</u>	<u>58,865</u>
Net position - beginning of year	1,006,649	947,784
Net position - end of year	<u>\$ 1,040,486</u>	<u>\$ 1,006,649</u>

The accompanying notes are an integral part of the financial statements.

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Operations of the District

Fallbrook Public Utility District (District) was incorporated as a political subdivision of the State of California in 1922 and operates under the provisions of the Public Utility District Code as adopted in 1953. The District constructs, operates and maintains facilities to supply water to the town of Fallbrook and the surrounding residential and agricultural areas comprising approximately 27,963 acres, which includes the former De Luz Heights Municipal Water District (annexed in 1990). The District is a member of the San Diego County Water Authority, and as that organization is a member of the Metropolitan Water District of Southern California, the District is entitled to pro rata participation in all water supplies available to those agencies. The District is governed by a Board of Directors consisting of five board members, each of whom is elected to office for a term of four years by registered voters of the District.

In November 1994, the Fallbrook Sanitary District (which is wholly included within the Fallbrook Public Utility District) dissolved that district and was incorporated into the Fallbrook Public Utility District to provide wastewater services in Fallbrook. The provisions of the dissolution and assumption of services established a separate improvement district to identify the tax base and debt obligations of the former Fallbrook Sanitary District.

Under the terms and conditions of the Local Agency Formation Commission (LAFCO), a San Diego County agency that oversees special districts, the debt of the former Fallbrook Sanitary District, now identified as Improvement District S, existing at the time of the merger was paid from taxes and other revenues raised within the Improvement District "S". The debt of the former De Luz Heights Municipal Water District was also paid from revenues and taxes paid in the De Luz area.

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Proprietary Fund

The District's activities are reported in an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to business enterprises, where the intent of providing goods and services to the general public on a continuing basis is financed or recovered primarily through user charges.

The basic financial statements are prepared using the *economic resource measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with the District's activities are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned while expenses are recognized when the liability is incurred regardless of the timing of cash flow.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, delivering water, and collecting, treating and disposing of wastewater in connection with the District's principal ongoing operations. The District's principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses, and Changes in Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation: (Continued)****Fiduciary Fund**

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The District's other post-employment benefit (OPEB) trust fund is accounted for using the economic resources measurement focus and accrual basis of accounting. The OPEB trust fund accounts for the activities of the City's plan for post-retirement medical benefits.

Net Position

The basic financial statements of the Fallbrook Public Utility District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

Net position of the District is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowings that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted Net Position

This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted net position."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**c. New Accounting Pronouncements:**Current Year Standards:

- GASB 95 – The Governmental Accounting Standards Board issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authority Guidance*” to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

Pending Accounting Standards:

GASB has issued the following statements which may impact the District’s financial reporting requirements in the future:

- GASB 84 – In January 2017, the Governmental Accounting Standards Board issued Statement No. 84, “*Fiduciary Activities*”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.
- GASB 87 – In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, “*Leases*”. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- GASB 92 – In January 2020, the Governmental Accounting Standards Board issued Statement No. 92, “*Omnibus 2020*”. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020.
- GASB 97 – In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.*” The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

d. Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to other post-employment benefits for employer contributions made after the measurement date of the net other post-employment benefit liability.
- Deferred outflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.
- Deferred outflow related to pensions resulting from the changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**d. Deferred Outflows/Inflows of Resources: (continued)**

- Deferred outflow related to other post-employment benefits pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following that will qualify for reporting in this category:

- Deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.
- Deferred inflow related to other post-employment benefits resulting from the difference in projected and actual earnings on investments of the other post-employment benefits plan fiduciary net position. This amount is amortized over five years.
- Deferred inflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.
- Deferred inflow related to pensions resulting from the changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.
- Deferred inflow related to other post-employment benefits resulting from the changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.
- Deferred inflow related to changes in proportion and differences between employer contributions and proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**e. Cash, Cash Equivalents and Investments**Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include petty cash, demand deposits with financial institutions, deposits in money market mutual funds (SEC registered), and deposits in external investment pools, and marketable securities that mature within 90 days of purchase. Such marketable securities and deposits in money market funds are carried at fair value. Investment pool deposits are carried at the District's proportionate share of the fair value of each pool's underlying portfolio.

State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment Valuation

Investments are carried at fair value. In the financial statements, changes in fair value that occur during a fiscal year are recognized as *investment income* reported for the fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

f. Water Sales

Water sales revenue is recorded when water is delivered and service is rendered, including an estimated amount for unbilled service.

g. Accounts Receivable and Allowance for Doubtful Accounts

The District participates in the County of San Diego's Teeter Plan. Under the Plan, each year in June, the County advances the delinquent accounts receivables amount to the District. The advance is then collected from the taxpayer by the County. The County also receives penalty payments. As a result, the District does not record an allowance for doubtful accounts.

h. Inventory

Inventory consists of water stored at Red Mountain Reservoir and in any of the District's water distribution tanks in the service area, warehouse materials, supplies and equipment necessary to support operations. Inventory is valued at cost using the weighted average cost method. Warehouse materials, supplies and equipment are charged to inventory stores expense when they are issued at the weighted average cost. Water inventory is charged to the cost of water when sold.

i. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses and are recorded utilizing the consumption method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Restricted Assets

Amounts shown as restricted assets have been restricted by debt agreements, by law or regulations, or by contractual obligations to be used for specified purposes, such as service of debt and construction of capital assets.

k. Capital Assets and Depreciation

Capital assets are valued at cost when constructed or purchased. Donated assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are reported at acquisition value. The District capitalizes all plant and office equipment with a value of \$5,000 or greater and a useful life of greater than three years. Improvements to existing capital assets are capitalized if they extend the useful life of the asset by three or more years and the cost of the improvement is \$5,000 or greater. Interest costs incurred while constructing capital assets can be capitalized as part of the specific capital assets. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Depreciation on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense. Capital projects are subject to depreciation or amortization when completed and placed in service. The ranges of estimated useful lives of capital assets are as follows:

Water Transmission and Distribution System:		
Impounding dams and reservoirs		50 years
Pipelines		50 years
Other		20 to 25 years
Wastewater collection system, and treatment and disposal facilities		20 to 50 years
Buildings and structures		45 years
Equipment		3 to 10 years

l. Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Changes in compensated absences for the year ended June 30, 2020, were as follows:

Balance				Balance		Due Within	
July 1, 2019	Additions	Deletions	June 30, 2020	One Year			
\$ 1,465,112	\$ 662,635	\$ (725,517)	\$ 1,402,230	\$ 560,892			

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Contributed Capital, Connection Fees and Water Availability Charges (Capacity Fees)

Capital contributions for water and wastewater represent contributions of capital assets from developers and revenues from the California State proposition programs. Capital contributions are recorded in the statement of revenues, expenses and changes in net position at acquisition value at the date the ownership is transferred to the District.

Connection and water availability charges (capacity fees) for water and sewer represent purchases of water meters and fees to connect to the water distribution system or connect to the wastewater collections system by developers or landowners. Connection fees and water availability charges are used strictly for capital improvement.

n. Property Taxes and Assessments

Property taxes in California are levied in accordance with Article XIII A of the State Constitution at 1% of countywide assessed valuations. This levy is allocated pursuant to state law to the appropriate units of local government. Additional levies require two-thirds approval by the voters and are allocated directly to the specific government. Taxes and assessments are recognized as revenue based on amounts reported to the District by the San Diego County Tax Collector’s Offices. The San Diego County Tax Collector’s Offices acts as a collection agent for the property taxes which are normally collected twice a year.

Lien Date:	January 1
Levy Date:	July 1
Due Dates:	First Installment - November 1 Second Installment - February 1
Delinquent Dates:	First Installment - December 10 Second Installment - April 10

o. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

p. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources and pension expense, information about the fiduciary net position and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS financial office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at the CalPERS website under Forms and Publications.

q. Other Postemployment Benefits

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s OPEB Plan and additions to/deductions from the OPEB Plans’ fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the District’s OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2020 are classified in the accompanying financial statements as follows:

Current Assets:	
Cash and cash equivalents	\$ 8,137,414
Restricted cash and cash equivalents	7,496,954
Investments	7,831,917
Restricted investments	3,059,526
Cash and cash equivalents with OPEB trust*	<u>1,040,486</u>
 Total cash and investments	 <u>\$ 27,566,297</u>

Cash and investments consist of the following:

Cash on hand	\$ 1,150
Deposits with financial institutions	2,601,552
Investments	<u>24,963,595</u>
 Total cash and investments	 <u>\$ 27,566,297</u>

*Reported on statement of fiduciary assets and liabilities.

Investments Authorized by the California Government Code and the District’s Investment policy:

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of funds within the pension and other post-employment benefit (OPEB) trusts that are governed by the agreement of the District and the trustee, and debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Quality Requirements (S & P Rating)
U.S. Treasury Obligations	5 Years	No Limitation	No Limitation	No Limitation
Federal Agencies	5 Years	No Limitation	75%	No Limitation
State Obligations	5 Years	25%	5%	A/A-1
Supranationals	5 Years	30%	No Limitation	AA
Banker's Acceptances	180 Days	25%	5%	A-1
Commercial Paper	270 Days	25%	10%	A-1
Negotiable Certificates of Deposit	5 Years	30%	5%	A/A-1
Repurchase Agreements	1 Year	10%	No Limitation	No Limitation
Medium-Term Notes	5 Years	30%	5%	A
Passbook and Money Market Savings Accounts	No Limitation	No Limitation	No Limitation	No Limitation
Local Agency Investment Fund (LAIF)	No Limitation	No Limitation	No Limitation	No Limitation
County Pooled Investment Funds	No Limitation	No Limitation	No Limitation	No Limitation
California Local Agency Obligations	5 Years	25%	5%	A/A-1
Joint Powers Authority Pool	No Limitation	No Limitation	No Limitation	No Limitation
Money Market Mutual Funds	No Limitation	20%	No Limitation	AAA
Mortgage Pass-Through Securities	5 Years	20%	5%	AA

2. CASH AND INVESTMENTS (Continued)Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2020.

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Local Agency Investment Fund (LAIF)	\$ 3,676,617	\$ 3,676,617	\$ -	\$ -	\$ -
California Asset Management Program (CAMP)	2,562,569	2,562,569	-	-	-
Asset Backed Securities	775,403	-	97,598	677,805	-
Medium-Term Notes	3,641,149	964,064	813,525	1,863,560	-
Municipal Bonds	172,844	-	172,844	-	-
Negotiable Certificates of Deposit	281,991	281,991	-	-	-
U.S. Treasury Securities	5,886,114	102,125	2,435,356	3,348,633	-
Federal Agency Collateralized Mortgage Obligations	114,512	-	-	114,512	-
PARS Pooled Trust - Pension Trust	6,811,910	6,811,910	-	-	-
PARS Pooled Trust - OPEB Trust	1,040,486	1,040,486	-	-	-
Total	\$ 24,963,595	\$ 15,439,762	\$ 3,519,323	\$ 6,004,510	\$ -

2. CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s Investment Policy, or debt agreements, and the Standard & Poor’s (S&P) rating for each investment type at June 30, 2020.

Investment Type	Total	Minimum Legal Rating*	Ratings as of Year End				
			Exempt from Disclosure	AAA	AA	A	Not Rated
Local Agency Investment Fund (LAIF)	\$ 3,676,617	Exempt	\$ -	\$ -	\$ -	\$ -	\$ 3,676,617
California Asset Management Program (CAMP)	2,562,569	AAA	-	2,562,569	-	-	-
Asset Backed Securities	775,403	A	-	775,403	-	-	-
Medium-Term Notes	3,641,149	A	-	-	-	3,641,149	-
Municipal Bonds	172,844	A/A-1	-	-	172,844	-	-
Negotiable Certificates of Deposit	281,991	A/A-1	-	-	281,991	-	-
U.S. Treasury Securities	5,886,114	Exempt	5,886,114	-	-	-	-
Federal Agency Collateralized Mortgage Obligations	114,512	AA	-	-	114,512	-	-
PARS Pooled Trust - Pension Trust	6,811,910	Exempt	-	-	-	-	6,811,910
PARS Pooled Trust - OPEB Trust	1,040,486	Exempt	-	-	-	-	1,040,486
Total	\$ 24,963,595		\$ 5,886,114	\$ 3,337,972	\$ 569,347	\$ 3,641,149	\$ 11,529,013

* Required to be rated accordingly by at least one Nationally Recognized Statistical Rating Organization (NRSRO)

Concentration of Credit Risk:

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The District holds no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments at June 30, 2020.

2. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2020, \$1,554,442 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

Fair Value Measurements:

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Investments measured at cost or net asset value (NAV) are not subject to fair value measurement hierarchy.

The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

2. CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The asset’s or liability’s level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	June 30, 2020
Investments by Fair Value Level				
Asset Backed Securities	\$ -	\$ 775,403	\$ -	\$ 775,403
Medium-Term Notes	-	3,641,149	-	3,641,149
Municipal Bonds	-	172,844	-	172,844
Negotiable Certificates of Deposit	-	281,991	-	281,991
U.S. Treasury Securities	-	5,886,114	-	5,886,114
Federal Agency Collateralized Mortgage Obligations	-	114,512	-	114,512
Total Investments by Fair Value Level	<u>\$ -</u>	<u>\$ 10,872,013</u>	<u>\$ -</u>	<u>10,872,013</u>
Investments measured at Cost or Net Asset Value (NAV)				
Local Agency Investment Fund (LAIF)				3,676,617
California Asset Management Program (CAMP)				2,562,569
PARS Pooled Trust - Pension Trust				6,811,910
PARS Pooled Trust - OPEB Trust				1,040,486
Total Investments at Cost or Net Asset Value (NAV)				<u>14,091,582</u>
Total Investments				<u>\$ 24,963,595</u>

3. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2020, were as follows:

	(As Restated)			Transfers/ Reclassifications	Balance June 30, 2020
	Balance June 30, 2019	Additions	Deletions		
Capital assets, not being depreciated:					
Land and property rights-water	\$ 11,704,070	\$ -	\$ -	\$ -	\$ 11,704,070
Land and property rights-wastewater	1,128,164	-	-	-	1,128,164
Construction in progress	1,313,302	32,150,949	-	(4,177,931)	29,286,320
Total capital assets, not being depreciated	14,145,536	32,150,949	-	(4,177,931)	42,118,554
Capital assets, being depreciated:					
Water Operations:					
Impounding Dam	30,584,347	-	-	995,040	31,579,387
Distribution System	52,015,901	-	-	2,183,271	54,199,172
Buildings and Structures	4,958,831	-	-	459,018	5,417,849
Equipment	10,357,488	458,579	(752,771)	153,104	10,216,400
Total Water Operations	97,916,567	458,579	(752,771)	3,790,433	101,412,808
Wastewater Operations:					
Collection system	12,747,135	311,842	-	265,142	13,324,119
Treatment and disposal facilities	60,220,650	-	-	107,910	60,328,560
Equipment	872,789	123,561	(144,446)	5,572	857,476
Total wastewater operations	73,840,574	435,403	(144,446)	378,624	74,510,155
Recycle Operations:					
Distribution System	4,653,100	-	-	8,874	4,661,974
Total recycle operations	4,653,100	-	-	8,874	4,661,974
Total capital assets being depreciated	176,410,241	893,982	(897,217)	4,177,931	180,584,937
Less accumulated depreciation	(75,816,878)	(6,637,996)	863,634	-	(81,591,240)
Total capital assets being depreciated, net	100,593,363	(5,744,014)	(33,583)	4,177,931	98,993,697
Total capital assets, net	\$ 114,738,899	\$ 26,406,935	\$ (33,583)	\$ -	\$ 141,112,251

The June 30, 2019 balance is restated to account for the effect of the prior period adjustment. See Note 10.

4. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2020 were as follows:

	Balance			Balance June 30, 2020	Due Within One Year
	June 30, 2019	Additions	Deletions		
Red Mountain State Revolving Fund Loan	\$ 4,065,140	\$ -	\$ (293,220)	\$ 3,771,920	\$ 300,807
Qualified Energy Conservation Revenue Bonds	3,465,777	-	(325,386)	3,140,391	345,316
Clean Water State Revolving Fund Loan	25,943,460	-	(1,274,990)	24,668,470	1,303,039
State Water Resources Control Board Loan	-	27,331,718	-	27,331,718	-
Total Long-Term Debt	\$ 33,474,377	\$ 27,331,718	\$ (1,893,596)	\$ 58,912,499	\$ 1,949,162

4. LONG TERM DEBT (Continued)

Red Mountain State Revolving Fund Loan

On June 21, 2010, The District entered into a loan agreement with the State of California Department of Public Health with interest at 2.57% payable semi-annually, and principal payments ranging from \$118,751 to \$195,414 due semi-annually beginning July 1, 2011 through January 1, 2031. The proceeds of the loan (\$6,159,773 disbursed during the fiscal year ending June 30, 2011) assisted the District in financing construction of the Red Mountain UV Filtration Plant, which enabled the District to meet the Federal safe drinking water standards. This standard is incorporated into the Long-Term Two Enhanced Surface Water Treatment Rule (LT2).

Future debt service requirements for the above loan payable based on the initial loan rate is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 300,807	\$ 95,044	\$ 395,851
2022	308,589	87,262	395,851
2023	316,573	79,278	395,851
2024	324,764	71,087	395,851
2025	333,166	62,685	395,851
2026-2030	1,799,673	179,580	1,979,253
2031	388,348	7,504	395,852
Total	\$ 3,771,920	\$ 582,440	\$ 4,354,360

Qualified Energy Conservation Bonds (QECCB) Solar Loan

On November 18, 2010, the District borrowed \$7,227,000 from the California Alternative Energy and Advanced Transportation Financing Authority, the proceeds of which were used to finance the construction of a solar project. Financing was secured at an interest rate of 5.74%. The Federal government will pay 70% of the Tax Credit Rate, which is 5.56% or 3.89%. The District’s applicable interest rate is the difference between the taxable rate and the Federal Direct Pay rate, equivalent to 1.85% interest with principal payments ranging from \$134,593 to \$317,071 until November 18, 2027.

Future debt service requirements for the above loan payable based on the initial loan rate is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 345,316	\$ 56,446	\$ 401,762
2022	366,104	49,969	416,073
2023	387,783	43,104	430,887
2024	410,388	35,834	446,222
2025	433,953	28,142	462,095
2026-2028	1,196,847	33,776	1,230,623
Total	\$ 3,140,391	\$ 247,271	\$ 3,387,662

4. LONG TERM DEBT (Continued)

Clean Water State Revolving Fund Loan

On November 2, 2012, the District entered into a loan agreement with the California State Water Resources Control Board in the principal amount of \$22,154,148 with interest of 2.20%. In September 2013, the District entered into an amended loan agreement increasing the principal amount to \$28,723,000. The proceeds of the loan assisted the District fund costs associated with the Fallbrook Wastewater Treatment Plan I Rehabilitation project. Upon completion of the project in May 2016, accrued interest of \$886,644 on the amount drawn down was transferred to the loan principal, increasing the principal amount to \$29,609,644. Annual payments in the amount of \$1,845,746 including principal and interest is due beginning March 2017 through March 2036.

Future debt service requirements for the above loan payable based on the initial loan rate is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,303,039	\$ 542,707	\$ 1,845,746
2022	1,331,706	514,040	1,845,746
2023	1,361,004	484,742	1,845,746
2024	1,390,946	454,800	1,845,746
2025	1,421,547	424,199	1,845,746
2026-2030	7,590,833	1,637,895	9,228,728
2031-2035	8,463,382	765,347	9,228,729
2036	1,806,013	39,732	1,845,745
Total	<u>\$ 24,668,470</u>	<u>\$ 4,863,462</u>	<u>\$ 29,531,932</u>

State Water Resources Control Board Loan

On August 28, 2019, the District entered into a loan agreement with the State Water Resources Control Board (SWRCB) with a principal amount of \$53,334,000 and an interest of 1.9%. On January 31, 2020, the District entered into an amended loan agreement increasing the principal amount to \$62,935,855 and annual debt service payments of \$2,771,216. The proceeds from the loan are funding construction of the District’s Santa Margarita Conjunctive Use Project water treatment plant. The new treatment plant will treat locally supplied water taken from the Santa Margarita River Basin in accordance with District’s water rights. With the project under currently construction, only interest payments on the amount drawn are due to SMRCB. Debt service payments are due March 1 of each year and full debt service payments are expected to begin 2023. The loan’s term is 30-years and the final payment will be made 3/1/2052.

5. INVENTORY

Inventory at June 30, 2020 consisted of the following:

Water inventory	\$ 668,781
Materials inventory	<u>1,176,974</u>
	<u>\$ 1,845,755</u>

6. PENSION PLANS

a. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees’ Retirement System (CalPERS). The Plan’s benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the basic death benefit or the 2W death benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. Employees are eligible for service-related disability benefits regardless of length of service. An employee must be actively employed by the District at the time of disability in order to be eligible for this benefit. Disability benefits are determined by the products of 1.8 percent of final compensation and the factor of years of service. The basic death benefit is a lump sum in the amount of the member’s accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month’s salary for each completed year of current service, up to a maximum of six months’ salary. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree’s designated survivor(s), or to the retiree’s estate.

The Plans’ provisions and benefits in effect at June 30, 2019 measurement date, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2.5%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8%	6.50%
Required employer contribution rates:		
Normal cost rate	11.419%	7.266%
Payment of unfunded liability	\$ 730,148	\$ 534

6. PENSION PLANS (Continued)

a. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, Fallbrook Public Utility District reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 13,629,333</u>

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District’ proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Fallbrook Public Utility District’s proportionate share of the net pension liability as of the measurement dates ended June 30, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.33279%
Proportion - June 30, 2019	0.34035%
Change - Increase (Decrease)	0.00756%

6. PENSION PLANS (Continued)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$2,645,853. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,407,555	\$ -
Differences between actual and expected experience	946,614	73,343
Change in assumptions	649,910	230,388
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	238,282
Net differences between projected and actual earnings on plan investments	-	373,019
Total	<u>\$ 3,004,079</u>	<u>\$ 915,032</u>

\$1,407,555 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2021	\$ 788,163
2022	(232,142)
2023	77,321
2024	48,150
2025	-
Thereafter	-

6. PENSION PLANS (Continued)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement period was determined by an actuarial valuation as of June 30, 2018, with update procedures to roll forward the total pension liability to June 30, 2019. The total pension liability was based on the following:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) available on the CalPERS website.
- (3) Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

6. PENSION PLANS (Continued)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund cash flows. Using funds’ asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equal to the rounded single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (b) An expected inflation of 2.0% used for this period
- (c) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

6. PENSION PLANS (Continued)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability of the each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>Miscellaneous Plan</u>
1% Decrease	6.15%
Net Pension Liability	\$ 20,787,184
Current Discount Rate	7.15%
Net Pension Liability	\$ 13,629,333
1% Increase	8.15%
Net Pension Liability	\$ 7,721,033

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan:

At June 30, 2020, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

7. OTHER POSTEMPLOYMENT BENEFITS

Plan Description:

The District administers its Public Agencies Post-Employment Health Care Plan (OPEB Plan), an agent multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions. The District’s OPEB Plan provides continued medical dental, and vision coverage for an eligible retired employee, spouse or legal dependent. Coverage will continue for the retiree and spouse or legal dependent until they become entitled to Medicare Benefits at age 65.

Employees retiring after age 50, with 10 or more years of continuous employment, will have the mandatory amount estimated by the District at the date of retirement to be necessary to pay for 50% of the employee’s monthly health insurance premium, and any additional costs for spouse and dependent(s) covered at the time of retirement. The difference between the total value of sick leave at retirement and the estimated cost benefit (medical, dental and vision) minus the estimated costs of 50% of the retiree’s medical premium is deposited into a health reimbursement account at the District to pay for retiree benefits until Medicare entitlement or the account is depleted. The District’s health reimbursement account (HRA) balance as of June 30, 2020 is \$351,796. The District will pay for half (50%) of the retired employee’s monthly premium.

During the year ended June 30, 2017, the District entered into a trust agreement with Public Agency Retirement Services (PARS), as the trust administrator and U.S. Bank National Association (US Bank) as the trustee. Management of the OPEB Plan is vested with the General Manager of the District with oversight and governance by the District’s Finance Committee. Benefit terms are as established by the District’s board of directors and agreed upon between the District and the Fallbrook Public Utility District Employees’ Association through Memorandum of Understanding. The PARS OPEB Trust issues a publicly available financial report for the fiduciary net position that is available upon request.

Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

	<u>Number of Participants</u>
Inactive employees currently receiving benefits	10
Participating Active Employees	<u>63</u>
Total	<u>73</u>

Contributions

The District has historically funded the plan on a pay-as-you-go basis. Plan members are not required to contribute to the OPEB Plan. For the fiscal year ended June 30, 2019, the District made \$42,356 in payments made outside of the trust.

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

7. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

The total OPEB liability as of June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Projected Salary Increase	3.0% per year
Expected long term investment rate of return, net of plan investment expense	6.00%
Healthcare Cost Trend Rates	5.90 percent for 2019; 5.80 percent for 2020; 5.70 percent for 2021; and decreasing 0.10 percent per year to an ultimate rate of 5.00 percent for 2028 and later years
Mortality	Based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

7. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Investment Policy

The OPEB Plan has an established investment guidelines policy document which provides a framework for a well-diversified asset mix that can potentially be expected to meet the trusts short and long-term needs consistent with the District’s investment objectives, liquidity considerations and risk tolerance. The investment guidelines facilitate the process of ongoing communication between the District and the plan fiduciaries and help maintain a long-term perspective when market volatility is caused by short-term market movements. As the trustee, US Bank has delegated investment authority to Highmark Capital Management (Highmark) as the investment manager. Highmark has full investment discretion over the managed assets in the trust and is authorized to purchase, sell, exchange, invest, reinvest, and manage the OPEB Plan assets in accordance with the trust’s investment objectives.

The goal of the trust’s investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay the present and future obligations of the OPEB Plan. The following objectives are intended to assist in achieving this goal:

- The OPEB Plan assets should earn, on a long-term average basis, a rate of return equal to or more than the target rate of return of 5.35%;
- The OPEB Plan trust should seek to earn a return more than its policy benchmark over the long-term;
- The OPEB Plan assets will be managed on a total return basis which considers both investment income and capital appreciation. As the plan sponsor the District recognizes the importance of preservation of capital, but also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns.

To achieve the objectives above, the District has established an asset allocation which strives for the growth of income and principal with a strategic, long-term perspective of the capital markets. With a moderate risk tolerance, the following table summarizes the District’s OPEB Plan trust asset allocation policy:

Asset Class	New Strategic Allocation
Cash	0-20%
Fixed Income	40% - 60%
Equity	40% - 60%

7. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments of current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2018	\$ 1,082,861	\$ 947,784	\$ 135,077
Changes in the Year:			
Service cost **	57,291	-	57,291
Interest on the total OPEB liability	62,409	-	62,409
Contribution - employer	-	86,699	(86,699)
Net investment income	-	61,267	(61,267)
Administrative expenses	-	(2,402)	2,402
Benefit payments	(86,699)	(86,699)	-
Net Changes	33,001	58,865	(25,864)
Balance at June 30, 2019	\$ 1,115,862	\$ 1,006,649	\$ 109,213

** - Service Cost - The actuarial present value of projected benefits payments that are attributed to the valuation year.

7. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Change of Assumptions

From the June 30, 2017 to the June 30, 2018 Valuation, the discount rate used increased by 2% (from 4% to 6%), the expected long-term rate of return, net of plan investment expense increased by 2% (from 4% to 6%), and healthcare trend rate assumptions decreased by 2% (from 8% to 6%).

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current discount rate:

	1% Decrease (5.0%)	Discount Rate (6.0%)	1% Increase (7.0%)
Net OPEB Liability	\$ 189,321	\$ 109,213	\$ 35,552

Sensitivity of the Total OPEB Liability to Changes in Health-Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (4.90% decreasing to 4.00%) or 1 percentage point higher (6.90% decreasing to 6.00%), than the current healthcare cost trend rates:

	1% Decrease (4.90% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (5.90% decreasing to 5.00%)	1% Increase (6.90% decreasing to 6.00%)
Net OPEB Liability	\$ 8,316	\$ 109,213	\$ 224,811

7. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$66,409. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 99,786	\$ -
Differences between actual and expected experience	131,817	-
Change in assumptions	-	(90,337)
Differences between projected and actual earnings	-	(10,046)
Total	\$ 231,603	\$ (100,383)

\$99,786 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2021	\$ 3,576
2022	3,578
2023	5,417
2024	7,008
2025	7,406
Thereafter	4,449

Payable to the OPEB Plan

At June 30, 2020, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2020.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

The District is a participating member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), which arranges for and provides for various insurance programs to its member agencies. The District pays a premium commensurate with the level of coverage requested. The District has elected to self-insure for a portion of property damage coverage in the amount of \$10,000 per occurrence.

At June 30, 2020, the District participated in ACWA/JPIA as follows:

Liability – General, Auto & Public Officials Errors & Omissions – ACWA/JPIA pools for the first \$5 million and purchases excess coverage up to \$55 million per occurrence, except terrorism \$5 million, subsidence \$30 million, lead \$30 million, and mold \$35 million.

Cyber Liability – Insured through Indian Harbor Insurance Company, with coverage limits of \$3 million per claim and \$5 million in the aggregate.

Property Program – ACWA/JPIA pools for the first \$100,000 and purchases excess coverage up to \$500 million, except for Boiler & Machinery \$100 million per occurrence, Earthquake \$2,500,000 program aggregate and Flood \$25 million. Deductibles are \$10,000 for real and personal property, \$10,000 for mobile equipment, licensed vehicles/trailers, \$25,000 for boiler and machinery, except \$50,000 if Turbine or Power Generation equipment, 5% of total insurable values for earthquake and \$100,000 for flood.

Crime Program – coverage limit of \$100,000 per loss, with a \$1,000 deductible.

Worker’s Compensation and Employer’s Liability Program – Worker’s Compensation coverage limit up to California Statutory Limits. Employer’s Liability coverage limit \$4 million program aggregate.

Dam Failure Liability – For Red Mountain Dam. Coverage limit of \$5 million per occurrence.

During the past three years, there have been no instances where the amount of claims settlements exceeded insurance coverage, nor have there been any significant reductions of insurance coverage.

9. COMMITMENTS AND CONTINGENCIES

Construction Commitments

At June 30, 2020, the District had the following commitments with respect to unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Completion Date
Overland Trail Lift Station Rehabilitation	\$ 2,200,000	February 2021
SMRCUP	\$ 31,900,000	December 2021
Winterhaven Pipeline Replacement	\$ 250,000	September 2021
Water Supply Reliability Project	\$ 350,000	October 2021
EAM Implementation	\$ 35,000	June 2021

9. COMMITMENTS AND CONTINGENCIES (Continued)Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. The District has (a) determined that it has no litigation pending with service of process completed which would have a material effect on its financial condition and (b) believes, to its current actual knowledge and after due inquiry and consultation with legal counsel, that no litigation has been threatened against the District in any court which would have a material effect on its financial condition.

COVID-19

On January 30, 2020 the World Health Organization (WHO) announced a global health emergency based on an outbreak of a new strain of coronavirus (the COVID-19 outbreak) and the risks that are posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on the District's financial condition, liquidity, operations, and workforce. The District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have a material effect on the District's results of future operations and financial position in fiscal year 2021.

10. PRIOR PERIOD ADJUSTMENT

During fiscal year ended June 30, 2020, the District found that three capital assets had been incorrectly depreciated in prior years. This led to an overstatement of accumulated depreciation and an understatement of Net Position in the amount of \$1,139,122. Beginning capital asset balances on Note 3 have been restated to reflect the adjustment to beginning accumulated depreciation.

11. SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 23, 2020, the date the financial statements were available to be issued.

1. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – DEFINED BENEFIT PENSION PLANS

For the Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015
Classic & PEPRM Miscellaneous Plan						
Plan's Proportion of the Net Pension Liability	0.13301%	0.13015%	0.12853%	0.12729%	0.12295%	0.11351%
Plan's Proportionate Share of the Net Pension Liability	\$ 13,629,333	\$ 12,541,929	\$ 12,746,294	\$ 11,014,856	\$ 8,439,096	\$ 6,888,388
Covered Payroll	\$ 5,179,369	\$ 5,216,869	\$ 5,271,090	\$ 4,743,986	\$ 4,753,842	\$ 4,683,594
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	263.15%	240.41%	241.82%	232.19%	177.52%	147.07%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	75.26%	73.31%	74.06%	78.40%	83.21%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 1,640,356	\$ 1,410,070	\$ 1,335,205	\$ 1,234,176	\$ 1,177,856	\$ 1,014,669

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019

There were no changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020

There were no changes in assumptions.

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

2. SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLANS

For the Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 1,407,555	\$ 1,224,180	\$ 1,081,154	\$ 968,372	\$ 870,680	\$ 756,872
Contributions in relation to the actuarially determined contributions	1,407,555	1,224,180	1,081,154	968,372	870,680	756,872
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,448,979	\$ 5,179,369	\$ 5,216,869	\$ 5,271,090	\$ 4,743,986	\$ 4,753,842
Contributions as a percentage of covered payroll	25.83%	23.64%	20.72%	18.37%	18.35%	15.92%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	Market Value***
Inflation	2.75%**
Salary increases	Depending on age, service, and type of employment**
Investment rate of return	7.375%, net of pension plan investment expense, including inflation**
Retirement age	50 years (2% at 55), 62 years (2% at 62), 50 years (2% at 50)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.**

* - Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

** - The valuations for June 30, 2012 through June 30, 2016 (applicable to fiscal years ended June 30, 2015 through June 30, 2019) included the same actuarial assumptions.

*** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013 through June 30, 2016 valuations (applicable to fiscal years ended June 30, 2016 through June 30, 2019).

3. SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

For the Last Ten Fiscal Years*

Fiscal year end	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:			
Service cost	\$ 57,291	\$ 63,116	\$ 61,278
Interest on total OPEB liability	62,409	39,301	38,242
Difference between expected and actual experience	-	178,893	-
Changes of assumptions	-	(122,601)	-
Benefit payments, including refunds of	(86,699)	(115,569)	(31,396)
Net Change in Total OPEB Liability	33,001	43,140	68,124
Total OPEB Liability - Beginning of Year	1,082,861	1,039,721	971,597
Total OPEB Liability - End of Year (a)	1,115,862	1,082,861	1,039,721
Plan Fiduciary Net Position:			
Contributions - employer	86,699	268,569	767,396
Net investment income	61,267	40,802	20,571
Administrative expenses	(2,402)	(1,970)	(619)
Benefit payments	(86,699)	(115,569)	(31,396)
Net Change in Plan Fiduciary Net Position	58,865	191,832	755,952
Plan Fiduciary Net Position - Beginning of Year	947,784	755,952	-
Plan Fiduciary Net Position - End of Year (b)	1,006,649	947,784	755,952
Net OPEB Liability - Ending (a)-(b)	\$ 109,213	\$ 135,077	\$ 283,769
Plan fiduciary net position as a percentage of the total OPEB liability	90.21%	87.53%	72.71%
Covered-employee payroll	\$ 5,179,369	\$ 5,216,869	\$ 5,684,049
Net OPEB liability as percentage of covered - employee payroll	2.11%	2.59%	4.99%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From the June 30, 2017 to the June 30, 2018 Valuation, the discount rate used increased by 2% (from 4% to 6%), the expected long-term rate of return, net of plan investment expense increased by 2% (from 4% to 6%), and healthcare trend rate assumptions decreased by 2% (from 8% to 6%).

* Fiscal year 2018 was the first year of implementation; therefore, only three years are shown.

4. SCHEDULE OF CONTRIBUTIONS - OPEB

For the Last Ten Fiscal Years*

	6/30/2020	6/30/2019	6/30/2018
Actuarially determined contribution	\$ 66,239	\$ 72,529	\$ 74,065
Contributions in relation to the actuarially determined contributions	(99,786)	(67,197)	(202,055)
Contribution deficiency (excess)	<u>\$ (33,547)</u>	<u>\$ 5,332</u>	<u>\$ (127,990)</u>
Covered- employee payroll	\$ 5,448,979	\$ 5,179,369	\$ 5,216,869
Contributions as a percentage of covered-employee payroll	1.22%	1.40%	1.42%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2018	6/30/2017
----------------	-----------	-----------	-----------

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age actuarial cost method **
Discount Rate	6%
Projected Salary increases	3.0% Per Year
Expected long term investment rate of return, net of plan investment expenses.	6.00%

Healthcare Cost Trend Rate 5.90 percent for 2019; 5.80 percent for 2020; 5.70 percent for 2021; and decreasing 0.10 percent per year to an ultimate rate of 5.00 percent for 2028 and later years

Mortality Based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

* Fiscal year 2018 was the first year of implementation; therefore, three years are shown.

** Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The actuarial present value of projected benefits and present value of future service costs are determined on an employee by employee basis and then aggregated. To the extent that different benefit formulas apply to different employees of the same class, the service cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees).

FALLBROOK PUBLIC UTILITY DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF OPERATING INCOME AND EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	Water	Recycled water	Wastewater	Total
Operating Revenues:				
Water Sales	\$ 21,940,234	\$ -	\$ -	\$ 21,940,234
Recycled Water Sales	-	1,059,305	-	1,059,305
Wastewater Sales	-	-	5,931,468	5,931,468
Total Operating Revenues	<u>21,940,234</u>	<u>1,059,305</u>	<u>5,931,468</u>	<u>28,931,007</u>
Operating Expenses:				
Cost of Water Sold	12,663,006	-	-	12,663,006
Operations and Maintenance	3,984,938	433,945	3,286,965	7,705,848
Administrative and General Expenses	3,985,541	63,499	2,178,369	6,227,409
Total Operating Expenses Before Depreciation	<u>20,633,485</u>	<u>497,444</u>	<u>5,465,334</u>	<u>26,596,263</u>
Depreciation Expense	3,759,996	60,201	2,817,799	6,637,996
Total Operating Expenses	<u>24,393,481</u>	<u>557,645</u>	<u>8,283,133</u>	<u>33,234,259</u>
Operating Income (Loss)	<u>\$ (2,453,247)</u>	<u>\$ 501,660</u>	<u>\$ (2,351,665)</u>	<u>\$ (4,303,252)</u>

FOR THE YEAR ENDED JUNE 30, 2019

	Water	Recycled water	Wastewater	Total
Operating Revenues:				
Water Sales	\$ 20,481,788	\$ -	\$ -	\$ 20,481,788
Recycled Water Sales	-	998,942	-	998,942
Wastewater Sales	-	-	5,463,820	5,463,820
Total Operating Revenues	<u>20,481,788</u>	<u>998,942</u>	<u>5,463,820</u>	<u>26,944,550</u>
Operating Expenses:				
Cost of Water Sold	12,650,795	-	-	12,650,795
Operations and Maintenance	3,444,139	548,821	2,956,457	6,949,417
Administrative and General Expenses	3,807,921	51,473	2,090,222	5,949,616
Total Operating Expenses Before Depreciation	<u>19,902,855</u>	<u>600,294</u>	<u>5,046,679</u>	<u>25,549,828</u>
Depreciation Expense	3,290,052	54,807	2,813,730	6,158,589
Total Operating Expenses	<u>23,192,907</u>	<u>655,101</u>	<u>7,860,409</u>	<u>31,708,417</u>
Operating Income (Loss)	<u>\$ (2,711,119)</u>	<u>\$ 343,841</u>	<u>\$ (2,396,589)</u>	<u>\$ (4,763,867)</u>

STATISTICAL SECTION

Financial Position 65-67

These tables show the District’s financial position over the reporting period.

District Operations 68-81

These tables show the Districts revenues and expenses, the District’s rates and charges and the District’s property tax revenues.

Debt Capacity 82-83

These tables show the District’s debt capacity and ability to meet its debt service coverage requirements.

Demographic and Economic Information 84

These tables provide demographic and economic information on the District’s service area. Because the District is part of the unincorporated region of the San Diego County, County wide data is reported.

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Table #1 - Net Positions

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2011	\$ 60,487,772	\$ 2,613,866	\$ 7,671,400	\$ 70,773,038
2012	60,609,683	1,212,780	10,336,039	72,158,502
2013	60,609,683	1,213,780	10,336,039	72,159,502
2014	64,203,257	2,431,978	12,479,645	79,114,880
2015	67,995,640	2,231,947	4,807,404	75,034,991
2016	70,683,956	3,455,377	5,170,519	79,309,852
2017	76,004,617	3,495,635	5,668,185	85,168,437
2018	79,333,568	4,711,487	2,038,252	86,083,307
2019	81,264,522	9,477,694	6,465,333	97,207,549
2020	82,199,752	10,188,202	6,316,800	98,704,754

Source: Fallbrook Public Utility District

Table #2 - Changes in Net Position and Net Position by Component, Last Ten Fiscal Years

	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Changes in Net Position:			
Operating Revenues (See Schedule 2)	\$ 21,255,448	\$ 23,661,715	\$ 27,582,160
Operating Expenses (See Schedule 3)	(24,175,989)	(26,140,572)	(28,007,733)
Other Operating Revenues	363,564	279,560	439,560
Operating Income (loss)	\$ (2,556,977)	\$ (2,199,297)	\$ 13,987
Non-Operating Revenues (expenses)			
Property Taxes Ad-Valorem	\$ 1,549,625	\$ 1,552,911	\$ 1,582,219
Capital Improvement Charges	404,175	414,910	1,252,501
California Solar Initiative Rebate	-	534,835	779,786
Investment income	147,486	87,217	30,507
Water Availability Charges	200,944	200,906	201,037
Lease Revenue	184,983	177,095	181,100
Intergovernmental Revenue - Federal Interest Subsidy	-	-	-
Connection Fees	112,499	190,932	247,607
Federal Grants	-	-	-
Gain (Loss) on disposal of capital assets	-	-	-
Other Non-Operating Revenues	102,704	109,261	81,008
Other Non-Operating Expenses	(508,849)	(294,462)	(291,721)
Total Non-Operating Revenues(expenses), net	\$ 2,193,567	\$ 2,973,605	\$ 4,064,044
Net income Before Capital Contributions	\$ (363,410)	\$ 774,308	\$ 4,078,031
Capital Contributions	3,094,483	273,825	595,205
Capital Grant - Proposition 50	-	338,331	-
Capital Grant - Proposition 84	-	-	-
Extraordinary Items	-	-	-
Changes in Net Position	\$ 2,731,073	\$ 1,386,464	\$ 4,673,236
Net Position			
Beginning, as restated	\$ 68,041,965	\$ 70,773,038	\$ 72,159,502
Adjustments to restate balance	-	-	(154,385)
Ending, as restated	\$ 70,773,038	\$ 72,159,502	\$ 76,678,353

(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 principals.

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

Source: Fallbrook Public Utility District

Table #2 - Changes in Net Position and Net Position by Component, Last Ten Fiscal Years, Continued

Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
\$ 28,955,183 (33,062,764) 681,876	\$ 27,483,881 (29,367,701) -	\$ 25,356,017 (27,921,351) -	\$ 27,256,065 (30,678,705) -	\$ 29,882,022 (33,319,799) -	\$ 26,944,550 (31,708,417) -	\$ 28,931,007 (33,234,259) -
\$ (3,425,705)	\$ (1,883,820)	\$ (2,565,334)	\$ (3,422,640)	\$ (3,437,777)	\$ (4,763,867)	\$ (4,303,252)
\$ 1,694,090 1,981,822 843,714 209,175 200,779 183,641 - 118,581 - - 69,816 (344,730)	\$ 1,719,296 2,134,025 729,519 141,433 200,810 185,770 - 208,521 - - 162,913 (321,941)	\$ 1,815,734 2,224,529 740,125 324,126 200,808 185,220 185,040 131,894 - - 91,361 (690,409)	\$ 1,889,808 2,283,558 234,930 63,861 200,730 166,012 238,765 238,124 - - 32,729 (385,483)	\$ 1,984,543 2,476,452 - 18,188 229,400 178,602 145,338 411,774 - (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)
\$ 4,956,888	\$ 5,160,346	\$ 5,208,428	\$ 4,963,034	\$ 4,211,886	\$ 14,675,198	\$ 5,427,950
\$ 1,531,183	\$ 3,276,526	\$ 2,643,094	\$ 1,540,394	\$ 774,109	\$ 9,911,331	\$ 1,124,698
76,746 828,598 ⁽¹⁾ - -	153,790 224,596 ⁽¹⁾ - -	75,299 874,040 ⁽³⁾ 682,428 -	59,509 773,163 - -	73,661 - 67,100 -	73,789 - - -	372,507 - - -
\$ 2,436,527	\$ 3,654,912	\$ 4,274,861	\$ 2,373,066	\$ 914,870	\$ 9,985,120	\$ 1,497,205
\$ 76,678,353	\$ 79,114,880	\$ 75,034,991	\$ 79,309,852	\$ 85,168,437	\$ 86,083,307	\$ 97,207,549
-	(7,734,801) ⁽²⁾	-	3,485,519	-	1,139,122	-
\$ 79,114,880	\$ 75,034,991	\$ 79,309,852	\$ 85,168,437	\$ 86,083,307	\$ 97,207,549	\$ 98,704,754

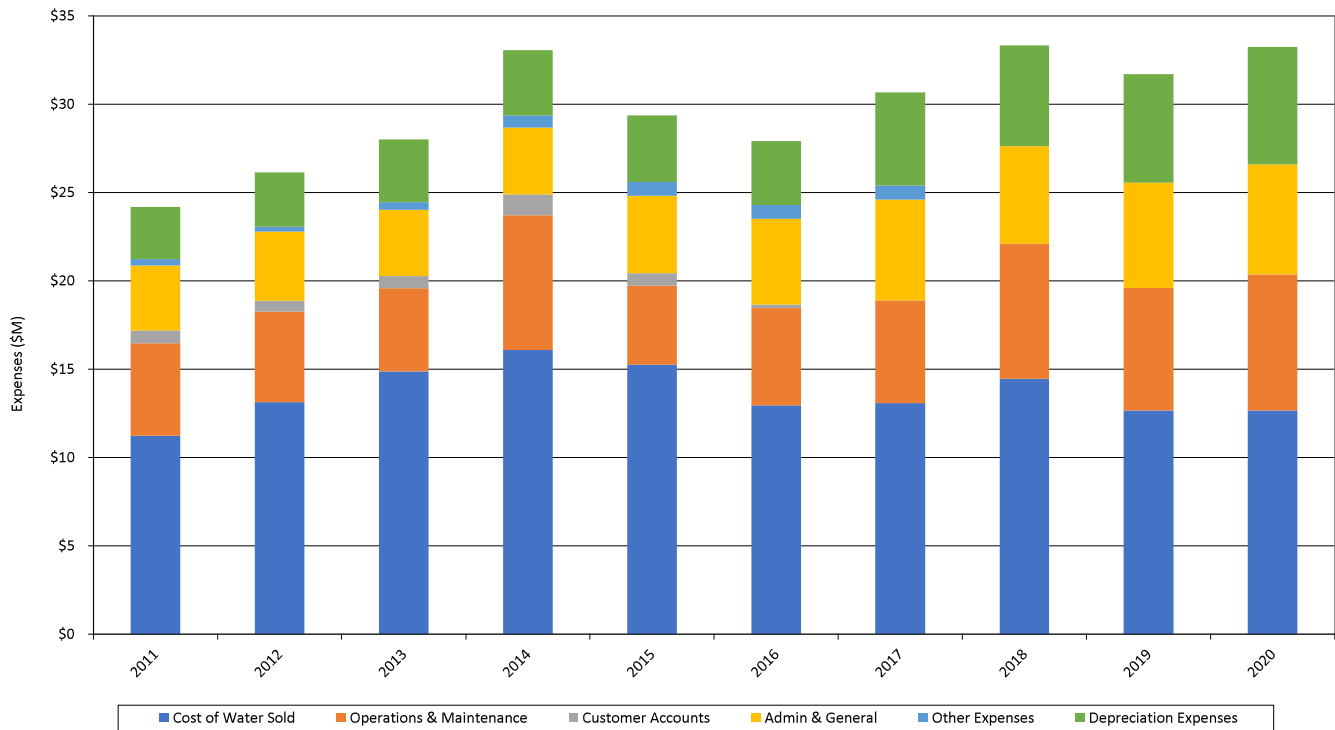
Table #3 - Operating Expenses by Activity (Last Ten Fiscal Years)

Fiscal Year	Water				
	Cost of Water Sold	Operations & Maintenance	Customer Accounts	Admin & General ⁽¹⁾	Other Expenses
2011	\$ 10,771,752	\$ 2,461,466	\$ 726,636	\$ 2,024,761	N/A
2012	12,647,833	2,570,414	611,736	2,148,057	N/A
2013	14,457,083	2,350,655	700,158	2,056,605	N/A
2014	15,649,781	3,810,606	1,179,998	2,006,124	N/A
2015	14,692,652	2,173,576	725,610	2,286,586	N/A
2016	12,804,470	2,788,548	203,560	2,571,803	N/A
2017	13,067,064	3,030,201	N/A	2,963,305	N/A
2018	14,453,229	3,922,528	N/A	2,868,610	N/A
2019	12,650,795	3,444,139	N/A	3,807,921	N/A
2020	12,663,006	3,984,938	N/A	3,985,541	N/A

Note: (1) - General and administration costs are allocated as follows: 64% water, 35% wastewater, and 1% recycled water.

Source: Fallbrook Public Utility District

Chart #1 - Operating Expenses by Activity



Source: Fallbrook Public Utility District

Table #3 - Operating Expenses by Activity (Last Ten Fiscal Years), Continued

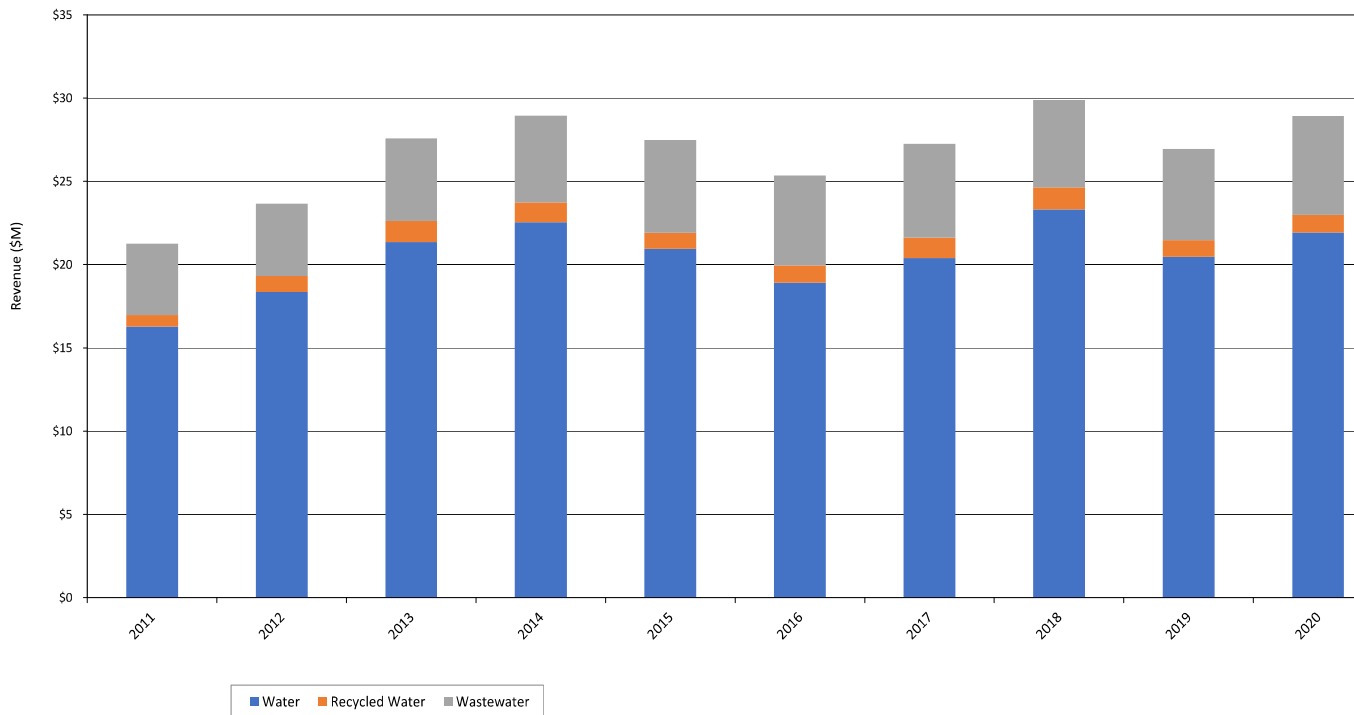
Recycled				Wastewater			Depreciation Expenses	Total Operating Expenses
Cost of Water Sold	Operations & Maintenance	Admin & General*	Other Expenses	Operations & Maintenance	Admin & General*	Other Expenses		
\$ 461,085	\$ 32,320	\$ 146,516	\$ 193,560	\$ 2,742,465	\$ 1,501,790	\$ 170,004	\$ 2,943,634	\$ 24,175,989
492,962	53,275	156,733	79,560	2,494,189	1,606,509	200,000	3,079,304	26,140,572
403,582	52,675	149,252	79,560	2,309,384	1,529,836	360,000	3,558,943	28,007,733
427,328	63,620	188,964	171,960	3,765,046	1,584,190	509,916	3,705,231	33,062,764
551,866	N/A	337,226	92,400	2,296,712	1,763,527	671,052	3,776,494	29,367,701
146,128	N/A	242,623	94,248	2,709,284	2,038,033	682,536	3,640,118	27,921,351
N/A	622,997	346,173	94,248	2,173,738	2,392,289	694,380	5,294,310	30,678,705
N/A	693,971	330,993	N/A	3,039,790	2,316,954	N/A	5,693,723	33,319,799
N/A	548,821	51,473	N/A	2,956,457	2,090,222	N/A	6,158,589	31,708,417
N/A	433,945	63,499	N/A	3,286,965	2,178,369	N/A	6,637,996	33,234,259

Table #4 - Operating Revenues by Source (Last Ten Fiscal Years)

Fiscal Year	Water			Recycled			Wastewater		Total Operating Revenue
	Water Sales	Service Charges	Other Charges	Water Sales	Service Charges	Other Charges	Service Charges	Other Charges	
2011	\$ 10,728,119	\$ 4,531,720	\$ 1,029,567	\$ 449,322	\$ 43,576	\$ 200,345	\$ 4,162,654	\$ 110,145	\$ 21,255,448
2012	12,778,113	4,524,843	1,062,054	592,986	55,373	312,948	4,331,022	4,376	23,661,715
2013	15,458,783	4,702,564	1,190,568	777,329	50,316	445,859	4,950,757	5,984	27,582,160
2014	16,587,771	4,772,242	1,188,741	802,509	50,972	344,423	5,205,516	3,009	28,955,183
2015	14,722,792	4,930,254	1,295,660	662,849	53,011	244,466	5,571,362	3,487	27,483,881
2016	12,328,995	5,000,621	1,583,301	824,925	59,359	156,353	5,402,353	110	25,356,017
2017	13,233,057	5,388,463	1,783,859	1,135,841	N/A	86,620	5,627,476	749	27,256,065
2018	16,194,537	5,777,173	1,340,062	1,153,170	17,956	156,060	5,258,183	(15,119)	29,882,022
2019	12,997,586	6,291,436	1,192,767	920,376	(17,974)	96,541	5,453,590	10,230	26,944,550
2020	14,040,914	6,782,468	1,116,852	949,040	51,745	58,520	5,924,878	6,590	28,931,007

Source: Fallbrook Public Utility District

Chart #2 - Operating Revenues by Source



Source: Fallbrook Public Utility District

Table #5 - Water Rates (\$/Kgal*) ⁽¹⁾

Fiscal Year	Domestic Tier 1	Domestic Tier 2	Domestic Tier 3	Commercial Tier 1	Commercial Tier 2	Government	Special Ag Rate	Commercial Ag Rate
2011	\$ 3.06	\$ 3.52	\$ 3.88	\$ 3.06	\$ 3.52	\$ 3.52	\$ 2.63	3.06
2012	3.51	4.04	4.45	3.51	4.04	4.04	2.81	3.45
2013	3.86	4.44	4.89	3.86	4.44	4.44	3.05	3.86
2014	4.03	4.64	5.11	4.03	4.64	4.64	3.14	4.06
2015	4.19	4.61	5.08	4.19	4.61	4.61	3.14	4.06
2016	4.38	4.82	5.31	4.38	4.82	4.82	3.18	4.28
2017	5.21	5.74	6.32	5.21	5.74	5.74	3.65	4.97
2018	5.62	5.71	6.95	5.79	5.79	5.70	4.17	4.83
2019	5.96	6.05	6.04	6.14	6.14	6.04	4.42	5.12
2020	6.44	6.53	7.96	6.63	6.63	6.52	4.77	5.53

*Kgal = 1,000 gal

Note: (1) - The District is required to follow the rules of Proposition 218 when raising or adjusting its rates.

