



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

**MONDAY, JUNE 28, 2021
4:00 P.M.**

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

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 WEB AND 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 WEB CONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION.

Join Zoom Meeting

<https://us06web.zoom.us/j/82437535490?pwd=QlhGQ0NqbHcxWGIMcmc5MFd0UGlWdz09>

Meeting ID: 824 3753 5490

Passcode: 091700

Dial by your location

+1 346 248 7799 US (Houston); +1 720 707 2699 US (Denver); +1 253 215 8782 US (Tacoma);
+1 312 626 6799 US (Chicago); +1 646 558 8656 US (New York); +1 301 715 8592 US (Washington DC)
Find your local number: <https://us06web.zoom.us/j/82437535490?pwd=QlhGQ0NqbHcxWGIMcmc5MFd0UGlWdz09>

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

SUBMIT COMMENTS BEFORE THE MEETING:

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

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

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

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

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

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENT

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

A. YEARS OF SERVICE

1. Colter Shannon – 5 years

B. PROMOTION TO UTILITY TECHNICIAN

1. Jeff Wolfe

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

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

C. CONSIDER APPROVAL OF MINUTES

1. May 24, 2021 Regular Board Meeting

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

- D. CONSIDER ADOPTION OF RESOLUTION NO. 5010 PLACING FIXED CHARGE SPECIAL ASSESSMENTS TO ADD DELINQUENT AND UNPAID CHARGES ON THE TAX ROLL

Recommendation: That the Board adopt Resolution No. 5010 placing fixed charge special assessments to add delinquent and unpaid charges on the annual tax roll for 2021-22 by the San Diego County Treasurer-Tax Collector.

- E. CONSIDER ADOPTION OF ORDINANCE NO. 350 FIXING WATER STANDBY OR AVAILABILITY CHARGES FOR 2021-22

Recommendation: The Board adopt Ordinance No. 350 as prepared and authorize the Secretary of the Board of Directors to send a certified copy to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

- F. APPROVAL OF AMENDED SALARY SCHEDULE, EFFECTIVE JULY 1, 2021, BY ADOPTION OF RESOLUTION NO. 5017

Recommendation: That the Board adopt Resolution No. 5017 approving the amended salary schedule, effective July 1, 2021 per the personnel changes approved by the Board in April 2021.

III. INFORMATION----- (ITEMS G-H)

- G. SDCWA MEMBER AGENCY BRIEFING

Presented by: Tish Berge, Assistant General Manager, SDCWA

- H. REGIONAL RELIABILITY

Presented by: Deven Upadhyay, Assistant General Manager/Chief Operating Officer at MWD

IV. PROPOSED FISCAL YEAR 2021-22 BUDGET----- (ITEM I)

- I. REVIEW OF PROPOSED BUDGET AND CONSIDER ADOPTION OF RESOLUTION NO. 5011 ADOPTING THE DISTRICT FISCAL YEAR 2021-22 RECOMMENDED ANNUAL BUDGET AND ADOPTION OF RESOLUTION NO. 5012 AMENDING ARTICLE 12 OF THE ADMINISTRATIVE CODE

Recommendation: That the Board adopt Resolution No. 5011 adopting the final budget for Fiscal Year 2021-22 and adopt Resolution No. 5012 amending the Administrative Code to reflect the new RTS charge.

V. ACTION / DISCUSSION CALENDAR ----- (ITEMS J-L)

- J. CONSIDER 2021 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS ELECTION, (SEAT A), SOUTHERN NETWORK

Recommendation: That the Board select one candidate from the slate of candidates in the 2021 California Special Districts Association Board of Directors Election, (Seat A), Southern Network for the 2022-2024 term and authorize the District Secretary to cast its vote by electronic ballot.

- K. LAFCO APPLICATION FOR ANNEXATION OF TWO PARCELS TO SEWER SERVICE AREA

Recommendation: That the Board authorize staff to submit the request for annexation to the sewer service area, for the subject parcel, to LAFCO with the completed application and fees.