Source: Fallbrook Public Utility District

Table #6 - Non-Agricultural/Government Monthly Water Service Charge (\$/month)

Fiscal Year	3/4" Meter	1" Meter	1½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2011	\$ 34.87	\$ 45.37	\$ 64.74	\$ 94.75	\$ 154.57	\$ 245.77	\$ 439.24	20.78
2012	34.87	45.37	64.74	94.75	154.57	245.77	439.24	20.78
2013	36.09	46.96	67.01	98.07	159.98	254.37	454.61	21.51
2014	36.63	47.66	68.02	99.54	162.38	258.19	461.43	21.83
2015	38.10	49.57	70.74	103.52	168.88	268.52	479.89	22.70
2016	39.24	51.06	72.86	106.63	173.95	276.58	494.29	23.38
2017	41.59	54.12	77.23	113.03	184.39	293.17	523.95	24.78
2018	44.10	67.33	125.36	195.01	380.73	589.67	1,170.06	*Variable
2019	46.75	71.37	132.88	206.71	403.57	625.05	1,242.26	*Variable
2020	50.49	77.08	143.51	223.25	435.86	675.05	1,339.48	*Variable

* Standby rates are based on meter size

For more information on the District's rate structure, visit www.fpud.com

Source: Fallbrook Public Utility District

Table #7 - Monthly Water Service Charge (Ag/Gov) (\$/month)

Fiscal Year	3/4" Meter	1" Meter	1 ½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2011	\$ 43.37	\$ 57.26	\$ 82.77	\$ 122.31	\$ 201.26	\$ 312.70	\$ 563.53	\$ 20.78
2012	43.37	57.26	82.77	122.31	201.26	312.70	563.53	20.78
2013	44.45	58.69	84.84	125.37	206.29	320.52	57.62	21.51
2014	44.89	59.28	85.69	126.62	208.35	323.73	583.40	21.83
2015	44.89	59.28	85.69	126.62	208.35	323.73	583.40	21.83
2016	46.24	61.06	88.26	130.42	214.60	333.44	600.90	23.38
2017	49.01	64.72	93.56	138.25	227.48	353.45	636.95	24.78
2018	44.10	67.33	125.36	195.01	380.73	589.67	1,170.06	*Variable
2019	46.75	71.37	132.88	206.71	403.57	625.05	1,242.26	*Variable
2020	50.49	77.08	143.51	223.25	435.86	675.05	1,339.48	*Variable

* Standby rates are based on meter size

For more information on the District's rate structure, visit www.fpud.com

Source: Fallbrook Public Utility District

Table #8 - Monthly Water Capital Improvement Charge (CIC) (\$/month)

Fiscal Year	3/4" Meter	1" Meter	1 ½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2011	\$ 3.20	\$ 4.40	\$ 6.40	\$ 10.00	\$ 16.80	\$ 26.40	\$ 48.00	\$ 1.92
2012	3.29	4.52	6.58	10.28	\$17.27	27.14	49.35	1.97
2013	4.00	5.50	8.00	12.50	21.00	33.00	60.00	2.40
2014	8.00	11.00	16.00	25.00	42.00	66.00	120.00	4.80
2015	8.59	11.81	17.18	26.84	45.10	70.87	128.85	5.15
2016	9.06	12.46	18.12	28.31	47.57	74.75	135.90	5.44
2017	9.45	12.99	18.90	29.53	49.61	77.96	141.75	5.67
2018	8.58	14.30	28.60	45.76	91.52	143.00	286.00	*Variable
2019	9.12	15.20	30.40	48.64	97.29	152.01	304.02	*Variable
2020	9.47	15.78	31.56	50.49	100.98	157.79	315.57	*Variable

* Standby rates are based on meter size

For more information on the District's rate structure, visit www.fpud.comSource: Fallbrook Public Utility District

Source: Fallbrook Public Utility District

Table #9 - Sewer Rates by Customer Class (2011 - 2020)

	2011	2012	2013	2014	2015	2016	2017	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾
Fixed Rates (by meter size) (\$/month)										
3/4"	\$ 12.15	\$ 12.15	\$ 12.69	\$13.19	\$ 14.10	\$ 14.23	\$ 16.12	B Y EDU \$9.28/ EDU	B Y EDU \$9.70/ EDU	B Y EDU \$10.14/ EDU
1"	18.33	18.33	19.23	19.95	21.23	21.55	24.01			
1 1/2"	33.79	33.79	35.59	36.86	39.06	39.86	43.75			
2"	52.35	52.35	55.23	57.15	60.46	61.84	67.42			
3"	95.63	95.63	101.03	104.49	110.38	113.14	122.67			
4"	157.48	157.48	166.47	172.12	181.70	186.36	201.60			
6"	312.08	312.08	330.06	341.20	359.99	369.49	398.91			
Billable Flow Rates ⁽²⁾ (\$/Kgal)										
Single Family Residence, Ag Domestic, Multi - Family	\$ 5.88	\$ 6.72	\$ 7.64	\$ 7.64	\$ 7.64	\$ 8.21	\$ 8.77	\$ 9.44	\$ 9.86	\$ 10.32
Low -Strength Commercial, Schools, Churches	8.81	10.09	11.54	11.54	11.54	12.35	13.27	9.37	9.79	10.25
Medium Strength Commercial	8.81	10.09	11.54	11.54	11.54	12.35	13.27	11.57	12.09	12.65
High Strength Commercial	14.67	16.83	19.35	19.35	19.35	20.63	22.28	14.44	15.09	15.77

Notes:

(1) - Rates switched from fiscal year to calendar year January 1, 2018.

(2) - Billable flow rates are calculated based upon water usage adjusted for outdoor use.

Source: Fallbrook Public Utility District

Table #10 - Monthly Sewer Capital Improvement Charge (CIC) (\$/month)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Per EDU	N/A	N/A	\$ 8.00	\$ 10.00	\$ 10.44	\$ 10.70	\$ 10.84	\$ 11.16	\$ 11.53	\$ 11.62

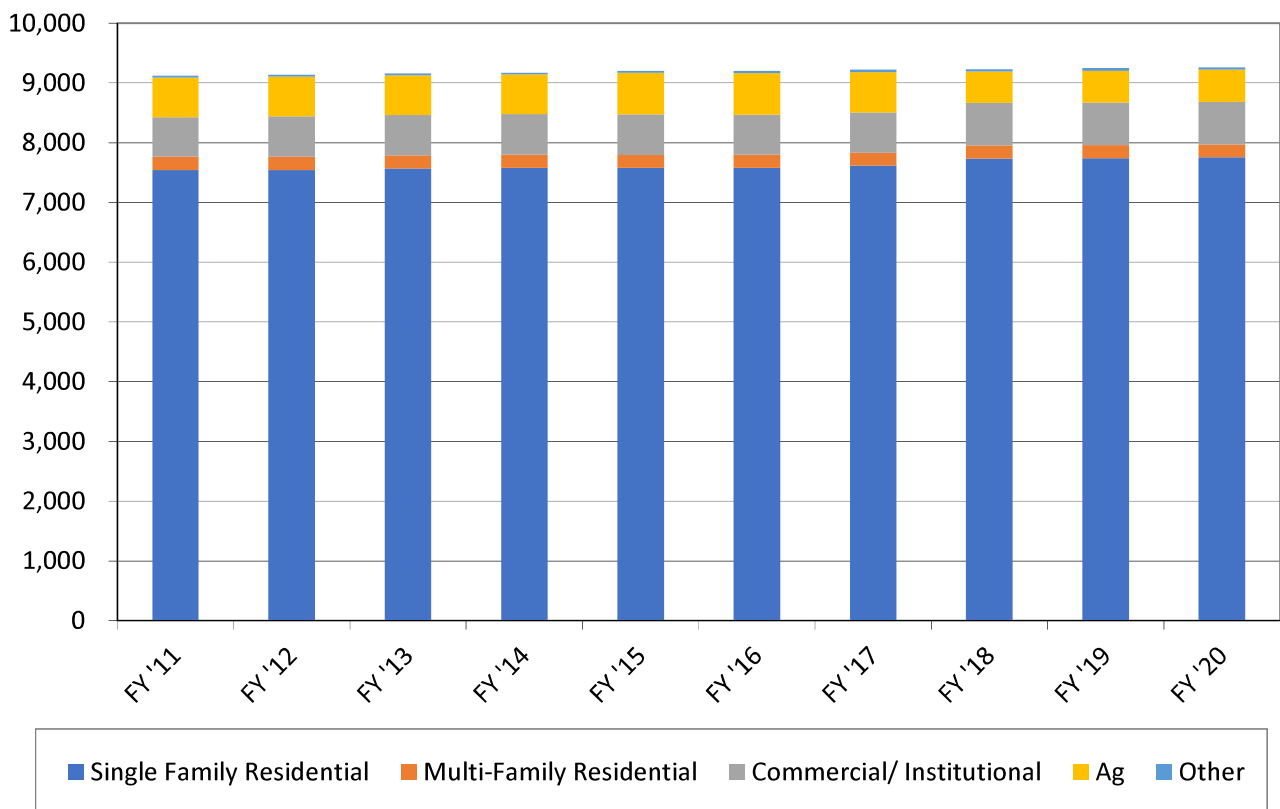
Source: Fallbrook Public Utility District

Table #11 - Number of Water Customers by Type

As of June 30	Single Family Residential	Multi-Family Residential	Commercial/ Institutional	Ag	Other	Total
2011	7,540	223	663	666	28	9,120
2012	7,545	219	678	667	29	9,138
2013	7,569	217	678	663	31	9,158
2014	7,582	217	680	660	32	9,171
2015	7,581	217	679	695	33	9,205
2016	7,582	217	671	699	37	9,206
2017	7,617	217	673	674	38	9,219
2018	7,735	218	711	529	40	9,233
2019	7,742	218	713	533	45	9,251
2020	7,755	216	712	535	41	9,259

Source: Fallbrook Public Utility District

Chart #3 - Number of Water Customers by Type



Source: Fallbrook Public Utility District

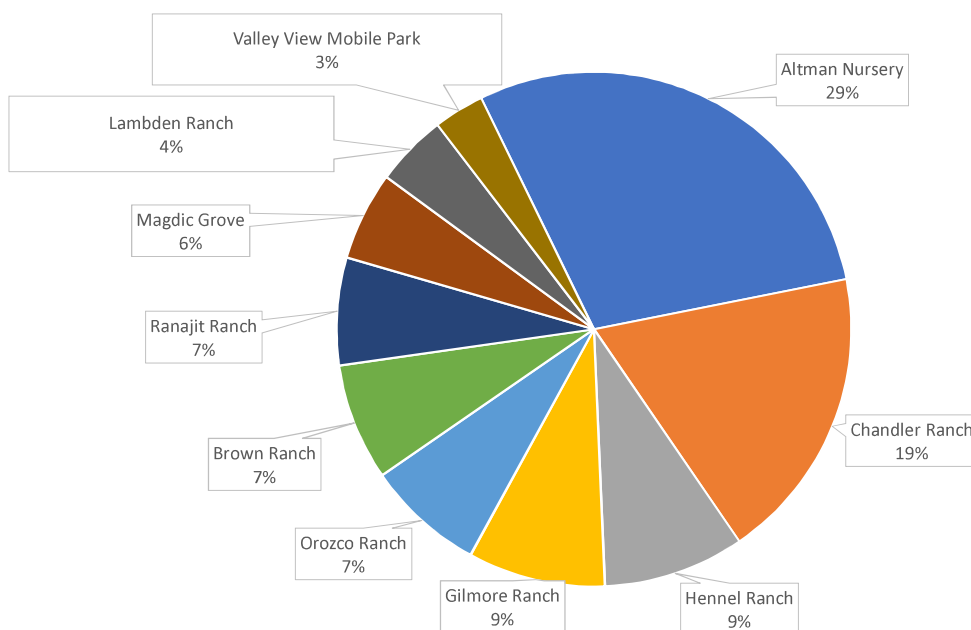
Table #12 - Top Ten Water Customers

Fiscal Year 2011		
Customer	Annual Usage (Kgal)	Percent of Total
Ross Ranch	115,181	3.30%
Sparrow Hawk Ranch	51,325	1.47%
Chandler Ranch	47,293	1.36%
Magdic Grove	29,601	0.85%
Color Spot Nursery	29,432	0.84%
ACW Ranch	25,807	0.74%
Serafina Holdings	25,065	0.72%
Hennel Ranch	22,676	0.65%
Lilac 124 Inc	22,438	0.64%
Brown Ranch	21,167	0.61%
Total Top 10 Customers	389,985	11.18%
Total All Other Water Customers	3,098,000	88.82%
Total Water Consumed	3,487,985	100.00%

Fiscal Year 2020		
Customer	Annual Usage (Kgal)	Percent of Total
Altman Nursery	87,478	3.68%
Chandler Ranch	55,696	2.34%
Hennel Ranch	26,708	1.12%
Gilmore Ranch	25,953	1.09%
Orozco Ranch	22,309	0.94%
Brown Ranch	22,100	0.93%
Ranajit Ranch	20,309	0.85%
Magdic Grove	16,735	0.70%
Lambden Ranch	13,562	0.57%
Valley View Mobile Park	9,598	0.40%
Total Top 10 Customers	300,448	12.62%
Total All Other Water Customers	2,079,731	87.38%
Total Water Consumed	2,380,179	100.00%

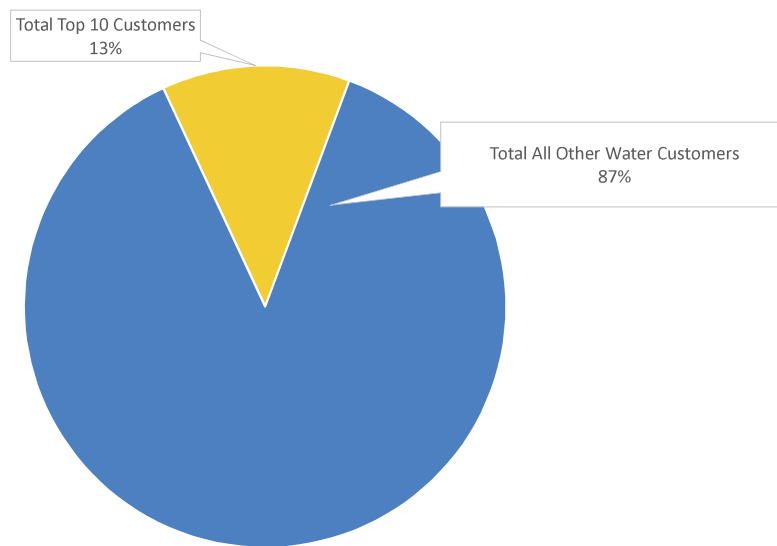
Source: Fallbrook Public Utility District

Chart #4 - Top Ten Water Customers and their Relative Consumption Fiscal Year 2020



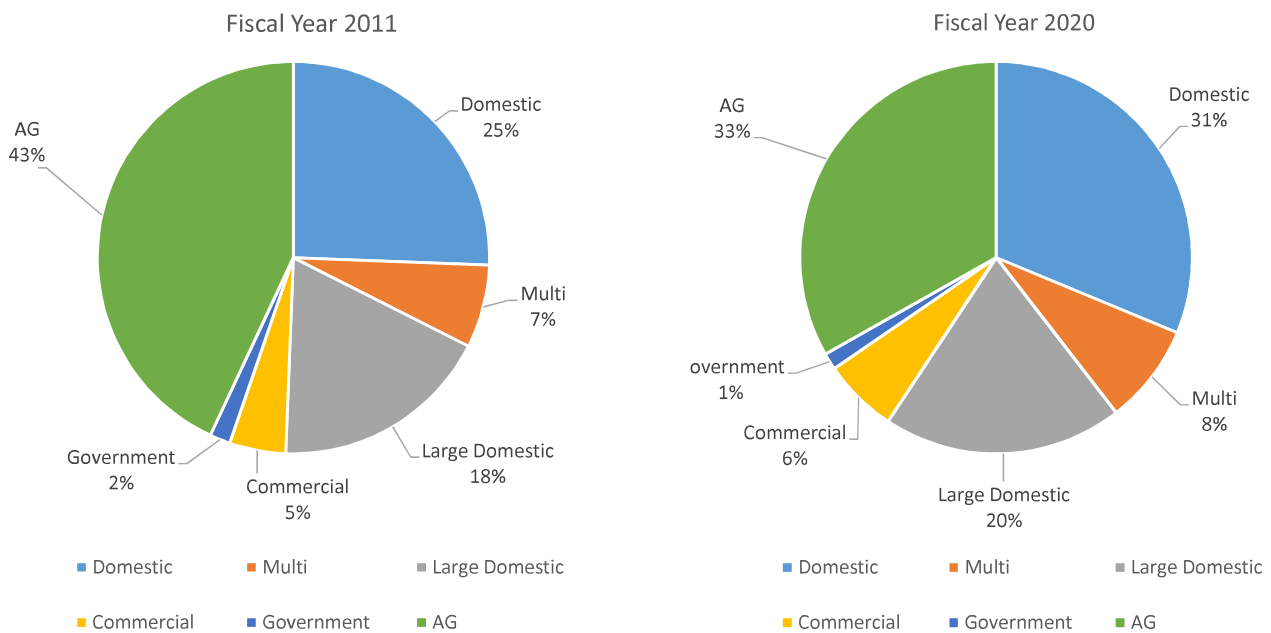
Source: Fallbrook Public Utility District

Chart #5 - Total Water Consumed Fiscal Year 2020



Source: Fallbrook Public Utility District

Chart #6 - Breakdown of Water Sales by Customer Class for Fiscal Year 2011 vs Fiscal Year 2020



Source: Fallbrook Public Utility District

Table #13 - Water System

Fiscal Year	Miles of Water Mains	Service Connections	Annual Production (G)	Average Daily Production (gpd)
2011	268.38	9,124	3,863,212,430	10,584,144
2012	268.89	9,130	4,201,053,710	11,509,736
2013	268.89	9,142	4,159,247,155	11,395,198
2014	268.94	9,154	4,178,179,040	11,447,066
2015	268.98	9,166	3,327,254,350	9,115,765
2016	269.11	9,197	3,235,951,180	8,865,620
2017	269.11	9,211	3,114,930,490	8,534,056
2018	269.11	9,244	3,287,934,350	9,008,039
2019	269.29	9,253	2,684,556,048	7,354,948
2020	269.36	9,262	2,602,343,841	7,129,709

Source: Fallbrook Public Utility District

Table #14 - Water System Total Production⁽¹⁾

Fiscal Year	Total Used/Prod. (AF)	HCF
2011	11,855.80	5,164,386.48
2012	12,892.60	5,616,016.56
2013	12,764.30	5,560,129.08
2014	12,822.40	5,585,437.44
2015	10,211.00	4,447,911.60
2016	9,930.80	4,325,856.48
2017	9,559.40	4,164,074.64
2018	10,090.30	4,395,334.68 *
2019	8,238.60	3,588,734.16 *
2020	7,986.30	3,478,832.28

Note: (1) - Total Production before system losses.

*FY 2019 CAFR had incorrect data, this is updated data.

Source: Fallbrook Public Utility District

Table #15 - Sewer System

Fiscal Year	Miles of Sewer Lines	Service Connections	Annual Sewerage (G)	Daily Sewerage (GD)
2011	78.53	4,975	636,329,979.08	1,743,369.81
2012	78.62	4,994	609,826,887.99	1,670,758.60
2013	78.62	5,008	557,909,048.16	1,528,517.94
2014	78.62	5,028	540,541,189.86	1,480,934.77
2015	78.64	5,034	562,027,804.80	1,539,802.20
2016	78.64	5,044	499,860,321.77	1,369,480.33
2017	78.64	5,049	507,140,810.66	1,389,426.88
2018	78.64	5,049	486,337,179.41	1,332,430.63
2019	78.70	5,004	556,424,471.00	1,524,450.00
2020	79.14	5,011	539,782,514.55	1,478,856.20

Source: Fallbrook Public Utility District

Table #16 - Sewer System Influent Flow

Fiscal Year	Total Used/Prod. (AF)
2011	1,985.67
2012	1,968.83
2013	1,883.86
2014	1,873.30
2015	1,997.62
2016	1,639.42
2017	1,706.45
2018	1,592.26
2019	1,707.60
2020	1,693.60

Source: Fallbrook Public Utility District

Table #17 - Recycled Water System

Fiscal Year	Miles of Recycled Pipes	Service Connections	Used Annual Recycled Water (AF) ⁽¹⁾	Daily Usage (MGD)
2011	8.28	28	536.83	0.5
2012	8.28	28	603.50	0.5
2013	8.28	28	758.70	0.7
2014	8.28	28	746.80	0.7
2015	8.28	28	598.80	0.5
2016	10.53	29	599.83	0.5
2017	10.53	30	671.34	0.6
2018	10.53	32	740.40	0.7
2019	10.53	33	562.66	0.5
2020	10.53	30	559.89	0.5

Note: (1) - Includes water not billed at full rate
 Source: Fallbrook Public Utility District

Table #18 - Recycled Water System Production

Fiscal Year	Total Prod./Disposed (AF)
2011	1952.83
2012	1871.49
2013	1712.16
2014	1658.86
2015	1724.80
2016	1534.02
2017	1556.36
2018	1492.51
2019	1617.50
2020	1656.50

Notes:
 G- Gallons
 GD - Gallons per Day
 AF - Acre Feet
 MG - Millions of Gallons
 MGD - Millions of Gallons per Day

Source: Fallbrook Public Utility District

FPUD treats all water to recycled standards. This tables includes both recycled water used as well as discharged to the ocean outfall.

Table #19- Annual RW Production and WRP Influent Flow

	Recycled Water (Acre-Feet)				WRP Influent Flow (Acre-Ft)
	Annual Production	Daily Average Production	Total Used Production	Total Disposed	
2011	1,962.58	5.38	607.88	1,354.69	1,999.50
2012	1,795.23	4.92	702.99	1,092.23	1,933.72
2013	1,661.57	4.55	714.98	946.59	1,892.02
2014	1,756.49	4.81	690.15	1,066.34	1,888.80
2015	1,588.47	4.35	584.11	1,004.36	1,878.31
2016	1,489.03	4.08	694.37	794.66	1,600.40
2017	1,570.92	4.30	664.82	906.11	1,694.43
2018	1,492.51	4.09	740.39	752.12	1,592.26
2019	1,617.50	4.43	562.70	1,054.80	1,707.60
2020	1,656.50	4.54	559.90	1,096.60	1,693.60

Source: Fallbrook Public Utility District

Table #20 - Full Time Equivalent (FTE) Employees by Function

Fiscal Year	Water Services	Wastewater Services	Recycled Water Services	General & Administrative	Total FTE Employees
2011	23	15	5	.8	71.8
2012	23	14	5	2 .8	71.8
2013	22	14	6	2 .8	70.8
2014	21	13	6	2 .8	67.8
2015	21	13	5	28.8	67.8
2016	20	13	5	28.8	66.8
2017	23	12	5	27.8	67.8
2018	24	15.2	2.8	25.8	67.8
2019	24	15.2	2.8	25.8	67.8
2020	24	15.2	2.8	25.8	67.8

Source: Fallbrook Public Utility District

Table #21 -Assessed Valuation of Taxable Property

Fiscal Year	Secured				Unsecured		Total Assessed Value
	Water		Sewer		Water	Sewer	
	Local Assessed	State Assessed	Local Assessed	State Assessed			
2011	\$ 3,037,269,947	\$ 225,000	\$ 1,781,731,084	\$ 225,000	\$ 42,343,299	\$ 37,141,389	\$ 4,898,935,719
2012	3,023,254,725	225,000	1,783,734,000	225,000	39,028,848	33,883,225	4,880,350,798
2013	3,005,131,868	225,000	1,773,732,093	225,000	40,228,753	35,613,386	4,855,156,100
2014	3,058,914,090	-	1,811,990,591	-	39,761,073	34,916,821	4,945,582,575
2015	3,234,556,718	-	1,928,060,834	-	40,480,476	35,184,912	5,238,282,940
2016	3,390,367,447	-	2,021,437,198	-	37,440,559	32,152,307	5,481,397,511
2017	3,518,846,961	-	2,098,501,032	-	36,135,611	31,163,876	5,684,647,480
2018	3,709,470,372	-	2,220,524,962	-	36,271,614	31,902,804	3,989,169,752
2019	3,895,955,738	-	2,337,209,037	-	41,211,234	35,075,356	6,309,451,365
2020	4,078,331,287	-	2,463,512,540	-	41,515,562	35,305,514	6,618,664,903

Source: County of San Diego, Office of the Auditor & Controller

Table #22 -Property Tax

Fiscal Year	Current Year Levy ⁽¹⁾			Revenues Collected ⁽²⁾			Uncollected Collected			Percent Uncollected
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total	
2011	\$ 865,466	\$ 769,673	\$1,635,140	\$ 853,568	\$ 759,066	\$ 1,612,634	\$ 11,898	\$10,607	\$ 22,506	1.4%
2012	859,279	769,708	1,628,987	848,048	758,639	1,606,687	11,230	11,069	22,300	1.4%
2013	866,702	776,960	1,643,662	855,046	766,457	1,621,503	11,656	10,504	22,159	1.3%
2014	887,378	798,786	1,686,164	874,729	787,339	1,662,068	12,649	11,447	24,096	1.4%
2015	933,206	847,121	1,780,327	921,440	836,401	1,757,840	11,766	10,721	22,487	1.3%
2016	982,997	890,717	1,873,715	970,998	879,769	1,850,767	11,999	10,949	22,948	1.2%
2017	1,022,747	927,792	1,950,539	1,009,595	915,788	1,925,384	13,151	12,004	25,155	1.3%
2018	1,072,468	978,636	2,051,105	1,060,447	967,619	2,028,066	12,021	11,017	23,039	1.1%
2019	1,122,771	1,028,393	2,151,164	1,108,272	1,015,057	2,123,329	14,499	13,336	27,835	1.3%
2020	1,169,224	1,079,727	2,248,951	1,154,850	1,066,408	2,221,258	14,374	13,319	27,693	1.2%

Notes:

(1) - Total levy including penalties before administrative fees.

(2) - Amount before administrative and other fees deducted.

Source: County of San Diego, Office of the Auditor & Controller

Table #23 -Pledged-Revenue Debt Service Coverage Ratio

Fiscal Year	Total Operating Revenues	Total Operating Expenses ⁽¹⁾	Non-Operating Revenue ⁽²⁾	Net Revenue Available for Debt Service	Debt Service	Coverage Ratio	Required Coverage Level
2011	\$ 21,255,448	\$ 21,232,355	\$ 2,702,416	\$ 2,725,509	\$ 1,148,552	2.37	1.20
2012	23,661,715	23,061,268	3,268,067	3,868,514	1,567,663	2.47	1.20
2013	27,582,160	24,448,790	4,355,765	7,489,135	1,490,434	5.02	1.20
2014	28,955,183	29,357,533	5,301,618	4,899,268	1,414,198	3.46	1.20
2015	27,483,881	25,591,207	5,482,287	7,374,961	1,319,031	5.59	1.20
2016	25,356,017	24,281,233	5,898,837	6,973,621	1,302,876	5.35	1.20
2017	27,256,065	25,384,395	5,348,517	7,220,187	2,756,731	2.62	1.20
2018	29,882,022	27,626,075	5,170,901	7,426,848	2,758,501	2.69	1.20
2019	26,944,550	25,549,828	*6,246,867	6,731,623	2,760,019	2.44	1.20
2020	28,931,007	26,596,263	6,338,174	7,762,694	2,761,290	2.81	1.20

Notes:

(1) - Excludes depreciation

(2) - Excludes debt interest expenses

*Excludes one-term gain of \$9,338,297 on the sale of assets.

Source: Fallbrook Public Utility District

Table #24 Computation of Direct and Overlapping Debt (As of 06/30/2020)

2019-20 Assessed Valuation: \$4,119,846,849

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt (6/30/20)	% Applicable ⁽¹⁾	District's Share of Debt (6/30/20)
Metropolitan Water District	\$ 37,300,000	0.133%	\$ 49,609
Palomar Community College District	610,657,763	3.199	19,534,942
Bonsall Unified School District	9,921,618	0.500	49,608
Fallbrook Union High School District	9,000,000	64.080	5,767,200
Fallbrook Union School District	16,674,476	67.980	11,335,309
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 36,736,668
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	231,350,000	0.741%	1,714,304
San Diego County Pension Obligation Bonds	456,040,000	0.741	3,379,256
San Diego County Superintendent of Schools Certificates of Participation	9,350,000	0.741	69,284
Palomar Community College District Certificates of Participation	1,675,000	3.199	53,583
Bonsall Unified School District Certificates of Participation	7,100,000	0.500	35,500
Fallbrook Public Utility District	0	100.	0
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 5,251,927
TOTAL DIRECT DEBT			\$ 0
TOTAL OVERLAPPING DEBT			\$ 41,988,595
COMBINED TOTAL DEBT			\$ 41,988,595 ⁽²⁾

(1) The percentage of overlapping debt applicable to the public utility district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the public utility divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.89%
Total Direct Debt	0.00%
Combined Total Debt	1.02%

Source: California Municipal Statistics Inc.

Table #25 - San Diego County Principal Employers

Fiscal Year 2011			Fiscal Year 2019*		
Employer Name	Number of Employees ⁽¹⁾	Percentage of Total County Employment	Employer Name	Number of Employees ⁽²⁾	Percentage of Total County Employment
University of California San Diego	46,300	3.30%	Naval Base San Diego	41,607	2.72%
Naval Base San Diego	45,500	3.24%	University of California, San Diego	38,749	2.53%
Sharp Healthcare	27,393	1.95%	Sharp Healthcare	18,736	1.22%
County of San Diego	15,842	1.13%	County of San Diego	18,606	1.22%
Scripps Health	14,969	1.07%	San Diego Unified School District	12,996	0.85%
San Diego Unified School District	13,830	0.99%	Scripps Health	12,348	0.81%
Qualcomm Inc.	13,730	0.98%	City of San Diego	11,598	0.76%
City of San Diego	10,509	0.75%	Qualcomm Inc.	10,300	0.67%
Kaiser Permanente San Diego	10,211	0.73%	San Diego Community College District	6,246	0.41%
UC San Diego Health	8,200	0.58%	Kaiser Permanente	5,349	0.35%
Total Top Ten County Employers	206,484	14.72%	Total Top Ten County Employers	176,535	11.54%
All Other County Employers	1,196,416	85.28%	All Other County Employers	1,353,265	88.46%
Total County Employment⁽¹⁾	1,402,900	100.00%	Total County Employment ⁽²⁾	1,529,800	100.00%

Sources: County of San Diego; San Diego County Water Authority

Notes: (1) Numbers are based on County of San Diego Comprehensive Annual Financial Report for 2011

(2) Numbers are based on San Diego County Water Authority Comprehensive Annual Financial Report for 2020

*Data for FY 2020 not available as of publication date. Data shown is for the most recently available version.

Table #26 - Outstanding Debt, Demographic Statistics and Per Capita Statistics

Fiscal Year	District's Outstanding Long-Term Debt ⁽¹⁾		Total Outstanding Debt	Demographic Statistics				Per Capita Outstanding Debt	Per Capita Debt as a Percent of Personal Income
	Notes	Contracts		Population Estimate ⁽²⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾	Total Estimated Personal Income		
2011	\$ 224,814	\$ 13,386,773	\$ 13,611,587	32,107	\$ 46,531	10.7%	\$ 1,493,990,983	\$ 424	0.9%
2012	152,008	1,263,686	1,415,694	32,236	48,315	9.5%	1,557,500,647	44	0.1%
2013	77,090	13,165,083	13,242,173	32,366	49,525	8.2%	1,602,918,338	409	0.8%
2014	-	21,810,892	21,810,892	32,496	52,214	6.5%	1,696,737,036	671	1.3%
2015	-	32,389,288	32,389,288	32,626	54,822	5.3%	1,788,640,712	993	1.8%
2016	-	38,841,278	38,841,278	32,757	56,506	4.9%	1,850,987,403	1,186	2.1%
2017	-	37,101,306	37,101,306	32,889	58,380	4.2%	1,920,054,916	1,128	1.9%
2018	-	35,314,028	35,314,028	33,021	61,147	3.7%	2,019,135,087	1,069	1.7%
2019	-	33,474,377	33,474,377	33,153	63,729	3.7%	2,112,812,890	1,010	1.6%
2020	-	⁽⁵⁾ 58,912,499	58,912,499	33,286	66,278	13.8%	2,206,114,707	1,770	2.7%

Sources:

(1) - Fallbrook Public Utility District

(2) - Census Reporter

(3) - Sources: U.S. Department of Commerce, Bureau of Economic Analysis, and Federal Reserve Bank of St. Louis (FRED)

(4) - Source: U.S. Bureau of labor Statistics

Notes:

(1) - Debt secured by District's net revenues

(2) - Historic population estimated based upon a 0.4% growth rate and the 2018 population estimate of 33,021.

(3) - Per capita personal income of for the San Diego County Region.

(4) - June 2020 unemployment rate.

(5) - Includes \$27.3 million in construction expenses/withdrawals.

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Attachment B



Board of Directors
Fallbrook Public Utility District
Fallbrook, California

We have audited the financial statements of the major fund and remaining aggregate fund information of the Fallbrook Public Utility District (the District) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of other existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the District's financial statements were:

- a. Management's estimate of the fair market value of investments which is based on market values by outside sources.
- b. Management's estimate of useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

- c. The annual required contributions, other post-employment benefits (OPEB) expense, net OPEB liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's OPEB plan are based upon several key assumptions that are set by management with the assistance of an independent third-party actuary. These key assumptions include anticipated investment rate of return, health care cost trends, projected salary increases, and mortality rates.
- d. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- a. The disclosure regarding depreciation expense reported in Note 1.k.
- b. The disclosure of the net pension liability reported in Note 6.
- c. The disclosure regarding Other Post-Employment Benefits reported in Note 7.
- d. The disclosure regarding an adjustment to prior period net position in Note 10.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Adjustments

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We noted no such adjustment during the course of our audit.

Significant Audit Findings (Continued)

Disagreements with Management

For the purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 23, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Fallbrook Public Utility District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Fallbrook Public Utility District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability – Defined Benefit Pension Plans, the Schedule of Contributions - Defined Benefit Pension Plans, Schedule of Changes in the Net OPEB Liability and Related Ratios, and Schedule of Contributions - OPEB, which are required supplementary information (RSI) that supplement the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters (continued)

We were engaged to report on the Schedule of Operating Income and Expenses which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America and that the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory Section and Statistical Section which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction in Use

This information is intended solely for the information and use of the Board of Directors and management of the Fallbrook Public Utility District and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Carlsbad, California

November 23, 2020

Attachment C



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Fallbrook Public Utility District
Fallbrook, California

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Carlsbad, California
November 23, 2020

M E M O

TO: Board of Directors
FROM: Fiscal Policy & Insurance Committee
DATE: December 7, 2020
SUBJECT: Consider Adopting Resolution No. 5002 Approving the Increased Rates for Water and Recycled Water Service Charges, and Rates for Wastewater Service Charges and Taking Other Related Actions

Purpose

Provide the Board with the Fiscal Policy & Insurance Committee's recommended Calendar Year (CY) 2021 rates and charges for water, recycled water and wastewater services.

Summary

Calendar Year 2021 is the fourth year of the adopted five year plan. Each year the District's financial data, sales projections, and water cost data are updated to provide the most up to date information to support the annual rate and charge setting process. The Board committed to doing this as part of the 5-year financial plan adopted in 2018. A few of the notable updates made to the financial projections for CY 2021 are:

- Water Sales – Sales this year have consistently underperformed budget levels. The average sales level for FY 2020-21 and beyond were revised down from the plan level of 9,100 AF to 8,100 AF.
- Wastewater Billable Flow – The domestic billable wastewater flow calculation methodology continues to be a challenge. However, the two-year average winter flow methodology continues to be the best option for approximating expected billable wastewater flows for CY 2021.
- Santa Margarita Conjunctive Use Project Costs – The debt service for the project has been updated to reflect the terms of the loan. In addition, the project's average water yield was set at 3,100 AF a year and all the cost estimates have been updated. The cost is also adjusted for the grant funding approved by the Metropolitan Water District (MWD).

The recommended water and recycled water rate increase of 6% keeps the District aligned with the financial plan but provides rate relief to customers in these difficult times. The recommended Wastewater revenue adjustment is 4.5%, which is at the Proposition 218 level. Attachment A shows the recommended changes to Article 21 of the Administrative Code and Exhibit A to Attachment D shows the adopted calendar year 2020 rates and charges along with the calendar year 2021 recommended rates and charges.

The Committee's recommended rates and charges keep the District on track to stabilize its financial position, continue its investment in infrastructure and continue replenishing reserves. Setting rates and charges less than the recommended levels would result in

an erosion the District's financial position and mark a diversion from the adopted financial plan.

The Board is only adopting water, recycled water and wastewater rates and charges for calendar year 2021 at this time, the published rates and charges approved in the Proposition 218 process are a cap or maximum for each of the District's rates and charges. Attachment D is the Resolution adopting the calendar year 2020 rates and charges. It is important to note that the District will continue to adopt rates and charges each year after a thorough review of actual costs.

In addition, construction service fees, Capital Improvement Charges and system buy-in capacity charges are being adjusted for inflation based upon the Engineering News-Record Los Angeles Construction Cost Index per the District's Administrative Code. With the exception of the Water Capital Improvement Charge, the adjustments are based upon the change in the index from February 2019 to February 2020, which was 0.125%. The Water Capital Improvement Charge is increased by inflation plus three percent or 3.125%. These changes are shown in Articles 19, 20 & 21 which are Attachments A, B and C.

Recommended Action

That the Board adopt Resolution No. 5002 adopting calendar year 2021 rates and charges for water, recycled water and wastewater services.

Attachment A

Article 19.

Water Service Connections & Rules for Delivery of Water

Sec. 19.1

Definitions.

For the purpose of this Administrative Code and the regulation of water service by the Fallbrook Public Utility District, the following definitions are adopted:

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

The word "Consumer", as used herein, shall mean and refer to every individual, corporation, association, farm, or place of business to whom or to which water is served by the District.

The word "Unit", as used herein, shall mean and refer to each of the following:

1. A single family residence.
2. A single business establishment.
3. A single farm.
4. One hotel or motel suite with bath and kitchen.
5. Two hotel or motel suites without kitchen but with private bath.
6. Four hotel or motel suites without private bath.
7. One trailer space.
8. In multi-family dwellings, each apartment with kitchen and bath.
9. Each dormitory or labor camp facility.
10. Nursing home.

The word "rates" shall mean the compensation fixed by the Directors by Ordinance for water delivered to the consumer or for the cost of installing and maintaining meters, main line extensions and any and every appliance, fixture or connection used by said District in delivering water to said consumer.

The term "service connections", as used herein, shall designate the distribution system extension to the meter assembly and the connection to the consumer's line which shall previously have been provided to the location and to the specifications set by the District.

"Agricultural purposes" (TSAWR and Commercial Ag programs) shall mean the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre fully utilized for agricultural purposes on which incidental domestic use of water related to non-permanent residency may also occur.

The term "Agricultural-Domestic purposes" (TSAWR programs), as used herein, shall mean the use of water through a single service connection for both agricultural and

domestic purposes for permanent residences. The first 20 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property.

The term "Commercial Agricultural", as used herein, shall mean the use of water through a single service connection for agricultural purposes without participation in the or the TSAWR discount programs. Must meet the same usage and minimum acreage requirements as "Agricultural purposes".

The term "Commercial Agricultural -Domestic", as used herein, shall mean the use of water through a single service connection for both agricultural and domestic purposes for permanent residences without participation in the or the TSAWR discount programs. The first 20 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property. Must meet the same usage and minimum acreage requirements as "Agricultural purposes"

The term "Domestic purposes", as used herein, shall mean the use of water for residential (up to and including two units) purposes and businesses that use water for incidental domestic purposes only.

The term "Large Lot domestic purposes", as used herein, shall mean the use of water through a single service connection for residential (up to and including two units) purposes on parcels of one acre or more.

The term "Commercial purposes", as used herein, shall mean the use of water through a single service connection for the operation of the business or maintaining the landscaping of non-residential property.

The term "Government purposes", as used herein, shall mean the use of water through a single service connection for any political subdivision property.

The term "Multi-Unit purposes", as used herein, shall mean the use of water through a single service connection for master-metered residential housing of more than two living units.

The term "Standby Service", as used herein, shall mean a meter which has been locked at the request of the customer and which account balance remains current. Accounts may also be locked and placed on "standby service" in the event that the unpaid balance on the account becomes delinquent for a period of 90 days and/or if the District is made aware of foreclosure or vacancy of said property. A fee of \$50 to lock the meter and initiate standby service will be charged to the account and the account will be charged all applicable monthly standby charges.

The term "Construction Meter Service", as used herein, shall mean the temporary use of water for construction from a meter installed on a fire hydrant.

The term "Temporary Ag Service", as used herein, shall mean the temporary use of water solely for the growing of annual crops through a temporary connection.

The term "Recycled Water System", as used herein, shall mean water that is defined in Title 22, Division 4, Chapter 3, Article 60301, paragraph 8, of the California Administrative Code and shall mean water which, as a result of filtration and disinfection of domestic wastewater, is suitable for a direct beneficial use or a controlled use that otherwise would not occur.

Sec. 19.2 Remote Meter Agreements.

A Remote Meter Agreement is an agreement between the District and a consumer that a water meter will be installed at a location remote from the property to be served where the District does not intend to extend the District distribution system to abut the said property, and that the consumer is responsible for extending his own private line from the meter to his property and obtaining the permanent easements required for such extension.

Sec. 19.3 Temporary Service Agreements.

A Temporary Service Agreement is a recorded agreement between the District and a consumer that a meter will be placed temporarily at a location remote from the property to be served, where the District intends, at some future date, to extend the District distribution system to abut the property described in the agreement, and that the consumer is responsible for extending his own temporary private line from the meter to his property, and obtaining whatever temporary easements are required for such extension. Such agreements shall establish the financial obligations of the consumer related to the future installation costs of the District's distribution system and the cost of relocation of the meter, and shall be binding upon the signatory and all successor owners of said property.

If the customer's obligation is to be secured with a promissory note and deed of trust, the terms will be based on the 10-year Treasury Bill rate plus 2%. Interest will be recalculated annually on the anniversary date of the recorded Trust Deed and will be compounded annually on the same anniversary date.

Failure to comply with the terms of the agreement shall be cause for termination of water service to said property and the basis for establishing a lien against the property for collection of any amounts due the District. Upon change of ownership, any parcel receiving water service under a Temporary Service Agreement will be required, as a condition of continued service, for the new owner to enter into a new Temporary Service Agreement with the District.

Sec. 19.4 Engineering Fees.

Sec. 19.4.1 Plan Check Fees.

- A) Plan checks less than 500 lineal feet, water or sewer, \$500 each.
- B) Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, \$1,000 each.
- C) Plan checks greater than 1,000 lineal feet, \$1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 19.4.2 Fees for District to Inspect Contractor Installed Facilities

- A) Water Meter Service Line Installation
 - ¾" to 2" 5 hours @ ~~\$106.18 = \$530.90~~ \$106.31 = \$531.55
 - 3" and larger 9 hours @ ~~\$106.18 = \$955.62~~ \$106.31 = \$956.81
- B) Fire Hydrant Installation 9 hours @ ~~\$106.18 = \$955.62~~ \$106.31 = \$956.81
- C) Fire Service Installation 9 hours @ ~~\$106.18 = \$955.62~~ \$106.31 = \$956.81

If the sum of the inspection fees for a project is greater than \$3,000, the inspection will be done on a time and material basis and a deposit for the estimated cost will be paid prior to start of construction. Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 19.5 Rules for Service of Water.

The following rules for the service of water by the District to the consumer, either within or without the District, are hereby established:

All parcels desiring water must abut a District pipeline, and all meters will be located on the parcel being served unless the General Manager approves a Remote Meter Agreement, or the Board of Directors authorizes a Temporary Service Agreement subject to certain conditions as described in Section 19.3.

Each consumer desiring water furnished by the District shall furnish a plat of the property to be served, individually file a written application for such service, and in the form provided by the District, shall state the location, the number of acres served, the legal owner thereof, the purpose for which water is to be used and such other data regarding consumer's water production and use practices as required by the District. Based on the information provided, and verified by physical inspection if appropriate, each application will be assigned a user code: Agricultural with TSAWR Discount (AS); Agricultural Commercial (CA); Agricultural-Domestic with TSAWR Discount (AT); Agricultural Commercial-Domestic (CB); Domestic (D); Commercial (C), Government (G); or Multi-Unit (M) in accordance with the definitions provided in Section 19.1.

By making such application and upon approval thereof by the General Manager, or his designee, the application and the acceptance shall constitute a contract, the effect of which shall bind the applicant to pay all rates then or thereafter prescribed by the District for water service and to comply with all the rules and regulations with respect to service, a breach of any of which will authorize the District to discontinue water service immediately without notice or recourse and to levy such charges as otherwise provided for in this ordinance for resumption of service.

In addition, the effect of this contract shall be such as to bind the applicant to pay reasonable attorney's fees as fixed by the court where the District is required to take legal action to enforce collection of any charges incurred under this service.

The District reserves the right to determine the size and location of all service connections and may to that extent, where deemed for the best interests of the District, reduce the size, change the location or the pressure of the service connection without notice or recourse.

Sec. 19.6 Meter and Service Line Installations.

Before any service connection with the water distribution system of the District is made, the District shall collect from the applicant who desires water service an installation charge as set forth below. A connection fee based on the demand factor shall be paid in addition to the installation charges and is described in Article 20 of this Administrative Code. Reclaimed meter and service line connections shall be

capitalized as part of the project and not charged to the customer. Installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Meter Size	Meter and Service Line*	Meter Only on Existing Service Line	Service Line Only*
3/4"	\$2784 \$2,782	\$468 \$467	\$2318 \$2,315
1"	\$2962 \$2,958	\$644 \$643	\$2318 \$2,315
1-1/2"	\$4017 \$4,012	\$1022 \$1,021	\$2995 \$2,991
2"	\$4818 \$4,812	\$1178 \$1,177	\$3640 \$3,635
3", 4" or 6"	Cost	Cost	Cost
Recycled, any size	No charge	No charge	No charge

* If paving for a service line is less than or equal to 15 feet, there is an additional charge of ~~\$1807~~ \$1,805. If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of ~~\$3615~~ \$3,610. If County road inspection is required, there is an additional fee of ~~\$1402~~ \$1,400.

Sec. 19.7 Meter Relocation Fees.

Meter Size	Relocation and Service Line*
3/4"	\$3203 \$3,199
1"	\$3364 \$3,360
1-1/2"	\$4041 \$4,036
2"	\$4645 \$4,639

* If paving is required up to 30 feet, there is an additional fee of ~~\$4746~~ \$4,740. If County road inspection is required, there is an additional fee of ~~\$1402~~ \$1,400.

Sec. 19.8 Connection/Capacity Fees.

A connection fee shall be paid at the time meter service is applied for, for all permanent service connections, which fee shall be in addition to the charges made for the actual cost of labor and materials necessary to make the physical connection to the water system. The capacity fee for the connection is based on the demand that could be placed on the District's water system by reason of the connection. The extent of demand will be determined on the basis of the size of the water meter necessary to provide the estimated quantity of water usage for the connection. The demand factor for each meter size shall be calculated on the basis of the rated capacity of each size of meter divided by the rated capacity of a 3/4" meter at a pressure of 40 pounds per square inch (20 gpm), hereinafter referred to as an "equivalent meter unit" (EMU) as defined by SDCWA. Connection/ capacity charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing current fees to calculated fees.

Effective January 1, 2020, the schedule of capacity fees based on the demand factor of each meter size shall be as follows:

<u>Meter Size</u>	<u>SDCWA Demand Factor (EMU)</u>	<u>Capacity Fee</u>
3/4"	1	\$5,778 \$5,771
1"	1.6	\$9,247 \$9,235
1-1/2"	3	\$17,336 \$17,314
2"	5.2	\$30,050 \$30,012
3"	9.6	\$55,477 \$55,408
4"	16.4	\$94,770 \$94,652
6"	30	\$173,365 \$173,149

The capacity charge for a meter size greater than 6 inches shall be a basic charge for one (1) EMU multiplied by one of the following factors:

8".....factor	52.0
10".....factor	78.0
12".....factor	132.0

Sec. 19.8.1 Removal of Meters.

An owner of a parcel who has a meter and is not required to have District water for their parcel can request to have their meter removed and discontinue service. A fee of \$100 will be charged for meter removal. Once the meter is removed, if service is later requested for the parcel, it will be subject to all the fees identified in Article 19, including installation and connection/capacity fees as if it is a new service.

The following procedure will be followed when discontinuation of service is requested:

1. The District will verify that the parcel does not have a residence or that another supply is available for the residence. If District water service is necessary as a health and safety concern for the residence then the meter cannot be removed.
2. The parcel owner shall sign a form that will be recorded on their deed indicating that water service was discontinued and re-establishing service will require payment of all fees similar to any other new water customer.
3. The District will remove the meter based on the fee established for meter removal.
4. The owner will be deleted from the District's customer database and no further monthly operations, capital improvement or standby fees will be charged to the parcel. The parcel will be subject to Water Availability Charges, unless the parcel owner requests deferral in accordance with Article 24.
5. If the water service is requested in the future for this parcel it will be similar to any other parcel without water service and subject to all necessary fees including installation and connection/capacity fees.

Sec. 19.8.2 Meter Testing Costs.

The District will provide meter testing upon request by ratepayers. A meter is considered accurate according to AWWA standards if it measures 98.5% to 101.5% of actual usage. If, after the customer's request for testing, the meter is determined to be accurate, the customer will be charged the following fee based on the size of the meter:

<u>Meter Size</u>	<u>Fee for testing</u>
3/4" – 1"	\$122 <u>\$123</u>
1 1/2" – 2"	\$164 <u>\$165</u>
Over 2"	To be tested by an outside agency at a cost to be determined on actual time and materials.

If the meter is inaccurate, the District will absorb the cost of the test and make the appropriate exchange or repair to said meter to AWWA standards of accuracy. These charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February.

Sec. 19.8.3 Adjustment to Fees for Meters and Connections.

Service requests after advance payments for meters and connection fees shall be adjusted to the District's current schedule after six (6) months from the payment date(s).

Sec. 19.9 Credit for Connection Fees and Fees for Increased Meter Size.

Owners of parcels presently receiving water service through a District meter that subdivide their property and apply for additional meters to new legal parcels will be given credit for connection charges if they reduce their demand by requesting a smaller meter for their original service.

Owners of parcels presently receiving water service through a District meter that are not in the process of subdividing their land, but require a larger meter service connection due to a change in land use, shall pay a connection fee equal to the difference between connection fees for the old and new meters in accordance with the schedule in Sec. 19.8.

Sec. 19.10 San Diego County Water Authority Connection Fees.

The Board of Directors of the San Diego County Water Authority (SDCWA) announced an administrative adjustment to capacity charges on all meters purchased on or after January 1, 2020 within the boundaries of the SDCWA.

The System Capacity Charge for a meter size of one (1) inch or greater shall be the basic charge of ~~\$5,312~~ \$5,301 multiplied by a Factor that is based upon additional meter capacity.

<u>Meter Size</u>	<u>Factor</u>	<u>System Capacity Charge</u>	<u>Water Treatment Capacity Charge</u>	<u>TOTAL</u>
Less than 1"	1.0	\$ 5,301 <u>\$5,312</u>	\$ 147 <u>\$148</u>	\$ 5,448 <u>\$5,460</u>
1"	1.6	\$ 8,482 <u>\$8,499</u>	\$ 235 <u>\$237</u>	\$ 8,717 <u>\$8,736</u>
1-1/2"	3.0	\$ 15,903 <u>\$15,936</u>	\$ 441 <u>\$444</u>	\$ 16,344 <u>\$16,380</u>

2"	5.2	\$ 27,565 \$27,622	\$ 764 \$770	\$ 28,329 \$28,392
3"	9.6	\$ 50,890 \$50,995	\$ 1,411 \$1421	\$ 52,301 \$52,416
4"	16.4	\$ 86,936 \$87,117	\$ 2,411 \$2,427	\$ 89,347 \$89,544
6"	30.0	\$ 159,030 \$159,360	\$ 4,410 \$4,440	\$ 163,440 \$163,800
8"	52.0	\$ 275,652 \$276,224	\$ 7,644 \$7,696	\$ 283,296 \$283,920
10"	78.0	\$ 413,478 \$414,336	\$ 11,466 \$11,544	\$ 424,944 \$425,880
12"	132.0	\$ 699,732 \$701,184	\$ 19,404 \$19,536	\$ 719,136 \$720,720

The System Capacity Charge is the cost for the conveyance and storage facilities necessary to operate the delivery system.