- L. UPDATE ARTICLE 18 – INVESTMENT POLICY

Recommendation: That the Board adopt Resolution 5018 amending Article 18 of the District's Administrative Code.

VI. PUBLIC HEARINGS ----- (ITEM M)

This agenda item encompasses three separate, consecutively scheduled public hearings and proposed resolutions that relate to the District's Urban Water Management Plan (UWMP) preparation and administration

- (1). HOLD PUBLIC HEARING AND CONSIDER APPROVAL OF WATER SHORTAGE CONTINGENCY PLAN AND MODIFICATION TO WATER SHORTAGE RESPONSE PLAN (ADMINISTRATIVE CODE ARTICLE 17); RESOLUTIONS NO. 5013 AND 5014.

Recommendation: Hold a public hearing and consider adoption of Resolution 5013, adopting the District's Water Shortage Contingency Plan and adoption of Resolution 5014, adopting modifications to Water Shortage Response Plan (Administrative Code Article 17).

- (2). HOLD PUBLIC HEARING AND CONSIDER APPROVAL OF ADDENDUM TO 2015 UWMP TO SHOW REDUCED RELIANCE ON THE DELTA IN COMPLIANCE WITH THE DELTA PLAN; RESOLUTION NO. 5015

Recommendation: Hold a public hearing and consider adoption of Resolution No. 5015, adopting the Addendum to the 2015 UWMP for the purpose of showing reduced reliance on the Delta in compliance with the Delta Plan.

- (3). HOLD PUBLIC HEARING AND CONSIDER APPROVAL OF 2020 URBAN WATER MANAGEMENT PLAN; RESOLUTION NO. 5016

Recommendation: Hold a public hearing and consider adoption of Resolution 5016, adopting the District's 2020 Urban Water Management Plan.

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

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

ADJOURN TO CLOSED SESSION

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

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

Name of Case: Todd Lange v. Fallbrook Public Utility District, San Diego Co. Sup. Ct. (North County) Case No 37-2020-00046705-CU-PT-NC

2. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6

Agency Designated Representative: Board President DeMeo

Unrepresented Employee: General Manager

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (*As Necessary*)

IX. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

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

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

6/23/21
Dated / Fallbrook, CA

/s/ Mavis Canpinar
Acting Executive Assistant /
Board Secretary

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M E M O

TO: Board of Directors
FROM: Mavis Canpinar, Acting Executive Assistant/Board Secretary
DATE: June 28, 2021
SUBJECT: Approval of Minutes

Recommended Action

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

1. May 24, 2021 Regular Meeting



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING

MINUTES

MONDAY, MAY 24, 2021
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 DeMeo called the May Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:01 p.m. President DeMeo deferred to General Counsel de Sousa to the make the following statements on the record regarding the proceedings for this meeting:

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

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

General Counsel de Sousa noted, for the record, there were no written public comments for any agenda items submitted prior to the submission deadline.

A quorum was established, and attendance was as follows:

Board of Directors

Present: Jennifer DeMeo, Member/President
Dave Baxter, Member/Vice President

Ken Endter, Member
Don McDougal, Member
Charley Wolk, Member
Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paul de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Jason Cavender, Operations Manager
Aaron Cook, Engineering Manager
Steve Stone, Field Services Manager
Owni Toma, Chief Plant Operator
Jodi Brown, Management Analyst
Lauren Eckert, Executive Assistant/Board Secretary
Soleil Develle, Engineering Technician III
Annalece Bokma, Accounting Technician II
Mavis Canpinar, Customer Service Specialist

Also present were others, including, but not limited to: Craig Balben and Michael Powers

PLEDGE OF ALLEGIANCE

President DeMeo led the Pledge of Allegiance.