The Water Treatment Capacity Charge is the cost for the connection to the 50 MGD (million gallons per day) regional water treatment facility. The Water Treatment Capacity Charge is an additional charge of ~~\$148~~ \$147 for each new meter of a size less than one inch and a corresponding increase for larger meters.

The member agency shall determine the size of the water meter to serve any property within its jurisdiction. In the event an agency calculates the water demand by the equivalent dwelling unit (EDU) method, the County Water Authority's capacity charge will be collected based on the size of meter actually installed to meet flow demand.

No capacity charge shall be imposed for a water meter permanently connected to a reclaimed water system and measuring reclaimed water. If a water user converts a water meter to permanently measure only reclaimed water, the capacity charge previously collected for the meter shall be refunded upon written request from the water user and verification by the member agency in which the water user is located that the meter is permanently connected to the reclaimed water supply and is measuring reclaimed water. The refund shall be in the amount of the capacity charge actually collected.

All claims for refund permitted shall be presented within one year of the date of the event justifying the refund.

Sec. 19.11 San Diego County Water Authority Transitional Special Agricultural Water Program Administration

Sec. 19.11.1 Purpose.

The San Diego County Water Authority Transitional Special Agricultural Water Program (TSAWR) provides discounted wholesale supply and

treatment pricing for qualified agricultural users within its service area on the basis that participants receive non-firm, interruptible supply up to the maximum allowed under Section 4901 of the MWD Administrative Code. The San Diego County Water Authority (SDCWA) also provides a wholesale pricing discount associated with its Emergency Storage Project financing, based upon the existence of and individual participation in the TSAWR. This section of the District's Administrative Code establishes the rules and regulations for Administration of the SDCWA TSAWR within the Fallbrook Public Utility District (District).

Sec. 19.11.2 Qualification.

The qualifications for water use under the San Diego County Water Authority's (SDCWA) TSAWR program are set forth in Section 162.5 of the SDCWA Administrative Code, as follows:

To qualify for participation, the TSAWR customer must demonstrate that water delivered by the District is used for growing, raising, in conformance with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produced for human consumption or for the market, or for feeding of fowl or livestock produced for human consumption of the market, or for the feeding of fowl or livestock for the purposes of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre dedicated to and utilized exclusively for the purposes described in this section.

Sec. 19.11.3 Certification and Recertification.

Individuals applying for participation in the SDCWA TSAWR shall certify that they are the owner or authorized agent of the owner of the property to receive water under the SDCWA TSAWR and further certify that their respective water usage will meet the qualifications set forth in Section 19.11.2 and as modified from time to time by SDCWA. Upon submission and approval of the application for participation in the TSAWR, applicants shall be classified as either "Agricultural" or "Ag / Domestic", and be eligible to receive the established water rate for the assigned classification. Participants may be subject to periodic re-certification as determined by MWD, the SDCWA, or the District.

Sec. 19.11.4 Acknowledgement.

Individuals participating in the TSAWR shall acknowledge that:

- a) Water received under the TSAWR is a non-firm, interruptible supply, subject to early and accelerated mandatory supply reduction as is from time to time determined necessary by MWD and the SDCWA.
- b) Water received under the TSAWR is a non-firm interruptible supply, subject to mandatory supply reduction as is from time to time determined necessary by MWD and SDCWA. The supply reduction will be equal to the reduction in firm demand required by MWD or SDCWA.
- c) Water use under the TSAWR supply is subject to periodic data and field audits and participants agree to respond in a timely manner to requests for information and access to properties receiving water under the TSAWR.

- d) Failure to respond in a timely manner to information requests, associated data and field audits or recertification, or failure to provide reasonable access to properties receiving water under the TSAWR will result in automatic removal of the subject property from the TSAWR, subject to the conditions set for in subsection 19.11.5(c) of this Article, and subsequent water use on the property will be classified and billed as “Domestic” or “Commercial”.
- e) If, as a result of an audit, it is determined that TSAWR supply was used on property and/or for purposes not meeting the qualifications established by SDCWA, then said usage may be subject to assessment of retroactive supplemental water rates, penalties and charges as required by MWD, the SDCWA, or the District, which the participant agrees to pay.
- f) If an audit determines that the subject property and/or water use on the property does not qualify for the TSAWR, then the property and associated water account will be removed from the TSAWR as provided for and subject to the conditions in sub-section 19.11.5(c) of this Article, and subsequent water use on the property will be classified and billed as “Domestic” or “Commercial”.

Sec. 19.11.5 Exit and Re-entry into the TSAWR.

- a) TSAWR customers who knowingly no longer meet the participation qualifications of the TSAWR are required to inform the District as soon as possible. TSAWR customers no longer qualifying for the discounted pricing differential and who have continued to accept the discounted supply may be required to refund the differential amount for the period in which the water was utilized for non-TSAWR qualified purposes.
- b) Customers electing to voluntarily exit the TSAWR will still be subject to TSAWR-related reductions if the customer exiting utilized TSAWR water in the base year for a mandatory reduction in a subsequent year. TSAWR customers may not voluntarily exit during periods of water shortage allocations and mandatory reductions.
- c) By SDCWA policy, only customers who were previously in the MWD-Interim Agricultural Water Program (IAWP) or SDCWA Special Agricultural Water Rate Program (SAWR) and TSAWR participants may re-enter the TSAWR program. Additionally, prior MWD-IAWP, SAWR and TSAWR participants may not re-enter the program during a TSAWR mandatory water use reduction period, as determined by the SDCWA.

Sec. 19.11.6 Implementation of Mandatory TSAWR Supply Reductions.

Actual implementation of mandatory supply reductions shall be based upon levels of reduction required by MWD and the SDCWA. To achieve the required levels of use reduction and avoid the maximum penalty possible any operational or financial sanctions which may be imposed on the District by MWD or the SDCWA, the District will utilize one or a combination of methods, including timely notice of pending reductions, water management information dissemination, individual participant

water budgets and use reduction targets, assessment of financial disincentives, and individual meter flow reduction devices.

Sec. 19.12 Installation or Extension Line Costs.

In connection with the installation or extension of water distribution lines, the District may concurrently install service lines for adjoining land parcels. The cost of the service lines together with the pipeline extension costs will be borne by the owners.

Where because of any unusual circumstance service connections involve extra expense to the District, an additional deposit or payment based upon the actual cost of such connection as determined by District staff, may be required by the District.

Sec. 19.13 Customer Valve.

There shall be a stopcock or wheel valve in every attachment between the meter and the main next to the meter which said stopcock or wheel valve and the meter and other devices and fittings, including the meter box supplied by the District, shall be for the exclusive use and under the control of the District.

There shall be a stopcock or wheel valve in each service connection located on the consumer's side of the meter, at a point to be designated by the District, which stopcock or wheel valve shall be for the use of the consumer and shall be referred to as the "customer valve."

The District has responsibility to repair or replace facilities up to and including the customer shut off valve. Repair and maintenance of facilities beyond the customer valve is the responsibility of the customer.

The District is not responsible for water loss due to leaks or other problems on the property side of the customer valve.

If there is an emergency, the District, at its discretion, can make temporary repairs and charge the customer a minimum of \$50. However, the District is under no obligation to repair leaks beyond the customer valve and assumes no long term liability for those repairs. It is recommended that the customer obtain the services of a licensed plumber to make permanent repairs.

Sec. 19.14 Water Must Pass Through Meter.

All water sold by the District and used by any consumer must pass through that customer's meter, and no delivery will be made by the District except through that customer's meter. In the event that it should be discovered that water is served to any premises by means of a bypass or any other mechanical device or instrument which permits water to be served other than through that customer's meter, the District shall have the right to immediately cut off the supply of water to said consumer until the person guilty of such conduct shall have reimbursed the District for the cost, as determined by the District, of the water so illegally used. The District shall assess a \$100 penalty, per incident, to any person who steals water in any amount.

Sec. 19.15 Mains, Service Pipes, Equipment Belonging to District.

All water mains, extensions of service pipes, meters, and all other

equipment used in the delivery of water to any meter, including the meter and the customer valve shall belong to and be the property of the District, and shall be maintained and repaired by the District.

Customer shall permit reasonable access to the meter and valves to effect said maintenance and repairs and to read the meter. Replacement shall be made by the District when such equipment is rendered unserviceable through reasonable use thereof.

However, the cost of replacements, repairs, or adjustments of any equipment of said District, including meters, when rendered necessary by any act, negligence or carelessness of the consumer, shall be made by the District at the expense of the consumer.

Sec. 19.16 Meter Area Clean and Consumer Line Free from Leaks.

Every consumer of water must keep his service pipes, valves, fixtures, and all other apparatus beyond that belonging to and serviced by the District in good repair and free from leakage at his own expense and he will be responsible for all damages which may result from failure to comply with this rule.

Sec. 19.17 Fires.

In the event that fires should take place within the District, where it is necessary to use the distribution mains of the District to supply water to extinguish such fires, the District may temporarily discontinue service to any meter, and the affected consumer shall not be permitted to use water from any of the District mains until such fire is completely extinguished.

Sec. 19.18 Access to Meters.

No person shall place or cause to be placed on or about or around any meter, hydrant, stopcock or service connection of any of the mains, pipes or water-works of the District any material of any kind which may serve or act as an obstruction to the free access or use of such meter, hydrant, stopcock or service connection. Upon failure to remove such obstruction after reasonable notice, the District shall have the right to have the water shut off and keep the same from being turned on again until such obstruction is removed and the necessary fee for turning on said water paid to the District.

Sec. 19.19 Temporary Discontinuance of Service for Repairs, etc.

The District reserves the right at any time to discontinue the service of water from its mains to water consumers for the purpose of making repairs or extensions to all parts of the system under the operation and control of the District or for any other purpose which may be found necessary by the District in order to properly maintain its system. In such case, the District will, if practicable, give notice to the consumer of such interruption in service.

Sec. 19.20 Allowances or Rebates.

No allowance or rebates in rates or charges shall be made under any circumstances, except as hereinafter in this Administrative Code authorized, and the

rates herein prescribed for service of water shall be a charge against any and all property as hereinbefore specified, until the District shall receive written notice of request to discontinue the water to such property, provided, however, that notwithstanding such written notice or request, the District shall still collect the minimum amount prescribed by this Administrative Code for the standby service as long as the meter is in place.

Sec. 19.21 Water Served to Others.

It is hereby declared to be a violation of the consumer's contract for which the District shall have the right to discontinue the service of water, if any water consumer shall be found to have served water to a consumer whose water has been shut off for breach of any of the provisions of this Administrative Code.

The District or representatives of the District shall have the right at all times to have free access to all parts of the premises of the consumer supplied with water to inspect the water system maintained by the customer.

Sec. 19.22 Backflow Prevention Devices.

In accordance with Title 17 of the California Administrative Code, backflow prevention devices to protect the District distribution system from possible contamination will be owned and maintained by the District.

The device will be located at the service connections. The type of protection that shall be required to prevent backflow into the public water supply shall be commensurate with the degree of hazard that exists on the customer premises. The type of protective device that will be required (listed in an increasing level of protection) includes: Double check Valve Assembly-(DC), Reduced Pressure Principle Backflow Prevention Device-(RP) and an Air gap Separation-(AG). The customer may choose a higher level of protection than required by FPU D. The minimum types of backflow protection required to protect the public water supply, at the water user's meter connection to the property with various degrees of hazard, are listed below. Situations not covered in the listed below shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by FPU D.

Sec. 19.22.1 Type Of Backflow Protection Required.

1. An (AG) is required on premises where there are waste water pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
2. An (AG) is required on premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
3. An (RP) is required on premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected. Any sign of injection systems on the property, including unused systems will require an (RP).

4. Auxiliary Water Supplies--Any water supply other than that received from a public water system.
 - A) (AG) is required on premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. A RP or DC may be provided in lieu of an AG if approved by the District.
 - B) An (RP) is required on premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system.
5. Recycled Water
 - A) An (AG) is required on premises where the public water system is used to supplement the recycled water supply.
 - B) An (RP) is required on premises where recycled water is used, and there is no interconnection with the potable water system.
 - C) An (RP) is required on residences using recycled water for landscape irrigation as part of an approved dual plumbed use area. If the District is also the supplier of the recycled water, to utilize an alternative backflow protection plan that includes an annual inspection and annual shutdown test of the recycled water and potable water systems.
6. Fire Protection Systems
 - A) An (RP) is required on premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).
 - B) An (AG) is required on premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. A RP may be provided in lieu of an AG if approved by the District.
 - C) An (RP) is required on Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used.
 - D) An (RP) is required on Premises where the fire system is supplied from the public water system and where recycled water is used in a separate piping system within the same building.
 - E) A (DC) is required for single family residence with fire protection system. The (DC) needs to be installed and maintained by the property owner.

7. An (RP) is required on premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
8. An (RP) is required on premises where there is a repeated history of cross-connections being established or re-established.
9. An (RP) is required where adjacent parcels under common ownership are served by more than one meter. RP devices will be required at each meter.
10. An (RP) is required on all new agricultural (AS), agricultural/domestic (AT), commercial agricultural (CA), or commercial agricultural domestic (CB) services. An RP will be installed by the District only with the new meter services.
11. Property owners who appeal to the District to change classification from a classification other than agricultural (AS, AT, CA, CB) will be required to install a Reduced Pressure Backflow Preventer at the property owners expense. See Section 19.22.3 & 4.

Evaluation of Hazard. The District shall evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a user's premises. The District, however, shall not be responsible for abatement of cross-connections which may exist within a user's premises. As a minimum, the evaluation should consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping system complexity and the potential for piping system modification. Special consideration shall be given to the premises of the following types of water users:

- A) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.
- B) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District.
- C) Premises that have internal cross-connections that are not abated to the satisfaction of the District.
- D) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
- E) Premises having a repeated history of cross-connections being established or reestablished.

Sec. 19.22.2 Backflow Device Installation on New Services.

The District shall install Reduced Pressure Backflow Preventers on new potable water meter services when applicable. (see Type of Backflow Device Protection Required)

An additional charge will be made for installation of backflow prevention devices as follows:

Reduced Pressure Principle Devices (installed along with new meter)

For each ¾ inch meter	\$475 \$474
For each 1 inch meter	\$560 \$559
For each 1-1/2 inch meter	\$1,034 \$1,033
For each 2 inch meter	\$1,251 \$1,239
For each 3, 4 or 6 inch meter	Cost

Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Sec. 19.22.3 Reduced Pressure Backflow Preventer Retrofits.

Retrofit: Installation of a Backflow device after the service connection has been established.

General Design Considerations.

- A) The design and construction of the backflow prevention assembly shall meet the requirements called for in this specification.
- B) The nominal size of the backflow prevention device shall be equal to the size of the purchased meter. For example, a (1") meter shall have a (1") backflow prevention device.
- C) The assembly shall include same size valves located on either side of the backflow prevention assemblies. Four test cocks shall be appropriately located on the assembly for testing and certification.
- D) The nominal size of reduced-pressure principle detector assemblies shall be as shown on the Approved Plans or as directed by the Fire Department of jurisdiction.
- E) Enclosures and concrete slabs shall be provided only as shown on the Approved Plans or as required by the agency of jurisdiction.

Sec. 19.22.4 Reduced Pressure Backflow Preventer Device Retrofit –Installed by Property Owner

The property owner shall be responsible for the Reduced Pressure Backflow Device Retrofit. Once the device is installed, passes the backflow test, and meets the District's standards the device will become the property of the District. The device will be charged the standard monthly service charges and will be tested annually.

Upon notification by the District that a Reduced Pressure Backflow Device is needed, the property owner will have sixty (60) days to comply. After sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and the device is installed, passes, and meets the District standards.

Installation.

- 1) Installations of retrofit backflow devices will not be performed by District Personnel and is the sole responsibility of the property owner.
- 2) Forty-eight (48) hours prior to installation, the Backflow Department will be notified at (760) 728-1125, extension 1129. Installations and inspections will be scheduled Monday through Thursday's only – excluding all District holidays. District personnel will shut off the angle stop before the meter. If the installer or property owner shuts off the angle stop and causes damage, the installer and property owner will be responsible for damages. The damages will be calculated at a time and materials rate.
- 3) Installation shall comply with the latest edition of the Uniform Plumbing Code and applicable District requirements.
- 4) Backflow prevention assemblies shall be installed in accordance with the District's standard drawings.
- 5) Water service and fire service shut-off valves will be secured closed during installation until an approved backflow prevention device is installed and tested in compliance with this specification.
- 6) When static pressure exceeds 175 psi, a pressure-reducing valve may be installed. Please contact the Backflow Department for determination of necessity.
- 7) After installation of the backflow device, the Backflow Department must be notified to inspect the installation to insure that the device meets the District specifications. It will then be tested by District personnel.
- 8) There will be no charge if the backflow device is installed correctly and test properly on the first inspection. If the backflow device fails the first test, it shall be the responsibility of the property owner to have any necessary repairs made. Repairs must be made according to District specifications. Any additional inspections will be charged one hundred twenty eight dollars (\$1287) plus the costs of parts if needed.

- 9) Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.
- 10) Any damages or leaks after the customer shut-off valve will be the property owner's responsibility.

Sec. 19.22.5 Well Destruction and Alteration.

To protect the State's groundwater supplies, the Legislature authorized the establishment of standards (Department of Water Resources Bulletins 74-81 and 74-90) and regulations pertaining to the construction, alteration, and destruction of wells.

California Water Code Section 13750.5 requires that those responsible for the construction, alteration, or destruction of water wells, cathodic protection wells, groundwater monitoring wells, or geothermal heat exchange wells possess a C-57 Water Well Contractor's License. This license is issued by the Contractors State License Board.

California Water Code Section 13751 requires that anyone who constructs, alters, or destroys a water well, cathodic protection well, groundwater monitoring well, or geothermal heat exchange well file with the Department of Water Resources a report of completion within sixty (60) days of the completion of the work.

The Land and Water Quality Division regulates the design, construction, modification, and destruction of water wells throughout San Diego County to protect San Diego County's groundwater resource. Water Wells are commonly used as the only potable water supply in the rural areas of San Diego County. For general information call the San Marcos office at (760) 471-0730.

Upon the completion of the well destruction or alteration, the property owner is responsible for supplying proper documentation to the District.

If the property owner chooses not to follow the California Water Code (listed above) within sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and a Reduced Pressure Backflow Device is installed (See Section 19.22.3&4) and passes and meets the District standards.

Sec. 19.23 Booster Pumps.

No person shall place or cause to be placed a device to raise the pressure of water supplied him by the District unless said booster system plans and proposals have been submitted to the District's General Manager and written approval for its installation and use has been secured. In the event such apparatus is installed without permission, the General Manager will immediately discontinue service to the consumer

and resume service only after satisfactory removal or correction and payment of turn-on charges and payment for any repair or treatment necessary for sanitary and safe operation.

Sec. 19.23.1 Fallbrook Service Area Pressure Zones. Any approved individual service booster pump in the following pressure zones will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer:

- 1) Toyon Heights
- 2) Sachse
- 3) Red Mountain
- 4) Gheen
- 5) Modified Town
- 6) Rattlesnake

Sec. 19.23.2 DeLuz Heights Service Area Pressure Zones. Any approved individual service booster pump in the DeLuz Service Area will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer, with the exception of the following meter numbers:

- 1) Meter No. 7783
- 2) Meter No. 7784
- 3) Meter No. 7789

Sec. 19.24 Fire Hydrants.

For installing, maintaining and use of fire hydrants, the following will apply:

The District will install fire hydrants and necessary piping so required where and when jointly approved by the District staff and the Chief of the Fire District at the cost of the North County Fire Protection District.

In the event hydrants are required as part of pipeline extensions to service a subdivision or consumer, the cost of such hydrants will be included in the cost of the extension construction and paid for by the subdivider or consumer. Charges for installation of hydrants on the existing District distribution system will be as follows:

Model J-3700 (2-port hydrant).....	\$9,138	\$9,127	(complete assembly)
Model J-3765 (3-port hydrant).....	\$9,896	\$9,884	(complete assembly)
Fire flow testing	\$532	\$531	

If paving over 20 feet is required, there is an additional fee of ~~\$257~~ ~~\$256~~ per trench foot. If county road inspection is required, there is an additional fee of ~~\$1,402~~ ~~\$1,400~~.

Charges for fire hydrants will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Maintenance and repairs to hydrants, valves and connecting pipelines, will be performed by the District at the expense of the North County Fire Protection District.

Sec. 19.25 Automatic Sprinkler and Fire Protection Systems.

For automatic sprinkler and fire protection systems, the District upon request, will install a detector check valve system subject to the payment of the following installation charges by the user:

4 inch serviceCost
6 inch serviceCost
8 inch serviceCost

Sec. 19.26 Construction Meters.

For each use of a fire hydrant by any person not officially associated with a fire fighting organization, by pre-arrangement and approval of the District, and upon receipt of a ~~\$1,266~~ ~~\$1,264~~ deposit, a meter installation charge of ~~\$123~~ ~~\$122~~ will be made. There will be a relocation charge of ~~\$123~~ ~~\$122~~ to cover cost of moving a construction meter. Upon notification by customer that the construction meter is no longer needed, District staff will retrieve the meter. Charges for construction meters will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Upon retrieval, deposits will be refunded to the customer less any accrued operations charges and water use charges. The cost to repair a damaged construction meter will be deducted from the deposit. The construction meter will be locked to the fire hydrant and moved only by District staff. If the meter is stolen, the District will bear the cost of replacement.

Sec. 19.27 Water Used for Annual Crops.

For each use of water for agricultural purposes solely for the growing of annual crops, as described in Sec. 19.1, Temporary Ag Service, the connection charge levied by Sec. 19.8 will not be assessed for this purpose.

All other fees, assessments, and charges of this Administrative Code will be in effect. The Board of Directors will determine annually the availability of water for these purposes, and the use will be continued on a year to year basis at the discretion of the Board of Directors.

Sec. 19.28 Illegal Use of Water.

The District may discontinue service to any consumer who uses or permits the use of District water beyond District boundaries or who within the District permits the flow of water beyond the limits of his property which is recorded as being served by the meter service through which the water is supplied. After discontinuing service for such cause, a charge of \$100 plus the estimated cost of the water so wasted or misused will be made and water service will not be resumed until paid.

Sec. 19.29 Water Service Outside District.

In the event that the District should at any time have surplus water over and above that which may be needed and used within the limits of the District, then and in that event, the Directors of the District are hereby authorized to enter into a contract for the sale of such surplus water outside the boundaries of the District, upon such terms and conditions and for such rates as the Directors may at the time deem for the best interests of said District, provided, however, that in no case shall the Directors of said District, in fixing the rate to be charged for water in such contract, charge less than a

sum which would represent the cost of actually developing and delivering said water outside of said boundaries of said District.

Sec. 19.30 Application of Water Service to Affordable Housing

Per Government Code Sec. 65589.7, effective July 1, 2006, the District shall not deny or condition the approval of an application for water service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- b) The District is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections; or
- c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or
- e) The applicant fails to agree to reasonable terms and conditions for water service from the District which is generally applicable to other development projects seeking water service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 19.30.1 Review of Service Policies.

At least once every five (5) years after passage of this policy, the policies contained in this section shall be presented to the Board of Directors of the District for a review and evaluation of the written policies governing water service to proposed developments that include housing units affordable to lower income households.

Sec. 19.31 Administrative Fees.

The following administrative fees will be charged for the preparation, processing, and recording of the following documents:

Insufficient Funds Check	\$25
Temporary Service Agreements	\$50
Remote Meter Agreements	\$50
Quitclaim of Easement	\$50

Grant of Easement	\$50
Grant Deed	\$50
Temporary Sewer Service Agreements	\$50
Repayment Agreements	\$100

ARTICLE 19

Sec. 19.1,19.4,19.6, 19.21, 19.23 & 19.28 – Rev. 6/93
 Sec. 19.5, 19.21 & 19.24 – Rev. 2/94
 Sec. 19.8 – Rev. 4/95
 Sec. 19.1 – Rev. 8/95
 Sec. 19.33-19.43 – Rev. 8/95
 Sec. 19.5, 19.24-19.25 – Rev. 9/96
 Sec. 19.6-19.8 – Rev. 9/96
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 Sec. 19.11 – Rev. 7/98
 Sec. 19.9 – Deleted (all parcels paid) – Rev. 9/98
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 Sec. 19.20.2 – Rev. 11/99
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 New sec. 19.27 added 6/06
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 Sec. 19.8.2 – Add 3/08
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 Sec. 19.1, 19.6, 19.8, 19.8.2, 19.10, 19.11.2, 19.11.3, 19.11.4, 19.11.5, 19.11.6, 19.22, 19.24, - Rev. 6/09

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Sec. 19.8.1 – Rev. 5/10
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19.4.2 (add), 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.24, 19.26 – Rev.
7/16
Sec. 19.10 - Rev. 1/17
Secs. 19.4.2, 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.22.4, 19.24, 19.26 –
Rev. 12/18
Secs. 19.12.1, 19.12.2, 19.24 – Rev.
7/19
Secs. 19.4.2, 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.24, 19.26 – Rev.
12/19

Attachment B

Article 20. Sewer Service Requirements and Fees

Sec. 20.1. Definitions.

For the purpose of this Administrative Code and the regulation of sewer service by the Fallbrook Public Utility District, the following definitions are adopted:

The word “applicant,” as used herein, shall mean a person making application to the District for a permit for a sewer connection, Special Use Permit, determination or redetermination.

The term “application,” as used herein, shall mean the application form approved by the District for applicants to submit a request for sewer service to the District or for a Special Use Permit, or determination or redetermination of equivalent dwelling units.

The term “Authorized Inspector,” as used herein, shall mean the person designated by the General Manager to conduct inspections and take enforcement actions for the purpose of ensuring compliance with this chapter.

The term “Board,” as used herein, shall mean the governing board of the Fallbrook Public Utility District or any successor-in-interest.

The term “BOD,” as used herein, means biochemical oxygen demand.

The term “bypass” means the diversion of waste streams from any portion of the sewer system.

The term “discharge” means the addition of any material to the District’s sewer system.

The term “District,” as used herein, shall mean the Fallbrook Public Utility District or any successor-in-interest or any person authorized by the Board or General Manager to act as a representative of the District.

The term “Domestic Sewage” shall mean the liquid and water-borne wastes derived from humans in dwelling units and non-industrial commercial structures or uses, said wastes being of such character as to permit satisfactory disposal into a public sewer or private disposal system without special treatment.

The term “Equivalent Dwelling Unit” or “EDU,” as used herein, shall mean an increment of wastewater flow attributable to a single-family residence and as further discussed in Section 20.7.

The term “Industrial User” refers to a person whose discharges or processes have a different characteristic than domestic sewage or domestic activities and which may require special review or a Special Use Permit in accordance with this Article.

The term “Owner,” as used herein, shall mean the holder of record title to a parcel or parcels of real property located within the District.

The term “Parcel Map,” as used herein, shall mean the division of a parcel of land into four (4) or fewer lots in compliance with the Subdivision Map Act.

The term “Parcel of Land,” as used herein, shall mean a separate parcel of land recognized as a separate unit by the Assessor’s office for the County of San Diego and legally subdivided by California law.

The term “pass through” means wastewater leaving the District’s sewer system in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the state or federal law, regulation, or order.

The term “Permit,” when used as a noun as used herein, shall mean permit for a sewer connection required by the District for any discharger to the District’s sewer system and includes a sewer permit, a Special Use Permit, a temporary sewer service agreement, and any other authorization to connect to and use the District’s sewer system.

The term “person,” as used herein, shall mean any individual, entity, partnership, firm, association, corporation or public agency, including the State of California and the United States of America.

The term “Project,” as used herein, shall mean the development, use, building or structure for which the owner is seeking sewer service and all developments, uses, buildings, and structures which have not previously secured a sewer permit from the District.

The term “sewer system” or “District’s sewer system” shall mean all of the publicly owned property involved in the operation of the sewage collection, treatment, and disposal system in the District, including land, sewers and appurtenances, pumping stations, and the treatment works and equipment.

The term “Special Use Permit” shall mean a permit for a sewer connection issued by the District to certain industrial users of the District’s sewer system in accordance with Section 20.9.

The Term “SS,” as used herein, means suspended solids.

The term “Subdivision,” as used herein, shall mean any improved or unimproved real property, or a portion thereof, shown on the latest equalized County Assessment Tax Roll as a unit or as contiguous units which is divided into five (5) or more parcels for the purpose of sale, lease or financing.

The term “upset” means an incident in which there is temporary noncompliance with requirements of the District’s sewer system regulations.

The term “user” refers to any person who connects to or discharges to or authorizes, permits, facilitates, or allows the connection or discharge to the District’s sewer system.

Sec. 20.2. Prohibited Connections.

It shall be unlawful for any person to connect to or to facilitate, authorize, permit, or allow connection to the District sewer system or to add or to facilitate, authorize, permit, or allow the addition of any building, apartment, trailer, or other unit to an existing sewer connection or commence construction of any sewer line within the District without having first obtained a written permit from the District authorizing such connection or construction in accordance with Division 20.2 of this Article. No permit to connect shall be issued except to the owner of the property or the owner’s duly authorized agent.

Sec. 20.3. Prohibited Uses and Prohibited Discharges.

It is unlawful for any person to use or discharge to, or to facilitate, authorize, permit, or allow the use of or discharge to, the sewer system except in accordance with Division 20.3.

Industrial users subject to the pretreatment standards specified in Part 403 of Title 40 of the Code of Federal Regulations are prohibited from connecting to or discharging into the District’s sewer system.

Sec. 20.4. Permit Required.

No person or entity shall be entitled to establish, authorize, cause, facilitate or allow a connection or discharge to the District’s sewer system without first obtaining a sewer permit in accordance with Section 20.4, a Special Use Permit in accordance with Section 20.9 or a temporary sewer service agreement in accordance with Section 20.10 and paying required fees in accordance with this Article.

No person or entity shall be entitled to discharge or to authorize, cause, facilitate, or allow a discharge to the District’s sewer system except as authorized by a sewer permit, Special Use Permit or temporary sewer service agreement. Permits are issued only for the use expressly authorized by the permit.

If a permit does not show thereon the number of equivalent dwelling units for which it is issued, the holder of the permit may seek a determination of the equivalent dwelling units authorized by the permit in accordance with this Article.

The holder of a permit who seeks to undertake any of the following actions on the property associated with the permit must submit an application for a redetermination of equivalent dwelling units as set forth in Section 20.7 and/or a redetermination of strength classification under Section 20.8 and, if required apply for a new or amended permit and pay fees in accordance with this Article:

- a) add a new or change an existing use of a property;

- b) remodel, renovate, or enlarge a structure that discharges or connects to the District's sewer system;
- c) construct any additional improvements on the parcel of property that discharges or connects to the District's sewer system;
- d) discharge a greater volume of wastewater than is authorized by an existing sewer permit;
- e) discharge wastewater with a greater concentration of BOD, SS or other constituent than is authorized by the sewer permit.

No sewer permit required by this Section is valid until the applicant has paid all fees and charges of the District and complied with all requirements of this Administrative Code. An applicant does not have any right to sewer service until the permit is issued. Upon issuance of the permit, monthly service charges will commence in accordance with this Article.

Sec. 20.5. Sewer Permit Application Process.

Sec. 20.5.1 Submission of Application.

Any person required to obtain a permit in accordance with Section 20.4 must submit a request for sewer service from the District on the application form approved by the District. The application shall be made in the name of the Owner and be signed by the Owner or Owner's authorized representative. No application shall be deemed complete for the purposes of processing until the District has obtained all information requested by District staff to process the application, which may include but is not limited to the following:

- a) Environmental Review.

Upon request, the applicant shall provide the District with all documents evidencing any environmental review of the project for which the applicant seeks sewer service. If the District determines that additional environmental review is necessary, the applicant shall be required to complete this additional environmental review. All environmental review shall be at the applicant's sole cost and expense. The District may elect to utilize the applicant's environmental expert or may elect to retain its own environmental consultant at the applicant's sole cost and expense. Where District staff determines that the environmental review is insufficient, the District may require a deposit for additional environmental review as determined necessary by District staff. All costs for such additional environmental review shall be paid by the applicant.

- b) Plans and Specifications.

Except where waived by District staff, all applications for a sewer permit shall be accompanied by a complete set of all plans and specifications for the proposed development prepared by an architect or engineer licensed in the State of California. The

District shall have no obligation to process any application until District staff has received all plans and specifications determined necessary by District staff to consider the impacts of the proposed project on the District's sewer system.

c) Parcel Maps and Subdivisions.

Applications for sewer service to parcel maps and subdivisions will not be processed until the applicant submits an executed application form and the District has been provided with a copy of the parcel map or subdivision map prepared by a licensed civil engineer in the State of California. The parcel map or subdivision map shall show all proposed sewer facilities. Where the parcel map or subdivision will require a pipeline extension, the applicant will be required to execute a pipeline extension agreement.

Sec. 20.5.2 Determination of Equivalent Dwelling Unit and Strength.

Upon receiving an application for issuance of a sewer permit, the District will determine the number of equivalent dwelling units and anticipated strength classification for which the Permit shall be issued, and fees shall be calculated in accordance with this Article.

Sec. 20.5.3 Payment of Fees.

Before a sewer permit may be issued, the applicant must pay the following fees or arrange for payment of the fees pursuant to Section 20.16:

- a) Capacity fees in accordance with Section 20.16.2;
- b) Plan Check fees in accordance with Section 20.16.3;
- c) Lateral fees in accordance with section 20.16.4, if applicable;
- d) Fees to inspect contractor-installed laterals in accordance with Section 20.16.5, if applicable; and
- e) Annexation fee in accordance with Section 20.16.6, if applicable.

Sec. 20.6. Sewer Availability Forms and Letters.

If an applicant has submitted a completed application, all environmental review has been completed to the satisfaction of the District, and the District has reviewed and approved the applicant's plans for sewer service, and all fees have been paid or guaranteed, the District may issue a sewer availability letter or execute the Sewer Project Facility Availability form provided by the County of San Diego.

Execution of the sewer availability letter or form is not a commitment that the District will provide sewer service to any project nor is it a guarantee that sewer service will be available to serve the project at the time a sewer commitment is actually made. Execution of the sewer availability letters or forms merely indicates that sewer service is available at the time the District executes the sewer availability letter or form. The

District is not committed to provide sewer service until the District issues the permit, the applicant pays all deposits and fees required by the District, and all sewer facilities required to serve the project by the District have been completed and accepted by the District.

Sec. 20.7. Equivalent Dwelling Units.

a) Equivalent Dwelling Unit Schedules.

1. The following schedule shall be used when determining the equivalent dwelling units and class of service for any connection to the District’s sewer system.

(SEE SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE ON THE FOLLOWING PAGES)

SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE

Equivalent Class	Description	Dwelling Units
Class 1	Single Family Residence	
	Single family residence	1.00
	Mobile home on individual parcel	1.00
Class 2	Apartment/Condominium/Attached Cottage-Mobile Home	
	Per detached cottage with bathroom and kitchen on a parcel with a single family residence	0.80
	Per mobile home on a parcel with a single family residence	0.80
	Per apartment unit	0.80
	Per condominium/duplex unit	0.80
	Accessory Dwelling Unit* (As defined by State Government Code.)	
	*Capacity Fees do not apply to Accessory Dwelling Units (ADUs) that are exempt from such fees under State Law. Sewer Service Fees still apply, and they are determined by the applicable EDU factor.	0.40
Class 3	Mobile Home Park	
	Per separate mobile home space	0.80
	Motel/Hotel with no restaurant	
Class 4	Per motel/hotel with kitchen unit	0.80
Class 41	Per motel/hotel without kitchen unit	0.50
	A Separate Business, Retail Shop With Office, Or Packing House Equipped With Restroom Facilities, Or Not So Equipped But Located In A Building Or Complex With Common Restroom	

Class 5	First 3500 square feet (exterior building area) facilities	1.33
Class 55	Per additional 1000 square feet (exterior building area)	0.38
	Automotive Service Station	
Class 6	4 pumps or less	2.00
Class 61	More than 4 pumps	3.00
Class 62	Per recreational vehicle holding tank disposal station	1.00
	Church, Fraternal Lodge Or Similar Auditorium	
Class 7	Per 200 seating capacity	1.00
	Bakery	
Class 8	Per 3500 square feet (exterior building area)	1.00
	Theater	
Class 9	Per 150 seating capacity	1.33
	Hospital	
Class 10	Per bed	0.65
	Convalescent or Boarding Home	
Class 11	Per bed	0.30
	Elementary School / Daycare	
Class 13	Per 60 Students	1.00
	Junior High School	
	Per 40 Students	1.00
	High School	
Class 17	Per 30 Students	1.00
	Mortuary	
Class 14		1.00
	Car Wash with water recovery system and public restroom	
Class 21		2.00
	Self Service Laundry	
Class 23		2.00
	Restaurants	
Class 24	Restaurant Under 2500 Square feet	3.00
Class 25	Restaurant 2501-7000 Square feet	4.00
Class 26	Restaurant Over 7000 Square feet	5.00

	Grocery Stores	
Class 32	Grocery Stores Under 2500 feet	3.00
Class 33	Grocery Stores 2501-7000 Square feet	4.00
Class 34	Grocery Stores Over 7000 Square feet	5.00
Class 88	Standby	0.24

2. Unclassified Users. Users whose use is not classified in the above table are considered “unclassified users.” District staff shall determine the number of equivalent dwelling units for which a permit shall be issued to an unclassified user, including but not limited to commercial and industrial users, based upon the estimated volume of wastewater to be discharged therefrom into the District’s sewer system. An unclassified user that is also an Industrial User may be required to obtain a Special Use Permit pursuant to Section 2.9.

b) Determination and Redetermination of Equivalent Dwelling Units.

1. Determination of Equivalent Dwelling Units.

The holder of an existing sewer permit which does not show thereon the number of equivalent dwelling units for which it is issued, may make application to the District for a determination of equivalent dwelling units based on the current use of the property to which the permit relates.

Upon receipt of an application, the District shall determine the number of equivalent dwelling units which shall be credited to the permit based on this section.

Upon completing the determination of the number of equivalent dwelling units to be assigned to an existing permit, the District shall amend the permit to show thereon the number of equivalent dwelling units assigned thereto and shall also make a notation of such equivalent dwelling units assigned to the existing in the appropriate District record.

2. Redetermination of Equivalent Dwelling Units.

Upon receiving an application for a redetermination, the District shall determine the number of equivalent dwelling units assigned to such permit and the number of equivalent dwelling units required by the action undertaken by the permit holder. If the permit does not accurately show the number of equivalent dwelling units for which it was issued or which will exist after the action undertaken by the permit holder, the District shall determine the number of equivalent dwelling units to be assigned to such permit in the manner above provided in this section, and whether the action undertaken by the permit holder will necessitate additional equivalent dwelling units.

If additional equivalent dwelling units are required as a result of the action undertaken by the permit holder, the applicant will be required to acquire additional equivalent dwelling units in accordance with Section 20.4, to construct any additional sewer facilities determined necessary by the District to adequately serve the property, and to pay fees required by this Article based on the fees in effect at the time the application is submitted for the additional number of equivalent dwelling units calculated by District staff.

3. Reduction in Equivalent Dwelling Units.

If any determination or redetermination conducted in accordance with this Section results in a reduction in equivalent dwelling units, such reduction in capacity will reduce the ongoing capital improvement charge, but will not result in any refund of capacity fees.

Sec. 20.8. Determination and Classification of Strength (BOD and SS).

The District shall use the following guidance when determining the anticipated concentrations of BOD and SS for discharges to the District's sewer system:

- a) Low strength: BOD < 200 mg/l and SS < 200 mg/l: Retail, laundry, church or community facility with no kitchen, offices, car wash, nursing home or hospital.
- b) Medium strength: BOD 200 - 700 or SS > 200 -700: hotel, auto service station, hotel with restaurant, light manufacturing.
- c) High strength: BOD > 700 mg/l or SS > 700 mg/l: Restaurant, mortuary, manufacturing or high strength wastes.

The allowable discharge strength classification shall be set forth in the permit.

Industrial Users required to obtain a Special Use Permit may be subject to alternative strength classification requirements and/or additional discharge requirements pursuant to Section 20.9.

Any user or applicant whose actual or proposed discharge is determined by the District to have characteristics that may adversely impact sewer system operations or the District's

ability to comply with state and federal laws, regulations, or orders must immediately cease any actual discharge and obtain and implement a Special Use Permit in accordance with Section 20.9 before commencing or recommencing any such discharge.

Sec. 20.9. Special Use Permits.

Any user or applicant whose actual or proposed discharge is determined by the District to have characteristics that may adversely impact sewer system operations or the District's ability to comply with state and federal laws, regulations, or orders must immediately cease any actual discharge and obtain and implement a Special Use Permit before commencing or recommencing any such discharge.

Applicants for Special Use Permits shall complete and file the standard application form and submit all applicable fees. Applications for a Special Use Permit shall include such additional information as may be required by the General Manager, which may include, but not be limited to, sewage constituents and characteristics (as may be determined by a laboratory approved by the District), and any other information deemed necessary by the District to evaluate the application.

The Special Use Permit shall be subject to all requirements and provisions applicable to general permits under this Article, but may also be subject to one or more of the following:

- a) Limitation of the volume discharged;
- b) Restriction of peak flow discharges;
- c) Pretreatment of wastewater prior to discharge;
- d) Discharge of certain wastewater only to specified sewers of the District;
- e) Relocation of the point of discharge;
- f) Prohibition or limitation of discharge of certain wastewater constituents;
- g) Restriction of discharge to certain hours of the day;
- h) Filing of periodic self-monitoring discharge reports or results of periodic measurements;
- i) Installation of a suitable manhole together with such necessary meters and other appurtenances to facilitate observation, sampling, and measurement of the wastes;
- j) Payment of additional charges to defray increased costs of the District created by the wastewater discharge; and
- k) Such other conditions as may be required to achieve the purpose of this section.

Sec. 20.10. Temporary Sewer Service Agreement.

A Temporary Sewer Service Agreement is a recorded agreement between the District and a user that a sewer will be placed temporarily at a location remote from the property to be served, where the District intends, at some future date, to extend the District sewer system to abut the property described in the agreement, and that the consumer is responsible for extending a temporary private line from the sewer to the property to be served, and obtaining whatever temporary easements are required for such extension. Temporary sewer service agreements shall establish the financial obligations of the user related to the future installation costs of the District's distribution system and the cost of relocation of the sewer, and shall be binding upon the signatory and all successor owners of said property.

If the user's obligation is to be secured with a promissory note and deed of trust, the terms will be based on the 10-year Treasury Bill rate plus 2%. Interest will be recalculated annually on the anniversary date of the recorded Trust Deed and will be compounded annually on the same anniversary date.

Sec. 20.11. Permit Modifications.

The terms and conditions of a permit may be subject to modification by the District, in accordance with any changes in the effluent standards limitations or prohibited substances by superior regulators or in response to violations of this Code. The discharger shall be informed of any proposed changes in the permit at least thirty (30) days prior to the effective date of change, except in the case of violations of a permit or other order of the District, which may be modified as needed to protect public health, safety, and welfare, the District's sewer system, or personnel. Any modifications or new conditions in the permit shall include a reasonable time schedule for compliance.

No person shall discharge sewage in excess of the quantity or quality limitations set by a permit. Anyone desiring to discharge wastes or use wastewater facilities that are not in conformance with terms of a permit must apply to the District for an amendment to the permit or for a Special Use Permit, as applicable.

Sec. 20.12. Permits Non-Transferable.

A permit issued for a particular parcel of land is specifically limited to use for that parcel of land. A permit shall not be transferred to or used for a parcel of land which is not specifically described in the permit. Permits may be used only for the use which is specifically set forth on the permit.

Sec. 20.13. Application of Sewer Service to Affordable Housing.

Per Government Code Sec. 65589.7, effective July 1, 2006, the District shall not deny or condition the approval of an application for sewer service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the

denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- b) The District is subject to a compliance order issued by the State Water Resources Control Board, Division of Drinking Water that prohibits new water connections; or
- c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or
- e) The applicant fails to agree to reasonable terms and conditions for sewer service from the District which is generally applicable to other development projects seeking sewer service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 20.14. Sewer Use Requirements.

Sec. 20.14.1 General Conditions for Sewage Disposal.

No person shall discharge to the District's sewer system except through a connection permitted in accordance with Division 20.2 and in accordance with the sewer use requirements of this Division 20.3 and on payment of fees and charges provided in Division 20.4. Unless specifically authorized in a Special Use Permit issued by the District, no person shall discharge to the District's sewer system anything other than domestic sewage that complies with the requirements of this Article.

No person shall discharge to the District' sewer collection system in any manner that does the following:

- a) Create nuisances such as odors,
- b) Menace or endanger public health or safety or damage public or private structures, facilities or improvements,
- c) Impose unreasonable collection, treatment, or disposal costs to the District,
- d) Interfere with wastewater treatment processes,
- e) Exceed quality requirements set by regulatory government agencies,
- f) Detrimentially affect the local environment,
- g) Causes or contributes or threatens to cause or contribute to a bypass of untreated waste, pass through, or upset; or
- h) Cause or contribute to a violation of any permits applicable to the District's sewer system or treatment facilities.

Sec. 20.14.2 Discharge Prohibition.

Unless written approval has been provided by the District, no person shall discharge or cause to be discharged into the District's sewer, directly or indirectly, the following:

- a) Any storm water, surface water, groundwater, roof runoff, subsurface drainage, uncontaminated cooling water, or industrial process waters.
- b) Pollutants which create a fire or explosion hazard, including but not limited to any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.
- c) Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or

interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant, including but not limited to cyanides in excess of two (2) mg/L as CN in the wastes as discharged to the public sewer.

- d) Pollutants which will cause corrosive structural damage to the sewer system, but in no case any waters or wastes having a pH lower than 6.0 or in excess of 9.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewage works.
- e) Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewage works such as, but not limited to, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, ashes, unground garbage, whole blood, paunch manure, hair and fleshings, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
- f) Any pollutant, including oxygen demanding pollutants (BOD, etc.) released in a discharge at a flow rate and/or pollutant concentration which will cause interference with the sewer system.
- g) Brine from on-site regenerated ion exchange water treating devices.
- h) Water softener waste or any other salt water brine wastes.
- i) Any trucked or hauled pollutants, except at discharge points designated by the District.
- j) Fats, oils and grease (FOG) from food service establishments, except in compliance with the District's FOG program.
- k) Any other substances, materials, waters, or wastes if it appears likely in the opinion of the District's General Manager that such wastes can harm either the sewers, sewage treatment process, or equipment, have an adverse effect on the receiving stream, or can otherwise endanger life, limb, public property, or constitute a nuisance. In making a determination as to the acceptability of these wastes, the General Manager will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, capacity of the sewage treatment plant, degree of treatability of wastes in the sewage treatment plant, and other pertinent factors. The substances prohibited are:
 - l) Heat in amounts which will inhibit biological activity in the sewer system resulting in interference, but in no case any liquid or vapor having a temperature higher than one hundred fifty (150) °F (65°C).

- m) Any water or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of two hundred (200) mg/L or containing substances which may solidify or become viscous at temperatures between thirty two (32) and one hundred fifty (150) °F (0 and 65° C).
- n) Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three fourths (3/4) horsepower (0.76 hp metric) or greater shall be subject to the review and approval of the District.
- o) Any waters or wastes containing strong acid iron picking wastes, or concentrated plating solutions whether neutralized or not.
- p) Any water or wastes containing boron, cadmium, chromium, copper, iron, lead, manganese, mercury, selenium, tin, zinc and similar objectionable or toxic substances, or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite sewage at the sewage treatment works exceeds the limits established by the District for such materials. And, any water or wastes containing constituents in excess of those required by the District's current permits.
- q) Any water or wastes containing phenols or other taste odor producing substances, in such concentrations exceeding limits which may be established by the District as necessary, after treatment of the composite sewage, to meet the requirements of the State, Federal, or other public agencies of jurisdiction for such discharge to the receiving waters.
- r) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the District in compliance with applicable State or Federal regulations.
- s) Materials which exert or cause:
 1. Any waters or wastes containing more than 350 parts per million by weight of suspended solids or have a 5 day B.O.D. greater than 300 parts per million by weight, or a C.O.D. greater than 600 parts per million by weight.
 2. Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions).
 3. Unusual B.O.D. chemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment works.
 4. Unusual volume of flow or concentration of wastes constituting "slugs" as defined herein.

- t) Waters or wastes containing substances which are not amenable to treatment or reduction by the sewage treatment processes employed, or are amenable to treatment only to such degree that the sewage treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

Sec. 20.14.3 FOG Compliance Program.

The District has prepared and adopted a fats, oils, and grease (FOG) program on the implementation and enforcement of this Article. The District may require compliance with the FOG program as a condition of a Special Use Permit under this Article. FOG program may be updated as needed to achieve the applicable performance standards for the sewer system.

Sec. 20.15. Miscellaneous Provisions.

Sec. 20.15.1 Provide Information.

Users must provide information regarding the nature of any discharge to the system on request of the District.

Sec. 20.15.2 Users Outside the District.

The Board of Directors of the District shall have the power under Sec. 16474 of the Public Utilities Code to establish by agreement or resolution, the fees and charges and such other conditions as it deems appropriate that shall be imposed for providing sewer services to premises located outside the District. The provision of sewer services to premises outside the District shall also comply with applicable law, including but not limited to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code § 56000 et seq.).

Sec. 20.15.3 Agreements.

No statement contained in this Article shall be construed as preventing any special agreement or arrangement between the District and any discharger whereby waste of unusual strength or character may be accepted by the District for treatment, subject to payment as agreed thereof by the discharger.

Sec. 20.16. Fees and Charges.

Sec. 20.16.1 Sewer Service Charges.

Every user of the District's sewer system must pay a sewer service charge for the use of the District's sewer system in an amount and at a frequency established by the Board.

Sec. 20.16.2 Capacity Fees.

a) Capacity Fee Amount. Prior to issuance, reissuance, or amendment of a sewer permit the following capacity fees shall be paid by an applicant for a sewer permit for each equivalent dwelling unit determined by the District in accordance with Section 20.7:

Capacity Fee	\$7,106 <u>\$7,115</u> per EDU
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b) Adjustments to Capacity Fees. Capacity fee charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

c) Financing Capacity Fees. Finance options are available for customers who owe additional fees to the District due to property expansions that did not purchase additional capacity and/or visual audits conducted by District staff as follows:

1. Any amounts financed by the District require a signed agreement and Promissory Note. Any amount greater than \$10,000 will also require a Trust Deed.
2. Any delinquent amounts will be transferred to the property tax bill.
3. Amounts up to \$3,000 are due immediately with no financing option.
4. Amounts between \$3,001 and \$5,000 may have terms of up to one year at the Local Agency Investment Fund (LAIF) rate + 2%.
5. Amounts between \$5,001 and \$10,000 may have terms of up to two years at the LAIF rate + 3%; interest to be re-calculated at the one year anniversary.
6. Amounts greater than \$10,001 may have terms up to three years at the LAIF rate + 4%; interest to be re-calculated at the one year and two year anniversaries.
7. Liens will not be offered as a methods of postponing payment of fees.

Sec. 20.16.3 Plan Check Fees.

a) An applicant must pay a plan check fee in accordance with the following:

1. Plan checks less than 500 lineal feet, water or sewer, \$500 each.
2. Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, \$1,000 each.
3. Plan checks greater than 1,000 lineal feet, \$1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 20.16.4 Lateral Fees.

If the District staff will be utilized to install a lateral from the main line and to put in a clean-out box and overflow device, the applicant shall pay the following fee upon submission of an application. The fee is to cover the cost to install a lateral from the main line and to install the clean-out box and overflow device, if a lateral is required based on the nature of the application:

Length	Depth	Crew Size	Hours	Cost
≤ 15'	≤ 8'	4	36	\$3,500 \$3,496
≤ 15'	>8'	4	56	\$5,422 \$5,415
>15' to 30'	≤8'	5	90	\$7,443 \$7,434
>15' to 30'	>8'	5	115	\$9,586 \$9,574
>30'	Any	5	Actual	Actual

If paving less than or equal to 15 feet is required, there is an additional fee of ~~\$1,470~~ ~~\$1,468~~. If paving is greater than 15 feet up to 30 feet is required, there is an additional fee of ~~\$2,462~~ ~~\$2,459~~. If county road inspection is required, there is an additional fee of ~~\$1,402~~ ~~\$1,400~~.

Lateral installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Sec. 20.16.5 Fees for District to Inspect Contractor-Installed Facilities.

If a contractor will install the sewer lateral and related facilities, the applicant shall pay a sewer lateral inspection fee on a time and materials basis. Upon submission of an application, the applicant shall pay a deposit for the estimated inspection fee, calculated as follows:

Sewer Lateral Installation Estimated inspection hours @ ~~\$106.31~~ ~~\$106.18~~ =
Estimated inspection fee

If the actual time per form inspection is less than the District's estimate, the District will refund the excess amount to the applicant. If the actual time to perform inspection exceeds the estimated time, the applicant shall pay the remaining amount due to the District as a condition of service. If the applicant fails to pay within the time specified by the District, the District may include the remaining amount in its bill for sewer service or seek collection through any other lawful means.

Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 20.16.6 Annexation Fees.

An applicant must pay a sewer annexation fee for any connection located in an area that is required to be annexed to the sewer service area after March 23, 2012 in accordance with state law. Annexation fees are due with the other sewer permit fees when applying for a sewer permit and are calculated for each equivalent dwelling unit determined by the District in accordance with Section 20.7.

Annexation Fee (if required)	\$11,389 per EDU
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Sec. 20.16.7 Fees and Charges May Be Collected with Taxes.

Notwithstanding any other provision of this Administrative Code, the fees and charges required by this Code, including the connection fee and the sewer service charges, or either of them may be collected on the tax roll in the same manner and together with the general taxes of the District pursuant to Section 16469 of the Public Utilities Code.

Sec. 20.17. Right of Entry and Inspection.

To the fullest extent permitted by law, the officers, employees, and agents of the District shall have the right to enter upon any premises within the District to inspect and verify compliance with the Administrative Code or any permit, order, ordinance or authorization issued by the District. The District has the right to conduct routine inspections and sampling at any location where discharges to the sewer system occur.

Sec. 20.18. Enforcement – Generally.

In addition to any remedies provided in this Code or available under any applicable law, the District may take any enforcement action or combination of enforcement actions provided in this Division against any person who violates any provision of this Article.

Sec. 20.19. Administrative Enforcement.

Sec. 20.19.1 Monitoring.

The Authorized Inspector may require any discharger who violates any provision of this Article or any permit, agreement, or other authorization issued in accordance with this Article to pay all costs associated with follow-up sampling, cost of analysis, and inspections needed to return the discharger to compliance. The discharger may be required to install and maintain pre-treatment, monitoring, and sampling facilities to ensure compliance with this Code.

Sec. 20.19.2 Citations.

The Authorized Inspector may issue an administrative citation directing a user or discharger to cease any action that violates any provision of this Article or any permit, agreement, or other authorization issued in accordance with this Article and may require the user or discharger to take any action necessary on a reasonable timeline to return to compliance and to pay penalties and costs authorized by law or this Article.

Sec. 20.19.3 Termination of Service and Revocation of Permit.

In addition to other statutes or rules authorizing termination of service for delinquency in payment for sewer service, the District may revoke any permit issued pursuant to these regulations. The District may also terminate the sewer or water service to any property, if a violation of any provision of this Article or a permit is found to exist, or if any wastewater discharge into the District's sewer system causes or threatens to cause a condition of contamination, pollution, or nuisance.

When deemed necessary for the preservation of public health or safety, or for the protection of public or private property, the District may suspend or terminate sewer or water service to any person using the sewer system in a manner endangering the public health or safety, or public or private property. If such endangerment shall be imminent, the District may act immediately to suspend sewer service without notice or warning to

said discharger. In terminating service, the District may sever all pertinent connections to the public sewer.

Sec. 20.19.4 Permit Amendment.

In the event that the user demonstrates non-compliance or potential non-compliance with the limitations set forth in this Article or in any permit, agreement, or other authorization issued in accordance with this Article, the District may require the user to obtain a Special Use Permit or may modify an existing permit.

Sec. 20.19.5 Cost Recovery.

A person violating this Code or a permit or agreement or other authorization issued in accordance with this Article, or who discharges wastewater that causes a deposit, obstruction, damage, or any other impairment to the District's sewer system shall become liable for all expense, loss, or damage sustained by the District by reason of such violation or discharge. Such expenses, losses and damages include the District's costs of investigation and of taking any enforcement action required to return the user to compliance.

In addition to such costs, the District may recover reasonable attorneys' fees, court costs, court reporters' fees and other expenses of litigation by means of an appropriate lawsuit or other remedy against the person or discharger found to have violated these regulations or any discharge permit issued.

The District may condition the provision or continued provision of service on the payment of such expenses, losses, and damages.

Sec. 20.19.6 Administrative Complaint – Pretreatment Violations.

- a) In accordance with Section 54740.5 of the Government Code, the Authorized Inspector may issue an administrative complaint to any person who violates any requirement adopted or ordered by a local agency pursuant to Section 20.9. The administrative complaint shall allege the act or failure to act that constitutes the violation of the requirements, this Section, and the proposed civil penalty.
- b) The administrative complaint shall be served by personal delivery or certified mail on the person subject to the discharge requirements, and shall inform the person served that a hearing shall be conducted within 60 days after the person has been served. The hearing shall be before a hearing officer designated by the General Manager. The person who has been issued an administrative complaint may waive the right to a hearing, in which case no hearing will be conducted. A person dissatisfied with the decision of the hearing officer may appeal to the Board within 30 days after notice of the hearing officer's decision.
- c) If after the hearing, or appeal, if any, it is found that the person has violated reporting or discharge requirements, the hearing officer or Board may assess a

civil penalty against that person. In determining the amount of the civil penalty, the hearing officer or Board may take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the economic benefit derived through any noncompliance, the nature and persistence of the violation, the length of time over which the violation occurs and corrective action, if any, attempted or taken by the discharger.

- d) Civil penalties may be imposed as follows:
1. In an amount which shall not exceed two thousand dollars (\$2,000) for each day for failing or refusing to furnish technical or monitoring reports.
 2. In an amount which shall not exceed three thousand dollars (\$3,000) for each day for failing or refusing to timely comply with any compliance schedule established by the Authorized Inspector.
 3. In an amount which shall not exceed five thousand dollars (\$5,000) per violation for each day for discharges in violation of any waste discharge limitation, permit condition, or requirement issued, reissued, or adopted by the District.
 4. In an amount which does not exceed ten dollars (\$10) per gallon for discharges in violation of any suspension, cease and desist order or other orders, or prohibition issued, reissued, or adopted by the District.
 5. The amount of any civil penalties imposed under this section which has remained delinquent for a period of 60 days shall constitute a lien against the real property of the discharger from which the discharge originated resulting in the imposition of the civil penalty. The lien provided herein shall have no force and effect until recorded with the county recorder and when recorded shall have the force and effect and priority of a judgment lien and continue for 10 years from the time of recording unless sooner released, and shall be renewable in accordance with the provisions of Sections 683.110 to 683.220, inclusive, of the Code of Civil Procedure.
- e) All moneys collected under this section shall be deposited in a special account of the District and shall be made available for the monitoring, treatment, and control of discharges into the District's sewer system or for other mitigation measures.
- f) Unless appealed, orders setting administrative civil penalties become effective and final upon issuance thereof, and payment shall be made within 30 days. Copies of these orders shall be served by personal service or by registered mail upon the party served with the administrative complaint and upon other persons who appeared at the hearing and requested a copy.
- g) The local agency may, at its option, elect to petition the superior court to confirm any order establishing civil penalties and enter judgment in conformity therewith

in accordance with the provisions of Sections 1285 to 1287.6, inclusive, of the Code of Civil Procedure.

- h) No penalties shall be recoverable under this section for any violation for which civil liability is recovered under Section 54740 of the Government Code.

Sec. 20.20. Public Nuisance.

- a) Discharge of wastewater in any manner that is in violation of this Article or a permit, or any order issued by the District as authorized herein, is hereby declared a public nuisance and shall be corrected or abated as directed by the District. Any person creating such a public nuisance is guilty of a misdemeanor and may be referred for criminal prosecution.
- b) If any wastes or waters are discharged, or are proposed to be discharged to the public sewers, which waters contain the substances or possess the characteristics prohibited under this Article, and which in the judgement of the District, may have a deleterious effect upon the sewage works, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the District may:
 - 1. Reject the wastes,
 - 2. Require pretreatment to an acceptable condition for discharge to the public sewers,
 - 3. Require control over the quantities and rates of discharge,
 - 4. Require discharger to obtain and comply with an Special Use Permit under this Article,
 - 5. Require payment to cover the added cost of handling and treating the wastes not covered by the sewer charges levied by the District, and/or
 - 6. Take any or all enforcement actions available to the District for violations of this Article.

Sec. 20.21. Civil Enforcement.

Sec. 20.21.1 Injunction.

Whenever a discharge of wastewater or other action is found to be in violation of this Code or a permit, or otherwise causes or threatens to cause a condition of contamination, pollution, or nuisance, the District may petition the Superior Court for the issuance of a temporary restraining order, preliminary injunction, permanent injunction, or all, as may be appropriate to restrain such action or require compliant actions.

Sec. 20.21.2 Other Actions.

The District may take any other civil action available at law or in equity to enforce the provisions of this Code.

Sec. 20.21.3 Criminal Enforcement.

Violations of this Code may constitute violations of other federal, state, or local laws. The District may refer such violations to the appropriate law enforcement agency for prosecution.

Sec. 20.22. Appeal Process.

Sec. 20.22.1 Appeals of Determinations and Redeterminations of EDUs.

- a) The owner of a property subject to a determination or redetermination made in accordance with Section 20.7 may appeal that determination or redetermination to the General Manager within fifteen (15) days after the District delivers notice of the determination or redetermination in accordance with Section 20.23 by submitting a written appeal and supporting documentation.
- b) The appellant may submit evidence and the hearing officer shall only consider evidence that is relevant to whether the determination or redetermination was made in error and whether an alternative determination or redetermination is justified, such as evidence that discharges will be lower than the typical industry values identified in the schedule or otherwise determined by the District.
- c) The hearing officer will grant the appeal in whole or in part if it determines that the evidence submitted by the appellant justifies an alternative determination.

Sec. 20.22.2 Appeals of Special Use Permit Requirements.

- a) Any person subject to a Special Use Permit issued in accordance with Section 20.9 may appeal any term or condition included in the Special Use Permit to the General Manager within fifteen (15) days after the Special Use Permit is delivered in accordance with Section 20.23 by submitting a written appeal and supporting documentation.
- b) The appellant may submit evidence and the hearing officer shall only consider evidence regarding (a) the discharger's ability to meet the District's effluent standards; (b) the requested variance and its impacts on the operation of any District wastewater treatment plant or improvements.
- c) The hearing officer will grant the appeal in whole or in part if the following criteria can be demonstrated: (a) that the discharger is unable to meet the District's effluent standards by means of reasonable modifications to the discharging facility; (b) that the requested variance will not directly impact the operation of any District wastewater treatment plant or improvements, cause the wastewater or sludge of such plant to violate applicable requirements, or harm facilities or

personnel; and (c) that the easing of any effluent standards will not violate any State or Federal requirements applicable to the District.

Sec. 20.22.3 Appeals of Administrative Enforcement Actions.

- a) Any person subject to an administrative enforcement action appeal from the issuance thereof to the General Manager within fifteen (15) days of the date of delivery of the administrative enforcement action by the Authorized Inspector. A person subject to an order to remedy a condition which poses an immediate threat to the public health, safety or welfare shall comply with that order during the pendency of any appeal.
- b) The only issues on appeal may be whether there was a violation as alleged in the administrative enforcement action and whether the appellant is the person responsible for the violation or corrective action.
- c) The amount of any fine or penalty imposed with the administrative enforcement action must be submitted together with the written appeal. Any fine which has been deposited shall be refunded if it is determined, after a hearing, that the person subject to the administrative enforcement action was not responsible for the violation or that there was no violation as alleged in the administrative enforcement action.

Sec. 20.22.4 Hearing on Appeal.

- a) Whenever a hearing is required or held in accordance with this Article, the General Manager or hearing officer appointed by the General Manager shall endeavor to set a date for the hearing that is not less than fifteen (15) and not more than sixty (60) days after the date that the written appeal is filed.
- b) The District shall notify person requesting the hearing of the time and place set for the hearing at least ten (10) days prior to the date of the hearing.
- c) The failure of any person requesting a hearing to appear at the hearing shall constitute a forfeiture of the appeal and any fine, and shall be a bar to judicial review of the action based upon a failure to exhaust administrative remedies.
- d) The hearing officer shall only consider evidence that is relevant to the issues identified in this Section.
- e) The appellant shall be given the opportunity to testify and present witnesses and evidence concerning the administrative citation.
- f) The District's determination or redetermination, permit or agreement, or administrative enforcement action and any additional document created by the District shall constitute prima facie evidence of the respective facts contained in those documents. Formal rules of evidence shall not apply.

- g) Upon request, the person requesting a hearing shall be provided with copies of the citations, reports and other documents submitted or relied upon by the District when taking the action subject to the appeal. In addition, if the District submits any additional written reports concerning action subject to the hearing to the hearing officer for consideration at the hearing, then a copy of said documentation also shall be served by mail on the person requesting the hearing.
- h) The hearing officer may continue the hearing and request additional information from the District or the person requesting the hearing prior to issuing a written decision.
- i) After considering all of the testimony and evidence submitted at the hearing, the hearing officer may immediately issue a verbal decision or may issue a written decision within ten (10) days of the hearing. The decision shall include the reasons for the decision and such decision shall be final. If the hearing officer determines that the administrative citation should be upheld, then the fine amount on deposit with the city shall be retained by the city. If the hearing officer determines that an administrative citation should be canceled and the fine was deposited with the city, then the city shall promptly refund the amount of the deposited fine.
- j) If any action is not timely appealed as provided in this Article, the action becomes final.

Sec. 20.22.5 Appeal to Board.

The decision of a hearing officer issued in accordance with this Article may be appealed to the Board within fifteen (15) days after delivery of the notice of such decision in accordance with Section 20.23. An appeal under this Section must be submitted to the General Manager on a form or in a format specified by the District. The only issue on appeal shall be whether the decision of the hearing officer is supported by the evidence.

Sec. 20.22.6 Judicial Review.

Any person subject to a decision of the Board on an appeal of a decision of a hearing officer may obtain review of the decision of the Board by filing a petition with the Superior Court of San Diego in accordance with the timelines and provisions applicable to writs of mandate under Code of Civil Procedure section 1094.5.

Sec. 20.23. Delivery of Notice.

Notice of any administrative enforcement action or other action of the District required be delivered pursuant to the requirements of this Article shall be subject to the following:

- a) Notice of any administrative enforcement action shall state that the recipient has a right to appeal the matter as set forth in Section 20.22 of this Article.

b) Notice shall be delivered by personal service to the recipient, deposit in the U.S. mail, postage prepaid for first class delivery, by facsimile service with confirmation of receipt, by posting on the property, or by any other means permitted by law, including by electronic mail on consent of the person receiving the notice.

c) Delivery shall be deemed complete as follows:

1. Upon personal service;
2. As indicated on the return receipt of any notice mailed by certified mail, return receipt requested;
3. Three (3) days after deposit in the U.S. mail, postage pre-paid for first class deliver; or
4. Where the owner or occupant of any property cannot be located after the reasonable efforts any notice shall be deemed delivered after posting on the property for a period of five (5) business days.

d) Where the recipient of notice is the owner of the property, the address for notice shall be the address from the most recently issued equalized assessment roll for the property or as otherwise appears in the current records of the City.

ARTICLE 20

Revised in its entirety – 6/93,
6/94, 6/95, 9/96
Sec. 20.7, Sec. 20.7.2 – Rev.
6/99
Sec. 20.6 – Rev. 11/99
Sec. 20.5.4 & 20.5.5 – Rev.
6/06
Sec. 20.7.1 & 20.7.2 – Rev.
6/06
Sec. 20.6.1 – Rev. 10/06
New Sec, 20.6 – Added 2//07
Sec. 20.7.5; 20.7.8; 20.8;
20.8.1; 20.8.2 – Rev. 6/07
20.8.1 – Rev. 3/08
20.7.2, 20.7.4, 20.7.5, 20.7.6,
20.8, 20.8.2 – Rev. 6/08
Sec. 20.7.2 – Rev. 8/08
Sec. 20.8.1, 20.8.2 – Rev.
6/09
Sec. 20.11 – Rev. 12/10
Sec. 20.8.2 – Rev. 5/11
Sec. 20.8.1 – Rev. 6/11
Sec. 20.8.1 – Rev. 4/12
Sec. 20.2, 20.4, 20.6.2,
20.6.3, 20.7.1, 20.7.2, 20.7.3,
20.7.4, 20.7.5, 20.7.6, 20.8.2
– Rev. 6/12
Sec. 20.7.2, 20.7.3 – Rev.
7/12
Sec. 20.8 – Rev. 6/13
Sec. 20.8.1, 20.8.2 – Rev.
6/14
Sec. 20.8.1, 20.8.2 – Rev.
6/15
Secs. 20.5.2 (add), 20.8.1,
20.8.2 – Rev. 7/16
Secs. 20.5.2, 20.8, 20.8.2 –
Rev. 12/18
Sec. 20.7.2 – Rev. 7/19
Revised in its entirety – 8/20

Attachment C

Article 21. Water and Sewer Rates and Service Charges.

Water and sewer rates and charges are set to fully recover the District's costs. In order to help stabilize the revenue of the District during increasing or decreasing sales, the District has established a policy to collect approximately 80% of the District's fixed water operating costs through the monthly fixed charges and collect the remaining approximately 20% of the District's fixed operating cost through volumetric water rates. The rates and charges are set based upon cost of service principals that meet legal requirements and industry standards.

Effective January 1, ~~2020~~2021, the following rates for water deliveries to each class of service are established:

Sec. 21.1 Volumetric Water, Recycled Water and Pumping Rates.

For purposes of determining water rates, one unit equals 1,000 gallons:

Domestic (D), Large Lot Domestic (LD).

1-5 units per month	\$6.44 83	per unit
6-30 units per month	\$6.53 92	per unit
Over 30 units per month	\$7.968.44	per unit

Commercial (C).

All usage	\$6.637.03	per unit
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Multi-Unit (M) (Tier ranges factor residential units, per Article 19.1).

1 - 5 units per month	\$6.44 83	per unit
6 - 30 units per month	\$6.53 92	per unit
Over 30 units per month	\$7.968.44	per unit

Government (G).

All usage	\$6.52 91	per unit
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Irrigation Only (I).

All usage	\$6.647.04	per unit
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SAWR - Ag Only (AS).

All usage \$~~4.775~~5.06 per unit

SAWR - Ag & Home (AT).

1-5 units per month \$~~6.44~~83 per unit

6-20 units per month \$~~5.53~~86 per unit

Over 20 units per month \$~~4.775~~5.06 per unit

Commercial Ag (CA).

All usage \$~~5.53~~86 per unit

Commercial Ag Domestic (CB).

1-5 units per month \$~~6.44~~83 per unit

Over 5 units per month \$~~5.53~~86 per unit

Drought Rates

In order to prepare and manage future periods of water shortage and mandatory conservation, the District adopted a water shortage contingency plan called the Water Shortage Response Program (the “Program”). Pursuant to the Program, the District established four Water Shortage Response Levels. Article 26 Water Shortage Response Program provides information on the program and the applicable water use rates.

Volumetric Recycled Water Rate.

Recycled water furnished within the District service area for any appropriate purpose will be billed at \$~~5.51~~84 per 1,000 gallons. Recycled water sold outside the District service area will be sold by contract with specific customers. For San Diego County Water Authority and Metropolitan Water District rebate purposes, reclaimed water rates must be set at higher of 85 percent of lowest applicable potable water rate or 80 percent of the average of Tier 1 and Tier 2 rates.

Construction Meter.

Water furnished for construction purposes will be billed at \$~~8.70~~24 per 1,000 gallons.

Volumetric Pumping Charges. (DSA and Toyon only)

Pumping charges for the DeLuz High Pressure Service Area and Toyon Heights shall be furnished at \$~~0.84~~79 per 1,000 gallons to recover the cost of electricity.

Sec. 21.2 Monthly Fixed Charges.

Effective January 1, ~~2020~~2021, the following rates and charges are established and shall be collected by the District for water and recycled water service:

Monthly Service Charges for each meter (\$/meter size):

	Water Fixed Charges	Recycled Water Charges	Standby Service Charge	Private Fire Services Charge
3/4 inch meter	\$ 50.49 53.52	\$ 22.66 24.02	\$ 22.66 24.02	NA
1 inch meter	\$ 77.08 81.70	\$ 30.68 32.52	\$ 30.68 32.52	NA
1-1/2 inch meter	\$ 143.51 152.12	\$ 50.73 53.77	\$ 50.73 53.77	NA
2 inch meter	\$ 223.25 236.65	\$ 74.78 79.27	\$ 74.78 79.27	\$11.01 — 67
3 inch meter	\$ 435.86 462.01	\$ 138.95 147.29	\$ 138.95 147.29	\$ 11.74 12.44
4 inch meter	\$ 675.05 715.55	\$ 211.14 223.81	\$ 211.14 223.81	\$13.00 — 78
6 inch meter	\$ 1,339.48 1419.85	\$ 411.64 436.34	\$ 411.64 436.34	\$ 17.52 18.57
8 inch meter	NA	NA	NA	\$ 25.32 26.84

NA- Not applicable

For construction meters, a service charge of \$~~3534.988~~ per month or fraction thereof will be made in addition to the cost of water consumed. This rate is calculated using a factor of 1.5 times the fixed charge for a 2” water meter.

The foregoing fixed charges for water service through various sized meters that are installed or upgraded will be effective commencing the day of installation, regardless of the amount of water used, as long as the consumer's property is actually connected with the District's distribution system. In addition, any request to down size a meter properly filed with the District will receive a fixed charge commensurate with the meter size effective the next billing cycle.

Billings for water furnished to all accounts will be on a monthly basis.

A monthly service charge to cover the District's cost for annual inspection, maintenance, repair and replacement of backflow prevention devices will be made as follows (\$/meter size):

For each 3/4 inch device	\$ 5.57 —90
For each 1 inch device	\$ 6.56 —95
For each 1-1/2 inch device	\$ 12.13 —86
For each 2 inch device	\$ 14.55 15.42
For each 3 inch device	\$ 29.07 30.81
For each 4 inch device	\$ 45.42 48.15
For each 6 inch device	\$ 90.83 96.28

Sec. 21.3 MWD Readiness-to-Serve Charge (RTS) and SDCWA Infrastructure Access Charge (IAC).

Effective ~~January 1, 2020~~2021, the following monthly charges are established and shall be collected by the District for the Metropolitan Water District of Southern California’s Readiness-to-Serve (the “RTS”) charge and San Diego County Water Authority’s Infrastructure Access Charge (the “IAC”).

Monthly charges for each meter (\$/meter size):

	RTS	IAC
3/4 inch meter	\$1.95	\$3.31 <u>3.64</u>
1 inch meter	\$3.26	\$5.53 <u>6.08</u>
1-1/2 inch meter	\$6.49	\$11.02 <u>12.12</u>
2 inch meter	\$10.39	\$17.64 <u>19.40</u>
3 inch meter	\$20.81	\$35.33 <u>38.86</u>
4 inch meter	\$32.51	\$55.20 <u>60.72</u>
6 inch meter	\$64.99	\$110.35 <u>121.39</u>

Sec. 21.4 Water Capital Improvement Charge.

For each water account, an additional ~~\$9.47~~77 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, ~~2020~~2021. This charge is solely dedicated to funding water capital improvement projects. The Water Capital Improvement Charge (the "CIC") was implemented to provide a partial funding source for capital projects like the UV treatment facility at the Red Mountain Reservoir and to fund pipeline replacement projects.

Water Capital Improvement Charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, plus 3% not to exceed 10%. Staff will report back to the Board of Directors no less than every five (5) years with analysis of its necessity. The Capital Improvement Charge will be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

Fallbrook Public Utility District's Equivalent Meter Unit (EMU) is associated with meter size as listed below.

Meter Size	FPUD EMU	Water CIC	Water CIC (Standby Service)
3/4 inch meter	1.0	\$9.47 <u>77</u>	\$4.29 <u>42</u>
1 inch meter	1.67	\$15.78 <u>16.27</u>	\$7.15 <u>37</u>
1-1/2 inch meter	3.33	\$31.56 <u>32.55</u>	\$14.30 <u>75</u>
2 inch meter	5.33	\$50.49 <u>52.07</u>	\$22.88 <u>23.60</u>
3 inch meter	10.67	\$100.98 <u>104.14</u>	\$45.76 <u>47.19</u>
4 inch meter	16.67	\$157.79 <u>162.72</u>	\$71.50 <u>73.73</u>
6 inch meter	33.33	\$315.57 <u>325.43</u>	\$142.99 <u>147.46</u>

An additional, a Water CIC Pumping charge of \$.10 per 1,000 gallons is charged and allocated to capital improvements for the DeLuz High Pressure service area and Toyon Heights zone. This Capital Improvement Charge will be adjusted annually based on the

ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10% annually.

Sec. 21.5 Billing Periods.

Billing due dates fall on the 10th, 20th, and 30th of the month depending on meter location in the District. All charges for water and sewer services during specified meter read dates are due and payable when rendered. Bills become delinquent the day after the due date. Residential accounts not paid within 30 days of the due date are sent past due statements and the meters are subject to lock-up for non-payment (See District Residential Discontinuation of Service Policy available on the District website). Non-Residential accounts not paid within 30 days of the due date are subject to meter lock-up. All water accounts accrue a \$30 Delinquent Processing Fee on the 31st day of delinquency.

Accounts not paid within 30 days after lock-up and accounts that have tampered with the meter to obtain water illegally are subject to removal of meters and permanent disconnection of water service. Standby charges will continue to accrue after the meter has been removed.

If a meter has been locked for non-payment for a period of 90 days, it may be placed on Standby Service by FPUD. Standby Service charges will accrue from that time until an application for service restoration has been received by the District.

The District must be notified in a timely manner with the name and mailing address of the new owner or tenant and the upcoming date of transfer. Notification of the transfer of property ownership, or tenancy, is the responsibility of the owner/seller. The District is not responsible for the proration of the final billing if notification is not received prior to the date of sale, or change of tenancy.

Sec. 21.5.1 Unclaimed Funds

Unclaimed funds in an amount less than \$15 or where the depositor's name is unknown will become FPUD general funds if unclaimed for 1 year. Unclaimed funds in an amount greater than \$15 become may become FPUD general funds once the following procedure is completed:

1. The FPUD treasurer will publish notice once a week for two (2) successive weeks in a newspaper of general circulation published within FPUD boundaries.

2. The notice will state the amount of unclaimed money, the formal name of the fund in which the money is held, and a statement that the money will become FPUD property after a specified date ("Effective Date"). The Effective Date will be no less than forty-five (45) days nor more than sixty (60) days of the date of the first publication of the notice ("Claim Period").

3. Upon the expiration of the Claim Period, and if there are no claims filed with FPUD or verified lawsuits filed with the superior court, the funds will become FPUD property and may be transferred to FPUD's general fund.

Any person with a claim to such money may file a claim prior to the Effective Date with the FPUD treasurer. Pursuant to Government Code Section 50052, the claim shall include the following information: claimant’s name, address, amount of claim, grounds upon which the claim is founded, and any other information that may be required by the FPUD treasurer. FPUD has the right to accept or reject a claim. If the claim is accepted, FPUD will return the money without interest. If FPUD rejects the claim, the claimant may file a verified complaint against FPUD with the superior court within thirty (30) days of receiving notice of FPUD’s rejection pursuant to Government Code section 50052. In the event that the original customer or depositor is deceased, such person’s heir, beneficiary, or duly appointed representative may file a claim before the Effective Date as provided in Government Code section 50052.5.

Sec. 21.6 Meter Locks and Restrictors.

If for any reason, other than District convenience, a water meter shall be locked by the District, the water may not be again turned on to serve the property through such meter until all past due charges plus the Disconnection Processing Fee of Fifty Dollars (\$50) shall have been paid to the District. A Delinquent Processing Fee of \$30 to process and deliver delinquent account notices and a fee of \$100 for broken or damaged locks may also apply. Damage to corporation or angle stop in attempt to restore services locked for non-payment will be billed at actual time and material and added to the water bill.

If flow restrictors are required for any reason in order to implement policies within this Administrative Code, the fees are as follows:

<u>Meter Size</u>	<u>Installation Fee</u>
3/4” and 1” Meters	\$137
1-1/2” and larger	\$582

Sec. 21.7 Meter Not Registering.

Whenever, for any reason, a meter fails to register correctly, the consumer will be charged an amount for the previous billing period increased or decreased by the percentage change in total billing by the District for all consumers for the two billing periods.

Sec. 21.8 Water Rates or Service Charges Lien on Property.

In addition to any other remedy provided therein or by law for the collection of any water rate, charges or account, all rates or service charges provided for in this Administrative Code shall be charged and become a charge against the property on which the water is furnished and against the owner thereof, and all charges for water so served to a property shall be and become a lien against the premises upon which the water is used or served.

Standby accounts with a delinquent balance greater than \$500 as of April 1st of each year may be sent notification of intent to place delinquent and unpaid charges on the annual tax roll. The notification will be sent by May 1st and provides the customer 60 days to

bring the account current. If the amount is not brought current by July 1st, the portion of the delinquency due as of the prior April 1st may be reported to the County Treasurer for inclusion on the annual taxes levied on the property.

If for any reason or cause the sums of money owing for such water services are not paid as required by the terms and provisions of this Administrative Code, the District shall have the right to shut off such water, and in no case shall service of water be resumed on the same property until all such delinquencies and additional turn-on charges shall have been paid in full. Delinquent bills from former owners or tenants are the responsibility of the present owner.

Sec. 21.8.1 Theft of Water.

Water is defined as stolen from the customer if the water is stolen from the customer's side of the meter. Water stolen from a mainline, hydrant, District pipeline, appurtenance, or tampering with a customer's meter is defined as water being stolen from the District.

Water Stolen from Customer.

Customers who have reported water theft to the District must also notify local law enforcement agencies. The District will require proof of theft from a law enforcement agency that a theft of water occurred. Customer's asking for credit on the bill for water theft will be processed by account type. If a full price M&I customer, the District may discount the estimated amount of water stolen and charge the District's wholesale cost of water for the amount stolen. An estimate of the amount of water stolen will be made by District staff using that customer's usage history. Water sold to agricultural customers, SAWR, and Commercial Ag/Commercial Ag Domestic, is sold at District cost so no discount may be applied. If the stolen water caused the customer's allocation bank to be adversely affected, the District will restore the estimated amount stolen to the customer's allocation bank. If the water theft resulted in an overuse penalty, the District will credit the penalty to the customer for the estimated amount of water stolen.

Water Stolen from District.

Any theft of water from the District will be reported to law enforcement agencies. If the theft is due to meter tampering, the customer will be charged a \$250 fee for tampering with the meter plus time and materials to place the meter back into proper position. If a water theft from the District due to meter tampering occurs again on the same meter, the customer will be charged a \$500 fee for tampering and an item will be brought forward to the Board of Directors to consider discontinuance of service. An estimate of the amount of water stolen will be calculated and billed to the customer's account. Collection of said fees are subject to all District regulations regarding collection of past due accounts.

Sec. 21.9 Volumetric Wastewater Charges.

Wastewater service charges are established upon each property within the District that is connected to a sewer line of the District whether said premises are occupied or unoccupied. Volumetric Wastewater Charges are applied to estimated billable wastewater flows, which are based upon adjusted water deliveries. The charge per killogallon of wastewater flow is shown below:

User Class	Volumetric Wastewater Charge (\$/kgal)
Ag. Domestic	\$ 10.32 <u>79</u>
Commercial Ag. Domestic	\$ 10.32 <u>79</u>
Residential (Single , Multi-family)	\$ 10.32 <u>79</u>
Government	\$ 10.25 <u>72</u>
School	\$ 10.25 <u>72</u>
Church	\$ 10.25 <u>72</u>
Commercial – Low Strength*	\$ 10.25 <u>72</u>
Commercial – Medium Strength*	\$ 12.65 <u>13.22</u>
Commercial – High Strength*	\$ 15.77 <u>16.48</u>

Appendix A to this Article provides commercial effluent classification.

For the purpose of determining the billable wastewater flows, water deliveries must be converted to wastewater flows returned to the sewer system. To do this conversion, a Return to Sewer Factor is applied. The Return to Sewer factor adjusts the water received by the meter to the estimated flows from the residence or entity into the sewer system. The Return to Sewer Factor applied to the different customer classes are shown below:

Cusomer Class	Return to Sewer Factor
Residential (Multi-Family, Single Family)	75%
Non-Residential/Commercial	90%
Low / Medium / High	90%
Government	
Low / Medium / High	90%
Schools	80%
Churches	80%
Special	
Low / Medium / High	100%
Special 10% RTS (1-10%)	
Low / Medium / High	10%
Special 20% RTS (11-20%)	
Low / Medium / High	20%
Special 30% RTS (21-30%)	
Low / Medium / High	30%
Special 40% RTS (31-40%)	
Low / Medium / High	40%

Customer Class	Return to Sewer Factor
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%
Special 70% RTS (61-70%)	
Low / Medium / High	70%
Special 80% RTS (71-80%)	
Low / Medium / High	80%

Non-residential customers with higher outdoor are evaluated on a case by case basis.

For those Single Family Residences (D, LD, AT, CB), volumetric charges are calculated as follows:

1. The 2-year average winter use is calculated based upon prior year water deliveries that include December, January and February. The average used for wastewater billing is capped at 21.33 units.
2. 75% of this water is assumed to be returned to sewer/billable flow.
3. The Volumetric Wastewater Charge (\$/kgal) is applied to this flow.
4. Consumption analysis is performed annually. Appeal for consumption is available.
5. No prior history customer (new customer) will be placed at that customer class median of 6. For customers with at least one winter of use data, that data will be used for the their winter average.
6. Use must be > 0 unless customer is on standby.

For those Multi-Family Residences (M), volumetric charges are calculated as follows:

7. The average winter use is calculated based upon prior year water deliveries that include December, January and February.
8. 75% of this water is assumed to be returned to sewer/billable flow.
9. The Volumetric Wastewater Charge (\$/kgal) is applied to this flow.
10. Consumption analysis is performed annually. Appeal for consumption is available.
11. No prior history customer (new customer) will addressed on a case by case basis.

All other water customer classes (G, C, A,, AS, CA), with the exception of public elementary and public junior high schools:

1. Monthly sewer bill based on actual water sold.
2. The Return to Sewer factor applied to determine the billable flow. Appeals for irrigation and/or water usage which does not get returned to the sewer is available.
3. Customer is classified as high, medium, or low strength (based upon BOD and SS). See attached Appendix A. Appeal for strength classification is available.
4. The applicable Wastewater Volumetric Charge is applied to the billable flow.

Public elementary and public junior high schools:

1. Monthly sewer bill based on per person, per month charge.
2. The public elementary and / or public junior high school district to provide a report each October that documents the number of students and faculty at each site.
3. CY 2020-2021 public elementary school rate is \$1.25-31 per student and \$1.83-91 per staff, per month.

4. CY ~~2020-2021~~ public junior high school and administrative offices rate is \$1.~~83-91~~ per person, per month.
5. Rates to be increased by the overall percentage increase in wastewater revenues each year.

Sec. 21.10 Monthly Fixed Wastewater Charge.

For each sewer account, Effective January 1, 202~~10~~, the Monthly Fixed Wastewater Charge shall be \$10.~~14-60~~ per month per Equivalent Dwelling Unit (EDU). EDUs will be calculated per Administrative Code Sections 20.7.2, 20.7.3, or 20.7.4.

Sec. 21.10.1 Wastewater Capital Improvement Charge.

For each account, an additional \$11.~~62-63~~ per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge Effective January 1, ~~2020~~2021. This charge is dedicated to Wastewater Debt Service and Wastewater Capital Improvements. The Wastewater Capital Improvement Charge has been implemented to partially fund the debt service payments for upgrades to the Wastewater Treatment Plant. EDUs will be calculated per Administrative Code Sections 20.7.2, 20.7.3, or 20.7.4. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10%. Staff will report back to the Board of Directors every five (5) years with analysis of its necessity. The Capital Improvement Charge will only be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

ARTICLE 21

Sec. 21.1 – Rev. 7/02
Sec. 21.2-21.8.2 – Rev. 9/96
Sec. 21.3 – Rev. 10/96
Sec. 21.4 & 21.9 – Rev. 6/97
Sec. 21.4 – Rev 7/02
Sec. 21.9 – Rev. 10/97
Sec. 21.9 – Rev. 6/04
Sec. 21.9 – Rev. 1/05
Sec. 21.1, 21.3, 21.4, 21.9 – Rev. 6/05
Sec. 21.1, 21.2, 21.4, & 21.9 – Rev. 6/06
Sec. 21.9, Flat Rate + Metered Flow – Rev. 7/06
Sec. 21.9 (Flat Rate classification) – Rev. 10/06
Sec. 21.4 (construction meters), Sec. 21.5 & Sec. 21.6 – Rev. 12/06
Sec. 21.5 – Rev. 3/07
Sec. Sec. 21.1, 21.2, 21.4 , 21.10, 21.10.1– Rev. 6/07
Sec. 21.5 – Added 6/07
Sec. 21.10.2 – Deleted 6/07
Sec. 21.11 – Added 10/07
Sec. 21.4.1 – Added 12/07; Sec. 21.7 renamed and addition of flow restrictors – Rev. 12/07
Sec. 21.1, 21.2, 21.4, 21.5, 21.7, 21.10, and 21.11 – Rev. 6/08
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2 (added), 21.5, 21.7, 21.10 (new table), 21.10.1, - Rev. 6/09
Sec. 21.4, 21.10 – Rev. 12/09
Sec. 21.6, 21.9 – Rev. 5/10
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 – Rev. 6/10
Sec. 21.9.1 (added) – Rev. 9/10
Sec. 21.1, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 - Rev. 6/11
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/12
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/13
Sec. 12,1, 21.2, 21.4, 21.5, 21.9.1, 21.10, 21.10.1 – Rev. 6/14
Sec. 21.1, 21.2, 21.5 – Rev. 1/15
Sec. 21.1, 21.2, 21.3, 21.4, 21.4.2, 21.5, 21.10, 21.10.1 Rev 6/15
Sec. 21, 21.1 – Rev. 11/15
Secs. 21, 21.2, 21.4, 21.5, 21.7, 21.10, 21.10.1 – Rev. 7/16
Secs. 21, 21.1 - Rev. 12/16
All Secs. – Rev. 12/17
Sec. 21.3 – Rev. 6/18
Secs. 21.1, 21.2, 21.3, 21.4, 21.9, 21.10, 21.10.1 – Rev. 12/18
Sec. 21.3 – Rev. 6/19

ARTICLE 21 CONTINUED

Secs. 21, 21.1, 21.2, 21.3, 21.4,
21.5, 21.9, 21.10, 21.10.1 – Rev
12/19

Secs. 21.5, 21.6, 21.5.1 (added) –
Rev. 1/20

Sec 21.3 – Rev 6/20

Attachment D

RESOLUTION NO. 5002

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT, ADJUSTING RATES FOR WATER, RECYCLED WATER, AND WASTEWATER SERVICE CHARGES IN ACCORDANCE WITH A PREVIOUSLY ADOPTED SCHEDULE OF ADJUSTMENTS, ADOPTING INCREASES IN THE RATES FOR OTHER CHARGES IMPOSED BY THE DISTRICT, REVISING PORTIONS OF THE DISTRICT'S ADMINISTRATIVE CODE ACCORDINGLY, AND OTHER RELATED ACTIONS

* * * * *

WHEREAS, the Fallbrook Public Utility District ("District") is a public utility district organized and operating pursuant to the Public Utility Districts Act, commencing with section 15501 of the California Public Utilities Code; and

WHEREAS, the District is authorized to fix and collect charges for the provision of services and facilities including water, recycled water, and wastewater services; and

WHEREAS, on December 11, 2017, the District held a public hearing and protest proceeding in accordance with article XIII D, section 6 of the California Constitution ("Article XIII D"), on the question of whether to adopt new or increased rates for the District's water, recycled water, and wastewater service charges (the "Charges"); and

WHEREAS, notice of such public hearing was provided to all property owners and customers of record as required by Article XIII D, and such notice included authority for the District to adjust the rates for the Charges annually in accordance with a formula for calculating inflation, or a schedule of adjustments, all as described more fully in the notice; and

WHEREAS, at the public hearing, the District did not receive written protests from a majority of the separate parcels subject to the Charges, and pursuant to Resolution No. 4920, adopted the Charges and the schedule of adjustments and inflationary increases; and

WHEREAS, in accordance with such schedule of adjustments and inflationary increases, the District now wishes to increase the rates for the Charges to a rate equal to or less than the maximum rate authorized pursuant to Resolution No. 4920 commencing January 1, 2021; and

WHEREAS, the Charges, as adjusted, shall not exceed the proportional cost of providing the service for which the Charges were imposed; and the Charges, as adjusted, shall continue to comply with the substantive provisions of Article XIII D; and

WHEREAS, the Charges, as adjusted, shall be equal to or less than the maximum rates approved by the Board of Directors in Resolution No. 4920, and, in accordance with Government Code sections 53750(h)(2) and 53756, the adjustments to the Charges as contemplated herein shall not constitute an "increase" for purposes of Article XIII D; and

WHEREAS, the District further wishes to adjust certain other fees and charges, including without limitation the District's water and wastewater connection fees, capacity fees, inspection fees, and other related fees and charges, in accordance with pre-approved formulae for inflation in order to ensure such fees and charges (the "Other Charges") reflect the cost of providing the service or regulatory activity for which such Other Charges are imposed; and

WHEREAS, the Other Charges, as adjusted, shall not exceed the reasonable estimated cost of providing the service or regulatory activity for which such Other Charges are imposed, and are adjusted in accordance with a pre-approved formula for accounting for inflation; and

WHEREAS, the schedule of Charges and Other Charges, as adjusted by this Resolution, is attached hereto as Exhibit "A" and incorporated by this reference; and

WHEREAS, the District has further determined that it is appropriate to adopt revisions to Article 19 (attached as Exhibit "B"), Article 20 (attached as Exhibit "C"), and Article 21 (attached as Exhibit "D") to reflect the adjustment to the Charges and the Other Charges, and to incorporate additional changes;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT AS FOLLOWS:

1. Incorporation of Recitals:

The Recitals set forth above are made findings of this Board of Directors and are incorporated herein and made an operative part of this Resolution.

2. Inconsistency with other Fees:

To the extent any Charges or Other Charges established by this Resolution and the revisions to the Administrative Code approved hereby are inconsistent with the Charges, Other Charges, or any other fee or charge previously adopted by the Board of Directors; it is the explicit intention of the Board of Directors that the Charges and Other Charges adjusted pursuant to this Resolution and included in the revised Articles attached hereto shall prevail. The purpose of this Resolution is to set the rates for the Charges and the Other Charges within maximum rates and according to inflationary increases previously approved and adopted by the District. Nothing contained herein shall be deemed to be a re-adoption of any Charge, Other Charge, or any other fee or charge of the District, nor shall it be deemed an "increase" within the meaning of Government Code section 53750.

3. Charges:

In accordance with the authority granted pursuant to Resolution No. 4920, the Board of Directors hereby sets the rates for the Charges in the amounts set forth in Exhibit "A" and the revisions to Article 21, attached hereto as Exhibit "D" and incorporated herein by this reference. The Board of Directors finds that the Charges, as adjusted and set pursuant to this Resolution, do not exceed the proportional cost of providing the property-related service for which they are imposed, and otherwise meet the requirements set forth in Article XIII D. The Board further finds that the Charges, as adjusted, shall be equal to or less than the maximum rates approved by the Board of Directors in Resolution No. 4920, and therefore this action does not constitute an "increase" for purposes of Article XIII D. The Charges, as adjusted, shall be effective for the respective property-related service commencing January 1, 2021.

4. Other Charges:

The Board of Directors hereby sets the rates for the Other Charges in the amounts set forth in Articles 19, 20, and 21, as revised and attached as Exhibits "B," "C," and "D" hereto, in accordance with pre-approved authorization for inflationary adjustments. The Board of Directors

further finds that no Other Charge adjusted pursuant to this Resolution shall exceed the reasonable estimated cost of providing the service or product for which it is imposed, or the reasonable regulatory costs of issuing licenses, permits, and conducting inspections and investigations associated therewith. The Other Charges, as adjusted, shall be effective January 1, 2021.

5. Authorization:

The General Manager is hereby authorized and directed to take all actions necessary to implement and collect the Charges and the Other Charges, and to revise Articles 19, 20, and 21 in substantially the forms attached hereto, to reflect the new or increased rates for the Charges and Other Charges.

6. CEQA Compliance:

The Board of Directors finds that the administration, operation, maintenance, and improvements of the District's water, recycled water, and wastewater systems, which are to be funded by the Charges and Other Charges, are necessary to maintain service within the District's existing water, recycled water, and wastewater service areas as described herein. The Board of Directors further finds that the administration, operation, maintenance and improvements of the District's water, recycled water, and wastewater systems, to be funded by the Charges and Other Charges, will not expand the District's water, recycled, and wastewater systems. The Board of Directors further finds that adjustments to the rates for the Charges and Other Charges are necessary and reasonable to fund the administration, operation, maintenance and improvements of the District water, recycled water, and wastewater systems. Based on these findings, the Board determines that the adjustments to the Charges and Other Charges by this Resolution are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the District, 990 E Mission Rd, Fallbrook, CA 92028. The custodian for these records is the secretary of the District.

7. Severability:

If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

8. Effective Date of Resolution:

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 7th day of December, 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT A
SCHEDULE OF CHARGES AND OTHER CHARGES
[COMMENCING ON NEXT PAGE]

WATER R A T E S

FALLBROOK PUBLIC UTILITY DISTRICT / CUSTOMER BILLING INFORMATION

Meters are read in three cycles each month for billing periods ending on the 10th, 20th, and 30th. An account is placed in a cycle according to the location of the meter within the District. All customers are billed on a monthly basis. Payment is due and payable upon receipt and delinquent after the due date shown on the bill. In the event delinquent accounts are not paid a processing fee will be charged and services may be interrupted without further notice.

MONTHLY CHARGES

METER SIZE	WATER FIXED SERV. CHARGE		WATER CIC CHARGE		STANDBY FIXED SERV. CHARGE		STANDBY CIC CHARGE		RECYCLED FIXED SERV. CHARGE		BACKFLOW DEVICE		MWD RTS	CWA IAC
													All Classes Except R & SS	All Classes Except R & SS
3/4"	\$50.49	\$53.52	\$9.47	\$9.77	\$22.66	\$24.02	\$4.29	\$4.42	\$22.66	\$24.02	\$5.57	\$5.90	\$1.95	\$3.31 \$3.64
1"	\$77.08	\$81.70	\$15.78	\$16.27	\$30.68	\$32.52	\$7.15	\$7.37	\$30.68	\$32.52	\$6.56	\$6.95	\$3.26	\$5.53 \$6.08
1 1/2"	\$143.51	\$152.12	\$31.56	\$32.55	\$50.73	\$53.77	\$14.30	\$14.75	\$50.73	\$53.77	\$12.13	\$12.86	\$6.49	\$11.02 \$12.12
2"	\$223.25	\$236.65	\$50.49	\$52.07	\$74.78	\$79.27	\$22.88	\$23.60	\$74.78	\$79.27	\$14.55	\$15.42	\$10.39	\$17.64 \$19.40
3"	\$435.86	\$462.01	\$100.98	\$104.14	\$138.95	\$147.29	\$45.76	\$47.19	\$138.95	\$147.29	\$29.07	\$30.81	\$20.81	\$35.33 \$38.86
4"	\$675.05	\$715.55	\$157.79	\$162.72	\$211.14	\$223.81	\$71.50	\$73.73	\$211.14	\$223.81	\$45.42	\$48.15	\$32.51	\$55.20 \$60.72
6"	\$1339.48	\$1419.85	\$315.57	\$325.43	\$411.64	\$436.34	\$142.99	\$147.46	\$411.64	\$436.34	\$90.83	\$96.28	\$64.99	\$110.35 \$121.39

C = Commercial; M = Multi Unit; D = Domestic; LD = Large Lot Domestic; G = Government; SS = Standby; R=Recycled; CA = Commercial Ag; CB = Commercial Ag Domestic; AS = Ag (SAWR); AT = Ag Domestic (SAWR); I = Irrigation Only; CIC = Capital Improvement Charge

Temporary Construction Meter: \$1264-\$1266 deposit plus \$122-\$123 installation; \$122-\$123 relocation; operations charge \$334.88-\$354.98 per month

Initiate Standby Service: \$50
 Delinquent Processing Fee: \$30
 Disconnection Processing Fee: \$50

Fire Flow Test: \$532
 Broken / Tampered Lock Fee: \$100
 Meter Testing Fee (3/4" & 1" meters): \$122-\$123
 Meter Testing Fee (1 1/2" & 2" meters): \$164-\$165

Residential: Domestic (D), Large Lot Domestic (LD), and Multi Unit (M) 1 - 5 units per month..... \$6.44-\$6.83 6 - 30 units per month..... \$6.53-\$6.92 Over 30 units per month..... \$7.96-\$8.44 Government (G): All usage..... \$6.52-\$6.91 Commercial (C): All usage..... \$6.63-\$7.03	Recycled Water (R): All usage \$5.51-\$5.84 Construction Water (C): All usage \$8.21-\$8.70 Pumping Charges (DSA & Toyon only) \$0.79-\$0.84 Pumping CIC (DSA & Toyon only) \$0.10 Irrigation Only (I): All usage..... \$6.64-\$7.04	SAWR Ag (AS): All usage \$4.77-\$5.06 Ag Domestic (AT): 1 - 5 units..... \$6.44-\$6.83 6 - 20 units per month..... \$5.53-\$5.86 Over 20 units per month..... \$4.77-\$5.06 Com Ag (CA): All usage \$5.53-\$5.86 Com Ag Dom (CB): 1 - 5 units..... \$6.44-\$6.83 Over 5 units per month..... \$5.53-\$5.86
ALL PRICES ARE PER UNIT (1 unit = 1,000 gal.)		

If you have any questions about these rates or how they will affect your account, please contact FPUD at (760) 728-1125

WASTERWATER R A T E S

FALLBROOK PUBLIC UTILITY DISTRICT / CUSTOMER BILLING INFORMATION

Wastewater service charges are established upon each property within the District that is connected to a wastewater line of the District whether said premises are occupied or unoccupied.

USER CLASS	COMMODITY RATE 1,000 GAL OF WASTEWATER *
Single Family Residence, Ag Domestic, Multi-Family (<i>Average BOD & SS = 0 -200</i>)	\$10.32 -\$10.79/Unit
Government, Schools, Churches, and Low-Strength Commercial	\$10.25 -\$10.72/Unit
Medium Strength Commercial (<i>Average BOD & SS = 201 – 600</i>)	\$12.65 -\$13.22/Unit
High Strength Commercial (<i>Average BOD & SS = ≥ 601</i>)	\$15.77 -\$16.48/Unit

***Residential sewer billable flow is calculated based upon a 2 year winter average water use, adjusted by the RTS (Return to Sewer). Residential RTS is 75%**

****Commercial sewer billable flow is calculated based upon monthly water usage, adjusted by the RTS (Return to Sewer). Commercial RTS is 90%**

FIXED CHARGES

Monthly Fixed Wastewater Charge	\$10.14 -\$10.60/Equivalent Dwelling Unit (EDU)
Wastewater Capital Improvement Charge (per month)	\$11.62 -\$11.63/EDU

**If you have any questions about these rates or how they will affect your account, please contact FPUD at (760) 728-1125*

WATER INSTALLATION

FALLBROOK PUBLIC UTILITY DISTRICT / METER AND SERVICE INSTALLATION CHARGES

MeterSize	3/4"	1"	1½"	2"	3"	4"	6"
Acreage Served	0 - 1	1 - 3 ½	3 ½ - 8	8 - 15	15 - 35	35 - 80	80+
Maximum Rate of Flow - GPM	16 - 24	40	80	145	277	460	878
Meter Installation	\$467 -\$468	\$643 -\$644	\$1021 -\$1022	\$1177 -\$1178	Cost	Cost	Cost
FPUD Connection Fee	\$5771 -\$5778	\$9235 -\$9247	\$17314 -\$17336	\$30012 -\$30050	\$55408 -\$55477	\$94652 -\$94770	\$173149 -\$173365
SDCWA Connection Fee	\$5448 -\$5460	\$8717 -\$8736	\$16344 -\$16380	\$28329 -\$28392	\$52301 -\$52416	\$89347 -\$89544	\$163440 -\$163800
Service Line Installation (No Paving)	\$2315 -\$2318	\$2315 -\$2318	\$2991 -\$2995	\$3635 -\$3640	Cost	Cost	Cost
Paving for Service Line ≤15' (Add \$1805 -\$1807)	\$1805 -\$1807	\$1805 -\$1807	\$1805 -\$1807	\$1805 -\$1807	Cost	Cost	Cost
Paving for Service Line = >15' <30' (Add \$3610 -\$3615)	\$3610 -\$3615	\$3610 -\$3615	\$3610 -\$3615	\$3610 -\$3615	Cost	Cost	Cost
County Inspection on Public Roadway (Add \$1400 -\$1402)	\$1400 -\$1402	\$1400 -\$1402	\$1400 -\$1402	\$1400 -\$1402	Cost	Cost	Cost
Meter Relocation (No Paving)	\$3199 -\$3203	\$3360 -\$3364	\$4036 -\$4041	\$4639 -\$4645	Cost	Cost	Cost
Meter Relocation with Paving Up to 30' (Add \$4740 -\$4746)	\$7939 -\$7949	\$8100 -\$8110	\$8776 -\$8787	\$9379 -\$9391	Cost	Cost	Cost
RP Backflow Device Installed with Meter*	\$474 -\$475	\$559 -\$560	\$1033 -\$1034	\$1239 -\$1241	Cost	Cost	Cost
RP Backflow Device Retrofit**	<i>Installation is the responsibility of the property owner; First inspection is free; additional inspection \$127-\$128 plus costs (each).</i>						
RP Backflow Device on Reclaimed Water Meters	<i>Installed at no cost.</i>						

FIRE HYDRANT, including installation: Model J-3700~~\$9,127~~-\$9138
 Model J-3765~~\$9,884~~-\$9896
 Trench > 20'~~\$256~~-\$257/trench foot
 County Inspection:.....~~\$1,400~~-\$1402 if required

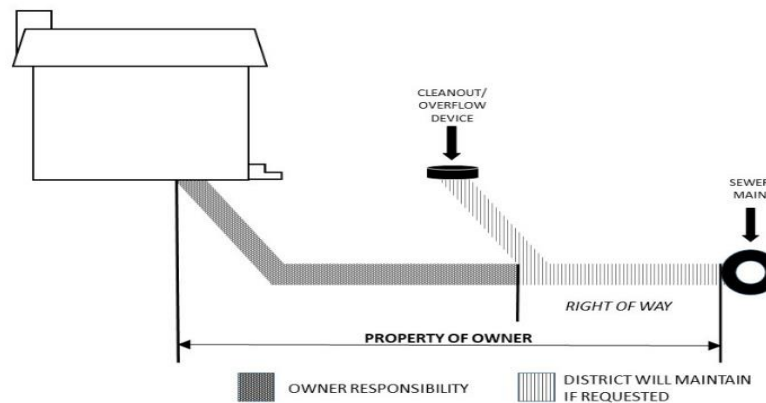
* The District shall install Reduced Pressure Backflow Preventers on new potable water meter services when applicable pursuant to Section 19 of the FPUD Administrative Code.

** The property owner shall be responsible for the Reduced Pressure Backflow Device Retrofit pursuant to Section 19 of the FPUD Administrative Code. Once the device is installed, passes the backflow test, and meets the District's standards, the device will become the property of the District. The device will be charged the standard monthly service charges and will be tested annually.

WASTEWATER INSTALLATION

SEWER PERMIT FEES: Capacity Fees. The following capacity fees shall be paid by the applicant for each equivalent dwelling unit determined by the District:

	<u>Amount per Equivalent Dwelling Unit</u>
Standard Capacity Fee	\$ 7,106 -\$7115
Annexation Fee	\$ 11389
<u>Lateral Installation Fee:</u>	
≤ 15' Length, ≤ 8' Depth	\$ 3,496 -\$3500
≤ 15' Length, > 8' Depth	\$ 5,415 -\$5422
> 15'- 30' Length, ≤ 8' Depth	\$ 7,434 -\$7443
> 15'- 30' Length, > 8' Depth	\$ 9,574 -\$9586
> 30' Length, Any Depth	\$ Cost
County Road Inspection	\$ 1,400 -\$1402
Paving ≤ 15'	\$ 1,468 -\$1470
Paving 16'-30'	\$ 2,459 -\$2462



Owners Responsible for Cleanout/Overflow Devices

Your sewer cleanout is your first line of defense in preventing a potential sewer overflow problem and can save you from unnecessary messy clean ups and prevent a larger emergency such as a sewer main stoppage. The cleanout device is a pipe that rises to the ground surface from the lateral line that carries sewage from your home to a main sewer line. The device, housed in a concrete box or green plastic circular container and equipped with an easily removable floating lid, normally can be found within five feet of a property line. If you have trouble locating the device, please call the District at 760-728-1125 and we will be happy to help you locate it.