General Counsel de Sousa announced that President DeMeo would ask the Board Secretary if there were any members of the public who had submitted written comments in advance of the meeting or who wished to make comments on the item through Zoom webinar or Zoom teleconference. After public comments, President DeMeo would then call on staff to make a presentation for the next item on the agenda. After the presentation was made, to avoid everyone speaking at once, President DeMeo would then call on each Director to see if there were questions for staff regarding their presentation. After the round of questions, President DeMeo would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, President DeMeo would call on each Director to see if there were any comments. General Counsel de Sousa announced all votes would be done by roll call.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

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

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

NOES: None
ABSTAIN: None
ABSENT: None

PUBLIC COMMENT

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

President DeMeo stated, as permitted under the Brown Act, the Board would hear public comments on items within the subject matter jurisdiction of the District that were not on the agenda.

President DeMeo requested that members of the public, who wished to speak on non-agenda items, raise their hand via Zoom Webinar by clicking on the ‘Raise Hand’ button and via phone by pressing star nine. President DeMeo then asked the Board Secretary if there were any members of the public who would have liked to be heard, or if any written public comments for non-agenda items had been received via mail, email, or deposit.

There were no public comments on non-agenda items or agenda items A through B.

- A. EMPLOYEES OF THE QUARTER FOR MAY 2021
1. Annalece Bokma
 2. Soleil Develle

The Board recognized Annalece Bokma and Soleil Develle for being selected as Employees of the Quarter for May 2021.

- B. YEARS OF SERVICE
1. Owni Toma – 5 years
 2. Kelly Laughlin – 5 years
 3. Annalece Bokma – 5 years
 4. Jake Robinson – 5 years

The Board recognized Owni Toma, Kelly Laughlin, Annalece Bokma and Jake Robinson for their 5 years of service to the District.

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

There were no public comments on Consent Calendar agenda items.

Need to Add who moved and approved consent calendar

- C. CONSIDER APPROVAL OF MINUTES
1. April 26, 2021 Regular Board Meeting

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

- D. CONSIDER ADOPTION OF 2020-21 APPROPRIATION GROWTH RATE;
RESOLUTION NO. 5009

Recommendation: That the Board adopt attached Resolution No. 5009 setting the tax appropriation limit for 2021-22 at \$3,497,966, which includes the Fallbrook and DeLuz service areas and Improvement District "S".

- E. CONSIDER AGREEMENT FOR OUT OF AGENCY SERVICE REQUEST
FOR PARCEL IN RMWD

Recommendation: Staff supports the Board's direction. If approved, staff will provide an Agreement for Out of Service Area, to be signed by Owners, both District General Managers and recorded.

- F. CONSIDER QUITCLAIM FOR RANCHO RYAN EASEMENT

Recommendation: That the Board approve the Quitclaim request.

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

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

III. INFORMATION ----- (ITEM G)

- G. DRAFT UPDATE OF THE 2020 URBAN WATER MANAGEMENT PLAN

Presented by: Engineering Department

There were no public comments on agenda item G.

General Manager Bebee gave an overview of the 2020 Urban Water Management Plan, and advised the Board that a Public Hearing and presentation

for this item will be held in June. General Manager Bebee reported that since the last Urban Water Management Plan in 2015, local water demands have declined significantly while water supplies have increased. He also reported that the District was in the process of finalizing terms and conditions with Camp Pendleton and the SMRCUP regarding supply amounts in 2015, and now the agreement is final the SMRCUP supplies are better characterized in the 2020 plan. Overall, water supplies will be more than sufficient to fulfill water demands moving forward.

General Manager Bebee commended both Mick Cothran and Ken Weinberg on their work putting the 2020 Urban Water Management Plan together.

General Manager Bebee made a request to the Board to submit any comments they have regarding the UWMP to Staff in advance so they can be incorporated into the presentation at the June meeting.

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

H. CONSIDER SOLIDS MANAGEMENT OPTIONS

Recommendation: Staff recommends Option 3: Continuing to Haul, as the preferred solids management strategy at this time.

There were no public comments on agenda item H.

Chief Plant Operator Toma presented the solids management options to the Board, and gave an overview of the how the water reclamation plant processes wastewater and waste solids. The solids typically get processed through the digesters, centrifuge, and then get dried in a dryer. Chief Plant Operator Toma reported that as of right now, the solids are being discharged into a trailer that hauls the biosolids to Arizona, as the dryer has been taken out of service due to safety issues.