The device is used to clean the sewer lateral. To protect the property if a main sewer line is blocked, sewage backing up into your line will “overflow” through the device rather than back up into your home. To ensure proper functioning of the cleanout you should make sure the device doesn’t become covered by dirt, paving material, structures, or any other covering.

The homeowner is responsible for the sewer line between the home and the sewer main in the street.

If at any time you experience a problem that causes a backup in your lateral, it is best to contact the District first. District personnel will be dispatched to your property to assist you. If the problem is located between the District main and the property line clean out, the District will assist with mechanical or chemical root control only. All repairs will be the sole responsibility of the owner. If it is determined that the problem is located between the cleanout and the house, you will be responsible for all repairs including the expense of calling a plumber.

EXHIBIT B

**REVISIONS TO ARTICLE 19 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2020**

[COMMENCING ON NEXT PAGE]

Article 19.

Water Service Connections & Rules for Delivery of Water

Sec. 19.1 Definitions.

For the purpose of this Administrative Code and the regulation of water service by the Fallbrook Public Utility District, the following definitions are adopted:

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

The word "Consumer", as used herein, shall mean and refer to every individual, corporation, association, farm, or place of business to whom or to which water is served by the District.

The word "Unit", as used herein, shall mean and refer to each of the following:

1. A single family residence.
2. A single business establishment.
3. A single farm.
4. One hotel or motel suite with bath and kitchen.
5. Two hotel or motel suites without kitchen but with private bath.
6. Four hotel or motel suites without private bath.
7. One trailer space.
8. In multi-family dwellings, each apartment with kitchen and bath.
9. Each dormitory or labor camp facility.
10. Nursing home.

The word "rates" shall mean the compensation fixed by the Directors by Ordinance for water delivered to the consumer or for the cost of installing and maintaining meters, main line extensions and any and every appliance, fixture or connection used by said District in delivering water to said consumer.

The term "service connections", as used herein, shall designate the distribution system extension to the meter assembly and the connection to the consumer's line which shall previously have been provided to the location and to the specifications set by the District.

"Agricultural purposes" (TSAWR and Commercial Ag programs) shall mean the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre fully utilized for agricultural purposes on which incidental domestic use of water related to non-permanent residency may also occur.

The term "Agricultural-Domestic purposes" (TSAWR programs), as used herein, shall mean the use of water through a single service connection for both agricultural and

domestic purposes for permanent residences. The first 20 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property.

The term "Commercial Agricultural", as used herein, shall mean the use of water through a single service connection for agricultural purposes without participation in the or the TSAWR discount programs. Must meet the same usage and minimum acreage requirements as "Agricultural purposes".

The term "Commercial Agricultural -Domestic", as used herein, shall mean the use of water through a single service connection for both agricultural and domestic purposes for permanent residences without participation in the or the TSAWR discount programs. The first 20 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property. Must meet the same usage and minimum acreage requirements as "Agricultural purposes"

The term "Domestic purposes", as used herein, shall mean the use of water for residential (up to and including two units) purposes and businesses that use water for incidental domestic purposes only.

The term "Large Lot domestic purposes", as used herein, shall mean the use of water through a single service connection for residential (up to and including two units) purposes on parcels of one acre or more.

The term "Commercial purposes", as used herein, shall mean the use of water through a single service connection for the operation of the business or maintaining the landscaping of non-residential property.

The term "Government purposes", as used herein, shall mean the use of water through a single service connection for any political subdivision property.

The term "Multi-Unit purposes", as used herein, shall mean the use of water through a single service connection for master-metered residential housing of more than two living units.

The term "Standby Service", as used herein, shall mean a meter which has been locked at the request of the customer and which account balance remains current. Accounts may also be locked and placed on "standby service" in the event that the unpaid balance on the account becomes delinquent for a period of 90 days and/or if the District is made aware of foreclosure or vacancy of said property. A fee of \$50 to lock the meter and initiate standby service will be charged to the account and the account will be charged all applicable monthly standby charges.

The term "Construction Meter Service", as used herein, shall mean the temporary use of water for construction from a meter installed on a fire hydrant.

The term "Temporary Ag Service", as used herein, shall mean the temporary use of water solely for the growing of annual crops through a temporary connection.

The term "Recycled Water System", as used herein, shall mean water that is defined in Title 22, Division 4, Chapter 3, Article 60301, paragraph 8, of the California Administrative Code and shall mean water which, as a result of filtration and disinfection of domestic wastewater, is suitable for a direct beneficial use or a controlled use that otherwise would not occur.

Sec. 19.2 Remote Meter Agreements.

A Remote Meter Agreement is an agreement between the District and a consumer that a water meter will be installed at a location remote from the property to be served where the District does not intend to extend the District distribution system to abut the said property, and that the consumer is responsible for extending his own private line from the meter to his property and obtaining the permanent easements required for such extension.

Sec. 19.3 Temporary Service Agreements.

A Temporary Service Agreement is a recorded agreement between the District and a consumer that a meter will be placed temporarily at a location remote from the property to be served, where the District intends, at some future date, to extend the District distribution system to abut the property described in the agreement, and that the consumer is responsible for extending his own temporary private line from the meter to his property, and obtaining whatever temporary easements are required for such extension. Such agreements shall establish the financial obligations of the consumer related to the future installation costs of the District's distribution system and the cost of relocation of the meter, and shall be binding upon the signatory and all successor owners of said property.

If the customer's obligation is to be secured with a promissory note and deed of trust, the terms will be based on the 10-year Treasury Bill rate plus 2%. Interest will be recalculated annually on the anniversary date of the recorded Trust Deed and will be compounded annually on the same anniversary date.

Failure to comply with the terms of the agreement shall be cause for termination of water service to said property and the basis for establishing a lien against the property for collection of any amounts due the District. Upon change of ownership, any parcel receiving water service under a Temporary Service Agreement will be required, as a condition of continued service, for the new owner to enter into a new Temporary Service Agreement with the District.

Sec. 19.4 Engineering Fees.

Sec. 19.4.1 Plan Check Fees.

- A) Plan checks less than 500 lineal feet, water or sewer, \$500 each.
- B) Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, \$1,000 each.
- C) Plan checks greater than 1,000 lineal feet, \$1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 19.4.2 Fees for District to Inspect Contractor Installed Facilities

- A) Water Meter Service Line Installation
 - ¾" to 2" 5 hours @ \$106.31 = \$531.55
 - 3" and larger 9 hours @ \$106.31 = \$956.81
- B) Fire Hydrant Installation 9 hours @ \$106.31 = \$956.81
- C) Fire Service Installation 9 hours @ \$106.31 = \$956.81

If the sum of the inspection fees for a project is greater than \$3,000, the inspection will be done on a time and material basis and a deposit for the estimated cost will be paid prior to start of construction. Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 19.5 Rules for Service of Water.

The following rules for the service of water by the District to the consumer, either within or without the District, are hereby established:

All parcels desiring water must abut a District pipeline, and all meters will be located on the parcel being served unless the General Manager approves a Remote Meter Agreement, or the Board of Directors authorizes a Temporary Service Agreement subject to certain conditions as described in Section 19.3.

Each consumer desiring water furnished by the District shall furnish a plat of the property to be served, individually file a written application for such service, and in the form provided by the District, shall state the location, the number of acres served, the legal owner thereof, the purpose for which water is to be used and such other data regarding consumer's water production and use practices as required by the District. Based on the information provided, and verified by physical inspection if appropriate, each application will be assigned a user code: Agricultural with TSAWR Discount (AS); Agricultural Commercial (CA); Agricultural-Domestic with TSAWR Discount (AT); Agricultural Commercial-Domestic (CB); Domestic (D); Commercial (C), Government (G); or Multi-Unit (M) in accordance with the definitions provided in Section 19.1.

By making such application and upon approval thereof by the General Manager, or his designee, the application and the acceptance shall constitute a contract, the effect of which shall bind the applicant to pay all rates then or thereafter prescribed by the District for water service and to comply with all the rules and regulations with respect to service, a breach of any of which will authorize the District to discontinue water service immediately without notice or recourse and to levy such charges as otherwise provided for in this ordinance for resumption of service.

In addition, the effect of this contract shall be such as to bind the applicant to pay reasonable attorney's fees as fixed by the court where the District is required to take legal action to enforce collection of any charges incurred under this service.

The District reserves the right to determine the size and location of all service connections and may to that extent, where deemed for the best interests of the District, reduce the size, change the location or the pressure of the service connection without notice or recourse.

Sec. 19.6 Meter and Service Line Installations.

Before any service connection with the water distribution system of the District is made, the District shall collect from the applicant who desires water service an installation charge as set forth below. A connection fee based on the demand factor shall be paid in addition to the installation charges and is described in Article 20 of this Administrative Code. Reclaimed meter and service line connections shall be

capitalized as part of the project and not charged to the customer. Installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

<u>Meter Size</u>	<u>Meter and Service Line*</u>	<u>Meter Only on Existing Service Line</u>	<u>Service Line Only*</u>
3/4"	\$2784	\$468	\$2318
1"	\$2962	\$644	\$2318
1-1/2"	\$4017	\$1022	\$2995
2"	\$4818	\$1178	\$3640
3", 4" or 6"	Cost	Cost	Cost
Recycled, any size	No charge	No charge	No charge

* If paving for a service line is less than or equal to 15 feet, there is an additional charge of \$1807 . If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of \$3615 . If County road inspection is required, there is an additional fee of \$1402 .

Sec. 19.7 Meter Relocation Fees.

<u>Meter Size</u>	<u>Relocation and Service Line*</u>
3/4"	\$3203
1"	\$3364
1-1/2"	\$4041
2"	\$4645

* If paving is required up to 30 feet, there is an additional fee of \$4746 . If County road inspection is required, there is an additional fee of \$1402 .

Sec. 19.8 Connection/Capacity Fees.

A connection fee shall be paid at the time meter service is applied for, for all permanent service connections, which fee shall be in addition to the charges made for the actual cost of labor and materials necessary to make the physical connection to the water system. The capacity fee for the connection is based on the demand that could be placed on the District's water system by reason of the connection. The extent of demand will be determined on the basis of the size of the water meter necessary to provide the estimated quantity of water usage for the connection. The demand factor for each meter size shall be calculated on the basis of the rated capacity of each size of meter divided by the rated capacity of a 3/4" meter at a pressure of 40 pounds per square inch (20 gpm), hereinafter referred to as an "equivalent meter unit" (EMU) as defined by SDCWA. Connection/ capacity charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing current fees to calculated fees.

Effective January 1, 2020, the schedule of capacity fees based on the demand factor of each meter size shall be as follows:

<u>Meter Size</u>	<u>SDCWA Demand Factor (EMU)</u>	<u>Capacity Fee</u>
3/4"	1	\$5,778
1"	1.6	\$9,247
1-1/2"	3	\$17,336
2"	5.2	\$30,050
3"	9.6	\$55,477
4"	16.4	\$94,770
6"	30	\$173,365

The capacity charge for a meter size greater than 6 inches shall be a basic charge for one (1) EMU multiplied by one of the following factors:

8".....factor	52.0
10".....factor	78.0
12".....factor	132.0

Sec. 19.8.1 Removal of Meters.

An owner of a parcel who has a meter and is not required to have District water for their parcel can request to have their meter removed and discontinue service. A fee of \$100 will be charged for meter removal. Once the meter is removed, if service is later requested for the parcel, it will be subject to all the fees identified in Article 19, including installation and connection/capacity fees as if it is a new service.

The following procedure will be followed when discontinuation of service is requested:

1. The District will verify that the parcel does not have a residence or that another supply is available for the residence. If District water service is necessary as a health and safety concern for the residence then the meter cannot be removed.
2. The parcel owner shall sign a form that will be recorded on their deed indicating that water service was discontinued and re-establishing service will require payment of all fees similar to any other new water customer.
3. The District will remove the meter based on the fee established for meter removal.
4. The owner will be deleted from the District's customer database and no further monthly operations, capital improvement or standby fees will be charged to the parcel. The parcel will be subject to Water Availability Charges, unless the parcel owner requests deferral in accordance with Article 24.
5. If the water service is requested in the future for this parcel it will be similar to any other parcel without water service and subject to all necessary fees including installation and connection/capacity fees.

Sec. 19.8.2 Meter Testing Costs.

The District will provide meter testing upon request by ratepayers. A meter is considered accurate according to AWWA standards if it measures 98.5% to 101.5% of actual usage. If, after the customer's request for testing, the meter is determined to be accurate, the customer will be charged the following fee based on the size of the meter:

<u>Meter Size</u>	<u>Fee for testing</u>
3/4" – 1"	\$123
1 1/2" – 2"	\$165
Over 2"	To be tested by an outside agency at a cost to be determined on actual time and materials.

If the meter is inaccurate, the District will absorb the cost of the test and make the appropriate exchange or repair to said meter to AWWA standards of accuracy. These charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February.

Sec. 19.8.3 Adjustment to Fees for Meters and Connections.

Service requests after advance payments for meters and connection fees shall be adjusted to the District's current schedule after six (6) months from the payment date(s).

Sec. 19.9 Credit for Connection Fees and Fees for Increased Meter Size.

Owners of parcels presently receiving water service through a District meter that subdivide their property and apply for additional meters to new legal parcels will be given credit for connection charges if they reduce their demand by requesting a smaller meter for their original service.

Owners of parcels presently receiving water service through a District meter that are not in the process of subdividing their land, but require a larger meter service connection due to a change in land use, shall pay a connection fee equal to the difference between connection fees for the old and new meters in accordance with the schedule in Sec. 19.8.

Sec. 19.10 San Diego County Water Authority Connection Fees.

The Board of Directors of the San Diego County Water Authority (SDCWA) announced an administrative adjustment to capacity charges on all meters purchased on or after January 1, 2020 within the boundaries of the SDCWA.

The System Capacity Charge for a meter size of one (1) inch or greater shall be the basic charge of \$5,312 multiplied by a Factor that is based upon additional meter capacity.

<u>Meter Size</u>	<u>Factor</u>	<u>System Capacity Charge</u>	<u>Water Treatment Capacity Charge</u>	<u>TOTAL</u>
Less than 1"	1.0	\$5,312	\$148	\$5,460
1"	1.6	\$8,499	\$237	\$8,736
1-1/2"	3.0	\$15,936	\$444	\$16,380
2"	5.2	\$27,622	\$770	\$28,392
3"	9.6	\$50,995	\$1421	\$52,416

4"	16.4	\$87,117	\$2,427	\$89,544
6"	30.0	\$159,360	\$4,440	\$163,800
8"	52.0	\$276,224	\$7,696	\$283,920
10"	78.0	\$414,336	\$11,544	\$425,880
12"	132.0	\$701,184	\$19,536	\$720,720

The System Capacity Charge is the cost for the conveyance and storage facilities necessary to operate the delivery system.

The Water Treatment Capacity Charge is the cost for the connection to the 50 MGD (million gallons per day) regional water treatment facility. The Water Treatment Capacity Charge is an additional charge of \$148 for each new meter of a size less than one inch and a corresponding increase for larger meters.

The member agency shall determine the size of the water meter to serve any property within its jurisdiction. In the event an agency calculates the water demand by the equivalent dwelling unit (EDU) method, the County Water Authority's capacity charge will be collected based on the size of meter actually installed to meet flow demand.

No capacity charge shall be imposed for a water meter permanently connected to a reclaimed water system and measuring reclaimed water. If a water user converts a water meter to permanently measure only reclaimed water, the capacity charge previously collected for the meter shall be refunded upon written request from the water user and verification by the member agency in which the water user is located that the meter is permanently connected to the reclaimed water supply and is measuring reclaimed water. The refund shall be in the amount of the capacity charge actually collected.

All claims for refund permitted shall be presented within one year of the date of the event justifying the refund.

Sec. 19.11 San Diego County Water Authority Transitional Special Agricultural Water Program Administration

Sec. 19.11.1 Purpose.

The San Diego County Water Authority Transitional Special Agricultural Water Program (TSAWR) provides discounted wholesale supply and treatment pricing for qualified agricultural users within its service area on the basis that participants receive non-firm, interruptible supply up to the maximum allowed under Section 4901 of the MWD Administrative Code. The San Diego County Water Authority (SDCWA) also provides a wholesale pricing discount associated with its Emergency Storage Project financing, based upon the existence of and individual participation in the TSAWR. This section of the District's Administrative Code establishes the rules and

regulations for Administration of the SDCWA TSAWR within the Fallbrook Public Utility District (District).

Sec. 19.11.2 Qualification.

The qualifications for water use under the San Diego County Water Authority's (SDCWA) TSAWR program are set forth in Section 162.5 of the SDCWA Administrative Code, as follows:

To qualify for participation, the TSAWR customer must demonstrate that water delivered by the District is used for growing, raising, in conformance with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produced for human consumption or for the market, or for feeding of fowl or livestock produced for human consumption of the market, or for the feeding of fowl or livestock for the purposes of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre dedicated to and utilized exclusively for the purposes described in this section.

Sec. 19.11.3 Certification and Recertification.

Individuals applying for participation in the SDCWA TSAWR shall certify that they are the owner or authorized agent of the owner of the property to receive water under the SDCWA TSAWR and further certify that their respective water usage will meet the qualifications set forth in Section 19.11.2 and as modified from time to time by SDCWA. Upon submission and approval of the application for participation in the TSAWR, applicants shall be classified as either "Agricultural" or "Ag / Domestic", and be eligible to receive the established water rate for the assigned classification. Participants may be subject to periodic re-certification as determined by MWD, the SDCWA, or the District.

Sec. 19.11.4 Acknowledgement.

Individuals participating in the TSAWR shall acknowledge that:

- a) Water received under the TSAWR is a non-firm, interruptible supply, subject to early and accelerated mandatory supply reduction as is from time to time determined necessary by MWD and the SDCWA.
- b) Water received under the TSAWR is a non-firm interruptible supply, subject to mandatory supply reduction as is from time to time determined necessary by MWD and SDCWA. The supply reduction will be equal to the reduction in firm demand required by MWD or SDCWA.
- c) Water use under the TSAWR supply is subject to periodic data and field audits and participants agree to respond in a timely manner to requests for information and access to properties receiving water under the TSAWR.
- d) Failure to respond in a timely manner to information requests, associated data and field audits or recertification, or failure to provide reasonable access to properties receiving water under the TSAWR will result in automatic removal of the subject property from the TSAWR, subject to the conditions set for in subsection

19.11.5(c) of this Article, and subsequent water use on the property will be classified and billed as “Domestic” or “Commercial”.

- e) If, as a result of an audit, it is determined that TSAWR supply was used on property and/or for purposes not meeting the qualifications established by SDCWA, then said usage may be subject to assessment of retroactive supplemental water rates, penalties and charges as required by MWD, the SDCWA, or the District, which the participant agrees to pay.
- f) If an audit determines that the subject property and/or water use on the property does not qualify for the TSAWR, then the property and associated water account will be removed from the TSAWR as provided for and subject to the conditions in sub-section 19.11.5(c) of this Article, and subsequent water use on the property will be classified and billed as “Domestic” or “Commercial”.

Sec. 19.11.5 Exit and Re-entry into the TSAWR.

- a) TSAWR customers who knowingly no longer meet the participation qualifications of the TSAWR are required to inform the District as soon as possible. TSAWR customers no longer qualifying for the discounted pricing differential and who have continued to accept the discounted supply may be required to refund the differential amount for the period in which the water was utilized for non-TSAWR qualified purposes.
- b) Customers electing to voluntarily exit the TSAWR will still be subject to TSAWR-related reductions if the customer exiting utilized TSAWR water in the base year for a mandatory reduction in a subsequent year. TSAWR customers may not voluntarily exit during periods of water shortage allocations and mandatory reductions.
- c) By SDCWA policy, only customers who were previously in the MWD-Interim Agricultural Water Program (IAWP) or SDCWA Special Agricultural Water Rate Program (SAWR) and TSAWR participants may re-enter the TSAWR program. Additionally, prior MWD-IAWP, SAWR and TSAWR participants may not re-enter the program during a TSAWR mandatory water use reduction period, as determined by the SDCWA.

Sec. 19.11.6 Implementation of Mandatory TSAWR Supply Reductions.

Actual implementation of mandatory supply reductions shall be based upon levels of reduction required by MWD and the SDCWA. To achieve the required levels of use reduction and avoid the maximum penalty possible any operational or financial sanctions which may be imposed on the District by MWD or the SDCWA, the District will utilize one or a combination of methods, including timely notice of pending reductions, water management information dissemination, individual participant water budgets and use reduction targets, assessment of financial disincentives, and individual meter flow reduction devices.

Sec. 19.12 Installation or Extension Line Costs.

In connection with the installation or extension of water distribution lines, the District may concurrently install service lines for adjoining land parcels. The cost of the service lines together with the pipeline extension costs will be borne by the owners.

Where because of any unusual circumstance service connections involve extra expense to the District, an additional deposit or payment based upon the actual cost of such connection as determined by District staff, may be required by the District.

Sec. 19.13 Customer Valve.

There shall be a stopcock or wheel valve in every attachment between the meter and the main next to the meter which said stopcock or wheel valve and the meter and other devices and fittings, including the meter box supplied by the District, shall be for the exclusive use and under the control of the District.

There shall be a stopcock or wheel valve in each service connection located on the consumer's side of the meter, at a point to be designated by the District, which stopcock or wheel valve shall be for the use of the consumer and shall be referred to as the "customer valve."

The District has responsibility to repair or replace facilities up to and including the customer shut off valve. Repair and maintenance of facilities beyond the customer valve is the responsibility of the customer.

The District is not responsible for water loss due to leaks or other problems on the property side of the customer valve.

If there is an emergency, the District, at its discretion, can make temporary repairs and charge the customer a minimum of \$50. However, the District is under no obligation to repair leaks beyond the customer valve and assumes no long term liability for those repairs. It is recommended that the customer obtain the services of a licensed plumber to make permanent repairs.

Sec. 19.14 Water Must Pass Through Meter.

All water sold by the District and used by any consumer must pass through that customer's meter, and no delivery will be made by the District except through that customer's meter. In the event that it should be discovered that water is served to any premises by means of a bypass or any other mechanical device or instrument which permits water to be served other than through that customer's meter, the District shall have the right to immediately cut off the supply of water to said consumer until the person guilty of such conduct shall have reimbursed the District for the cost, as determined by the District, of the water so illegally used. The District shall assess a \$100 penalty, per incident, to any person who steals water in any amount.

Sec. 19.15 Mains, Service Pipes, Equipment Belonging to District.

All water mains, extensions of service pipes, meters, and all other equipment used in the delivery of water to any meter, including the meter and the customer valve shall belong to and be the property of the District, and shall be maintained and repaired by the District.

Customer shall permit reasonable access to the meter and valves to effect said maintenance and repairs and to read the meter. Replacement shall be made by the District when such equipment is rendered unserviceable through reasonable use thereof.

However, the cost of replacements, repairs, or adjustments of any equipment of said District, including meters, when rendered necessary by any act, negligence or carelessness of the consumer, shall be made by the District at the expense of the consumer.

Sec. 19.16 Meter Area Clean and Consumer Line Free from Leaks.

Every consumer of water must keep his service pipes, valves, fixtures, and all other apparatus beyond that belonging to and serviced by the District in good repair and free from leakage at his own expense and he will be responsible for all damages which may result from failure to comply with this rule.

Sec. 19.17 Fires.

In the event that fires should take place within the District, where it is necessary to use the distribution mains of the District to supply water to extinguish such fires, the District may temporarily discontinue service to any meter, and the affected consumer shall not be permitted to use water from any of the District mains until such fire is completely extinguished.

Sec. 19.18 Access to Meters.

No person shall place or cause to be placed on or about or around any meter, hydrant, stopcock or service connection of any of the mains, pipes or water-works of the District any material of any kind which may serve or act as an obstruction to the free access or use of such meter, hydrant, stopcock or service connection. Upon failure to remove such obstruction after reasonable notice, the District shall have the right to have the water shut off and keep the same from being turned on again until such obstruction is removed and the necessary fee for turning on said water paid to the District.

Sec. 19.19 Temporary Discontinuance of Service for Repairs, etc.

The District reserves the right at any time to discontinue the service of water from its mains to water consumers for the purpose of making repairs or extensions to all parts of the system under the operation and control of the District or for any other purpose which may be found necessary by the District in order to properly maintain its system. In such case, the District will, if practicable, give notice to the consumer of such interruption in service.

Sec. 19.20 Allowances or Rebates.

No allowance or rebates in rates or charges shall be made under any circumstances, except as hereinafter in this Administrative Code authorized, and the rates herein prescribed for service of water shall be a charge against any and all property as hereinbefore specified, until the District shall receive written notice of request to discontinue the water to such property, provided, however, that notwithstanding such written notice or request, the District shall still collect the minimum amount prescribed by this Administrative Code for the standby service as long as the meter is in place.

Sec. 19.21 Water Served to Others.

It is hereby declared to be a violation of the consumer's contract for which the District shall have the right to discontinue the service of water, if any water consumer shall be found to have served water to a consumer whose water has been shut off for breach of any of the provisions of this Administrative Code.

The District or representatives of the District shall have the right at all times to have free access to all parts of the premises of the consumer supplied with water to inspect the water system maintained by the customer.

Sec. 19.22 Backflow Prevention Devices.

In accordance with Title 17 of the California Administrative Code, backflow prevention devices to protect the District distribution system from possible contamination will be owned and maintained by the District.

The device will be located at the service connections. The type of protection that shall be required to prevent backflow into the public water supply shall be commensurate with the degree of hazard that exists on the customer premises. The type of protective device that will be required (listed in an increasing level of protection) includes: Double check Valve Assembly-(DC), Reduced Pressure Principle Backflow Prevention Device-(RP) and an Air gap Separation-(AG). The customer may choose a higher level of protection than required by FPU. The minimum types of backflow protection required to protect the public water supply, at the water user's meter connection to the property with various degrees of hazard, are listed below. Situations not covered in the listed below shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by FPU.

Sec. 19.22.1 Type Of Backflow Protection Required.

1. An (AG) is required on premises where there are waste water pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
2. An (AG) is required on premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
3. An (RP) is required on premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected. Any sign of injection systems on the property, including unused systems will require an (RP).
4. Auxiliary Water Supplies--Any water supply other than that received from a public water system.

- A) (AG) is required on premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. A RP or DC may be provided in lieu of an AG if approved by the District.
- B) An (RP) is required on premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system.

5. Recycled Water

- A) An (AG) is required on premises where the public water system is used to supplement the recycled water supply.
- B) An (RP) is required on premises where recycled water is used, and there is no interconnection with the potable water system.
- C) An (RP) is required on residences using recycled water for landscape irrigation as part of an approved dual plumbed use area. If the District is also the supplier of the recycled water, to utilize an alternative backflow protection plan that includes an annual inspection and annual shutdown test of the recycled water and potable water systems.

6. Fire Protection Systems

- A) An (RP) is required on premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).
 - B) An (AG) is required on premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. A RP may be provided in lieu of an AG if approved by the District.
 - C) An (RP) is required on Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used.
 - D) An (RP) is required on Premises where the fire system is supplied from the public water system and where recycled water is used in a separate piping system within the same building.
 - E) A (DC) is required for single family residence with fire protection system. The (DC) needs to be installed and maintained by the property owner.
7. An (RP) is required on premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.

8. An (RP) is required on premises where there is a repeated history of cross-connections being established or re-established.
9. An (RP) is required where adjacent parcels under common ownership are served by more than one meter. RP devices will be required at each meter.
10. An (RP) is required on all new agricultural (AS), agricultural/domestic (AT), commercial agricultural (CA), or commercial agricultural domestic (CB) services. An RP will be installed by the District only with the new meter services.
11. Property owners who appeal to the District to change classification from a classification other than agricultural (AS, AT, CA, CB) will be required to install a Reduced Pressure Backflow Preventer at the property owners expense. See Section 19.22.3 & 4.

Evaluation of Hazard. The District shall evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a user's premises. The District, however, shall not be responsible for abatement of cross-connections which may exist within a user's premises. As a minimum, the evaluation should consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping system complexity and the potential for piping system modification. Special consideration shall be given to the premises of the following types of water users:

- A) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.
- B) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District.
- C) Premises that have internal cross-connections that are not abated to the satisfaction of the District.
- D) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
- E) Premises having a repeated history of cross-connections being established or reestablished.

Sec. 19.22.2 Backflow Device Installation on New Services.

The District shall install Reduced Pressure Backflow Preventers on new potable water meter services when applicable. (see Type of Backflow Device Protection Required)

An additional charge will be made for installation of backflow prevention devices as follows:

Reduced Pressure Principle Devices (installed along with new meter)

For each 3/4 inch meter	\$475
For each 1 inch meter	\$560
For each 1-1/2 inch meter	\$1,034
For each 2 inch meter	\$1,251
For each 3, 4 or 6 inch meter	Cost

Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Sec. 19.22.3 Reduced Pressure Backflow Preventer Retrofits.

Retrofit: Installation of a Backflow device after the service connection has been established.

General Design Considerations.

- A) The design and construction of the backflow prevention assembly shall meet the requirements called for in this specification.
- B) The nominal size of the backflow prevention device shall be equal to the size of the purchased meter. For example, a (1") meter shall have a (1") backflow prevention device.
- C) The assembly shall include same size valves located on either side of the backflow prevention assemblies. Four test cocks shall be appropriately located on the assembly for testing and certification.
- D) The nominal size of reduced-pressure principle detector assemblies shall be as shown on the Approved Plans or as directed by the Fire Department of jurisdiction.
- E) Enclosures and concrete slabs shall be provided only as shown on the Approved Plans or as required by the agency of jurisdiction.

Sec. 19.22.4 Reduced Pressure Backflow Preventer Device Retrofit –Installed by Property Owner

The property owner shall be responsible for the Reduced Pressure Backflow Device Retrofit. Once the device is installed, passes the backflow test, and meets the District’s standards the device will become the property of the District. The device will be charged the standard monthly service charges and will be tested annually.

Upon notification by the District that a Reduced Pressure Backflow Device is needed, the property owner will have sixty (60) days to comply. After sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and the device is installed, passes, and meets the District standards.

Installation.

- 1) Installations of retrofit backflow devices will not be performed by District Personnel and is the sole responsibility of the property owner.
- 2) Forty-eight (48) hours prior to installation, the Backflow Department will be notified at (760) 728-1125, extension 1129. Installations and inspections will be scheduled Monday through Thursday's only – excluding all District holidays. District personnel will shut off the angle stop before the meter. If the installer or property owner shuts off the angle stop and causes damage, the installer and property owner will be responsible for damages. The damages will be calculated at a time and materials rate.
- 3) Installation shall comply with the latest edition of the Uniform Plumbing Code and applicable District requirements.
- 4) Backflow prevention assemblies shall be installed in accordance with the District's standard drawings.
- 5) Water service and fire service shut-off valves will be secured closed during installation until an approved backflow prevention device is installed and tested in compliance with this specification.
- 6) When static pressure exceeds 175 psi, a pressure-reducing valve may be installed. Please contact the Backflow Department for determination of necessity.
- 7) After installation of the backflow device, the Backflow Department must be notified to inspect the installation to insure that the device meets the District specifications. It will then be tested by District personnel.
- 8) There will be no charge if the backflow device is installed correctly and test properly on the first inspection. If the backflow device fails the first test, it shall be the responsibility of the property owner to have any necessary repairs made. Repairs must be made according to District specifications. Any additional inspections will be charged one hundred twenty eight dollars (\$128) plus the costs of parts if needed.
- 9) Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

10) Any damages or leaks after the customer shut-off valve will be the property owner's responsibility.

Sec. 19.22.5 Well Destruction and Alteration.

To protect the State's groundwater supplies, the Legislature authorized the establishment of standards (Department of Water Resources Bulletins 74-81 and 74-90) and regulations pertaining to the construction, alteration, and destruction of wells.

California Water Code Section 13750.5 requires that those responsible for the construction, alteration, or destruction of water wells, cathodic protection wells, groundwater monitoring wells, or geothermal heat exchange wells possess a C-57 Water Well Contractor's License. This license is issued by the Contractors State License Board.

California Water Code Section 13751 requires that anyone who constructs, alters, or destroys a water well, cathodic protection well, groundwater monitoring well, or geothermal heat exchange well file with the Department of Water Resources a report of completion within sixty (60) days of the completion of the work.

The Land and Water Quality Division regulates the design, construction, modification, and destruction of water wells throughout San Diego County to protect San Diego County's groundwater resource. Water Wells are commonly used as the only potable water supply in the rural areas of San Diego County. For general information call the San Marcos office at (760) 471-0730.

Upon the completion of the well destruction or alteration, the property owner is responsible for supplying proper documentation to the District.

If the property owner chooses not to follow the California Water Code (listed above) within sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and a Reduced Pressure Backflow Device is installed (See Section 19.22.3&4) and passes and meets the District standards.

Sec. 19.23 Booster Pumps.

No person shall place or cause to be placed a device to raise the pressure of water supplied him by the District unless said booster system plans and proposals have been submitted to the District's General Manager and written approval for its installation and use has been secured. In the event such apparatus is installed without permission, the General Manager will immediately discontinue service to the consumer and resume service only after satisfactory removal or correction and payment of turn-on charges and payment for any repair or treatment necessary for sanitary and safe operation.

Sec. 19.23.1 Fallbrook Service Area Pressure Zones. Any approved individual service booster pump in the following pressure zones will be installed, operated, and

maintained entirely at the individual customer's expense and will remain the property of the individual customer:

- 1) Toyon Heights
- 2) Sachse
- 3) Red Mountain
- 4) Gheen
- 5) Modified Town
- 6) Rattlesnake

Sec. 19.23.2 DeLuz Heights Service Area Pressure Zones. Any approved individual service booster pump in the DeLuz Service Area will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer, with the exception of the following meter numbers:

- 1) Meter No. 7783
- 2) Meter No. 7784
- 3) Meter No. 7789

Sec. 19.24 Fire Hydrants.

For installing, maintaining and use of fire hydrants, the following will apply:

The District will install fire hydrants and necessary piping so required where and when jointly approved by the District staff and the Chief of the Fire District at the cost of the North County Fire Protection District.

In the event hydrants are required as part of pipeline extensions to service a subdivision or consumer, the cost of such hydrants will be included in the cost of the extension construction and paid for by the subdivider or consumer. Charges for installation of hydrants on the existing District distribution system will be as follows:

Model J-3700 (2-port hydrant).....	\$9,138	(complete assembly)
Model J-3765 (3-port hydrant).....	\$9,896	(complete assembly)
Fire flow testing	\$532	

If paving over 20 feet is required, there is an additional fee of \$257 per trench foot. If county road inspection is required, there is an additional fee of \$1,402 .

Charges for fire hydrants will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Maintenance and repairs to hydrants, valves and connecting pipelines, will be performed by the District at the expense of the North County Fire Protection District.

Sec. 19.25 Automatic Sprinkler and Fire Protection Systems.

For automatic sprinkler and fire protection systems, the District upon request, will install a detector check valve system subject to the payment of the following installation charges by the user:

4 inch service	Cost
6 inch service	Cost

8 inch serviceCost

Sec. 19.26 Construction Meters.

For each use of a fire hydrant by any person not officially associated with a fire fighting organization, by pre-arrangement and approval of the District, and upon receipt of a \$1,266 deposit, a meter installation charge of \$123 will be made. There will be a relocation charge of \$123 to cover cost of moving a construction meter. Upon notification by customer that the construction meter is no longer needed, District staff will retrieve the meter. Charges for construction meters will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Upon retrieval, deposits will be refunded to the customer less any accrued operations charges and water use charges. The cost to repair a damaged construction meter will be deducted from the deposit. The construction meter will be locked to the fire hydrant and moved only by District staff. If the meter is stolen, the District will bear the cost of replacement.

Sec. 19.27 Water Used for Annual Crops.

For each use of water for agricultural purposes solely for the growing of annual crops, as described in Sec. 19.1, Temporary Ag Service, the connection charge levied by Sec. 19.8 will not be assessed for this purpose.

All other fees, assessments, and charges of this Administrative Code will be in effect. The Board of Directors will determine annually the availability of water for these purposes, and the use will be continued on a year to year basis at the discretion of the Board of Directors.

Sec. 19.28 Illegal Use of Water.

The District may discontinue service to any consumer who uses or permits the use of District water beyond District boundaries or who within the District permits the flow of water beyond the limits of his property which is recorded as being served by the meter service through which the water is supplied. After discontinuing service for such cause, a charge of \$100 plus the estimated cost of the water so wasted or misused will be made and water service will not be resumed until paid.

Sec. 19.29 Water Service Outside District.

In the event that the District should at any time have surplus water over and above that which may be needed and used within the limits of the District, then and in that event, the Directors of the District are hereby authorized to enter into a contract for the sale of such surplus water outside the boundaries of the District, upon such terms and conditions and for such rates as the Directors may at the time deem for the best interests of said District, provided, however, that in no case shall the Directors of said District, in fixing the rate to be charged for water in such contract, charge less than a sum which would represent the cost of actually developing and delivering said water outside of said boundaries of said District.

Sec. 19.30 Application of Water Service to Affordable Housing

Per Government Code Sec. 65589.7, effective July 1, 2006, the

District shall not deny or condition the approval of an application for water service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- b) The District is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections; or
- c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or
- e) The applicant fails to agree to reasonable terms and conditions for water service from the District which is generally applicable to other development projects seeking water service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 19.30.1 Review of Service Policies.

At least once every five (5) years after passage of this policy, the policies contained in this section shall be presented to the Board of Directors of the District for a review and evaluation of the written policies governing water service to proposed developments that include housing units affordable to lower income households.

Sec. 19.31 Administrative Fees.

The following administrative fees will be charged for the preparation, processing, and recording of the following documents:

Insufficient Funds Check	\$25
Temporary Service Agreements	\$50
Remote Meter Agreements	\$50
Quitclaim of Easement	\$50
Grant of Easement	\$50
Grant Deed	\$50
Temporary Sewer Service Agreements	\$50
Repayment Agreements	\$100

ARTICLE 19

Sec. 19.1,19.4,19.6, 19.21, 19.23 &
19.28 – Rev. 6/93
Sec. 19.5, 19.21 & 19.24 – Rev. 2/94
Sec. 19.8 – Rev. 4/95
Sec. 19.1 – Rev. 8/95
Sec. 19.33-19.43 – Rev. 8/95
Sec. 19.5, 19.24-19.25 – Rev. 9/96
Sec. 19.6-19.8 – Rev. 9/96
Sec. 19.23 – Rev. 10/96
Sec. 19.8 – Rev. 6/97
Sec. 19.1 – Rev. 7/97
Sec. 19.11 – Rev. 7/98
Sec. 19.9 – Deleted (all parcels paid) –
Rev. 9/98
Sec. 19.21 – Rev. 6/99
Sec. 19.8 – Rev. 7/99
Sec. 19.9 – Rev. 11/99
Sec. 19.20.2 – Rev. 11/99
Sec. 19.9.2 – Rev. 7/00
Sec. 19.8 – Rev. 12/00
Sec. 19.8 – Rev. 8/01
Sec. 19.21, 19.23 – Rev. 07/03
Sec. 19.6, 19.21 – Rev. 6/04
Sec. 19.8, Rev. 1/05
Sec. 19.5 – Rev. 7/05
Sec. 19.4 & 19.8 – Rev. 3/06
Sec. 19.5, 19.6, 19.19, & 19.21 – Rev.
6/06
New sec. 19.27 added 6/06
Sec. 19.5, 19.8 & 19.23 – Rev. 12/06
New Sec. 19.4 – Added 2//07
Sec. 19.20 – Rev. 3/07
Sec. 19.22 – Rev. 6/07
Sec. 19.6 – Rev. 6/07; 19.7 – Added
6/07; 19.20 – Rev. 6/07; 19.22 – Rev.
6/07
New 19.11 – added 8/07
Sec. 19.1 (last para pg. 1) & 1st para.
Pg. 2 – Rev. 12/07
Sec. 19.8.2 – Add 3/08
Sec. 19.1, 19.6, 19.7, 19.8, 19.8.1,
19.9, 19.14, 19.22, 19.24, 19.26, 19.27,
and 19.31 – Rev. 6/08
Sec. 19.1, 19.6, 19.8, 19.8.2, 19.10,
19.11.2, 19.11.3, 19.11.4, 19.11.5,
19.11.6, 19.22,
19.24, - Rev. 6/09
19.1, 19.5 Rev. 8/09
Sec. 19.22-19.22.5 – Rev. 10/09
Sec. 19.8.1 – Rev. 5/10
Sec. 19.5 – Rev. 10/10

ARTICLE 19 CONTINUED

Sec. 19.3 – Rev 12/10
Sec. 19.6, 19.7, 19.8.2, 19.22.2, 19.24,
19.26 – Rev. 5/11
Sec. 19.8, 19.9 – Rev. 4/12
Sec. 19.1, 19.5, 19.6, 19.7, 19.8,
19.8.2, 19.22.2, 19.24, 19.26 – Rev.
6/12
Sec. 19.5, 19.6, 19.7, 19.8, 19.8.2,
19.22.2, 19.24, 19.26 – Rev. 6/13
Sec. 19.1, 19.5, 19.6, 19.7, 19.8,
19.8.2, 19.10, 19.22.2, 19.24, 19.26 –
Rev. 6/14
Sec. 19.8.1 – Rev. 10/14
Sec. 19.6, 19.7, 19.8, 19.8.2, 19.22.2,
19.24, 19.26 Rev. 6/15
Secs. 19.1, 19.5, 19.11, 19.11.1,
19.11.2, 19.11.3, 19.11.4, 19.11.5,
19.11.6, 19.22.1 Rev. 3/16
19.4.2 (add), 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.24, 19.26 – Rev.
7/16
Sec. 19.10 - Rev. 1/17
Secs. 19.4.2, 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.22.4, 19.24, 19.26 –
Rev. 12/18
Secs. 19.12.1, 19.12.2, 19.24 – Rev.
7/19
Secs. 19.4.2, 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.24, 19.26 – Rev.
12/19

EXHIBIT C

**REVISIONS TO ARTICLE 20 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2020**

[COMMENCING ON NEXT PAGE]

Article 20. Sewer Service Requirements and Fees

Sec. 20.1. Definitions.

For the purpose of this Administrative Code and the regulation of sewer service by the Fallbrook Public Utility District, the following definitions are adopted:

The word “applicant,” as used herein, shall mean a person making application to the District for a permit for a sewer connection, Special Use Permit, determination or redetermination.

The term “application,” as used herein, shall mean the application form approved by the District for applicants to submit a request for sewer service to the District or for a Special Use Permit, or determination or redetermination of equivalent dwelling units.

The term “Authorized Inspector,” as used herein, shall mean the person designated by the General Manager to conduct inspections and take enforcement actions for the purpose of ensuring compliance with this chapter.

The term “Board,” as used herein, shall mean the governing board of the Fallbrook Public Utility District or any successor-in-interest.

The term “BOD,” as used herein, means biochemical oxygen demand.

The term “bypass” means the diversion of waste streams from any portion of the sewer system.

The term “discharge” means the addition of any material to the District’s sewer system.

The term “District,” as used herein, shall mean the Fallbrook Public Utility District or any successor-in-interest or any person authorized by the Board or General Manager to act as a representative of the District.

The term “Domestic Sewage” shall mean the liquid and water-borne wastes derived from humans in dwelling units and non-industrial commercial structures or uses, said wastes being of such character as to permit satisfactory disposal into a public sewer or private disposal system without special treatment.

The term “Equivalent Dwelling Unit” or “EDU,” as used herein, shall mean an increment of wastewater flow attributable to a single-family residence and as further discussed in Section 20.7.

The term “Industrial User” refers to a person whose discharges or processes have a different characteristic than domestic sewage or domestic activities and which may require special review or a Special Use Permit in accordance with this Article.

The term “Owner,” as used herein, shall mean the holder of record title to a parcel or parcels of real property located within the District.

The term “Parcel Map,” as used herein, shall mean the division of a parcel of land into four (4) or fewer lots in compliance with the Subdivision Map Act.

The term “Parcel of Land,” as used herein, shall mean a separate parcel of land recognized as a separate unit by the Assessor’s office for the County of San Diego and legally subdivided by California law.

The term “pass through” means wastewater leaving the District’s sewer system in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the state or federal law, regulation, or order.

The term “Permit,” when used as a noun as used herein, shall mean permit for a sewer connection required by the District for any discharger to the District’s sewer system and includes a sewer permit, a Special Use Permit, a temporary sewer service agreement, and any other authorization to connect to and use the District’s sewer system.

The term “person,” as used herein, shall mean any individual, entity, partnership, firm, association, corporation or public agency, including the State of California and the United States of America.

The term “Project,” as used herein, shall mean the development, use, building or structure for which the owner is seeking sewer service and all developments, uses, buildings, and structures which have not previously secured a sewer permit from the District.

The term “sewer system” or “District’s sewer system” shall mean all of the publicly owned property involved in the operation of the sewage collection, treatment, and disposal system in the District, including land, sewers and appurtenances, pumping stations, and the treatment works and equipment.

The term “Special Use Permit” shall mean a permit for a sewer connection issued by the District to certain industrial users of the District’s sewer system in accordance with Section 20.9.

The Term “SS,” as used herein, means suspended solids.

The term “Subdivision,” as used herein, shall mean any improved or unimproved real property, or a portion thereof, shown on the latest equalized County Assessment Tax Roll as a unit or as contiguous units which is divided into five (5) or more parcels for the purpose of sale, lease or financing.

The term “upset” means an incident in which there is temporary noncompliance with requirements of the District’s sewer system regulations.

The term “user” refers to any person who connects to or discharges to or authorizes, permits, facilitates, or allows the connection or discharge to the District’s sewer system.

Sec. 20.2. Prohibited Connections.

It shall be unlawful for any person to connect to or to facilitate, authorize, permit, or allow connection to the District sewer system or to add or to facilitate, authorize, permit, or allow the addition of any building, apartment, trailer, or other unit to an existing sewer connection or commence construction of any sewer line within the District without having first obtained a written permit from the District authorizing such connection or construction in accordance with Division 20.2 of this Article. No permit to connect shall be issued except to the owner of the property or the owner’s duly authorized agent.

Sec. 20.3. Prohibited Uses and Prohibited Discharges.

It is unlawful for any person to use or discharge to, or to facilitate, authorize, permit, or allow the use of or discharge to, the sewer system except in accordance with Division 20.3.

Industrial users subject to the pretreatment standards specified in Part 403 of Title 40 of the Code of Federal Regulations are prohibited from connecting to or discharging into the District’s sewer system.

Sec. 20.4. Permit Required.

No person or entity shall be entitled to establish, authorize, cause, facilitate or allow a connection or discharge to the District’s sewer system without first obtaining a sewer permit in accordance with Section 20.4, a Special Use Permit in accordance with Section 20.9 or a temporary sewer service agreement in accordance with Section 20.10 and paying required fees in accordance with this Article.

No person or entity shall be entitled to discharge or to authorize, cause, facilitate, or allow a discharge to the District’s sewer system except as authorized by a sewer permit, Special Use Permit or temporary sewer service agreement. Permits are issued only for the use expressly authorized by the permit.

If a permit does not show thereon the number of equivalent dwelling units for which it is issued, the holder of the permit may seek a determination of the equivalent dwelling units authorized by the permit in accordance with this Article.

The holder of a permit who seeks to undertake any of the following actions on the property associated with the permit must submit an application for a redetermination of equivalent dwelling units as set forth in Section 20.7 and/or a redetermination of strength classification under Section 20.8 and, if required apply for a new or amended permit and pay fees in accordance with this Article:

- a) add a new or change an existing use of a property;

- b) remodel, renovate, or enlarge a structure that discharges or connects to the District's sewer system;
- c) construct any additional improvements on the parcel of property that discharges or connects to the District's sewer system;
- d) discharge a greater volume of wastewater than is authorized by an existing sewer permit;
- e) discharge wastewater with a greater concentration of BOD, SS or other constituent than is authorized by the sewer permit.

No sewer permit required by this Section is valid until the applicant has paid all fees and charges of the District and complied with all requirements of this Administrative Code. An applicant does not have any right to sewer service until the permit is issued. Upon issuance of the permit, monthly service charges will commence in accordance with this Article.

Sec. 20.5. Sewer Permit Application Process.

Sec. 20.5.1 Submission of Application.

Any person required to obtain a permit in accordance with Section 20.4 must submit a request for sewer service from the District on the application form approved by the District. The application shall be made in the name of the Owner and be signed by the Owner or Owner's authorized representative. No application shall be deemed complete for the purposes of processing until the District has obtained all information requested by District staff to process the application, which may include but is not limited to the following:

- a) Environmental Review.

Upon request, the applicant shall provide the District with all documents evidencing any environmental review of the project for which the applicant seeks sewer service. If the District determines that additional environmental review is necessary, the applicant shall be required to complete this additional environmental review. All environmental review shall be at the applicant's sole cost and expense. The District may elect to utilize the applicant's environmental expert or may elect to retain its own environmental consultant at the applicant's sole cost and expense. Where District staff determines that the environmental review is insufficient, the District may require a deposit for additional environmental review as determined necessary by District staff. All costs for such additional environmental review shall be paid by the applicant.

- b) Plans and Specifications.

Except where waived by District staff, all applications for a sewer permit shall be accompanied by a complete set of all plans and specifications for the proposed development prepared by an architect or engineer licensed in the State of California. The

District shall have no obligation to process any application until District staff has received all plans and specifications determined necessary by District staff to consider the impacts of the proposed project on the District's sewer system.

c) Parcel Maps and Subdivisions.

Applications for sewer service to parcel maps and subdivisions will not be processed until the applicant submits an executed application form and the District has been provided with a copy of the parcel map or subdivision map prepared by a licensed civil engineer in the State of California. The parcel map or subdivision map shall show all proposed sewer facilities. Where the parcel map or subdivision will require a pipeline extension, the applicant will be required to execute a pipeline extension agreement.

Sec. 20.5.2 Determination of Equivalent Dwelling Unit and Strength.

Upon receiving an application for issuance of a sewer permit, the District will determine the number of equivalent dwelling units and anticipated strength classification for which the Permit shall be issued, and fees shall be calculated in accordance with this Article.

Sec. 20.5.3 Payment of Fees.

Before a sewer permit may be issued, the applicant must pay the following fees or arrange for payment of the fees pursuant to Section 20.16:

- a) Capacity fees in accordance with Section 20.16.2;
- b) Plan Check fees in accordance with Section 20.16.3;
- c) Lateral fees in accordance with section 20.16.4, if applicable;
- d) Fees to inspect contractor-installed laterals in accordance with Section 20.16.5, if applicable; and
- e) Annexation fee in accordance with Section 20.16.6, if applicable.

Sec. 20.6. Sewer Availability Forms and Letters.

If an applicant has submitted a completed application, all environmental review has been completed to the satisfaction of the District, and the District has reviewed and approved the applicant's plans for sewer service, and all fees have been paid or guaranteed, the District may issue a sewer availability letter or execute the Sewer Project Facility Availability form provided by the County of San Diego.

Execution of the sewer availability letter or form is not a commitment that the District will provide sewer service to any project nor is it a guarantee that sewer service will be available to serve the project at the time a sewer commitment is actually made. Execution of the sewer availability letters or forms merely indicates that sewer service is available at the time the District executes the sewer availability letter or form. The

District is not committed to provide sewer service until the District issues the permit, the applicant pays all deposits and fees required by the District, and all sewer facilities required to serve the project by the District have been completed and accepted by the District.

Sec. 20.7. Equivalent Dwelling Units.

a) Equivalent Dwelling Unit Schedules.

1. The following schedule shall be used when determining the equivalent dwelling units and class of service for any connection to the District’s sewer system.

(SEE SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE ON THE FOLLOWING PAGES)

SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE

Equivalent Class	Description	Dwelling Units
Class 1	Single Family Residence	
	Single family residence	1.00
	Mobile home on individual parcel	1.00
Class 2	Apartment/Condominium/Attached Cottage-Mobile Home	
	Per detached cottage with bathroom and kitchen on a parcel with a single family residence	0.80
	Per mobile home on a parcel with a single family residence	0.80
	Per apartment unit	0.80
	Per condominium/duplex unit	0.80
	Accessory Dwelling Unit* (As defined by State Government Code.)	
	*Capacity Fees do not apply to Accessory Dwelling Units (ADUs) that are exempt from such fees under State Law. Sewer Service Fees still apply, and they are determined by the applicable EDU factor.	0.40
Class 3	Mobile Home Park	
	Per separate mobile home space	0.80
	Motel/Hotel with no restaurant	
Class 4	Per motel/hotel with kitchen unit	0.80
Class 41	Per motel/hotel without kitchen unit	0.50
	A Separate Business, Retail Shop With Office, Or Packing House Equipped With Restroom Facilities, Or Not So Equipped But Located In A Building Or Complex With Common Restroom	

Class 5	First 3500 square feet (exterior building area) facilities	1.33
Class 55	Per additional 1000 square feet (exterior building area)	0.38
	Automotive Service Station	
Class 6	4 pumps or less	2.00
Class 61	More than 4 pumps	3.00
Class 62	Per recreational vehicle holding tank disposal station	1.00
	Church, Fraternal Lodge Or Similar Auditorium	
Class 7	Per 200 seating capacity	1.00
	Bakery	
Class 8	Per 3500 square feet (exterior building area)	1.00
	Theater	
Class 9	Per 150 seating capacity	1.33
	Hospital	
Class 10	Per bed	0.65
	Convalescent or Boarding Home	
Class 11	Per bed	0.30
	Elementary School / Daycare	
Class 13	Per 60 Students	1.00
	Junior High School	
	Per 40 Students	1.00
	High School	
Class 17	Per 30 Students	1.00
	Mortuary	
Class 14		1.00
	Car Wash with water recovery system and public restroom	
Class 21		2.00
	Self Service Laundry	
Class 23		2.00
	Restaurants	
Class 24	Restaurant Under 2500 Square feet	3.00
Class 25	Restaurant 2501-7000 Square feet	4.00
Class 26	Restaurant Over 7000 Square feet	5.00

	Grocery Stores	
Class 32	Grocery Stores Under 2500 feet	3.00
Class 33	Grocery Stores 2501-7000 Square feet	4.00
Class 34	Grocery Stores Over 7000 Square feet	5.00
Class 88	Standby	0.24

2. Unclassified Users. Users whose use is not classified in the above table are considered “unclassified users.” District staff shall determine the number of equivalent dwelling units for which a permit shall be issued to an unclassified user, including but not limited to commercial and industrial users, based upon the estimated volume of wastewater to be discharged therefrom into the District’s sewer system. An unclassified user that is also an Industrial User may be required to obtain a Special Use Permit pursuant to Section 2.9.

b) Determination and Redetermination of Equivalent Dwelling Units.

1. Determination of Equivalent Dwelling Units.

The holder of an existing sewer permit which does not show thereon the number of equivalent dwelling units for which it is issued, may make application to the District for a determination of equivalent dwelling units based on the current use of the property to which the permit relates.

Upon receipt of an application, the District shall determine the number of equivalent dwelling units which shall be credited to the permit based on this section.

Upon completing the determination of the number of equivalent dwelling units to be assigned to an existing permit, the District shall amend the permit to show thereon the number of equivalent dwelling units assigned thereto and shall also make a notation of such equivalent dwelling units assigned to the existing in the appropriate District record.

2. Redetermination of Equivalent Dwelling Units.

Upon receiving an application for a redetermination, the District shall determine the number of equivalent dwelling units assigned to such permit and the number of equivalent dwelling units required by the action undertaken by the permit holder. If the permit does not accurately show the number of equivalent dwelling units for which it was issued or which will exist after the action undertaken by the permit holder, the District shall determine the number of equivalent dwelling units to be assigned to such permit in the manner above provided in this section, and whether the action undertaken by the permit holder will necessitate additional equivalent dwelling units.

If additional equivalent dwelling units are required as a result of the action undertaken by the permit holder, the applicant will be required to acquire additional equivalent dwelling units in accordance with Section 20.4, to construct any additional sewer facilities determined necessary by the District to adequately serve the property, and to pay fees required by this Article based on the fees in effect at the time the application is submitted for the additional number of equivalent dwelling units calculated by District staff.

3. Reduction in Equivalent Dwelling Units.

If any determination or redetermination conducted in accordance with this Section results in a reduction in equivalent dwelling units, such reduction in capacity will reduce the ongoing capital improvement charge, but will not result in any refund of capacity fees.

Sec. 20.8. Determination and Classification of Strength (BOD and SS).

The District shall use the following guidance when determining the anticipated concentrations of BOD and SS for discharges to the District's sewer system:

- a) Low strength: BOD < 200 mg/l and SS < 200 mg/l: Retail, laundry, church or community facility with no kitchen, offices, car wash, nursing home or hospital.
- b) Medium strength: BOD 200 - 700 or SS > 200 -700: hotel, auto service station, hotel with restaurant, light manufacturing.
- c) High strength: BOD > 700 mg/l or SS > 700 mg/l: Restaurant, mortuary, manufacturing or high strength wastes.

The allowable discharge strength classification shall be set forth in the permit.

Industrial Users required to obtain a Special Use Permit may be subject to alternative strength classification requirements and/or additional discharge requirements pursuant to Section 20.9.

Any user or applicant whose actual or proposed discharge is determined by the District to have characteristics that may adversely impact sewer system operations or the District's

ability to comply with state and federal laws, regulations, or orders must immediately cease any actual discharge and obtain and implement a Special Use Permit in accordance with Section 20.9 before commencing or recommencing any such discharge.

Sec. 20.9. Special Use Permits.

Any user or applicant whose actual or proposed discharge is determined by the District to have characteristics that may adversely impact sewer system operations or the District's ability to comply with state and federal laws, regulations, or orders must immediately cease any actual discharge and obtain and implement a Special Use Permit before commencing or recommencing any such discharge.

Applicants for Special Use Permits shall complete and file the standard application form and submit all applicable fees. Applications for a Special Use Permit shall include such additional information as may be required by the General Manager, which may include, but not be limited to, sewage constituents and characteristics (as may be determined by a laboratory approved by the District), and any other information deemed necessary by the District to evaluate the application.

The Special Use Permit shall be subject to all requirements and provisions applicable to general permits under this Article, but may also be subject to one or more of the following:

- a) Limitation of the volume discharged;
- b) Restriction of peak flow discharges;
- c) Pretreatment of wastewater prior to discharge;
- d) Discharge of certain wastewater only to specified sewers of the District;
- e) Relocation of the point of discharge;
- f) Prohibition or limitation of discharge of certain wastewater constituents;
- g) Restriction of discharge to certain hours of the day;
- h) Filing of periodic self-monitoring discharge reports or results of periodic measurements;
- i) Installation of a suitable manhole together with such necessary meters and other appurtenances to facilitate observation, sampling, and measurement of the wastes;
- j) Payment of additional charges to defray increased costs of the District created by the wastewater discharge; and
- k) Such other conditions as may be required to achieve the purpose of this section.

Sec. 20.10. Temporary Sewer Service Agreement.

A Temporary Sewer Service Agreement is a recorded agreement between the District and a user that a sewer will be placed temporarily at a location remote from the property to be served, where the District intends, at some future date, to extend the District sewer system to abut the property described in the agreement, and that the consumer is responsible for extending a temporary private line from the sewer to the property to be served, and obtaining whatever temporary easements are required for such extension. Temporary sewer service agreements shall establish the financial obligations of the user related to the future installation costs of the District's distribution system and the cost of relocation of the sewer, and shall be binding upon the signatory and all successor owners of said property.

If the user's obligation is to be secured with a promissory note and deed of trust, the terms will be based on the 10-year Treasury Bill rate plus 2%. Interest will be recalculated annually on the anniversary date of the recorded Trust Deed and will be compounded annually on the same anniversary date.

Sec. 20.11. Permit Modifications.

The terms and conditions of a permit may be subject to modification by the District, in accordance with any changes in the effluent standards limitations or prohibited substances by superior regulators or in response to violations of this Code. The discharger shall be informed of any proposed changes in the permit at least thirty (30) days prior to the effective date of change, except in the case of violations of a permit or other order of the District, which may be modified as needed to protect public health, safety, and welfare, the District's sewer system, or personnel. Any modifications or new conditions in the permit shall include a reasonable time schedule for compliance.

No person shall discharge sewage in excess of the quantity or quality limitations set by a permit. Anyone desiring to discharge wastes or use wastewater facilities that are not in conformance with terms of a permit must apply to the District for an amendment to the permit or for a Special Use Permit, as applicable.

Sec. 20.12. Permits Non-Transferable.

A permit issued for a particular parcel of land is specifically limited to use for that parcel of land. A permit shall not be transferred to or used for a parcel of land which is not specifically described in the permit. Permits may be used only for the use which is specifically set forth on the permit.

Sec. 20.13. Application of Sewer Service to Affordable Housing.

Per Government Code Sec. 65589.7, effective July 1, 2006, the District shall not deny or condition the approval of an application for sewer service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the

denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- b) The District is subject to a compliance order issued by the State Water Resources Control Board, Division of Drinking Water that prohibits new water connections; or
- c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or
- e) The applicant fails to agree to reasonable terms and conditions for sewer service from the District which is generally applicable to other development projects seeking sewer service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 20.14. Sewer Use Requirements.

Sec. 20.14.1 General Conditions for Sewage Disposal.

No person shall discharge to the District's sewer system except through a connection permitted in accordance with Division 20.2 and in accordance with the sewer use requirements of this Division 20.3 and on payment of fees and charges provided in Division 20.4. Unless specifically authorized in a Special Use Permit issued by the District, no person shall discharge to the District's sewer system anything other than domestic sewage that complies with the requirements of this Article.

No person shall discharge to the District' sewer collection system in any manner that does the following:

- a) Create nuisances such as odors,
- b) Menace or endanger public health or safety or damage public or private structures, facilities or improvements,
- c) Impose unreasonable collection, treatment, or disposal costs to the District,
- d) Interfere with wastewater treatment processes,
- e) Exceed quality requirements set by regulatory government agencies,
- f) Detrimentially affect the local environment,
- g) Causes or contributes or threatens to cause or contribute to a bypass of untreated waste, pass through, or upset; or
- h) Cause or contribute to a violation of any permits applicable to the District's sewer system or treatment facilities.

Sec. 20.14.2 Discharge Prohibition.

Unless written approval has been provided by the District, no person shall discharge or cause to be discharged into the District's sewer, directly or indirectly, the following:

- a) Any storm water, surface water, groundwater, roof runoff, subsurface drainage, uncontaminated cooling water, or industrial process waters.
- b) Pollutants which create a fire or explosion hazard, including but not limited to any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.
- c) Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or

interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant, including but not limited to cyanides in excess of two (2) mg/L as CN in the wastes as discharged to the public sewer.

- d) Pollutants which will cause corrosive structural damage to the sewer system, but in no case any waters or wastes having a pH lower than 6.0 or in excess of 9.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewage works.
- e) Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewage works such as, but not limited to, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, ashes, unground garbage, whole blood, paunch manure, hair and fleshings, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
- f) Any pollutant, including oxygen demanding pollutants (BOD, etc.) released in a discharge at a flow rate and/or pollutant concentration which will cause interference with the sewer system.
- g) Brine from on-site regenerated ion exchange water treating devices.
- h) Water softener waste or any other salt water brine wastes.
- i) Any trucked or hauled pollutants, except at discharge points designated by the District.
- j) Fats, oils and grease (FOG) from food service establishments, except in compliance with the District's FOG program.
- k) Any other substances, materials, waters, or wastes if it appears likely in the opinion of the District's General Manager that such wastes can harm either the sewers, sewage treatment process, or equipment, have an adverse effect on the receiving stream, or can otherwise endanger life, limb, public property, or constitute a nuisance. In making a determination as to the acceptability of these wastes, the General Manager will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, capacity of the sewage treatment plant, degree of treatability of wastes in the sewage treatment plant, and other pertinent factors. The substances prohibited are:
 - l) Heat in amounts which will inhibit biological activity in the sewer system resulting in interference, but in no case any liquid or vapor having a temperature higher than one hundred fifty (150) °F (65°C).

- m) Any water or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of two hundred (200) mg/L or containing substances which may solidify or become viscous at temperatures between thirty two (32) and one hundred fifty (150) °F (0 and 65° C).
- n) Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three fourths (3/4) horsepower (0.76 hp metric) or greater shall be subject to the review and approval of the District.
- o) Any waters or wastes containing strong acid iron picking wastes, or concentrated plating solutions whether neutralized or not.
- p) Any water or wastes containing boron, cadmium, chromium, copper, iron, lead, manganese, mercury, selenium, tin, zinc and similar objectionable or toxic substances, or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite sewage at the sewage treatment works exceeds the limits established by the District for such materials. And, any water or wastes containing constituents in excess of those required by the District's current permits.
- q) Any water or wastes containing phenols or other taste odor producing substances, in such concentrations exceeding limits which may be established by the District as necessary, after treatment of the composite sewage, to meet the requirements of the State, Federal, or other public agencies of jurisdiction for such discharge to the receiving waters.
- r) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the District in compliance with applicable State or Federal regulations.
- s) Materials which exert or cause:
 1. Any waters or wastes containing more than 350 parts per million by weight of suspended solids or have a 5 day B.O.D. greater than 300 parts per million by weight, or a C.O.D. greater than 600 parts per million by weight.
 2. Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions).
 3. Unusual B.O.D. chemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment works.
 4. Unusual volume of flow or concentration of wastes constituting "slugs" as defined herein.

- t) Waters or wastes containing substances which are not amenable to treatment or reduction by the sewage treatment processes employed, or are amenable to treatment only to such degree that the sewage treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

Sec. 20.14.3 FOG Compliance Program.

The District has prepared and adopted a fats, oils, and grease (FOG) program on the implementation and enforcement of this Article. The District may require compliance with the FOG program as a condition of a Special Use Permit under this Article. FOG program may be updated as needed to achieve the applicable performance standards for the sewer system.

Sec. 20.15. Miscellaneous Provisions.

Sec. 20.15.1 Provide Information.

Users must provide information regarding the nature of any discharge to the system on request of the District.

Sec. 20.15.2 Users Outside the District.

The Board of Directors of the District shall have the power under Sec. 16474 of the Public Utilities Code to establish by agreement or resolution, the fees and charges and such other conditions as it deems appropriate that shall be imposed for providing sewer services to premises located outside the District. The provision of sewer services to premises outside the District shall also comply with applicable law, including but not limited to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code § 56000 et seq.).

Sec. 20.15.3 Agreements.

No statement contained in this Article shall be construed as preventing any special agreement or arrangement between the District and any discharger whereby waste of unusual strength or character may be accepted by the District for treatment, subject to payment as agreed thereof by the discharger.

Sec. 20.16. Fees and Charges.

Sec. 20.16.1 Sewer Service Charges.

Every user of the District's sewer system must pay a sewer service charge for the use of the District's sewer system in an amount and at a frequency established by the Board.

Sec. 20.16.2 Capacity Fees.

a) Capacity Fee Amount. Prior to issuance, reissuance, or amendment of a sewer permit the following capacity fees shall be paid by an applicant for a sewer permit for each equivalent dwelling unit determined by the District in accordance with Section 20.7:

Capacity Fee	\$7,115 per EDU
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b) Adjustments to Capacity Fees. Capacity fee charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

c) Financing Capacity Fees. Finance options are available for customers who owe additional fees to the District due to property expansions that did not purchase additional capacity and/or visual audits conducted by District staff as follows:

1. Any amounts financed by the District require a signed agreement and Promissory Note. Any amount greater than \$10,000 will also require a Trust Deed.
2. Any delinquent amounts will be transferred to the property tax bill.
3. Amounts up to \$3,000 are due immediately with no financing option.
4. Amounts between \$3,001 and \$5,000 may have terms of up to one year at the Local Agency Investment Fund (LAIF) rate + 2%.
5. Amounts between \$5,001 and \$10,000 may have terms of up to two years at the LAIF rate + 3%; interest to be re-calculated at the one year anniversary.
6. Amounts greater than \$10,001 may have terms up to three years at the LAIF rate + 4%; interest to be re-calculated at the one year and two year anniversaries.
7. Liens will not be offered as a methods of postponing payment of fees.

Sec. 20.16.3 Plan Check Fees.

a) An applicant must pay a plan check fee in accordance with the following:

1. Plan checks less than 500 lineal feet, water or sewer, \$500 each.
2. Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, \$1,000 each.
3. Plan checks greater than 1,000 lineal feet, \$1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 20.16.4 Lateral Fees.

If the District staff will be utilized to install a lateral from the main line and to put in a clean-out box and overflow device, the applicant shall pay the following fee upon submission of an application. The fee is to cover the cost to install a lateral from the main line and to install the clean-out box and overflow device, if a lateral is required based on the nature of the application:

Length	Depth	Crew Size	Hours	Cost
≤ 15'	≤ 8'	4	36	\$3,500
≤ 15'	>8'	4	56	\$5,422
>15' to 30'	≤8'	5	90	\$7,443
>15' to 30'	>8'	5	115	\$9,586
>30'	Any	5	Actual	Actual

If paving less than or equal to 15 feet is required, there is an additional fee of \$1,470 . If paving is greater than 15 feet up to 30 feet is required, there is an additional fee of \$2,462 . If county road inspection is required, there is an additional fee of \$1,402 .

Lateral installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Sec. 20.16.5 Fees for District to Inspect Contractor-Installed Facilities.

If a contractor will install the sewer lateral and related facilities, the applicant shall pay a sewer lateral inspection fee on a time and materials basis. Upon submission of an application, the applicant shall pay a deposit for the estimated inspection fee, calculated as follows:

Sewer Lateral Installation Estimated inspection hours @ \$106.31 = Estimated inspection fee

If the actual time per form inspection is less than the District's estimate, the District will refund the excess amount to the applicant. If the actual time to perform inspection exceeds the estimated time, the applicant shall pay the remaining amount due to the District as a condition of service. If the applicant fails to pay within the time specified by

the District, the District may include the remaining amount in its bill for for sewer service or seek collection through any other lawful means.

Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 20.16.6 Annexation Fees.

An applicant must pay a sewer annexation fee for any connection located in an area that is required to be annexed to the sewer service area after March 23, 2012 in accordance with state law. Annexation fees are due with the other sewer permit fees when applying for a sewer permit and are calculated for each equivalent dwelling unit determined by the District in accordance with Section 20.7.

Annexation Fee (if required)	\$11,389 per EDU
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Sec. 20.16.7 Fees and Charges May Be Collected with Taxes.

Notwithstanding any other provision of this Administrative Code, the fees and charges required by this Code, including the connection fee and the sewer service charges, or either of them may be collected on the tax roll in the same manner and together with the general taxes of the District pursuant to Section 16469 of the Public Utilities Code.

Sec. 20.17. Right of Entry and Inspection.

To the fullest extent permitted by law, the officers, employees, and agents of the District shall have the right to enter upon any premises within the District to inspect and verify compliance with the Administrative Code or any permit, order, ordinance or authorization issued by the District. The District has the right to conduct routine inspections and sampling at any location where discharges to the sewer system occur.

Sec. 20.18. Enforcement – Generally.

In addition to any remedies provided in this Code or available under any applicable law, the District may take any enforcement action or combination of enforcement actions provided in this Division against any person who violates any provision of this Article.

Sec. 20.19. Administrative Enforcement.

Sec. 20.19.1 Monitoring.

The Authorized Inspector may require any discharger who violates any provision of this Article or any permit, agreement, or other authorization issued in accordance with this Article to pay all costs associated with follow-up sampling, cost of analysis, and inspections needed to return the discharger to compliance. The discharger may be required to install and maintain pre-treatment, monitoring, and sampling facilities to ensure compliance with this Code.

Sec. 20.19.2 Citations.

The Authorized Inspector may issue an administrative citation directing a user or discharger to cease any action that violates any provision of this Article or any permit, agreement, or other authorization issued in accordance with this Article and may require the user or discharger to take any action necessary on a reasonable timeline to return to compliance and to pay penalties and costs authorized by law or this Article.

Sec. 20.19.3 Termination of Service and Revocation of Permit.

In addition to other statutes or rules authorizing termination of service for delinquency in payment for sewer service, the District may revoke any permit issued pursuant to these regulations. The District may also terminate the sewer or water service to any property, if a violation of any provision of this Article or a permit is found to exist, or if any wastewater discharge into the District's sewer system causes or threatens to cause a condition of contamination, pollution, or nuisance.

When deemed necessary for the preservation of public health or safety, or for the protection of public or private property, the District may suspend or terminate sewer or water service to any person using the sewer system in a manner endangering the public health or safety, or public or private property. If such endangerment shall be imminent, the District may act immediately to suspend sewer service without notice or warning to

said discharger. In terminating service, the District may sever all pertinent connections to the public sewer.

Sec. 20.19.4 Permit Amendment.

In the event that the user demonstrates non-compliance or potential non-compliance with the limitations set forth in this Article or in any permit, agreement, or other authorization issued in accordance with this Article, the District may require the user to obtain a Special Use Permit or may modify an existing permit.

Sec. 20.19.5 Cost Recovery.

A person violating this Code or a permit or agreement or other authorization issued in accordance with this Article, or who discharges wastewater that causes a deposit, obstruction, damage, or any other impairment to the District's sewer system shall become liable for all expense, loss, or damage sustained by the District by reason of such violation or discharge. Such expenses, losses and damages include the District's costs of investigation and of taking any enforcement action required to return the user to compliance.

In addition to such costs, the District may recover reasonable attorneys' fees, court costs, court reporters' fees and other expenses of litigation by means of an appropriate lawsuit or other remedy against the person or discharger found to have violated these regulations or any discharge permit issued.

The District may condition the provision or continued provision of service on the payment of such expenses, losses, and damages.

Sec. 20.19.6 Administrative Complaint – Pretreatment Violations.

- a) In accordance with Section 54740.5 of the Government Code, the Authorized Inspector may issue an administrative complaint to any person who violates any requirement adopted or ordered by a local agency pursuant to Section 20.9. The administrative complaint shall allege the act or failure to act that constitutes the violation of the requirements, this Section, and the proposed civil penalty.
- b) The administrative complaint shall be served by personal delivery or certified mail on the person subject to the discharge requirements, and shall inform the person served that a hearing shall be conducted within 60 days after the person has been served. The hearing shall be before a hearing officer designated by the General Manager. The person who has been issued an administrative complaint may waive the right to a hearing, in which case no hearing will be conducted. A person dissatisfied with the decision of the hearing officer may appeal to the Board within 30 days after notice of the hearing officer's decision.
- c) If after the hearing, or appeal, if any, it is found that the person has violated reporting or discharge requirements, the hearing officer or Board may assess a

civil penalty against that person. In determining the amount of the civil penalty, the hearing officer or Board may take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the economic benefit derived through any noncompliance, the nature and persistence of the violation, the length of time over which the violation occurs and corrective action, if any, attempted or taken by the discharger.

- d) Civil penalties may be imposed as follows:
1. In an amount which shall not exceed two thousand dollars (\$2,000) for each day for failing or refusing to furnish technical or monitoring reports.
 2. In an amount which shall not exceed three thousand dollars (\$3,000) for each day for failing or refusing to timely comply with any compliance schedule established by the Authorized Inspector.
 3. In an amount which shall not exceed five thousand dollars (\$5,000) per violation for each day for discharges in violation of any waste discharge limitation, permit condition, or requirement issued, reissued, or adopted by the District.
 4. In an amount which does not exceed ten dollars (\$10) per gallon for discharges in violation of any suspension, cease and desist order or other orders, or prohibition issued, reissued, or adopted by the District.
 5. The amount of any civil penalties imposed under this section which has remained delinquent for a period of 60 days shall constitute a lien against the real property of the discharger from which the discharge originated resulting in the imposition of the civil penalty. The lien provided herein shall have no force and effect until recorded with the county recorder and when recorded shall have the force and effect and priority of a judgment lien and continue for 10 years from the time of recording unless sooner released, and shall be renewable in accordance with the provisions of Sections 683.110 to 683.220, inclusive, of the Code of Civil Procedure.
- e) All moneys collected under this section shall be deposited in a special account of the District and shall be made available for the monitoring, treatment, and control of discharges into the District's sewer system or for other mitigation measures.
- f) Unless appealed, orders setting administrative civil penalties become effective and final upon issuance thereof, and payment shall be made within 30 days. Copies of these orders shall be served by personal service or by registered mail upon the party served with the administrative complaint and upon other persons who appeared at the hearing and requested a copy.
- g) The local agency may, at its option, elect to petition the superior court to confirm any order establishing civil penalties and enter judgment in conformity therewith

in accordance with the provisions of Sections 1285 to 1287.6, inclusive, of the Code of Civil Procedure.

- h) No penalties shall be recoverable under this section for any violation for which civil liability is recovered under Section 54740 of the Government Code.

Sec. 20.20. Public Nuisance.

- a) Discharge of wastewater in any manner that is in violation of this Article or a permit, or any order issued by the District as authorized herein, is hereby declared a public nuisance and shall be corrected or abated as directed by the District. Any person creating such a public nuisance is guilty of a misdemeanor and may be referred for criminal prosecution.
- b) If any wastes or waters are discharged, or are proposed to be discharged to the public sewers, which waters contain the substances or possess the characteristics prohibited under this Article, and which in the judgement of the District, may have a deleterious effect upon the sewage works, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the District may:
 - 1. Reject the wastes,
 - 2. Require pretreatment to an acceptable condition for discharge to the public sewers,
 - 3. Require control over the quantities and rates of discharge,
 - 4. Require discharger to obtain and comply with an Special Use Permit under this Article,
 - 5. Require payment to cover the added cost of handling and treating the wastes not covered by the sewer charges levied by the District, and/or
 - 6. Take any or all enforcement actions available to the District for violations of this Article.

Sec. 20.21. Civil Enforcement.

Sec. 20.21.1 Injunction.

Whenever a discharge of wastewater or other action is found to be in violation of this Code or a permit, or otherwise causes or threatens to cause a condition of contamination, pollution, or nuisance, the District may petition the Superior Court for the issuance of a temporary restraining order, preliminary injunction, permanent injunction, or all, as may be appropriate to restrain such action or require compliant actions.

Sec. 20.21.2 Other Actions.

The District may take any other civil action available at law or in equity to enforce the provisions of this Code.

Sec. 20.21.3 Criminal Enforcement.

Violations of this Code may constitute violations of other federal, state, or local laws. The District may refer such violations to the appropriate law enforcement agency for prosecution.

Sec. 20.22. Appeal Process.

Sec. 20.22.1 Appeals of Determinations and Redeterminations of EDUs.

- a) The owner of a property subject to a determination or redetermination made in accordance with Section 20.7 may appeal that determination or redetermination to the General Manager within fifteen (15) days after the District delivers notice of the determination or redetermination in accordance with Section 20.23 by submitting a written appeal and supporting documentation.
- b) The appellant may submit evidence and the hearing officer shall only consider evidence that is relevant to whether the determination or redetermination was made in error and whether an alternative determination or redetermination is justified, such as evidence that discharges will be lower than the typical industry values identified in the schedule or otherwise determined by the District.
- c) The hearing officer will grant the appeal in whole or in part if it determines that the evidence submitted by the appellant justifies an alternative determination.

Sec. 20.22.2 Appeals of Special Use Permit Requirements.

- a) Any person subject to a Special Use Permit issued in accordance with Section 20.9 may appeal any term or condition included in the Special Use Permit to the General Manager within fifteen (15) days after the Special Use Permit is delivered in accordance with Section 20.23 by submitting a written appeal and supporting documentation.
- b) The appellant may submit evidence and the hearing officer shall only consider evidence regarding (a) the discharger's ability to meet the District's effluent standards; (b) the requested variance and its impacts on the operation of any District wastewater treatment plant or improvements.
- c) The hearing officer will grant the appeal in whole or in part if the following criteria can be demonstrated: (a) that the discharger is unable to meet the District's effluent standards by means of reasonable modifications to the discharging facility; (b) that the requested variance will not directly impact the operation of any District wastewater treatment plant or improvements, cause the wastewater or sludge of such plant to violate applicable requirements, or harm facilities or

personnel; and (c) that the easing of any effluent standards will not violate any State or Federal requirements applicable to the District.

Sec. 20.22.3 Appeals of Administrative Enforcement Actions.

- a) Any person subject to an administrative enforcement action appeal from the issuance thereof to the General Manager within fifteen (15) days of the date of delivery of the administrative enforcement action by the Authorized Inspector. A person subject to an order to remedy a condition which poses an immediate threat to the public health, safety or welfare shall comply with that order during the pendency of any appeal.
- b) The only issues on appeal may be whether there was a violation as alleged in the administrative enforcement action and whether the appellant is the person responsible for the violation or corrective action.
- c) The amount of any fine or penalty imposed with the administrative enforcement action must be submitted together with the written appeal. Any fine which has been deposited shall be refunded if it is determined, after a hearing, that the person subject to the administrative enforcement action was not responsible for the violation or that there was no violation as alleged in the administrative enforcement action.

Sec. 20.22.4 Hearing on Appeal.

- a) Whenever a hearing is required or held in accordance with this Article, the General Manager or hearing officer appointed by the General Manager shall endeavor to set a date for the hearing that is not less than fifteen (15) and not more than sixty (60) days after the date that the written appeal is filed.
- b) The District shall notify person requesting the hearing of the time and place set for the hearing at least ten (10) days prior to the date of the hearing.
- c) The failure of any person requesting a hearing to appear at the hearing shall constitute a forfeiture of the appeal and any fine, and shall be a bar to judicial review of the action based upon a failure to exhaust administrative remedies.
- d) The hearing officer shall only consider evidence that is relevant to the issues identified in this Section.
- e) The appellant shall be given the opportunity to testify and present witnesses and evidence concerning the administrative citation.
- f) The District's determination or redetermination, permit or agreement, or administrative enforcement action and any additional document created by the District shall constitute prima facie evidence of the respective facts contained in those documents. Formal rules of evidence shall not apply.

- g) Upon request, the person requesting a hearing shall be provided with copies of the citations, reports and other documents submitted or relied upon by the District when taking the action subject to the appeal. In addition, if the District submits any additional written reports concerning action subject to the hearing to the hearing officer for consideration at the hearing, then a copy of said documentation also shall be served by mail on the person requesting the hearing.
- h) The hearing officer may continue the hearing and request additional information from the District or the person requesting the hearing prior to issuing a written decision.
- i) After considering all of the testimony and evidence submitted at the hearing, the hearing officer may immediately issue a verbal decision or may issue a written decision within ten (10) days of the hearing. The decision shall include the reasons for the decision and such decision shall be final. If the hearing officer determines that the administrative citation should be upheld, then the fine amount on deposit with the city shall be retained by the city. If the hearing officer determines that an administrative citation should be canceled and the fine was deposited with the city, then the city shall promptly refund the amount of the deposited fine.
- j) If any action is not timely appealed as provided in this Article, the action becomes final.

Sec. 20.22.5 Appeal to Board.

The decision of a hearing officer issued in accordance with this Article may be appealed to the Board within fifteen (15) days after delivery of the notice of such decision in accordance with Section 20.23. An appeal under this Section must be submitted to the General Manager on a form or in a format specified by the District. The only issue on appeal shall be whether the decision of the hearing officer is supported by the evidence.

Sec. 20.22.6 Judicial Review.

Any person subject to a decision of the Board on an appeal of a decision of a hearing officer may obtain review of the decision of the Board by filing a petition with the Superior Court of San Diego in accordance with the timelines and provisions applicable to writs of mandate under Code of Civil Procedure section 1094.5.

Sec. 20.23. Delivery of Notice.

Notice of any administrative enforcement action or other action of the District required be delivered pursuant to the requirements of this Article shall be subject to the following:

- a) Notice of any administrative enforcement action shall state that the recipient has a right to appeal the matter as set forth in Section 20.22 of this Article.

b) Notice shall be delivered by personal service to the recipient, deposit in the U.S. mail, postage prepaid for first class delivery, by facsimile service with confirmation of receipt, by posting on the property, or by any other means permitted by law, including by electronic mail on consent of the person receiving the notice.

c) Delivery shall be deemed complete as follows:

1. Upon personal service;
2. As indicated on the return receipt of any notice mailed by certified mail, return receipt requested;
3. Three (3) days after deposit in the U.S. mail, postage pre-paid for first class deliver; or
4. Where the owner or occupant of any property cannot be located after the reasonable efforts any notice shall be deemed delivered after posting on the property for a period of five (5) business days.

d) Where the recipient of notice is the owner of the property, the address for notice shall be the address from the most recently issued equalized assessment roll for the property or as otherwise appears in the current records of the City.

ARTICLE 20

Revised in its entirety – 6/93,
6/94, 6/95, 9/96
Sec. 20.7, Sec. 20.7.2 – Rev.
6/99
Sec. 20.6 – Rev. 11/99
Sec. 20.5.4 & 20.5.5 – Rev.
6/06
Sec. 20.7.1 & 20.7.2 – Rev.
6/06
Sec. 20.6.1 – Rev. 10/06
New Sec, 20.6 – Added 2//07
Sec. 20.7.5; 20.7.8; 20.8;
20.8.1; 20.8.2 – Rev. 6/07
20.8.1 – Rev. 3/08
20.7.2, 20.7.4, 20.7.5, 20.7.6,
20.8, 20.8.2 – Rev. 6/08
Sec. 20.7.2 – Rev. 8/08
Sec. 20.8.1, 20.8.2 – Rev.
6/09
Sec. 20.11 – Rev. 12/10
Sec. 20.8.2 – Rev. 5/11
Sec. 20.8.1 – Rev. 6/11
Sec. 20.8.1 – Rev. 4/12
Sec. 20.2, 20.4, 20.6.2,
20.6.3, 20.7.1, 20.7.2, 20.7.3,
20.7.4, 20.7.5, 20.7.6, 20.8.2
– Rev. 6/12
Sec. 20.7.2, 20.7.3 – Rev.
7/12
Sec. 20.8 – Rev. 6/13
Sec. 20.8.1, 20.8.2 – Rev.
6/14
Sec. 20.8.1, 20.8.2 – Rev.
6/15
Secs. 20.5.2 (add), 20.8.1,
20.8.2 – Rev. 7/16
Secs. 20.5.2, 20.8, 20.8.2 –
Rev. 12/18
Sec. 20.7.2 – Rev. 7/19
Revised in its entirety – 8/20

EXHIBIT D

**REVISIONS TO ARTICLE 21 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2020**

[COMMENCING ON NEXT PAGE]

Article 21. Water and Sewer Rates and Service Charges.

Water and sewer rates and charges are set to fully recover the District's costs. In order to help stabilize the revenue of the District during increasing or decreasing sales, the District has established a policy to collect approximately 80% of the District's fixed water operating costs through the monthly fixed charges and collect the remaining approximately 20% of the District's fixed operating cost through volumetric water rates. The rates and charges are set based upon cost of service principals that meet legal requirements and industry standards.

Effective January 1, 2021, the following rates for water deliveries to each class of service are established:

Sec. 21.1 Volumetric Water, Recycled Water and Pumping Rates.

For purposes of determining water rates, one unit equals 1,000 gallons:

Domestic (D), Large Lot Domestic (LD).

1-5 units per month	\$6.83 per unit
6-30 units per month	\$6.92 per unit
Over 30 units per month	\$8.44 per unit

Commercial (C).

All usage	\$7.03 per unit
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Multi-Unit (M) (Tier ranges factor residential units, per Article 19.1).

1 - 5 units per month	\$6.83 per unit
6 - 30 units per month	\$6.92 per unit
Over 30 units per month	\$8.44 per unit

Government (G).

All usage	\$6.91 per unit
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Irrigation Only (I).

All usage	\$7.04 per unit
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SAWR - Ag Only (AS).

All usage\$5.06 per unit

SAWR - Ag & Home (AT).

1-5 units per month\$6.83 per unit

6-20 units per month\$5.86 per unit

Over 20 units per month\$5.06 per unit

Commercial Ag (CA).

All usage\$5.86 per unit

Commercial Ag Domestic (CB).

1-5 units per month\$6.83 per unit

Over 5 units per month\$5.86 per unit

Drought Rates

In order to prepare and manage future periods of water shortage and mandatory conservation, the District adopted a water shortage contingency plan called the Water Shortage Response Program (the “Program”). Pursuant to the Program, the District established four Water Shortage Response Levels. Article 26 Water Shortage Response Program provides information on the program and the applicable water use rates.

Volumetric Recycled Water Rate.

Recycled water furnished within the District service area for any appropriate purpose will be billed at \$5.84 per 1,000 gallons. Recycled water sold outside the District service area will be sold by contract with specific customers. For San Diego County Water Authority and Metropolitan Water District rebate purposes, reclaimed water rates must be set at higher of 85 percent of lowest applicable potable water rate or 80 percent of the average of Tier 1 and Tier 2 rates.

Construction Meter.

Water furnished for construction purposes will be billed at \$8.70 per 1,000 gallons.

Volumetric Pumping Charges. (DSA and Toyon only)

Pumping charges for the DeLuz High Pressure Service Area and Toyon Heights shall be furnished at \$0.84 per 1,000 gallons to recover the cost of electricity.

Sec. 21.2 Monthly Fixed Charges.

Effective January 1, 2021, the following rates and charges are established and shall be collected by the District for water and recycled water service:

Monthly Service Charges for each meter (\$/meter size):

	Water Fixed Charges	Recycled Water Charges	Standby Service Charge	Private Fire Services Charge
3/4 inch meter	\$53.52	\$24.02	\$24.02	NA
1 inch meter	\$81.70	\$32.52	\$32.52	NA
1-1/2 inch meter	\$152.12	\$53.77	\$53.77	NA
2 inch meter	\$236.65	\$79.27	\$79.27	\$11.67
3 inch meter	\$462.01	\$147.29	\$147.29	\$12.44
4 inch meter	\$715.55	\$223.81	\$223.81	\$13.78
6 inch meter	\$1,419.85	\$436.34	\$436.34	\$18.57
8 inch meter	NA	NA	NA	\$26.84

NA- Not applicable

For construction meters, a service charge of \$354.98 per month or fraction thereof will be made in addition to the cost of water consumed. This rate is calculated using a factor of 1.5 times the fixed charge for a 2” water meter.

The foregoing fixed charges for water service through various sized meters that are installed or upgraded will be effective commencing the day of installation, regardless of the amount of water used, as long as the consumer's property is actually connected with the District's distribution system. In addition, any request to down size a meter properly filed with the District will receive a fixed charge commensurate with the meter size effective the next billing cycle.

Billings for water furnished to all accounts will be on a monthly basis.

A monthly service charge to cover the District's cost for annual inspection, maintenance, repair and replacement of backflow prevention devices will be made as follows (\$/meter size):

For each 3/4 inch device	\$5.90
For each 1 inch device	\$6.95
For each 1-1/2 inch device	\$12.86
For each 2 inch device	\$15.42
For each 3 inch device	\$30.81
For each 4 inch device	\$48.15
For each 6 inch device	\$96.28

Sec. 21.3 MWD Readiness-to-Serve Charge (RTS) and SDCWA Infrastructure Access Charge (IAC).

Effective January, 2021, the following monthly charges are established and shall be collected by the District for the Metropolitan Water District of Southern California’s Readiness-to-Serve (the “RTS”) charge and San Diego County Water Authority’s Infrastructure Access Charge (the “IAC”).

Monthly charges for each meter (\$/meter size):

	RTS	IAC
3/4 inch meter	\$1.95	\$3.64
1 inch meter	\$3.26	\$6.08
1-1/2 inch meter	\$6.49	\$12.12
2 inch meter	\$10.39	\$19.40
3 inch meter	\$20.81	\$38.86
4 inch meter	\$32.51	\$60.72
6 inch meter	\$64.99	\$121.39

Sec. 21.4 Water Capital Improvement Charge.

For each water account, an additional \$9.77 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, 2021. This charge is solely dedicated to funding water capital improvement projects. The Water Capital Improvement Charge (the “CIC”) was implemented to provide a partial funding source for capital projects like the UV treatment facility at the Red Mountain Reservoir and to fund pipeline replacement projects.

Water Capital Improvement Charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, plus 3% not to exceed 10%. Staff will report back to the Board of Directors no less than every five (5) years with analysis of its necessity. The Capital Improvement Charge will be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

Fallbrook Public Utility District’s Equivalent Meter Unit (EMU) is associated with meter size as listed below.

Meter Size	FPUD EMU	Water CIC	Water CIC (Standby Service)
3/4 inch meter	1.0	\$9.77	\$4.42
1 inch meter	1.67	\$16.27	\$7.37
1-1/2 inch meter	3.33	\$32.55	\$14.75
2 inch meter	5.33	\$52.07	\$23.60
3 inch meter	10.67	\$104.14	\$47.19
4 inch meter	16.67	\$162.72	\$73.73
6 inch meter	33.33	\$325.43	\$147.46

An additional, a Water CIC Pumping charge of \$.10 per 1,000 gallons is charged and allocated to capital improvements for the DeLuz High Pressure service area and Toyon Heights zone. This Capital Improvement Charge will be adjusted annually based on the

ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10% annually.

Sec. 21.5 Billing Periods.

Billing due dates fall on the 10th, 20th, and 30th of the month depending on meter location in the District. All charges for water and sewer services during specified meter read dates are due and payable when rendered. Bills become delinquent the day after the due date. Residential accounts not paid within 30 days of the due date are sent past due statements and the meters are subject to lock-up for non-payment (See District Residential Discontinuation of Service Policy available on the District website). Non-Residential accounts not paid within 30 days of the due date are subject to meter lock-up. All water accounts accrue a \$30 Delinquent Processing Fee on the 31st day of delinquency.

Accounts not paid within 30 days after lock-up and accounts that have tampered with the meter to obtain water illegally are subject to removal of meters and permanent disconnection of water service. Standby charges will continue to accrue after the meter has been removed.

If a meter has been locked for non-payment for a period of 90 days, it may be placed on Standby Service by FPUD. Standby Service charges will accrue from that time until an application for service restoration has been received by the District.

The District must be notified in a timely manner with the name and mailing address of the new owner or tenant and the upcoming date of transfer. Notification of the transfer of property ownership, or tenancy, is the responsibility of the owner/seller. The District is not responsible for the proration of the final billing if notification is not received prior to the date of sale, or change of tenancy.

Sec. 21.5.1 Unclaimed Funds

Unclaimed funds in an amount less than \$15 or where the depositor's name is unknown will become FPUD general funds if unclaimed for 1 year. Unclaimed funds in an amount greater than \$15 become may become FPUD general funds once the following procedure is completed:

1. The FPUD treasurer will publish notice once a week for two (2) successive weeks in a newspaper of general circulation published within FPUD boundaries.

2. The notice will state the amount of unclaimed money, the formal name of the fund in which the money is held, and a statement that the money will become FPUD property after a specified date ("Effective Date"). The Effective Date will be no less than forty-five (45) days nor more than sixty (60) days of the date of the first publication of the notice ("Claim Period").

3. Upon the expiration of the Claim Period, and if there are no claims filed with FPUD or verified lawsuits filed with the superior court, the funds will become FPUD property and may be transferred to FPUD's general fund.

Any person with a claim to such money may file a claim prior to the Effective Date with the FPUD treasurer. Pursuant to Government Code Section 50052, the claim shall include the following information: claimant’s name, address, amount of claim, grounds upon which the claim is founded, and any other information that may be required by the FPUD treasurer. FPUD has the right to accept or reject a claim. If the claim is accepted, FPUD will return the money without interest. If FPUD rejects the claim, the claimant may file a verified complaint against FPUD with the superior court within thirty (30) days of receiving notice of FPUD’s rejection pursuant to Government Code section 50052. In the event that the original customer or depositor is deceased, such person’s heir, beneficiary, or duly appointed representative may file a claim before the Effective Date as provided in Government Code section 50052.5.

Sec. 21.6 Meter Locks and Restrictors.

If for any reason, other than District convenience, a water meter shall be locked by the District, the water may not be again turned on to serve the property through such meter until all past due charges plus the Disconnection Processing Fee of Fifty Dollars (\$50) shall have been paid to the District. A Delinquent Processing Fee of \$30 to process and deliver delinquent account notices and a fee of \$100 for broken or damaged locks may also apply. Damage to corporation or angle stop in attempt to restore services locked for non-payment will be billed at actual time and material and added to the water bill.

If flow restrictors are required for any reason in order to implement policies within this Administrative Code, the fees are as follows:

<u>Meter Size</u>	<u>Installation Fee</u>
3/4” and 1” Meters	\$137
1-1/2” and larger	\$582

Sec. 21.7 Meter Not Registering.

Whenever, for any reason, a meter fails to register correctly, the consumer will be charged an amount for the previous billing period increased or decreased by the percentage change in total billing by the District for all consumers for the two billing periods.

Sec. 21.8 Water Rates or Service Charges Lien on Property.

In addition to any other remedy provided therein or by law for the collection of any water rate, charges or account, all rates or service charges provided for in this Administrative Code shall be charged and become a charge against the property on which the water is furnished and against the owner thereof, and all charges for water so served to a property shall be and become a lien against the premises upon which the water is used or served.

Standby accounts with a delinquent balance greater than \$500 as of April 1st of each year may be sent notification of intent to place delinquent and unpaid charges on the annual tax roll. The notification will be sent by May 1st and provides the customer 60 days to

bring the account current. If the amount is not brought current by July 1st, the portion of the delinquency due as of the prior April 1st may be reported to the County Treasurer for inclusion on the annual taxes levied on the property.

If for any reason or cause the sums of money owing for such water services are not paid as required by the terms and provisions of this Administrative Code, the District shall have the right to shut off such water, and in no case shall service of water be resumed on the same property until all such delinquencies and additional turn-on charges shall have been paid in full. Delinquent bills from former owners or tenants are the responsibility of the present owner.

Sec. 21.8.1 Theft of Water.

Water is defined as stolen from the customer if the water is stolen from the customer's side of the meter. Water stolen from a mainline, hydrant, District pipeline, appurtenance, or tampering with a customer's meter is defined as water being stolen from the District.

Water Stolen from Customer.

Customers who have reported water theft to the District must also notify local law enforcement agencies. The District will require proof of theft from a law enforcement agency that a theft of water occurred. Customer's asking for credit on the bill for water theft will be processed by account type. If a full price M&I customer, the District may discount the estimated amount of water stolen and charge the District's wholesale cost of water for the amount stolen. An estimate of the amount of water stolen will be made by District staff using that customer's usage history. Water sold to agricultural customers, SAWR, and Commercial Ag/Commercial Ag Domestic, is sold at District cost so no discount may be applied. If the stolen water caused the customer's allocation bank to be adversely affected, the District will restore the estimated amount stolen to the customer's allocation bank. If the water theft resulted in an overuse penalty, the District will credit the penalty to the customer for the estimated amount of water stolen.

Water Stolen from District.

Any theft of water from the District will be reported to law enforcement agencies. If the theft is due to meter tampering, the customer will be charged a \$250 fee for tampering with the meter plus time and materials to place the meter back into proper position. If a water theft from the District due to meter tampering occurs again on the same meter, the customer will be charged a \$500 fee for tampering and an item will be brought forward to the Board of Directors to consider discontinuance of service. An estimate of the amount of water stolen will be calculated and billed to the customer's account. Collection of said fees are subject to all District regulations regarding collection of past due accounts.

Sec. 21.9 Volumetric Wastewater Charges.

Wastewater service charges are established upon each property within the District that is connected to a sewer line of the District whether said premises are occupied or unoccupied. Volumetric Wastewater Charges are applied to estimated billable wastewater flows, which are based upon adjusted water deliveries. The charge per killogallon of wastewater flow is shown below:

User Class	Volumetric Wastewater Charge (\$/kgal)
Ag. Domestic	\$ 10.79
Commercial Ag. Domestic	\$ 10.79
Residential (Single , Multi-family)	\$ 10.79
Government	\$ 10.72
School	\$ 10.72
Church	\$ 10.72
Commercial – Low Strength*	\$ 10.72
Commercial – Medium Strength*	\$ 13.22
Commercial – High Strength*	\$ 16.48

Appendix A to this Article provides commercial effluent classification.

For the purpose of determining the billable wastewater flows, water deliveries must be converted to wastewater flows returned to the sewer system. To do this conversion, a Return to Sewer Factor is applied. The Return to Sewer factor adjusts the water received by the meter to the estimated flows from the residence or entity into the sewer system. The Return to Sewer Factor applied to the different customer classes are shown below:

Cusomer Class	Return to Sewer Factor
Residential (Multi-Family, Single Family)	75%
Non-Residential/Commercial	90%
Low / Medium / High	90%
Government	
Low / Medium / High	90%
Schools	80%
Churches	80%
Special	
Low / Medium / High	100%
Special 10% RTS (1-10%)	
Low / Medium / High	10%
Special 20% RTS (11-20%)	
Low / Medium / High	20%
Special 30% RTS (21-30%)	
Low / Medium / High	30%
Special 40% RTS (31-40%)	
Low / Medium / High	40%

Customer Class	Return to Sewer Factor
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%
Special 70% RTS (61-70%)	
Low / Medium / High	70%
Special 80% RTS (71-80%)	
Low / Medium / High	80%

Non-residential customers with higher outdoor are evaluated on a case by case basis.

For those Single Family Residences (D, LD, AT, CB), volumetric charges are calculated as follows:

1. The 2-year average winter use is calculated based upon prior year water deliveries that include December, January and February. The average used for wastewater billing is capped at 21.33 units.
2. 75% of this water is assumed to be returned to sewer/billable flow.
3. The Volumetric Wastewater Charge (\$/kgal) is applied to this flow.
4. Consumption analysis is performed annually. Appeal for consumption is available.
5. No prior history customer (new customer) will be placed at that customer class median of 6. For customers with at least one winter of use data, that data will be used for the their winter average.
6. Use must be > 0 unless customer is on standby.

For those Multi-Family Residences (M), volumetric charges are calculated as follows:

7. The average winter use is calculated based upon prior year water deliveries that include December, January and February.
8. 75% of this water is assumed to be returned to sewer/billable flow.
9. The Volumetric Wastewater Charge (\$/kgal) is applied to this flow.
10. Consumption analysis is performed annually. Appeal for consumption is available.
11. No prior history customer (new customer) will addressed on a case by case basis.

All other water customer classes (G, C, A,, AS, CA), with the exception of public elementary and public junior high schools:

1. Monthly sewer bill based on actual water sold.
2. The Return to Sewer factor applied to determine the billable flow. Appeals for irrigation and/or water usage which does not get returned to the sewer is available.
3. Customer is classified as high, medium, or low strength (based upon BOD and SS). See attached Appendix A. Appeal for strength classification is available.
4. The applicable Wastewater Volumetric Charge is applied to the billable flow.

Public elementary and public junior high schools:

1. Monthly sewer bill based on per person, per month charge.
2. The public elementary and / or public junior high school district to provide a report each October that documents the number of students and faculty at each site.
3. CY 2021 public elementary school rate is \$1.31 per student and \$1.91 per staff, per month.

4. CY 2021 public junior high school and administrative offices rate is \$1.91 per person, per month.
5. Rates to be increased by the overall percentage increase in wastewater revenues each year.

Sec. 21.10 Monthly Fixed Wastewater Charge.

For each sewer account, Effective January 1, 2021, the Monthly Fixed Wastewater Charge shall be \$10.60 per month per Equivalent Dwelling Unit (EDU). EDUs will be calculated per Administrative Code Sections 20.7.2, 20.7.3, or 20.7.4.

Sec. 21.10.1 Wastewater Capital Improvement Charge.

For each account, an additional \$11.63 per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge Effective January 1, 2021. This charge is dedicated to Wastewater Debt Service and Wastewater Capital Improvements. The Wastewater Capital Improvement Charge has been implemented to partially fund the debt service payments for upgrades to the Wastewater Treatment Plant. EDUs will be calculated per Administrative Code Sections 20.7.2, 20.7.3, or 20.7.4. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10%. Staff will report back to the Board of Directors every five (5) years with analysis of its necessity. The Capital Improvement Charge will only be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

ARTICLE 21

Sec. 21.1 – Rev. 7/02
Sec. 21.2-21.8.2 – Rev. 9/96
Sec. 21.3 – Rev. 10/96
Sec. 21.4 & 21.9 – Rev. 6/97
Sec. 21.4 – Rev 7/02
Sec. 21.9 – Rev. 10/97
Sec. 21.9 – Rev. 6/04
Sec. 21.9 – Rev. 1/05
Sec. 21.1, 21.3, 21.4, 21.9 – Rev. 6/05
Sec. 21.1, 21.2, 21.4, & 21.9 – Rev. 6/06
Sec. 21.9, Flat Rate + Metered Flow – Rev. 7/06
Sec. 21.9 (Flat Rate classification) – Rev. 10/06
Sec. 21.4 (construction meters), Sec. 21.5 & Sec. 21.6 – Rev. 12/06
Sec. 21.5 – Rev. 3/07
Sec. Sec. 21.1, 21.2, 21.4 , 21.10, 21.10.1– Rev. 6/07
Sec. 21.5 – Added 6/07
Sec. 21.10.2 – Deleted 6/07
Sec. 21.11 – Added 10/07
Sec. 21.4.1 – Added 12/07; Sec. 21.7 renamed and addition of flow restrictors – Rev. 12/07
Sec. 21.1, 21.2, 21.4, 21.5, 21.7, 21.10, and 21.11 – Rev. 6/08
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2 (added), 21.5, 21.7, 21.10 (new table), 21.10.1, - Rev. 6/09
Sec. 21.4, 21.10 – Rev. 12/09
Sec. 21.6, 21.9 – Rev. 5/10
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 – Rev. 6/10
Sec. 21.9.1 (added) – Rev. 9/10
Sec. 21.1, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 - Rev. 6/11
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/12
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/13
Sec. 12.1, 21.2, 21.4, 21.5, 21.9.1, 21.10, 21.10.1 – Rev. 6/14
Sec. 21.1, 21.2, 21.5 – Rev. 1/15
Sec. 21.1, 21.2, 21.3, 21.4, 21.4.2, 21.5, 21.10, 21.10.1 Rev 6/15
Sec. 21, 21.1 – Rev. 11/15
Secs. 21, 21.2, 21.4, 21.5, 21.7, 21.10, 21.10.1 – Rev. 7/16
Secs. 21, 21.1 - Rev. 12/16
All Secs. – Rev. 12/17
Sec. 21.3 – Rev. 6/18
Secs. 21.1, 21.2, 21.3, 21.4, 21.9, 21.10, 21.10.1 – Rev. 12/18
Sec. 21.3 – Rev. 6/19

ARTICLE 21 CONTINUED

Secs. 21, 21.1, 21.2, 21.3, 21.4,
21.5, 21.9, 21.10, 21.10.1 – Rev
12/19

Secs. 21.5, 21.6, 21.5.1 (added) –
Rev. 1/20

Sec 21.3 – Rev 6/20

M E M O

TO: Board of Directors
FROM: Engineering & Operations Committee
DATE: December 7, 2020
SUBJECT: Award of Sewer Main Relining Project (Job #3155)

Description

Award of the Sewer Main Relining Project.

Purpose

As part of the District’s capital improvement program, the District is improving the reliability of the sewer collections system through strategic rehabilitation of existing infrastructure. District staff prepared a bid package for the relining of approximately 1,700 linear feet of 10” gravity sewer main. The work consists of trenchless restoration of existing mainline to like-new condition. Bid opening was November 24, 2020. Two bids were received. A summary of the bid results is below:

	Company Name	Bid Amount
1	Insituform Technologies, LLC	\$106,961
2	Nu-Line Technologies, LLC	\$139,684

Insituform Technologies was the apparent lowest responsible bidder at \$106,961. Insituform Technologies has successfully completed work for the District in the past.

Budgetary Impact

There is no budgetary impact. The approved capital budget for FY2020/21 included \$145,000 intended for this project.

Recommended Action

The Engineering & Operations Committee recommends that the Board authorizes award of the Sewer Main Relining Project to the lowest responsible bidder, Insituform Technologies, for \$106,961.

M E M O

TO: Board of Directors
FROM: Engineering & Operations Committee
DATE: December 7, 2020
SUBJECT: SMRCUP GAC Treatment System Equipment Procurement

Description

Review of bids received to procure the SMRCUP Granular Activated Carbon (GAC) Treatment System Equipment.

Purpose

Design and installation of additional treatment to the SMRCUP facilities to treat reverse osmosis (RO) bypass flows was approved in January 2020. GAC treatment was identified as the best option to remove a wide range of potential emerging contaminants. This, coupled with the RO treatment, will provide the best available groundwater treatment technology. The GAC treatment system consists of three pairs of large vessels (12-foot diameter by approximately 20-foot height), which currently require about 9 months to acquire. District staff, with the assistance of the project design engineer, prepared a bid package for the procurement of the additional treatment equipment. The first bid opening was on October 8, 2020. Two bids were received, but the apparent low bidder was determined to be non-responsive. To obtain a more competitive bid environment, all bids were rejected and the procurement was rebid, with bid opening scheduled on November 30, 2020. A summary of the bid results is below:

	Company Name	Bid Amount
1	Calgon Carbon Corporation	\$1,260,493.00
2	Aqueous Vets	\$1,616,518.99

Calgon Carbon was the apparent low bidder at \$1,260,493. Calgon Carbon meets the experience and technical requirements and has worked with the District in the past.

Budgetary Impact

The necessary funds will come from the contingency included in the SRF Loan Agreement. Staff are approaching the various components of the additional GAC treatment system with different approaches to minimize additional costs to the project. For a full understanding the current anticipated breakdown of contingency funds is shown on the following page:

Total SRF Loan Agreement Contingency	\$5,440,000
Contract Amendment with Design Engineer for Additional Design Services During Construction (approved in September)	(\$733,655)
GAC Treatment Part 1 - Equipment Procurement	(\$1,260,493)
GAC Treatment Part 2 - Yard Piping Change Order	(\$559,145)
GAC Treatment Part 3 – GAC Treatment Design and Installation Costs	*(\$3,500,000)
Estimated Remaining Funds for Potential Additional Construction Costs	(\$613,293)

*Note that the installation costs shown are an estimate based on current negotiations with the contractor. The actual cost are expected to be confirmed within the next two months.

As more detailed pricing for the added GAC Treatment System has become available, it appears the contingency within the SRF Loan Agreement will not fully cover the costs of GAC and other likely change order costs. Options for dealing with this budgetary shortfall include:

1. Request an amendment to the SRF Loan Agreement for additional funds to cover the GAC Treatment System costs and other potential change order costs. This can take as long as six months to obtain an amendment from the State Department of Water Resources and would increase the loan repayment costs by the amortized value of the additional costs.
2. Allocate PAYGO CIP funds to the portion of the SMRCUP that replaced existing water mains. Approximately 4,100 linear feet of the new SMRCUP pipeline (the portion along Palomino Rd) is replacing an existing water main that is over 60 years old. The value of this pipeline replacement is approximately \$2,400,000. That portion of the project costs can be paid for by CIP funds allocated to pipeline replacement efforts. This would be covered by PAYGO funds but would require reprioritizing some pipeline replacement projects.
3. Obtain a separate loan to cover the additional SMRCUP construction costs.

A final decision on the best approach can be made once all the GAC Treatment System costs are finalized.

Recommended Action

That the Committee recommend to the Board authorization to award the SMRCUP GAC Treatment System Equipment Procurement to Calgon Carbon, the lowest responsive, responsible bidder for \$1,260,493.

M E M O

TO: Board of Directors
FROM: Engineering & Operations Committee
DATE: December 7, 2020
SUBJECT: SMRCUP GAC Treatment System Yard Pipe Change Order

Description

Change order for the installation of GAC treatment system yard piping for the SMRCUP construction contract.

Purpose

Design and installation of additional treatment to the SMRCUP facilities to treat RO bypass flows was approved in January 2020. Granular Activated Carbon (GAC) treatment was identified as the best option to remove a wide range of potential emerging contaminants. This, coupled with the RO treatment, will provide the best available groundwater treatment technology. In order to add the GAC Treatment to the overall process, additional yard piping is needed to convey the water to and from the treatment vessels – approximately 800 linear feet of 14-inch water line and 110 linear feet of 10-inch sewer line. District Staff and the District's contracted Construction Manager have worked with the project contractor, Filanc-Alberici, to negotiate a change order for the installation of these pipelines at a cost of \$559,145.06. The contractor will incorporate this change into their existing schedule.

Budgetary Impact

The necessary funds will come from the contingency included in the SRF Loan Agreement. This is one component of the additional GAC treatment costs to be paid for by the project SRF Loan. For a full breakdown of the anticipated use of these funds, see the GAC Treatment Equipment Procurement agenda item for this Engineering and Operations meeting.

Recommended Action

The Engineering & Operations Committee recommends that the Board approves the change order for the installation of SMRCUP GAC Treatment System Yard Piping.

M E M O

TO: Board of Directors
FROM: Kevin Collins, Purchasing/Warehouse Supervisor
DATE: December 7, 2020
SUBJECT: Request to Award Fencing Upgrades to Red Hawk Services, Inc.

Description

This request to the FPUD Board of Directors is to authorize award for fencing upgrades to Red Hawk Services, Inc.

Purpose

The FPUD administrative area and equipment yard fencing is old and in need of both replacement and repair. In addition to the work required on the existing fence, staff have conducted a site security/vulnerability assessment and identified improvements necessary to prevent additional break-ins such as those that occurred recently. The specific fencing replacements/upgrades required to secure the administrative area and equipment yard are:

- 1) Addition of a six foot high ornamental steel fence along the south-east section of the administrative building.
- 2) Replacement of the four foot high ornamental steel fence with new six foot high ornamental steel fence along the front entry area. The existing current four foot fence has rusted through at the support posts and must be replaced.
- 3) FPUD vehicle entrance gate to be repainted.
- 4) Replacement of current six foot high chain link fence with eight foot high chain link with three strand barbwire along the south-west area of the main parking lot.
- 5) Replacement of redwood picket fence adjacent to private property in the north landscaped area of the main parking lot. A section of this fence was recently blown down during a wind storm.
- 6) New six foot chain link fence added adjacent to private property in the north-east area of the equipment yard parking lot.
- 7) Removal of existing fence and double-swing gate in the north area of equipment yard parking lot – to be replaced with eight foot chain link with three strand barbwire, and moved north towards Porter Street to enable securing FPUD owned property behind storage containers and loose material bins.
- 8) Installation of new eight foot chain link along entire section of west area of equipment yard parking lot, adjacent to private property. The current chain link fence has become rusted and support posts are deteriorated.

Purchasing released an RFP on 11/4/2020 to seven fencing contractors along with posting on the FPUD website. Three contractors came to the mandatory job walk on

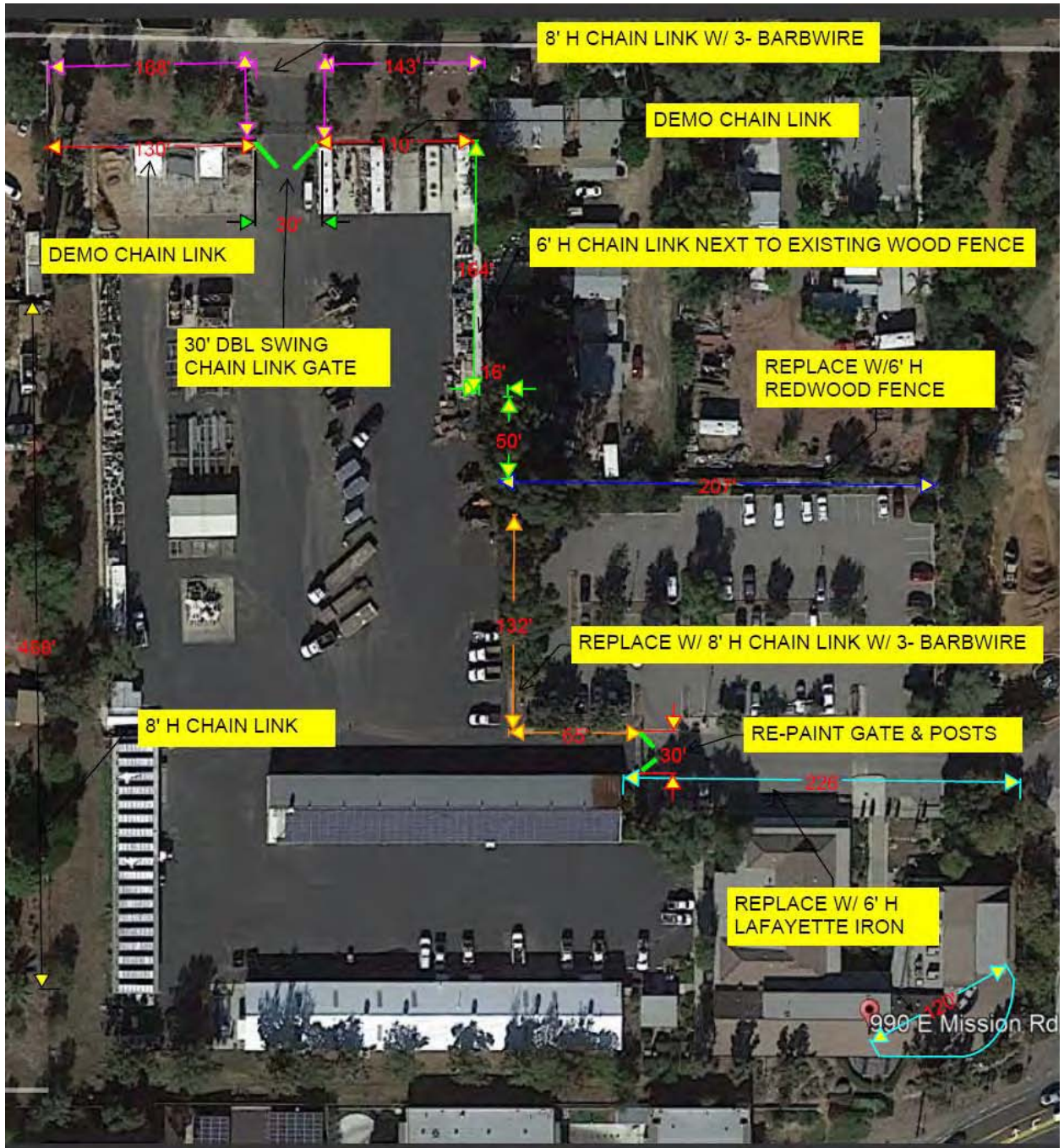
10/22/2020 with two submitting bids. Of those, Red Hawk Services, Inc. submitted the lowest responsive and responsible bid at \$91,085.56.

Budgetary Impact

For fiscal year 2020-21, FPUD staff budgeted a total of \$120,000 for fencing upgrades. If awarded, this project will come in under budget by \$28,914.44.

Recommended Action

The recommended action is that the FPUD Board of Directors approves award for fencing upgrades to Red Hawk Services, Inc. in the amount of \$91,085.56.



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M E M O

TO: Board of Directors
FROM: Noelle Denke, Public Affairs
DATE: December 7, 2020
SUBJECT: Ad-Hoc Committee for 100 Year Anniversary Public Relations Plan

Purpose

To form an ad-hoc committee to create a plan for celebrating the District's 100-year history, potentially with an open house event

Summary

On June 5, 2022, the District will be 100 years old. To celebrate the District's history, we would like to form a Board ad-hoc committee to work with Public Affairs Specialist Noelle Denke to plan an open house weekend event, presuming COVID-19 pandemic restrictions will allow us to do so in 1 ½ years.

Don McDougal and Dave Baxter would be on this ad-hoc committee and periodically work with Noelle to brainstorm ideas and plan an event.

An open house could be well-attended and appreciated. Attractions could include an array of industry vehicles, water-education attractions, inclusion of other community partners as applicable, and vendors specific to Fallbrook.

Recommended Action

That the Board authorize formation of the proposed ad-hoc Board Committee.

M E M O

TO: Board of Directors
FROM: Personnel Committee
DATE: December 7, 2020
SUBJECT: Plant Operator II Position Salary Adjustment

Purpose

To obtain approval for the proposed salary adjustment for the Plant Operator II position.

Summary

A Plant Operator II vacancy occurred in August 2020 following the untimely death of one of the District's employees.

In preparation for the Plant Operator II recruitment, it was discovered that the position's previous professional certification requirement of wastewater operator, grade II, from the State of California Water Resources Control Board needed to be updated to a grade III certification to reflect the State's minimum requirement for a plant operator at a grade IV plant to be able to work alone, including on the standby rotation.

The recruitment was opened on September 20, 2020, with advertisements on BC Water Jobs, Indeed, and Governmentjobs.com. Over the course of a month, there were a total of 753 "hits" to the District's job posting, but only 20 total applications were submitted and only one applicant possessed the necessary wastewater operator grade III certification. A job offer was ultimately extended to the sole qualified applicant; however, he declined the offer, prompting a review of the position's salary (see attached). It was determined the salary range was well below similar positions, which has made it very difficult for us to fill this position that requires specialized certifications.

Realizing the possible continued recruitment challenges for such a competitive position, even with a small salary adjustment rather than require a grade III certification at hire, the District will accept a grade I or II certification as initially qualifying; however, the individual hired will be required to obtain their grade III certification within 12 months of their hire date.

It is important to fill this position so that there is sufficient staff to meet shift requirements for the treatment plant that requires full time monitoring.

Budgetary Impact

A 5% increase to the top salary range of Plant Operator II will result in an additional \$4,139 over 12 months. Due to the length of the existing vacancy, the salary increase will stay within the current amount board adopted budgeted amount for wastewater labor.

Recommended Action

Personnel Committee recommends that the Board approve the proposed salary adjustment.

Attachment A

DEFINITION

Under direct to general supervision, performs a variety of skilled systems operation and repair work; and perform related work as required

CLASS CHARACTERISTICS

Plant Operator-In-Training

The Plant Operator-In-Training learns and performs entry-level plant operations under close supervisor of the Chief Plant Operator or his designee. Plant Operators-in-Training may be promoted to Plant Operator I upon successful completion of the District's training program and achievement of the State of California, Department of Health's Wastewater Treatment Plant Operator Grade I certification.

Plant Operator I

The Plant Operator I learns and performs working level plant operations under supervision of the Chief Plant Operator or his designee.

Plant Operator II

The Plant Operator II performs journey level plant operations and requires little supervision. This level is obtained through certification, training and experience.

EXAMPLES OF DUTIES

- Performs operational activities and maintenance of a complex primary/secondary and tertiary treatment system, processes demands and meets all National Pollution Discharge Elimination Standard (NPDES) ocean disposal requirements;
- Performs the operation of all auxiliary facilities such as chemical handling, solids handling, and the tertiary production system.
- Acknowledges and investigates alarms on the telemetry system and understands daily data-logging;
- Prepares and/or reviews procedures, programs, logs, charts and reports;
- Works safely to ensure plant compatibility during operations, maintenance or testing;
- Performs laboratory process controls and NPDES tests;
- Performs routine inspections of equipment, tanks, structures, air handling equipment and duct works, checking for damage, oil leaks, excessive noise or abnormal conditions and keeps supervisor informed of system status;
- Assists other employees in the removal, repair, replacement, testing and servicing of plant and pump station mechanical equipment, vehicles, meters, valves, piping, engines and related parts;
- Cleans and paints equipment, valves, tanks, piping structures as required;
- Performs general building and plant custodial duties including minor repairs, as directed;
- Available for assignment to standby duty;
- Performs pick-up and delivery tasks;
- Originates repair requests to ensure equipment preventative maintenance procedures and system improvement modification tasks;
- May operate dump trucks, tractors, boom trucks, and other such equipment as required; and
- Performs related work as required.

QUALIFICATIONS

Knowledge of:

- Operating concepts of wastewater systems;
- Wastewater and recycled water discharge permit conditions issued by regulatory agencies having jurisdiction, including but not limited to, the California Regional Water Quality Control Board, San Diego Region, and state and local health departments;
- Operating principles of pumping equipment and associated motors;
- Operations record keeping procedures;
- The operation, capabilities, limitations and operating procedures of the District potable and non-potable water distribution systems;
- Variety of valves;
- Mathematics applicable to the water/wastewater works trade;
- The operation of chlorinators and the safe handling of chlorine cylinders;
- Tools, equipment and methods used in the repair and maintenance of pumps, valves and pipeline equipment;
- English usage, oral and written;
- Safety precautions pertaining to the work, particularly relating to the operation of basic electrical pumps and motors;
- Basic principles of hydraulics;
- Basic custodial tools and methods; and
- Common groundskeeping tools and methods.

Ability to:

- Perform skilled-level water/wastewater systems operation work in the operation of wastewater and recycled water conveyance and distribution system;
- Recognize unusual or dangerous operating conditions and take rapid appropriate action;
- Monitor and control treatment plant operations
- Maintain accurate records;
- Perform mathematical calculations related to the position;
- Troubleshoot wastewater and recycled water distribution system problems which require in depth understanding of the systems;
- Use tools and make repairs to pumps, valves and motors;
- Make accurate inspections of operating equipment, and assess the operational condition of the wastewater and recycled water equipment;
- Operate groundskeeping equipment;
- Perform custodial duties;
- Operate a vehicle observing legal and defensive driving practices;
- Understand and carry out oral and written instructions; and
- Establish and maintain effective relationships with those contacted in the course of work.

LICENSES AND CERTIFICATION

- Possession of a valid and appropriate California driver's license;
- Ability to obtain and maintain certification as HAZWOPER (Hazardous Materials Responder Training [24 hours]);
- **Plant Operator I:** Wastewater Operator, Grade I or II, from the State of California Water Resources Control Board;
- **Plant Operator II:** Possession of minimum certification as a Wastewater Operator, Grade III, from the State of California Water Resources Control Board at hire, or within 12 months of hire date;
- Additional certification(s) as Water Treatment Operator, Water Distribution Operator, Collection Systems Maintenance, Backflow Prevention Device Tester, Cross-Connection Control Program Specialist, and/or Mechanical Technologist is desirable.

NOTE: A Wastewater Operator Grade I or II will not be permitted to work at the plant without the supervision of a Grade III Operator, or perform standby duties, until they acquire a Grade III.

EDUCATION, TRAINING AND EXPERIENCE

OPERATOR-IN-TRAINING (OIT)

Experience: Working knowledge of equipment equivalent to that in wastewater treatment and plant processes.

Education & Training: High School Graduation or GED & must possess an Operator-In-Training certificate from the State of California Water Resources Control Board

PLANT OPERATOR I (PO I)

Experience: Minimum one year of wastewater utility experience.

Education & Training: High school graduation or GED.

PLANT OPERATOR II (PO II)

Experience: Two or more years of increasingly responsible experience in a wastewater treatment plant or two years as Wastewater Treatment Operator I.

Education & Training: High school graduation or GED, supplemented by specialized training and/or education in wastewater treatment.

PHYSICAL DEMANDS

Walking: Moves about on foot often through uneven terrain.

Carrying: Transports objects by holding them in hands or arms.

PLANT OPERATOR OIT/I/II

- Handling: Seizes, holds or works with hands; specifically operating valves, adjusting control knobs, hand and power tools, computer, and calculator.
- Lifting: Raises and lowers pumps, motors, hoses, and miscellaneous awkward objects.
- Reaching: Extends hands and arms in any direction.
- Pulling: Manipulates hoses up to four inches in diameter and up to forty feet in length.
- Stooping: Bends body downward and forward by bending at the knees or waist.
- Climbing: Ascends and descends ladders up to 50 feet in height.
- Vision: Reads work tickets, meters, meter dials, reservoir levels, data sheets, video messages, scales and gauges and operates District vehicles.
- Sitting: Drives (often over rough terrain) and sits in District vehicles for up to four hours per day.
- Talking: Communicates by radio and in person.
- Hearing: Hears well enough to receive communication by radio and in person.

PHYSICAL STRENGTH

- Lifting: Up to 50 pounds; infrequent exertion.
- Dragging/Pushing: Up to 100 pounds; infrequent exertion.

ENVIRONMENTAL CONDITIONS

- Noise: Works in conditions with constant or intermittent noise.
- Temperature/Weather: Works outside with variations of temperature and weather.

This position may include periodic to frequent disagreeable working conditions including dirt, fumes, vibration, heat, cold, dampness, sewage, wastewater solids and hazardous chemicals.

PROTECTIVE DEVICES REQUIRED

Hard hat, gloves, safety shoes, District uniform, Self-Contained Breathing Apparatus, respirator, hearing protection, safety glasses, chemical suits and seat belt.

SALARY RANGE

Plant Operator-In-Training

- 16 = O-I-T
17 = O-I-T + OTHER

Plant Operator I

- 22 = WWO I or II
23 = WWO I or II + OTHER

Plant Operator II

- 26 = WWO III
~~27-29~~ = WWO III + OTHER

Attachment B

Plant Operator II Salary Survey								
AGENCY	POSITION TITLE	EDUCATION REQUIREMENT	CERTIFICATION REQUIREMENT	YEARS OF EXPERIENCE REQUIREMENT	Min		Max	
Encina Watewater Authority	Lead Operator	HS + 18 CEUs in WW treatment or science	Wastewater Operator III	4 years	\$ 86,469	\$	116,733	
Vallecitos	Sr. Wastewater Treatment Operator	High School	Wastewater Operator III	3 years as WWTPO II	\$ 75,384	\$	111,377	
Inland Empire Utilities District	Wastewater Treatment Operator III	HS + college coursework	Wastewater Operator III	2 years	\$ 80,688	\$	98,311	
Ramona	Wastewater Treatment Operator III	Formal/Informal Education to Read, Write	Wastewater Operator II*	3 years	\$ 73,944	\$	94,348	
Rancho CA Water District	Senior Wastewater Plant Operator	HS + training in wastewater treatment	Wastewater Operator III	4 years or 2 years as WPO II	\$ 75,741	\$	90,889	
City of Oceanside	Water Plant Operator III	HS + training in water treatment ops	Water Treatment Operator III	3 years	\$ 63,918	\$	85,654	← PROPOSED 5% INCREASE = \$86,049 (Range 29)
Mean (Arithmetic Average)					\$ 76,024	\$	99,552	
Median (Middle of Data Set)					\$ 75,563	\$	96,330	
CURRENT FPUD	Plant Operator II	HS + training in wastewater treatment	Wastewater Operator III	2 years	\$ 63,980	\$	79,913	Range 26
			Wastewater Operator III + OTHER		\$ 65,582	\$	81,910	Range 27
Proposed FPUD			Wastewater Operator III + OTHER		\$ 68,910	\$	86,049	

← PROPOSED 5% INCREASE = \$86,049 (Range 29)

← CURRENT \$81,910

Range 26

Range 27

*Must pass grade III exam within 2 years

1. **MWD Issues**

MWD is pursuing a large regional project in Los Angeles to reuse wastewater supplies to supplement the water supply system. SDCWA has raised concerns over the water supply need for the project and the cost of the project.

2. **Regional Conveyance**

The Board voted to pursue Phase B of the study. Phase B is expected to cost \$1.7 million and it will identify potential partners in the project. 55% is the required majority for approval and the actual vote had 55.5% approval. Only 6 of the 24 member agencies voted for it including only 6 of the 10 City delegates. Due to the weighted vote system and the fact that the majority vote of the City of San Diego carries their entire entitlement which is near 40% the item passed. This vote caused the General Manager of Valley Center MWD to send the attached letter relative to voting entitlement at SDCWA.

3. **FPUD/RMWD Detachment**

SDCWA has not provided any open session updates on the process. The next meeting on this with LAFCO is December 7th.

4. **Water Supply Planning**

SDCWA developed the draft Urban Water Management Plan (UWMP) projections. They anticipate to purchase roughly 50,000 AFY from MWD in 2025 and close to 100,000 AFY by 2045. They project a significant increase in demand from the last 5 years average. We are working with them on refining their projections for FPUD demands which initially projected a 40% increase in our demands.

5. **Key Upcoming Issues**

Some key issues for the upcoming year include:

- Reviewing the long-term fiscal sustainability of SDCWA and determining any structural changes to the rate structure.
- Conducting a sensitivity analysis of water demand forecasts and the rate impacts of the range of demand forecast.
- Implementing the new agricultural water program.
- Completing the next phase of the regional conveyance study and developing a plan to fund millions in additional project work if the project continues to be pursued.

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

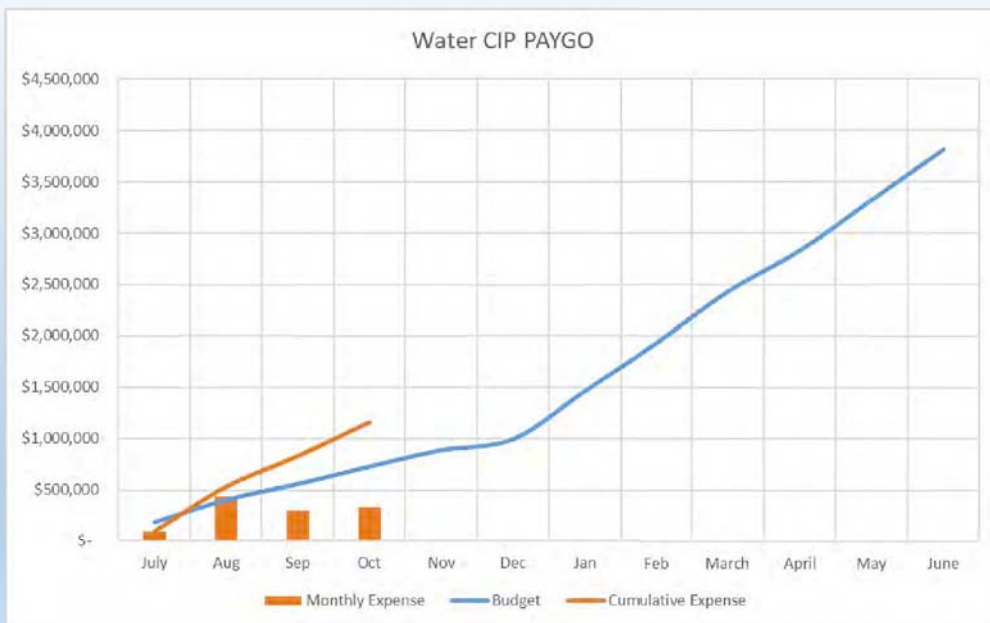


Fallbrook Public Utility District

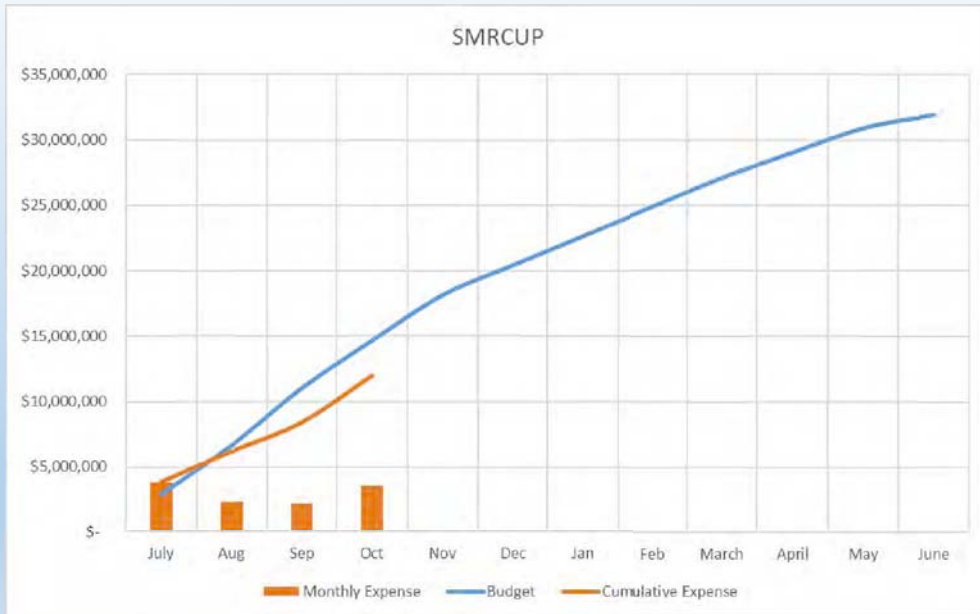
Engineering and Operations FY21

Board Meeting December 2020

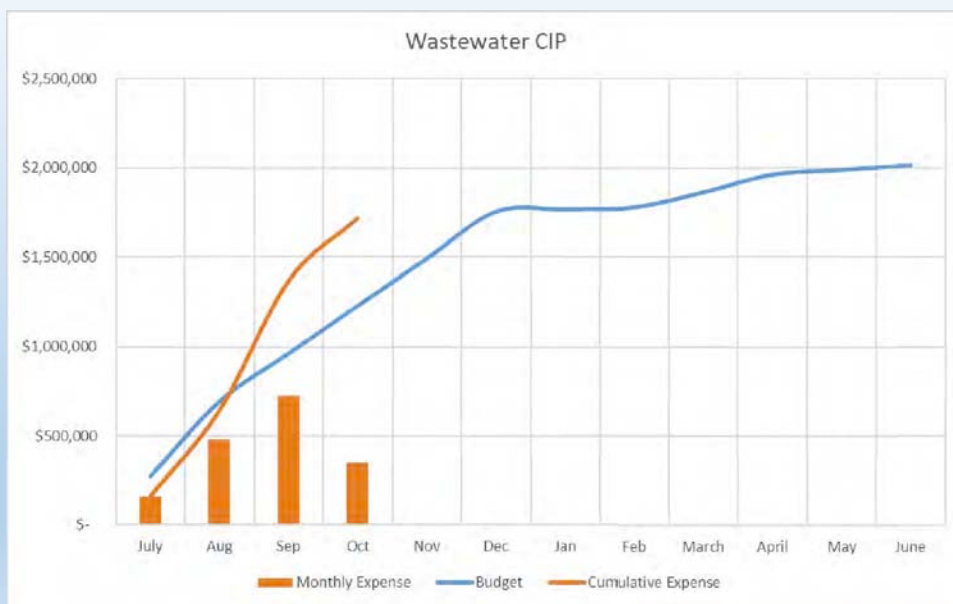
Water PAYGO CIP FY21



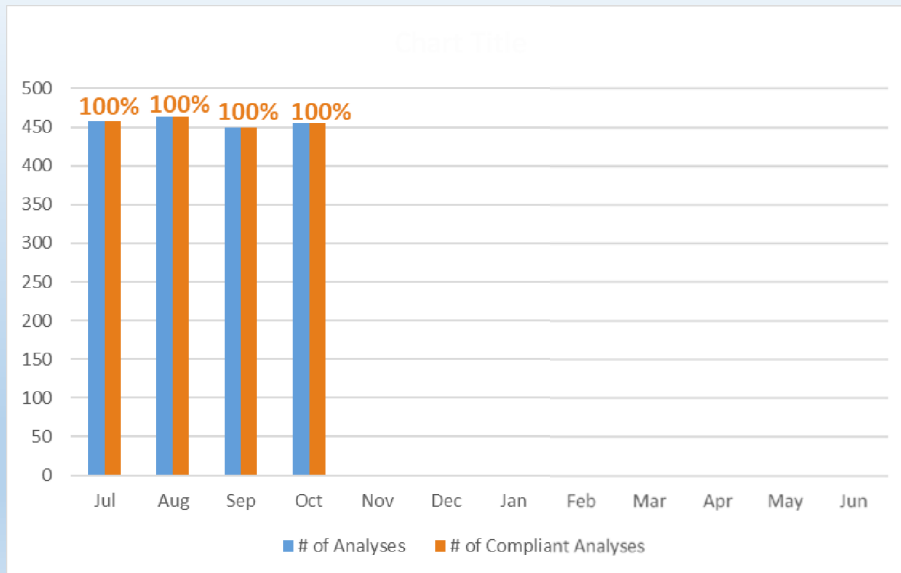
Water SMRCUP CIP FY21



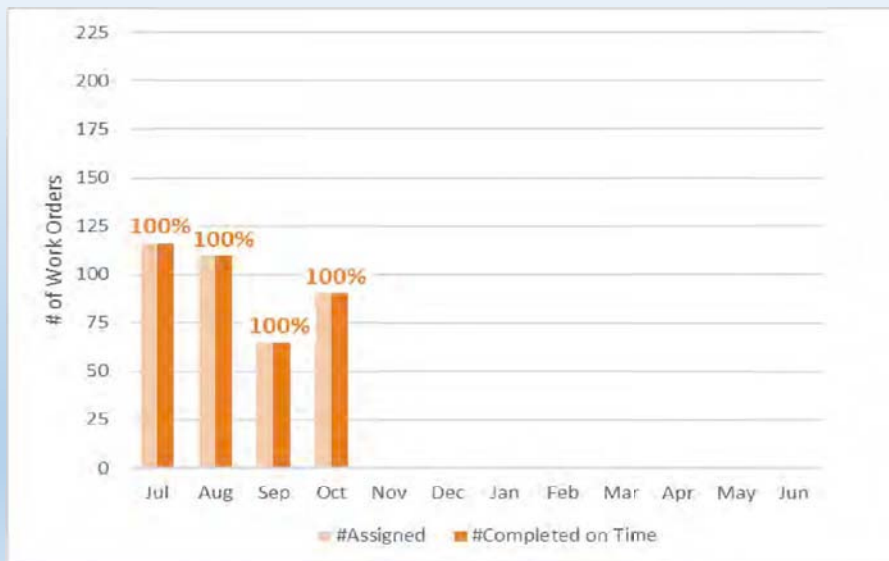
Wastewater System CIP FY21



Wastewater System Regulatory Compliance



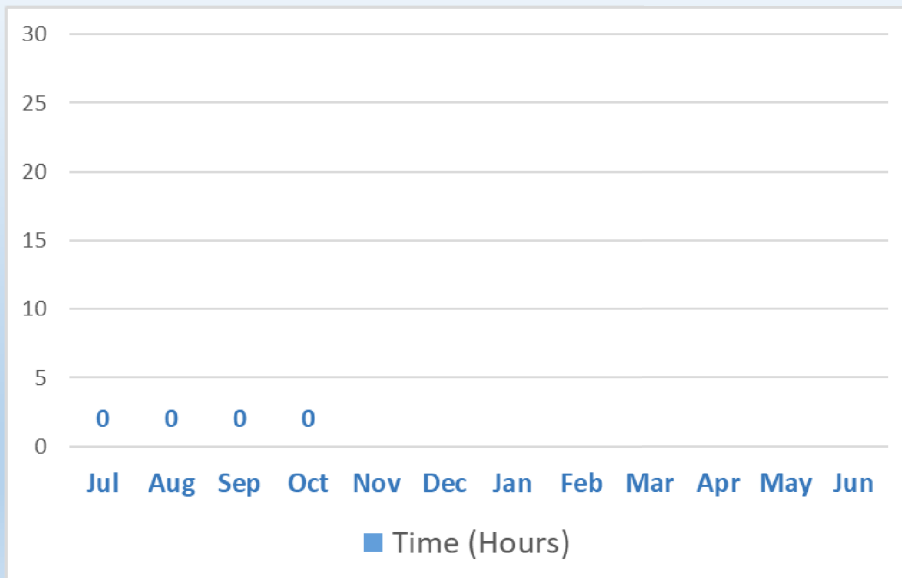
Reclamation Plant – Preventative Maintenance Work Orders



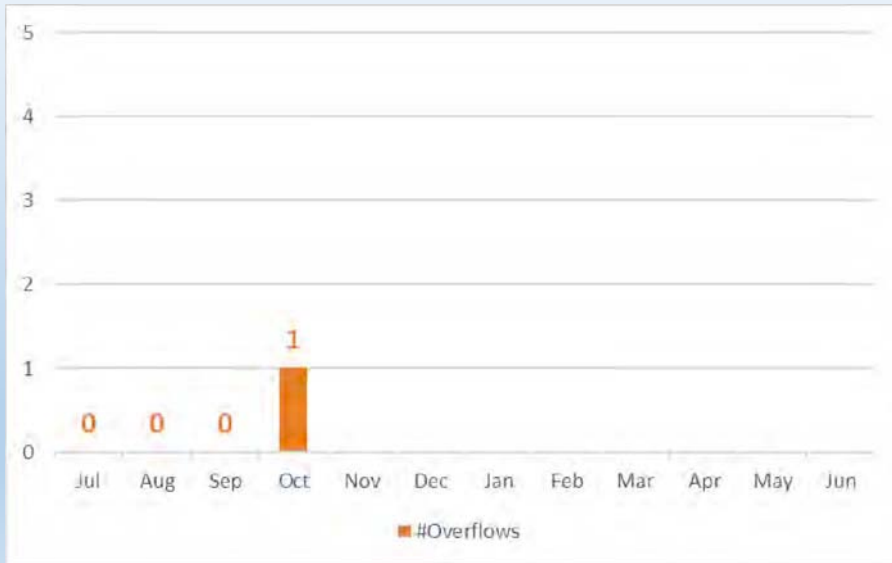
Reclamation Plant – Energy Usage (KWh/MG Treated)



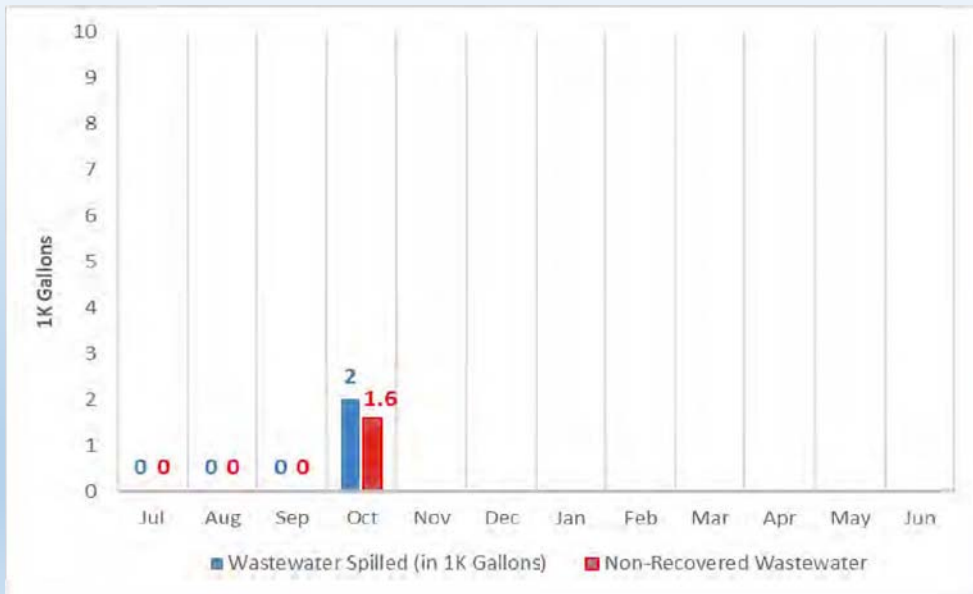
Recycled Water – Time out of Service (Hours)



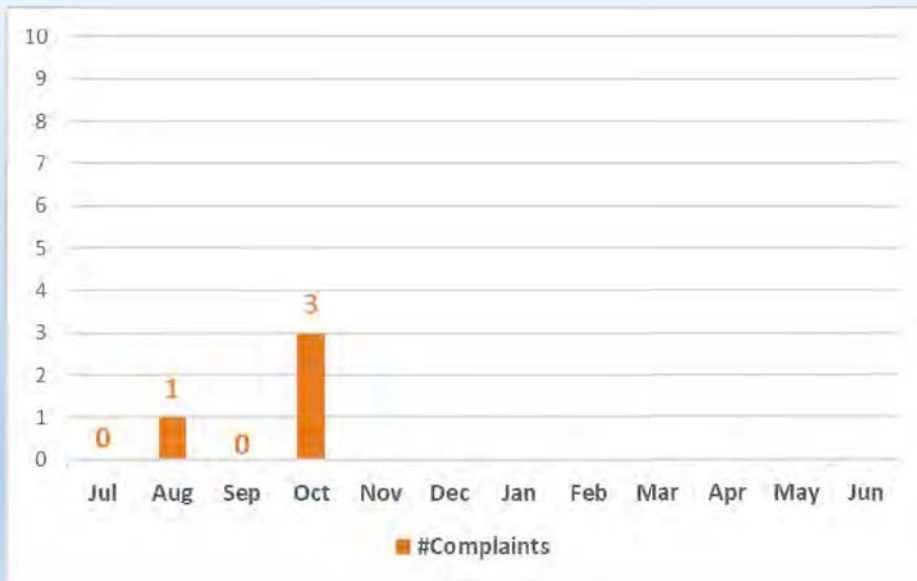
Sewer Overflows



Wastewater Spilled



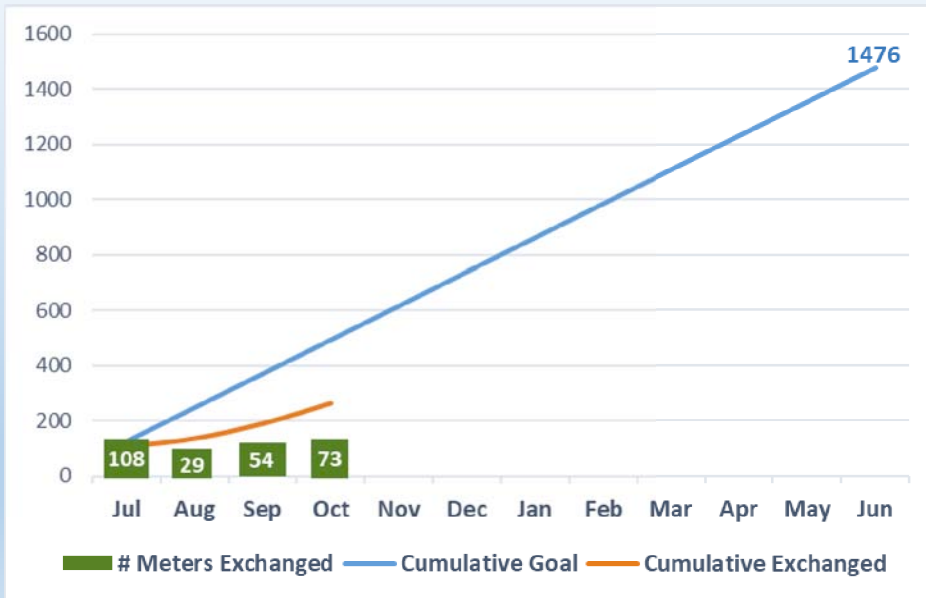
Wastewater System Odor Complaints



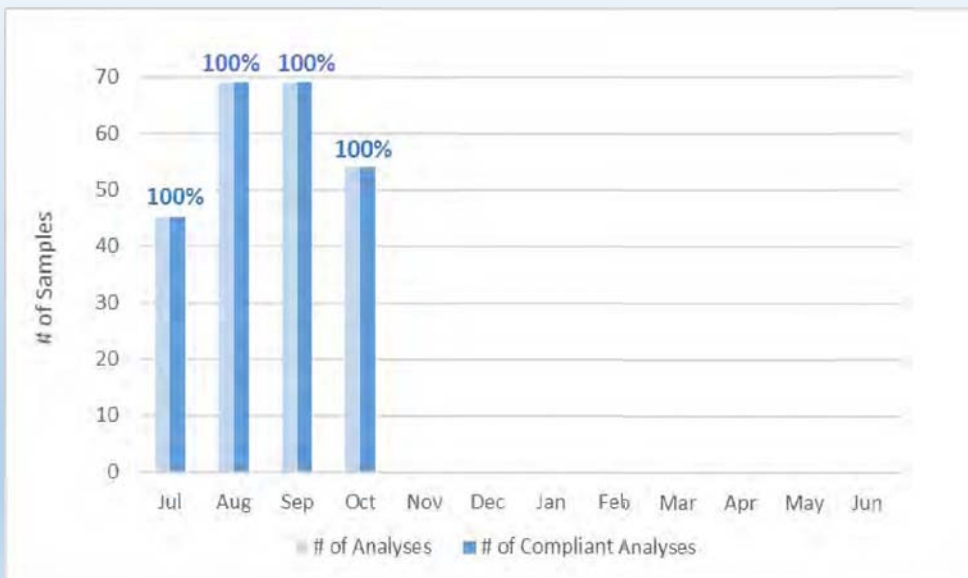
Collections – Preventative Maintenance Work Orders



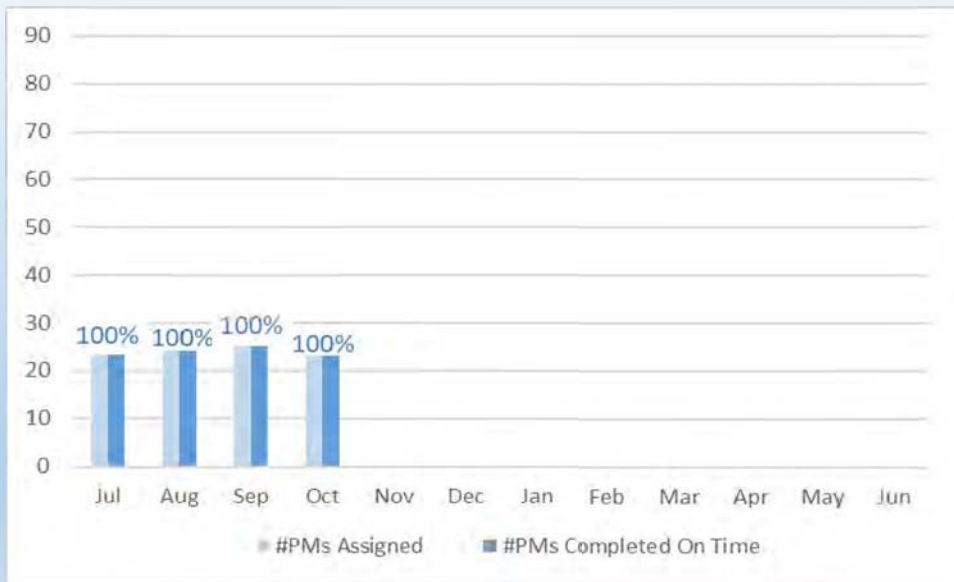
Meter Exchange



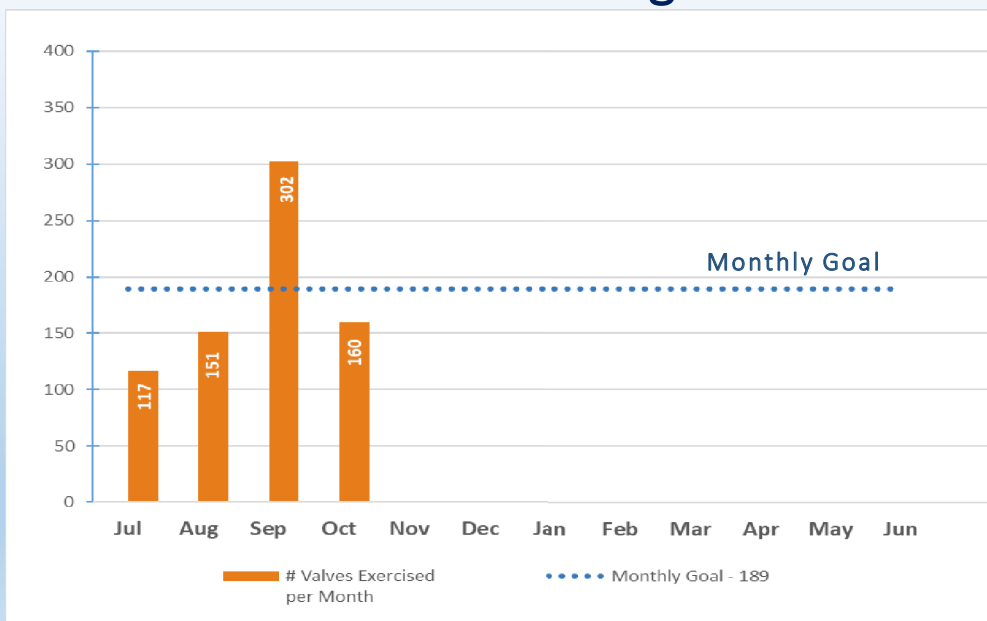
Water System Regulatory Compliance



Water Preventative Maintenance Work Orders



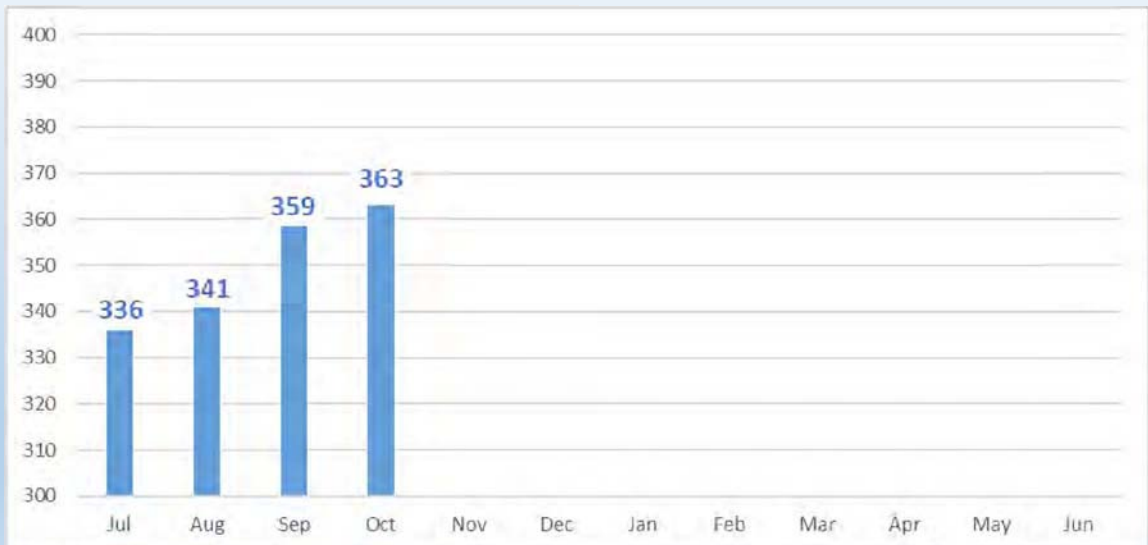
Valve Exercise Program



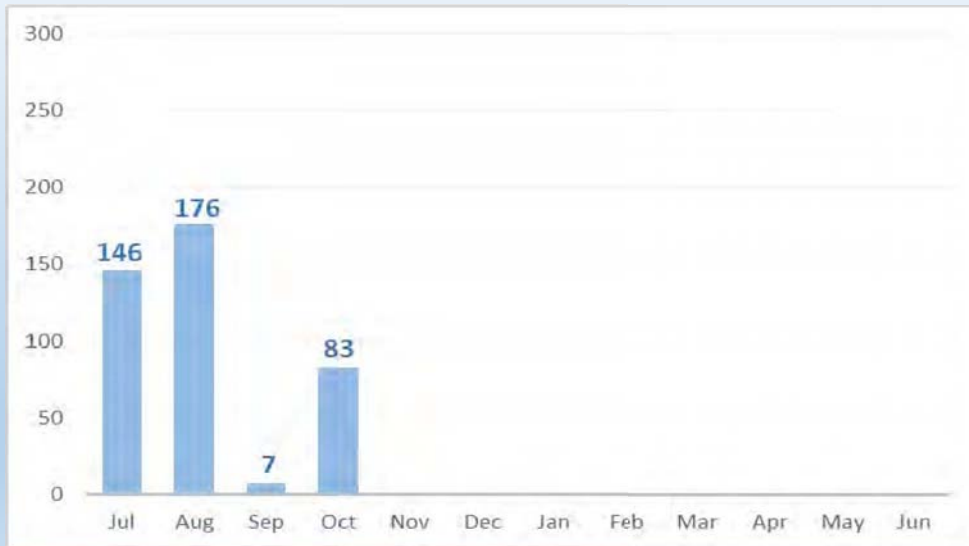
Valves Replaced



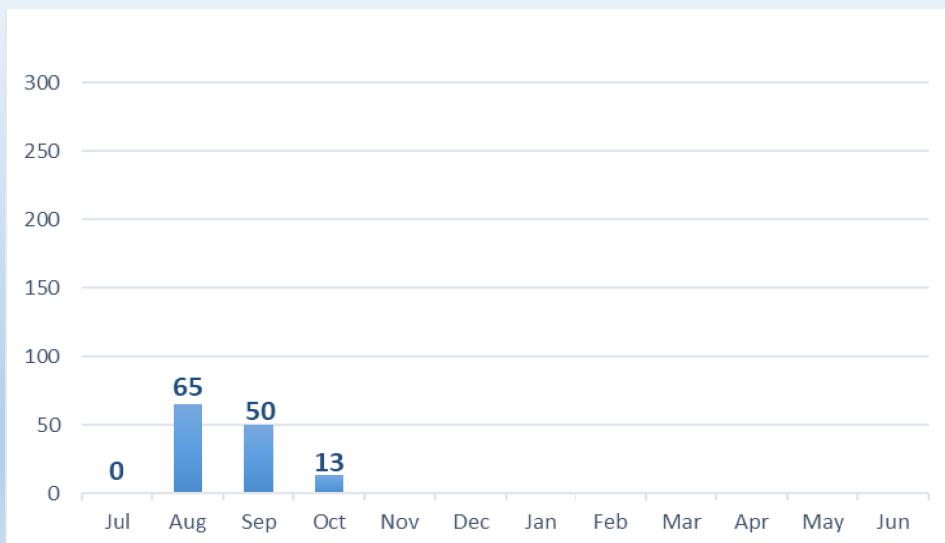
Rolling Total Broken Valves



Planned Outages > 4 Hours # of Customers Affected



Unplanned Disruption > 4 Hours # of Customers Affected



M E M O

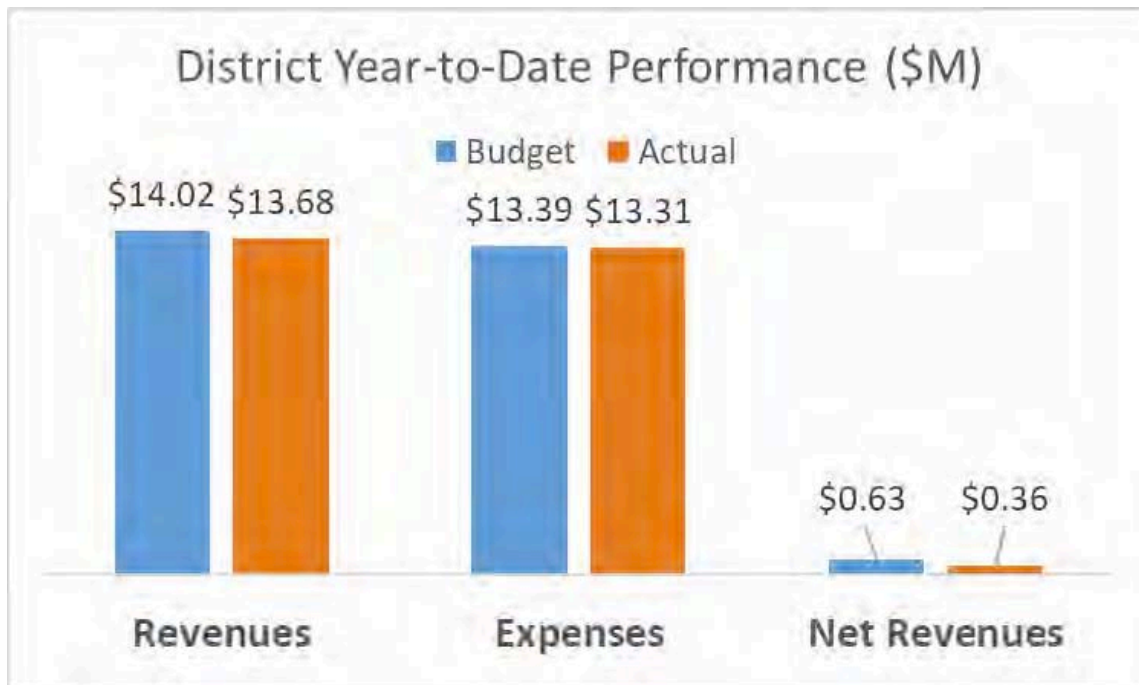
TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: December 7, 2020
SUBJECT: Financial Summary Report – October

Purpose

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

Summary

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



The results are on track with the District's Budget. The lower net revenues reflects the District's higher than budgeted PayGo CIP expenditures, which is expected to trend back to the budget levels. The overall financial performance, after adjusting for expected State reimbursement, is slightly under Budget. The District's financial performance is expected to trend towards the Budget levels.

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



Overall the District's financial position decreased this month with \$2.7 million less held in District accounts at month end. This reduction is due to payments made related to the District Santa Margarita Conjunctive Use Project that have not yet been reimbursed by the State. The Liquidity Portfolio increased decreased due largely to PayGo construction related expenditures. The PARS investments continue to perform in line with the equity markets.

Recommended Action

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

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: December 7, 2020
SUBJECT: Treasurer's Report

Purpose

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

Notes

In October, the District made \$2.4 million in payments related to the Santa Margarita Conjunctive Use Project (SMCUP). As a result, the LAIF Account shows a reduced month end balance for October. These expenditures were reimbursed by the State in early November. Operating funds were also used to meet other financial obligations as shown in the reduced Liquidity portfolio balance. The District continues to carefully manage its working capital to ensure its ability to meet its financial commitments. The next scheduled payment to the SMCUP contractors is for \$2.1 million in December.

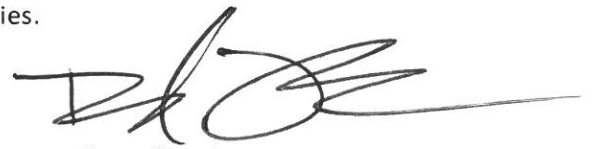
Summary

Treasurer's Report October 31, 2020

Account	Beginning Balance	Ending Balance
Operating Fund	\$ 19,525	\$ 19,542
Money Market	\$ 1,474,112	\$ 1,241,406
CAMP Account	\$ 1,814,001	\$ 1,814,291
<i>District's Liquidity Portfolio</i>	\$ 3,307,638	\$ 3,075,239
PFM Managed Long-term Investment Portfolio*	\$ 11,260,406	\$ 11,266,671
LAIF (Long-term Reserves)	\$ 4,182,762	\$ 1,764,337
PARS (OPEB & Pension Trust)**	\$ 8,198,192	\$ 8,123,505
<i>District Accounts Total</i>	\$ 26,948,998	\$ 24,229,752

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

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



Dave Shank
December 7, 2020



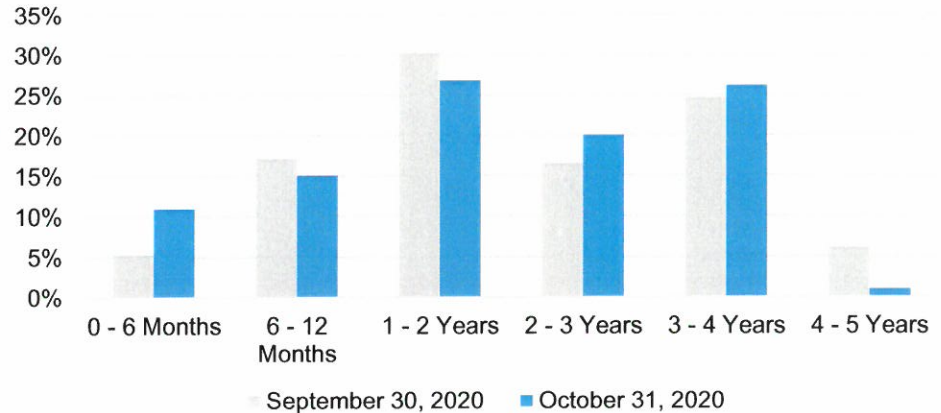
Fallbrook Public Utilities District - Holdings Summary

Security Type	September 30, 2020	October 31, 2020	Change (\$)	Change (%)
U.S. Treasury	\$5,866,142.24	\$5,853,804.02	(\$12,338.22)	-0.2%
Municipal	\$172,033.20	\$171,669.40	(\$363.80)	-0.2%
Federal Agency CMO	\$113,341.89	\$113,243.55	(\$98.34)	-0.1%
Corporate Note	\$3,526,565.20	\$3,431,900.88	(\$94,664.32)	-2.7%
Negotiable CD	\$280,689.08	\$280,210.84	(\$478.24)	-0.2%
Asset-Backed Security	\$735,317.64	\$721,742.05	(\$13,575.59)	-1.8%
Securities Total	\$10,694,089.25	\$10,572,570.74	(\$121,518.51)	-1.1%
Money Market Fund	\$566,317.07	\$694,099.97	\$127,782.90	22.6%
Total Investments	\$11,260,406.32	\$11,266,670.71	\$6,264.39	0.1%

Summary

FY 20-21 Accrual Earnings	\$77,282.99
Yield to Maturity at Cost	2.21%
Weighted Average Maturity (Years)	1.90

Maturity Distribution





Managed Account Security Transactions & Interest

For the Month Ending October 31, 2020

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	10/01/20	10/01/20	BB&T CORP (CALLABLE) NOTES DTD 03/21/2017 2.750% 04/01/2022	05531FAX1	300,000.00	0.00	4,125.00	4,125.00			
	10/01/20	10/01/20	CA ST TXBL GO BONDS DTD 04/25/2018 2.800% 04/01/2021	13063DGA0	170,000.00	0.00	2,380.00	2,380.00			
	10/01/20	10/01/20	MONEY MARKET FUND	MONEY0002	0.00	0.00	4.51	4.51			
	10/01/20	10/01/20	UNITED PARCEL SERVICE CORPORATE BOND DTD 11/14/2017 2.050% 04/01/2021	911312BP0	110,000.00	0.00	1,127.50	1,127.50			
	10/01/20	10/25/20	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	110,000.00	0.00	283.25	283.25			
	10/15/20	10/15/20	UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	120,000.00	0.00	1,350.00	1,350.00			
	10/15/20	10/15/20	MBALT 2019-B A3 DTD 11/20/2019 2.000% 10/17/2022	58769OAC5	60,000.00	0.00	100.00	100.00			
	10/15/20	10/15/20	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	10,230.26	0.00	22.68	22.68			
	10/15/20	10/15/20	JDOT 2019-B A3 DTD 07/24/2019 2.210% 12/15/2023	477870AC3	30,000.00	0.00	55.25	55.25			
	10/15/20	10/15/20	JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	857.79	0.00	1.30	1.30			
	10/15/20	10/15/20	COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	40,000.00	0.00	83.67	83.67			
	10/15/20	10/15/20	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	285,000.00	0.00	408.50	408.50			
	10/15/20	10/15/20	DCENT 2019-A3 A DTD 10/31/2019 1.890% 10/15/2024	254683CM5	120,000.00	0.00	189.00	189.00			
	10/15/20	10/15/20	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	41,525.05	0.00	91.36	91.36			
	10/15/20	10/15/20	ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	5,048.98	0.00	7.36	7.36			
	10/16/20	10/16/20	GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	50,000.00	0.00	90.83	90.83			
	10/21/20	10/21/20	HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	75,000.00	0.00	157.50	157.50			



Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2020**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	10/21/20	10/21/20	MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	100,000.00	0.00	1,250.00	1,250.00			
	10/25/20	10/25/20	GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.625% 04/25/2021	38141GVU5	290,000.00	0.00	3,806.25	3,806.25			
	10/29/20	10/29/20	MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BD06	150,000.00	0.00	2,906.25	2,906.25			
	10/31/20	10/31/20	US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	435,000.00	0.00	2,718.75	2,718.75			
	10/31/20	10/31/20	US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	400,000.00	0.00	3,250.00	3,250.00			
Transaction Type Sub-Total					2,902,662.08	0.00	24,408.96	24,408.96			
MATURITY											
	10/01/20	10/01/20	BANK OF AMERICA CORP (CALLED OMD 10/01/2 DTD 09/18/2017 2.328% 10/01/2020	06051GGS2	90,000.00	90,000.00	1,047.60	91,047.60	0.00	0.00	
Transaction Type Sub-Total					90,000.00	90,000.00	1,047.60	91,047.60	0.00	0.00	
PAYDOWNS											
	10/15/20	10/15/20	ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	3,854.40	3,854.40	0.00	3,854.40	0.05	0.00	
	10/15/20	10/15/20	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	1,745.94	1,745.94	0.00	1,745.94	0.12	0.00	
	10/15/20	10/15/20	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	5,919.26	5,919.26	0.00	5,919.26	0.77	0.00	
	10/15/20	10/15/20	JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	806.74	806.74	0.00	806.74	0.07	0.00	
Transaction Type Sub-Total					12,326.34	12,326.34	0.00	12,326.34	1.01	0.00	
Managed Account Sub-Total						102,326.34	25,456.56	127,782.90	1.01	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2020**

FPUD - INVESTMENT PORTFOLIO - 28710100

Total Security Transactions	\$102,326.34	\$25,456.56	\$127,782.90	\$1.01	\$0.00
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Account Statement - Transaction Summary

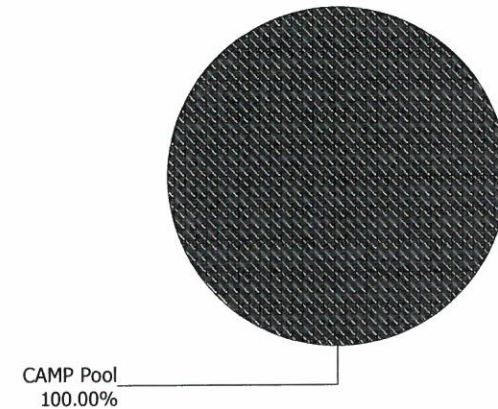
For the Month Ending **October 31, 2020**

Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	1,814,000.56
Purchases	290.67
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$1,814,291.23
Cash Dividends and Income	290.67

Asset Summary	October 31, 2020	September 30, 2020
CAMP Pool	1,814,291.23	1,814,000.56
Total	\$1,814,291.23	\$1,814,000.56

Asset Allocation	
CAMP Pool	100.00%





Account Statement

For the Month Ending **October 31, 2020**

Fallbrook Public Utility District - Liquidity - 6050-004

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					1,814,000.56
10/30/20	11/02/20	Accrual Income Div Reinvestment - Distributions	1.00	290.67	1,814,291.23
Closing Balance					1,814,291.23

	Month of October	Fiscal YTD July-October		
Opening Balance	1,814,000.56	2,562,568.92	Closing Balance	1,814,291.23
Purchases	290.67	801,722.31	Average Monthly Balance	1,814,019.31
Redemptions (Excl. Checks)	0.00	(1,550,000.00)	Monthly Distribution Yield	0.19%
Check Disbursements	0.00	0.00		
Closing Balance	1,814,291.23	1,814,291.23		
Cash Dividends and Income	290.67	1,722.31		

California State Treasurer
Fiona Ma, CPA



November 02, 2020

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

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

FALLBROOK PUBLIC UTILITY DISTRICT

TREASURER
 P.O. BOX 2290
 FALLBROOK, CA 92088

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

Account Number: 85-37-001

October 2020 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/15/2020	10/14/2020	QRD	1657251	N/A	SYSTEM	3,575.33
10/21/2020	10/21/2020	RW	1658641	N/A	DAVID SHANK	-122,000.00
10/28/2020	10/28/2020	RW	1659034	N/A	DAVID SHANK	-2,300,000.00

Account Summary

Total Deposit:	3,575.33	Beginning Balance:	4,182,762.14
Total Withdrawal:	-2,422,000.00	Ending Balance:	1,764,337.47

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

**Account Report for the Period
10/1/2020 to 10/31/2020**

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

Account Summary

Source	Balance as of 10/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 10/31/2020
OPEB	\$1,086,292.60	\$0.00	-\$9,392.04	\$504.25	\$0.00	\$0.00	\$1,076,396.31
PENSION	\$7,111,899.74	\$0.00	-\$61,489.20	\$3,301.36	\$0.00	\$0.00	\$7,047,109.18
Totals	\$8,198,192.34	\$0.00	-\$70,881.24	\$3,805.61	\$0.00	\$0.00	\$8,123,505.49

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	-0.86%	0.37%	5.57%	5.26%	-	-	2/16/2017
PENSION	-0.86%	0.37%	5.54%	5.19%	-	-	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: December 7, 2020
SUBJECT: Budget Status Report for Fiscal Year 2020-2021

Purpose

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

Summary

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

Total revenues year-to-date are below budget by 2.4%, which is a continued improvement from last month's report. This under performance is largely due to lagging water sales, which as shown in the monthly water sales chart below are 4% below budget. Lower than Budgeted revenues were received by both the Wastewater and Recycled Water Services. While these numbers are below budget levels, they remain stable and are closer to budget than last year at this time.

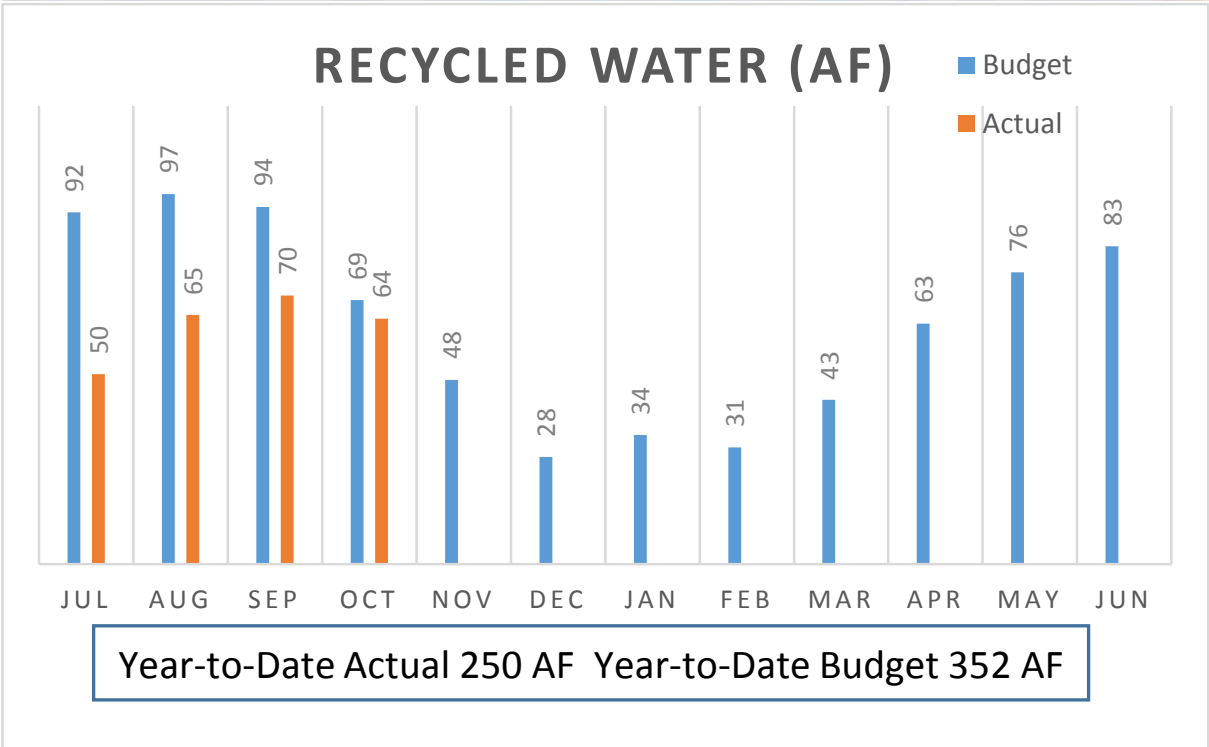
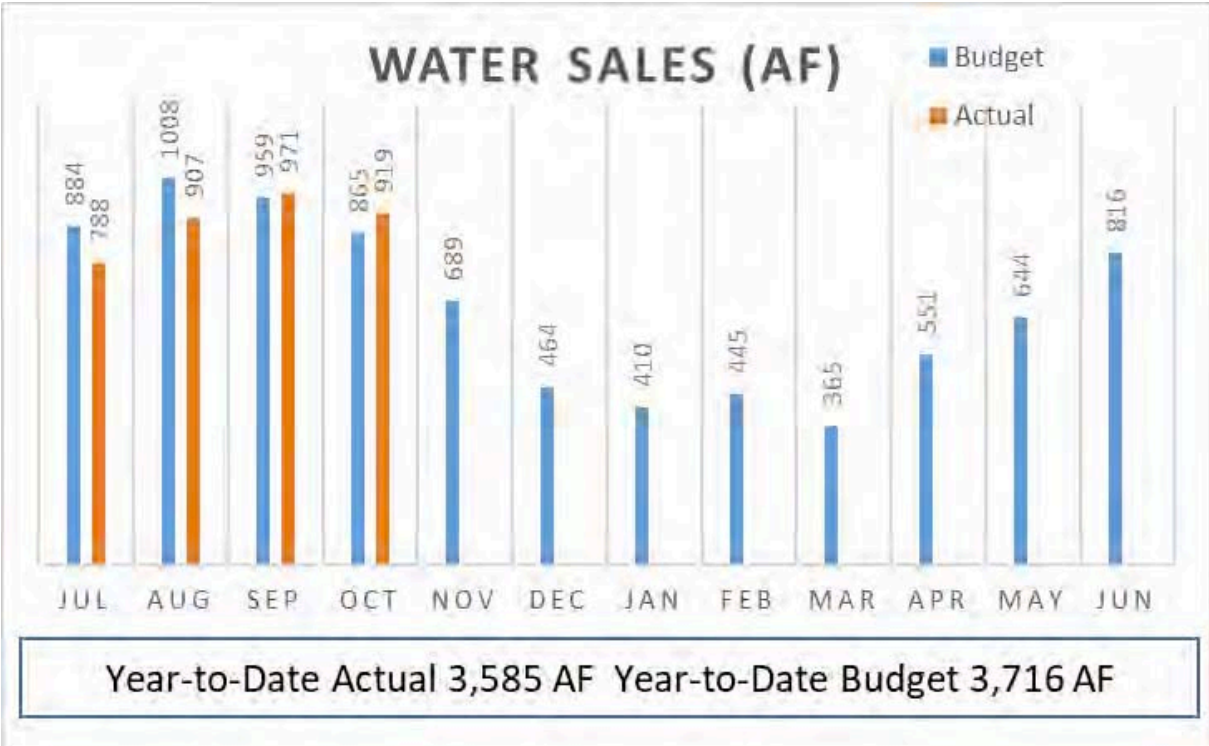
Non-operating revenues are over budget driven by a capacity charge revenues, portfolio interest and other revenues. Total non-operating revenues are expected to trend towards budget over the remainder of the year as interest earnings fall and the impact of one time other revenues diminishes.

The District's year-to-date total expenditures are under budget due to the lower than budgeted operating expenses, which is likely a result of less contractual work being executed due to the start of a new fiscal year and the current remote work environment. Purchased water expense is just under the budgeted level.

Total revenue is \$13,677,153 or 2.4% under budget and total expenditures are \$10,093,732 or 4.3% under budget. PAYGO CIP expenditures are slightly over budget but are expected to trend towards Budget levels. The result of this financial performance is a slight increase in net revenues. After adjusting for expected State Loan proceeds, the District's financial results are in line with the budget.

Recommended Action

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



Monthly Budget Report for October

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date				Annual Budget		
	Actual	Budget	Actual	Budget	Variance	%	Budget	Remaining Balance	%
Operating Revenues:								Year remaining	66.7%
Water Sales	1,902,634	1,798,939	7,461,033	7,705,309	(244,277)	-3.2%	17,660,076	10,199,044	57.8%
Water Meter Service Charges	605,319	604,788	2,419,490	2,419,151	339	0.0%	7,547,752	5,128,262	67.9%
Wastewater Service Charges	516,841	544,518	2,066,701	2,178,072	(111,371)	-5.1%	6,186,330	4,119,628	66.6%
Recycled Water Revenues	115,808	103,678	451,836	521,909	(70,073)	-13.4%	1,188,242	736,406	62.0%
Other Operating Revenue	-	917	-	3,667	(3,667)	-100.0%	11,000	11,000	100.0%
Total Operating Revenue	3,140,603	3,052,840	12,399,060	12,828,109	(429,049)	-3.3%	32,593,400	20,194,340	62.0%
Non Operating Revenues:									
Water Capital Improvement Charge	116,178	121,273	464,383	485,094	(20,711)	-4.3%	1,455,281	990,898	68.1%
Wastewater Capital Improvement Charge	97,957	100,594	391,731	402,377	(10,647)	-2.6%	1,207,132	815,401	67.5%
Property Taxes	45,037	65,238	105,693	126,544	(20,851)	-16.5%	2,022,485	1,916,791	94.8%
Water Standby/Availability Charge	3,440	7,347	3,445	7,351	(3,906)	-53.1%	204,000	200,555	98.3%
Water/Wastewater Capacity Charges	22,112	7,083	66,867	28,333	38,534	136.0%	85,000	18,133	21.3%
Portfolio Interest	23,365	11,792	93,870	47,167	46,703	99.0%	141,500	47,630	33.7%
Pumping Capital Improvement Charge	2,460	2,730	10,311	10,919	(608)	-5.6%	32,756	22,445	68.5%
Federal Interest Rate Subsidy	-	-	-	-	-	NA	110,677	110,677	100.0%
Facility Rents	9,460	18,333	76,258	73,333	2,925	4.0%	220,000	143,742	65.3%
Other Non-Operating Revenues	7,297	2,500	65,536	10,000	55,536	555.4%	30,000	(35,536)	-118.5%
Total Non Operating Revenues	327,307	336,890	1,278,093	1,191,118	86,975	7.3%	5,508,830	4,230,737	76.8%
Total Revenues	3,467,909	3,389,730	13,677,153	14,019,226	(342,074)	-2.4%	38,102,230	24,425,077	64.1%
Expenditures									
Purchased Water Expense	1,201,424	1,392,835	5,717,394	5,887,083	169,688	2.9%	14,012,905	8,295,511	59.2%
Water Services	222,644	245,871	875,604	1,106,421	230,817	20.9%	3,196,328	2,320,724	72.6%
Wastewater Services	303,522	250,104	1,093,861	1,125,467	31,605	2.8%	3,251,348	2,157,487	66.4%
Recycled Water Services	27,552	41,884	132,924	188,479	55,554	29.5%	544,494	411,570	75.6%
Administrative Services	658,167	497,336	2,273,948	2,238,011	(35,937)	-1.6%	6,465,365	4,191,417	64.8%
Total Operating Expenses	2,413,308	2,428,030	10,093,732	10,545,460	451,728	4.3%	27,470,440	17,376,708	63.3%
Debt Service Expenses									
SMCUP SRF	-	-	-	-	-	NA	800,810	800,810	100.0%
Red Mountain SRF	-	-	197,925	197,925	-	0.0%	395,851	197,926	50.0%
WWTP SRF	-	-	-	-	-	NA	1,845,746	1,845,746	100.0%
QECB Solar Debt	-	-	-	-	-	NA	520,642	520,642	100.0%
Total Debt Service	-	-	197,925	197,925	-	0.0%	3,563,048	3,365,123	94.4%
Total Expenses	2,413,308	2,428,030	10,291,657	10,743,385	451,728	4.2%	31,033,488	20,741,831	66.8%
Net Revenue/(loss) From Operations and Debt Service	1,054,602	961,700	3,385,495	3,275,841	109,654	3%	7,068,741	3,683,246	52.1%
Capital Investment									
Capital Investment									
Construction Expenditures	724,554	594,750	3,020,911	2,645,500	(375,411)	-14.2%	7,221,750	4,200,839	58.2%
SMCUP Expenditures*	3,249,217	3,640,583	11,665,984	14,645,833	2,979,849	20.3%	31,900,000	20,234,016	63.4%
SRF Loan Proceeds Draw (Capital Project Funds)**	(3,249,217)	(3,640,583)	(11,665,984)	(14,645,833)	(2,979,849)	20.3%	(31,900,000)	(20,234,016)	63.4%
Net Revenue/(Loss)	330,048	366,950	364,584	630,341	(265,757)	-42.2%	(153,009)	(517,593)	338.3%

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

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

10/31/2020

Treasurer's Warrant No. October

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 -10/2020

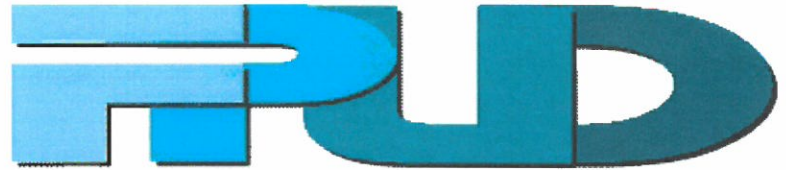
Computer Check Register

Payroll #1	\$147,426.38
Payroll #2	<u>\$137,290.68</u>
	<u>\$284,717.06</u>

Accounts Payable

Checks by Date - Summary by Check Date

User: annaleceb
Printed: 11/3/2020 3:00 PM



Fallbrook Public Utility District

Purchasing Dept. Phone: (760) 728-1151, Fax: (760) 728-8491
Main Office Phone: (760) 728-1125, Fax: (760) 728-6029

Check No	Vendor No	Vendor Name	Check Date	Check Amount
84534	90979	ABABA BOLT	10/01/2020	537.67
84535	01460	AFLAC	10/01/2020	857.64
84536	91582	ZIAUDOIN AHMAD	10/01/2020	6,909.00
84537	91286	AMAZON CAPITAL SERVICES, INC.	10/01/2020	574.78
84538	91278	ANDRITZ SEPARATION INC.	10/01/2020	476.30
84539	91440	BP BATTERY INC	10/01/2020	138.65
84540	91069	BRENNTAG PACIFIC INC.	10/01/2020	1,944.46
84541	91241	LISA CHAFFIN	10/01/2020	60.00
84542	03205	CITY OF OCEANSIDE	10/01/2020	132.86
84543	91330	AARON COOK	10/01/2020	180.00
84544	06169	CS-ASSOCIATED MUNICIPAL SALES C	10/01/2020	1,510.54
84545	06299	D & H WATER SYSTEMS, INC	10/01/2020	503.00
84546	02925	DATA NET SOLUTIONS	10/01/2020	260.00
84547	06762	DENALI WATER SOLUTIONS LLC	10/01/2020	10,323.92
84548	05985	SOLEIL DEVELLE	10/01/2020	548.00
84549	05177	DOWNEY BRAND, LLP	10/01/2020	415.00
84550	06144	DUPERON CORPORATION	10/01/2020	1,068.68
84551	03391	ELECTRICAL SALES INC	10/01/2020	6.08
84552	04122	EVOQUA WATER TECHNOLOGIES LLC	10/01/2020	4,272.59
84553	00169	FALLBROOK OIL COMPANY	10/01/2020	4,715.42
84554	01432	FERGUSON WATERWORKS #1083	10/01/2020	3,084.88
84555	91198	FIRST BANKCARD	10/01/2020	1,691.05
84556	91200	FIRST BANKCARD	10/01/2020	1,663.81
84557	91202	FIRST BANKCARD	10/01/2020	3,865.83
84558	91225	FIRST BANKCARD	10/01/2020	184.00
84559	91313	FIRST BANKCARD	10/01/2020	19.21
84560	91540	FIRST BANKCARD	10/01/2020	1,490.67
84561	UB*00356	TODD FRAME	10/01/2020	288.85
84562	91110	GOVERNMENTJOBS.COM, INC.	10/01/2020	5,013.62
84563	02170	GRAINGER, INC.	10/01/2020	156.71
84564	91473	HARRIS & ASSOCIATES	10/01/2020	3,085.00
84565	91544	HAZEN AND SAWYER, D.P.C.	10/01/2020	19,846.48
84566	00190	JCI JONES CHEMICALS INC.	10/01/2020	4,907.28
84567	04926	KONICA MINOLTA PREMIER FINANCE	10/01/2020	35.15
84568	90916	KELLY LAUGHLIN	10/01/2020	257.04
84569	03944	MISSION RESOURCE CONSV DISTRICT	10/01/2020	133.50
84570	01267	PACIFIC PIPELINE	10/01/2020	17,761.14
84571	UB*00355	AMOS & NICKOLE PERRY	10/01/2020	433.59
84572	91155	QUALITY GATE COMPANY, INC	10/01/2020	8,264.00
84573	00236	SCRAPPYS	10/01/2020	2,120.47
84574	05415	STATE WATER RESOURCE CONTROL I	10/01/2020	90.00
84575	03197	SWRCB ACCOUNTING OFFICE	10/01/2020	4,310.00
84576	06541	TIFCO INDUSTRIES, INC	10/01/2020	237.93
84577	UB*00354	SHEA FAMILY TRUST	10/01/2020	993.39
84578	04313	USA BLUE BOOK	10/01/2020	591.24
84579	06231	WESTERN WATER WORKS SUPPLY CC	10/01/2020	15,794.00
84580	91276	WOLFE DOOR INDUSTRIES, INC.	10/01/2020	7,666.42

Check No	Vendor No	Vendor Name	Check Date	Check Amount
			Total for 10/1/2020:	139,419.85
ACH	00152	FPUD EMPL ASSOCIATION	10/08/2020	24.50
ACH	06758	US TREASURY - PAYROLL TAXES	10/08/2020	2,988.10
ACH	06759	STATE OF CA - PR TAXES	10/08/2020	520.45
ACH	06760	STATE OF CA - SDI	10/08/2020	102.25
ACH	06761	LINCOLN FINANCIAL GROUP	10/08/2020	402.80
ACH	06763	PERS - PAYROLL	10/08/2020	1,832.30
ACH	00152	FPUD EMPL ASSOCIATION	10/08/2020	442.00
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	10/08/2020	3,375.00
ACH	06758	US TREASURY - PAYROLL TAXES	10/08/2020	49,680.90
ACH	06759	STATE OF CA - PR TAXES	10/08/2020	7,810.23
ACH	06760	STATE OF CA - SDI	10/08/2020	1,848.54
ACH	06761	LINCOLN FINANCIAL GROUP	10/08/2020	7,265.19
ACH	06763	PERS - PAYROLL	10/08/2020	36,125.00
ACH	91508	CALIFORNIA STATE DISBURSEMENT	10/08/2020	346.15
84583	00231	SAN DIEGO COUNTY WATER AUTH	10/08/2020	1,177,894.34
84584	91286	AMAZON CAPITAL SERVICES, INC.	10/08/2020	2,043.32
84585	06536	ARCADIS U.S., INC	10/08/2020	2,419.50
84586	02805	ASBURY ENVIRONMENTAL SERVICES	10/08/2020	160.00
84587	01813	ASSOCIATION OF CALIFORNIA WATEI	10/08/2020	23,031.92
84588	06020	BABCOCK LABORATORIES, INC	10/08/2020	830.00
84589	04607	BAY CITY ELECTRIC WORKS, INC.	10/08/2020	1,661.76
84590	03978	CAMERON WELDING SUPPLY	10/08/2020	563.90
84591	90885	CENTRO BUSINESS FORMS. INC	10/08/2020	510.36
84592	06675	CORODATA SHREDDING, INC	10/08/2020	64.37
84593	02925	DATA NET SOLUTIONS	10/08/2020	57.50
84594	09523	FALLBROOK EQUIP RENTALS	10/08/2020	15,316.94
84595	01432	FERGUSON WATERWORKS #1083	10/08/2020	5,022.61
84596	02972	FISHER SCIENTIFIC COMPANY LLC	10/08/2020	410.94
84597	05814	GEORGE PLUMBING COMPANY INC	10/08/2020	274.00
84598	04958	GOSCH FORD TEMECULA	10/08/2020	237.35
84599	02170	GRAINGER, INC.	10/08/2020	855.73
84600	03174	HAAKER EQUIPMENT COMPANY	10/08/2020	1,636.00
84601	05380	HACH CO	10/08/2020	3,389.34
84602	06722	CHRIS HAMILTON	10/08/2020	192.00
84603	06577	INFOSEND INC	10/08/2020	1,213.09
84604	05255	INLAND WATER WORKS SUPPLY CO.	10/08/2020	158,578.37
84605	06156	LOMACK SERVICE CORPORATION	10/08/2020	21,374.00
84606	91324	MARIS, LLC	10/08/2020	60.00
84607	91192	MISSION LINEN SUPPLY	10/08/2020	886.00
84608	03201	NATIONAL SAFETY COMPLIANCE INC	10/08/2020	80.00
84609	06744	O.S.T.S. INC	10/08/2020	995.00
84610	04900	PARADISE CHEVROLET CADILLAC	10/08/2020	464.39
84611	03708	PAULEY EQUIPMENT CO INC	10/08/2020	52.68
84612	03231	SAN DIEGO COUNTY WATER AUTH	10/08/2020	28,330.00
84613	91297	SPRINGS UNLIMITED INC.	10/08/2020	780.21
84614	05415	STATE WATER RESOURCE CONTROL I	10/08/2020	90.00
84615	91385	VERONICA TAMZIL	10/08/2020	60.00
84616	91530	TRANSENE COMPANY, INC.	10/08/2020	835.69
84617	91257	TRU-ECO ENVIRONMENTAL CONSUL	10/08/2020	1,015.00
84618	00724	UNDERGROUND SERVICE ALERT	10/08/2020	390.33
84619	00805	ACWA/JOINT POWERS INS.	10/08/2020	204,458.10
84620	00805	ACWA/JOINT POWERS INS.	10/08/2020	12,103.00
84621	91286	AMAZON CAPITAL SERVICES, INC.	10/08/2020	151.48
84622	00709	COUNTY OF SAN DIEGO	10/08/2020	484.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
84623	05192	DIAMOND ENVIRONMENTAL SERVIC	10/08/2020	225.90
84624	00161	FALLBROOK CHAMBER OF COMMER	10/08/2020	285.00
84625	UB*00357	JENNIFER MORELLI	10/08/2020	3.08
84626	06338	MYTHOS TECHNOLOGY INC	10/08/2020	1,430.44
84627	00215	PETTY CASH	10/08/2020	68.42
84628	06738	SHAWN'S CONCRETE PUMPING	10/08/2020	450.00
84629	91082	TELETRAC, INC	10/08/2020	2,084.27
Total for 10/8/2020:				1,786,283.74
84630	91513	ALCHEMY CONSULTING GROUP	10/15/2020	7,500.00
84631	91490	AMAZON WEB SERVICES, INC.	10/15/2020	1,065.07
84632	05088	AT&T	10/15/2020	799.25
84633	91487	BADGER METER, INC.	10/15/2020	136,519.25
84634	04607	BAY CITY ELECTRIC WORKS, INC.	10/15/2020	810.13
84635	91429	BSK ASSOCIATES	10/15/2020	3,615.00
84636	05953	CORODATA RECORDS MANAGEMENT	10/15/2020	659.11
84637	01099	FALLBROOK IRRIGATION INC	10/15/2020	195.15
84638	00169	FALLBROOK OIL COMPANY	10/15/2020	3,694.12
84639	00170	FALLBROOK WASTE & RECYCLING	10/15/2020	818.35
84640	01432	FERGUSON WATERWORKS #1083	10/15/2020	1,160.25
84641	02972	FISHER SCIENTIFIC COMPANY LLC	10/15/2020	118.03
84642	00182	GLENNIE'S OFFICE PRODUCTS, INC	10/15/2020	176.04
84643	02170	GRAINGER, INC.	10/15/2020	10.44
84644	02767	GRANGETTO FARM & GARDEN SUPPI	10/15/2020	3.02
84645	03174	HAAKER EQUIPMENT COMPANY	10/15/2020	2,048.98
84646	03276	HOME DEPOT CREDIT SERVICES	10/15/2020	194.50
84647	06577	INFOSEND INC	10/15/2020	997.16
84648	06267	J2 GLOBAL IRELAND LIMITED	10/15/2020	59.91
84649	04027	JOES HARDWARE	10/15/2020	746.16
84650	06156	LOMACK SERVICE CORPORATION	10/15/2020	445.80
84651	03944	MISSION RESOURCE CONSV DISTRIC	10/15/2020	114.00
84652	90932	NAPA AUTO PARTS	10/15/2020	1,960.41
84653	00370	NUTRIEN AG SOLUTIONS, INC.	10/15/2020	43.30
84654	91584	OLIVENHAIN MUNICIPAL WATER DIS	10/15/2020	4,000.00
84655	00216	PINE TREE LUMBER	10/15/2020	33.56
84656	91538	PUDGIL & COMPANY	10/15/2020	5,000.00
84657	06608	ROTARY CLUB OF FALLBROOK	10/15/2020	115.00
84658	00232	SAN DIEGO GAS & ELECTRIC	10/15/2020	106,302.07
84659	91094	SCADA INTEGRATIONS	10/15/2020	3,612.00
84660	90929	SOUTHWEST ANSWERING SERVICE, I	10/15/2020	655.02
84661	06541	TIFCO INDUSTRIES, INC	10/15/2020	39.01
84662	91255	TOP-LINE INDUSTRIAL SUPPLY L.L.C.	10/15/2020	163.62
84663	00458	VERIZON WIRELESS	10/15/2020	1,258.64
84664	04290	VILLAGE NEWS, INC.	10/15/2020	325.00
84665	00392	ALERT LOCKSMITH & SECURITY	10/15/2020	67.00
84666	91286	AMAZON CAPITAL SERVICES, INC.	10/15/2020	2,609.99
84667	04995	AMERICAN MESSAGING	10/15/2020	116.95
84668	UB*00333	ANTHONY & KIM BARNES	10/15/2020	0.64
84669	01719	MICKEY M. CASE	10/15/2020	60.00
84670	02925	DATA NET SOLUTIONS	10/15/2020	1,360.00
84671	03391	ELECTRICAL SALES INC	10/15/2020	1,292.98
84672	05588	ESCONDIDO METAL SUPPLY	10/15/2020	791.15
84673	06303	EXECUTIVE LANDSCAPE INC.	10/15/2020	770.00
84674	05987	FALLBROOK GARAGE & QWIK LUBE	10/15/2020	1,730.85
84675	01432	FERGUSON WATERWORKS #1083	10/15/2020	1,281.46
84676	06286	GARDA CL WEST, INC.	10/15/2020	292.16

Check No	Vendor No	Vendor Name	Check Date	Check Amount
84677	00182	GLENNIE'S OFFICE PRODUCTS, INC	10/15/2020	73.06
84678	02170	GRAINGER, INC.	10/15/2020	4.41
84679	06712	INTEGRA CHEMICAL COMPANY	10/15/2020	5,494.18
84680	06380	JANI-KING OF CALIFORNIA, INC - SA	10/15/2020	160.00
84681	91427	MITEL CLOUD SERVICES, INC	10/15/2020	1,692.41
84682	06110	SKY PETERSON	10/15/2020	195.00
84683	04075	RAYNE WATER SYSTEMS	10/15/2020	135.00
84685	91486	SATELLITE PHONE STORE	10/15/2020	66.82
84686	91153	COLTER SHANNON	10/15/2020	1,907.01
84687	91107	SPECTRUM BUSINESS	10/15/2020	125.71
84688	04313	USA BLUE BOOK	10/15/2020	943.12
84689	00233	WAXIE SANITARY SUPPLY	10/15/2020	245.72
Total for 10/15/2020:				306,672.97
ACH	00152	FPUD EMPL ASSOCIATION	10/22/2020	442.00
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	10/22/2020	3,375.00
ACH	06758	US TREASURY - PAYROLL TAXES	10/22/2020	48,880.68
ACH	06759	STATE OF CA - PR TAXES	10/22/2020	7,715.02
ACH	06760	STATE OF CA - SDI	10/22/2020	1,743.45
ACH	06761	LINCOLN FINANCIAL GROUP	10/22/2020	7,265.19
ACH	06763	PERS - PAYROLL	10/22/2020	36,226.90
ACH	91508	CALIFORNIA STATE DISBURSEMENT	10/22/2020	346.15
ACH	00152	FPUD EMPL ASSOCIATION	10/22/2020	24.50
ACH	06758	US TREASURY - PAYROLL TAXES	10/22/2020	3,127.71
ACH	06759	STATE OF CA - PR TAXES	10/22/2020	558.21
ACH	06760	STATE OF CA - SDI	10/22/2020	106.01
ACH	06761	LINCOLN FINANCIAL GROUP	10/22/2020	402.80
ACH	06763	PERS - PAYROLL	10/22/2020	1,851.12
84692	00101	ACWA JPIA	10/22/2020	88,979.71
84693	00805	ACWA/JOINT POWERS INS.	10/22/2020	30,387.33
84694	91550	AMERICAN BUSINESS BANK	10/22/2020	25,455.39
84695	02176	CORELOGIC SOLUTIONS, LLC	10/22/2020	225.00
84696	06675	CORODATA SHREDDING, INC	10/22/2020	64.37
84697	05192	DIAMOND ENVIRONMENTAL SERVIC	10/22/2020	350.65
84698	04494	FEDERAL EXPRESS CORPORATION	10/22/2020	452.63
84699	91539	GSE CONSTRUCTION CO.	10/22/2020	150,198.80
84700	06577	INFOSEND INC	10/22/2020	1,385.11
84701	06359	INFRASTRUCTURE ENGINEERING CO	10/22/2020	124,493.56
84702	91572	JOSEPH ADRIAN BAGNASIO	10/22/2020	8,000.00
84703	05194	LESLIE'S SWIMMING POOL SUPPLIES	10/22/2020	3,943.43
84704	90887	LLOYD PEST CONTROL	10/22/2020	80.00
84705	06335	OCCU-MED LTD	10/22/2020	210.00
84706	91522	PACIFIC HYDROTECH CORP	10/22/2020	483,652.53
84707	91546	QUADIENT FINANCE USA, INC.	10/22/2020	800.00
84708	05403	SAN DIEGO UNION-TRIBUNE CO.	10/22/2020	440.98
84709	91223	STERLING HEALTH SERVICES INC.	10/22/2020	125.00
84710	90990	TK CONSTRUCTION, INC.	10/22/2020	49,823.09
84711	00458	VERIZON WIRELESS	10/22/2020	2,083.91
84712	91163	AM Diesel INC.	10/22/2020	829.54
84713	91286	AMAZON CAPITAL SERVICES, INC.	10/22/2020	651.10
84714	91440	BP BATTERY INC	10/22/2020	351.08
84715	91272	KEVIN COLLINS	10/22/2020	60.00
84716	00709	COUNTY OF SAN DIEGO	10/22/2020	4,093.00
84717	06299	D & H WATER SYSTEMS, INC	10/22/2020	405.46
84718	91123	DIGITAL DEPLOYMENT, INC.	10/22/2020	550.00
84719	91585	LAUREN ECKERT	10/22/2020	41.61

Check No	Vendor No	Vendor Name	Check Date	Check Amount
84720	03391	ELECTRICAL SALES INC	10/22/2020	468.63
84721	01432	FERGUSON WATERWORKS #1083	10/22/2020	2,529.63
84722	05140	GMC ELECTRICAL, INC.	10/22/2020	8,475.99
84723	02170	GRAINGER, INC.	10/22/2020	1,752.67
84724	03174	HAAKER EQUIPMENT COMPANY	10/22/2020	2,202.08
84725	05380	HACH CO	10/22/2020	572.09
84726	91336	JACOB HYINK	10/22/2020	52.11
84727	06380	JANI-KING OF CALIFORNIA, INC - SA	10/22/2020	2,833.00
84728	91304	LEARNSOFT CONSULTING INC	10/22/2020	1,020.00
84729	05194	LESLIE'S SWIMMING POOL SUPPLIES	10/22/2020	1,380.20
84730	06555	LIEBERT CASSIDY WHITMORE	10/22/2020	75.00
84731	06156	LOMACK SERVICE CORPORATION	10/22/2020	283.45
84732	06601	MBC AQUATIC SCIENCES	10/22/2020	6,880.27
84733	02618	MC MASTER-CARR	10/22/2020	29.39
84734	06744	O.S.T.S. INC	10/22/2020	350.00
84735	91461	OCEANSIDE SECURITY AGENCY	10/22/2020	2,231.00
84736	01267	PACIFIC PIPELINE	10/22/2020	5,914.99
84737	91531	ABRAHAM PAGAN	10/22/2020	245.00
84738	04900	PARADISE CHEVROLET CADILLAC	10/22/2020	194.49
84739	06717	RDO EQUIPMENT CO	10/22/2020	87.95
84740	91185	RIGHT STOP RESTORATION	10/22/2020	9,923.56
84741	02265	RUPE'S HYDRAULICS	10/22/2020	1,543.38
84742	91094	SCADA INTEGRATIONS	10/22/2020	1,972.50
84743	02927	TIM STERGER	10/22/2020	60.00
84744	00159	SUPERIOR READY MIX	10/22/2020	2,280.34
84745	03358	US BANK TRUST NA	10/22/2020	261,993.25
84746	04313	USA BLUE BOOK	10/22/2020	1,231.14
84747	00233	WAXIE SANITARY SUPPLY	10/22/2020	49.14
84748	91276	WOLFE DOOR INDUSTRIES, INC.	10/22/2020	2,284.85
Total for 10/22/2020:				1,409,114.12
84749	91499	FILANC ALBERICI A JOINT VENTURE	10/29/2020	2,088,794.07
84750	91500	US BANK NATIONAL ASSOCIATION	10/29/2020	109,936.53
84751	01460	AFLAC	10/29/2020	857.64
84752	05754	ALLIED TRAFFIC & EQUIPMENT REN	10/29/2020	371.93
84753	91286	AMAZON CAPITAL SERVICES, INC.	10/29/2020	4,773.44
84754	05778	AQUATIC BIOASSAY AND CONSULTIN	10/29/2020	1,050.00
84755	06020	BABCOCK LABORATORIES, INC	10/29/2020	1,810.00
84756	02743	BEST BEST & KRIEGER	10/29/2020	24,579.51
84757	04741	CALIFORNIA SPECIAL DISTRICT ASSC	10/29/2020	7,805.00
84758	03978	CAMERON WELDING SUPPLY	10/29/2020	3,482.91
84759	06115	CDW GOVERNMENT INC.	10/29/2020	605.41
84760	91241	LISA CHAFFIN	10/29/2020	113.99
84761	03205	CITY OF OCEANSIDE	10/29/2020	266.50
84762	UB*00359	JUSTIN CRAW	10/29/2020	10.92
84763	02925	DATA NET SOLUTIONS	10/29/2020	697.00
84764	UB*00358	LAUREN DAVILA	10/29/2020	6.30
84765	06762	DENALI WATER SOLUTIONS LLC	10/29/2020	7,763.01
84766	05853	DUKE'S ROOT CONTROL INC	10/29/2020	6,939.14
84767	UB*00152	SHAWNA & DYLAN ENDERLE	10/29/2020	425.04
84768	04411	ENVIRONMENTAL RESOURCE ASSOC	10/29/2020	1,186.54
84769	00169	FALLBROOK OIL COMPANY	10/29/2020	3,401.51
84770	01432	FERGUSON WATERWORKS #1083	10/29/2020	403.93
84771	91540	FIRST BANKCARD	10/29/2020	4,908.45
84772	02972	FISHER SCIENTIFIC COMPANY LLC	10/29/2020	144.30
84773	00182	GLENNIE'S OFFICE PRODUCTS, INC	10/29/2020	466.15

Check No	Vendor No	Vendor Name	Check Date	Check Amount
84774	04958	GOSCH FORD TEMECULA	10/29/2020	339.04
84775	02170	GRAINGER, INC.	10/29/2020	383.59
84776	91544	HAZEN AND SAWYER, D.P.C.	10/29/2020	34,821.75
84777	06577	INFOSEND INC	10/29/2020	1,287.67
84778	06359	INFRASTRUCTURE ENGINEERING CO	10/29/2020	101,561.83
84779	91524	INSIGHT DIRECT USA, INC.	10/29/2020	103.16
84780	04926	KONICA MINOLTA PREMIER FINANCE	10/29/2020	1,910.79
84781	06555	LIEBERT CASSIDY WHITMORE	10/29/2020	74.00
84782	91130	LINCOLN NATIONAL LIFE INSURANC	10/29/2020	3,051.29
84783	90887	LLOYD PEST CONTROL	10/29/2020	450.00
84784	02618	MC MASTER-CARR	10/29/2020	60.99
84785	91077	MULTI SERVICE TECHNOLOGY SOLU'	10/29/2020	725.58
84786	91561	MUNICIPAL SEWER TOOLS	10/29/2020	4,725.13
84787	91461	OCEANSIDE SECURITY AGENCY	10/29/2020	2,231.00
84788	06298	ONESOURCE DISTRIBUTORS, LLC	10/29/2020	211.09
84789	91007	PFM ASSET MANGEMENT LLC	10/29/2020	896.14
84790	91155	QUALITY GATE COMPANY, INC	10/29/2020	625.00
84791	91094	SCADA INTEGRATIONS	10/29/2020	4,966.50
84792	00236	SCRAPPYS	10/29/2020	109.05
84793	06738	SHAWN'S CONCRETE PUMPING	10/29/2020	400.00
84794	04434	SNAP ON TOOLS	10/29/2020	18.37
84795	06064	SOLENIIS LLC	10/29/2020	10,426.73
84796	05415	STATE WATER RESOURCE CONTROL I	10/29/2020	90.00
84797	05319	T.S. INDUSTRIAL SUPPLY	10/29/2020	463.52
84798	04330	UNION BANK	10/29/2020	1,121.00
84799	91295	WHITE NELSON DIEHL EVANS LLP	10/29/2020	7,800.00
84800	06736	JEFF WOLFE	10/29/2020	195.00
Total for 10/29/2020:				2,449,847.44
Report Total (290 checks):				6,091,338.12



Jack Bebee

General Manager

FW: FPUD compliment

Noelle Denke

Tue 12/1/2020 4:11 PM

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

From: Karen Utley [REDACTED]
Sent: Tuesday, November 3, 2020 9:09 AM
To: Jack Bebee <jackb@fpud.com>
Subject: Re: FPUD

By the way, our neighbors, who were recently flooded by a water main break, were extremely impressed with FPUD service and custom care as well.

Just thought you'd like to know.

Karen

On Tue, Nov 3, 2020 at 9:06 AM Karen Utley [REDACTED] wrote:

Hi Jack,

I wanted to tell you about some recent personal interactions Chuck and I have had with FPUD.

We had a scheduled water outage and were so impressed with the way FPUD handled it. We came home the day before the outage to find 2 gallons of water on our front patio and a reminder letter.

Recently I had to call FPUD with questions about putting in a fence. The person that answered the phone at customer care was amazing. She was extremely helpful and informative. She answered the original question and referred us to Engineering support. I left a message and the engineer (the phone ID said it was Joye Johnson) called back promptly. Yet another extremely helpful and informative call.

You probably get enough complaint calls. I want to tell you both Chuck and I are extremely impressed with the service and recent interactions we've had with FPUD.

Their stellar service, knowledge, and customer care is a credit to you all!!!

--

Karen Utley
Fallbrook Village Rotary Club
[REDACTED]

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: COWU Monthly Meeting via Zoom

Date(s) of Attendance: Tuesday, November 17, 2020

Purpose of Function: Education

Sponsoring Organization: Meena Westford, MWD

Meena moderated presentations and Q&A from **Gary Croucher, incoming Chairman of SDCWA** and **Chairwoman Gloria Gray of MWD** who is serving another term. Both parties are committed to improving relations between MWD and SDCWA through collaboration and open dialogue and cooperation, MWD presentation by Gloria Gray highlighted the need to maintain a Resilient, Reliable and Consistent water supply for the region, The Drought Contingency Plan has allowed significant extra storage in Lake Meade. She highlighted that it is essential that the one tunnel Delta Conveyance Project move forward. They are looking at joining with other contractors to fund the project. Gloria is also interested in fostering a culture of trust and transparency and is also focused on diversity and inclusion in the workforce. MWD is currently conducting a search for a new General Manager. **Gary Croucher** is a great addition as Chairman of SDCWA. He will work with the Water Authority to work out issues going forward. Gary highlighted getting additional storage in Lake Meade as well as the many IRPs in process. Notably, he emphasized that we are all here for our kids and grandkids to provide reliable supply.

Q&A Ways MWD and SDCWA could collaborate included - rates, storage, and legislation. Sweetwater Authority is working on legislation to submit on possible rate relief and possible stimulus Both parties are committed to working closely together to improve relations and cooperation between MWD and SDCWA.

Director Signature: Jennifer DeMeo Date: November 17, 2020

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

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

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Kenneth Endter

Name & Location of Function: COWU - Virtual Meeting

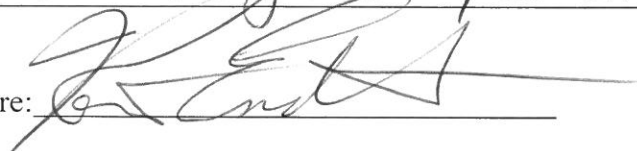
Date(s) of Attendance: 11-17-20

Purpose of Function: Semi-Monthly Meeting - Virtual

Sponsoring Organization: COWU

Summary of Conference or Meeting:

Gloria Gray - Chairwoman of the MWD gave an overview of her plans for more cooperation and collaboration with the San Diego County Districts, including coordinating the Governor's New "Draught Contingency Plan" which includes providing more water storage in Lake Mead and encouraging local Districts to allocate more water storage. Gary Croucher agreed with the plan.

Director Signature:  Date: 11-17-2020

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Kenneth Endtler

Name & Location of Function: CSDA Quarterly Meeting
Virtual Meeting

Date(s) of Attendance: 11-19-2020 6 P.M.

Purpose of Function: change of officers and Guest Speaker

Sponsoring Organization: SCSDA

Summary of Conference or Meeting:

Tom Kennedy, outgoing President, Welcomed and
Directors sustained new officers, Pres. - Al Lau,
1st V.P. - Jack Bebee, Sec. Jose Martinez.

Guest speaker: Dennis Probst, V.P. of Development of the
Airport Authority (District) spoke on plans for the
scheduled New Terminal 1 Construction, including overview
and the ability to service a future 40 million passengers
yearly vs. 25 million in 2019. It will include a new
building, Plane aprons admin Bldg. and 5 story parking.

Director Signature: [Signature] Date: 11-19-20

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