Chief Plant Operator Toma advised the Board that with the labor savings, reliability, ease of operation and lowest projected annual cost, continuing to haul the biosolids would be the greatest benefit to the District, as opposed to buying a new dryer. Chief Plant Operator Toma assured the Board that Staff would continue to analyze information on smaller dryer applications to ensure hauling continues to remain the most cost-effective path for the District.

Director McDougal asked if we have a back-up trailer, which Chief Plant Operator Toma confirmed that we do, and asked if we will be notified if the trailer is over filled or under filled, as charges fluctuate based on weight. Chief Plant Operator Toma confirmed that we will start getting digital weight notifications.

Director McDougal raised concerns about rising diesel and energy costs. General Manager Bebee advised that we are locked into a dollars per ton contract and there is no fuel surcharge

MOTION: Director Endter moved to authorize staff to continue to haul as the preferred solids management strategy; Director McDougal seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

I. CONSIDER MOU AGREEMENT BETWEEN NORTH COUNTY FIRE PROTECTION DISTRICT AND FALLBROOK PUBLIC UTILITY DISTRICT

Recommendation: *That the Board approve the proposed MOU revisions.*

There were no public comments on agenda item I.

Operations Manager Cavender informed the Board about an existing MOU agreement between FPUD and North County Fire Protection District which states NCFPD would maintain District fire hydrants if they are within their boundaries. This maintenance included painting, exercising valves, conducting pressure tests and overall general site maintenance. Due to funding issues, hydrant maintenance has been discontinued.

Operations Manager Cavender informed the Board the new MOU states FPUD will maintain hydrants as part of its valve maintenance program, and in return, NCFPD will provide Staff with CPR, First-Aid, Hazardous Materials, AED, Confined Space, Emergency Preparedness and Incident Command training. They will also assist the District with emergency and disaster planning response procedures.

Director Endter asked if the County had an obligation to provide hydrant maintenance. General Manager Bebee stated if FPUD decided not to proceed with the MOU revisions, then neither the County nor NCFPD would maintain the hydrants.

Director Wolk asked about who would be financially responsible to replace the hydrants when they are hit by a vehicle, and General Manager Bebee advised reimbursements would be handled through the offending parties' insurance company.

Director Baxter asked about FPUD's responsibility in terms of an emergency response due to wildfires. General Manager Bebee responded that we

do have an Emergency Response Plan, and Staff is trained to be available to communicate with Emergency Responders about issues related to water supply.

MOTION: Director McDougal moved to approve the proposed MOU revisions; Director Endter seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

J. CONSIDER ELECTION TO ALTERNATE SPECIAL DISTRICT MEMBER ON LAFCO COMMISSION

Recommendation: The Board consider the nominations for the Alternate Special District Member on LAFCO Commission and authorize the President to cast its vote on the ballot provided.

There were no public comments on agenda item J.

MOTION: Director Wolk authorized President DeMeo to submit the Board's unanimous vote for Hayden Hamilton as the Alternate District Member on LAFCO Commission; Director Endter 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 announced that Legislative leaders agreed on a 12 Bill limit per member.
- General Counsel de Sousa gave an overview of 3 new Bills that pertain to the Brown Act concerning virtual meetings.
- General Counsel de Sousa gave an overview of a report from by the Legislative Analyst's Office concerning the COVID-19 pandemic, and will provide a copy of the report to the Board.

2. SDCWA Representative Report

- General Manager Bebee provided an overview of the written report included in the agenda packet.
- a. Engineering and Operations Report

- General Manager Bebee reported meter and valve replacements continue to be a priority for the District.
- 3. 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 agenda packet.
 - AGM/CFO Shank gave an overview of the County's outreach efforts to reach utility companies about their program for rent and utility relief for residents.
- 4. Public Affairs Specialist
- 5. Notice of Approval of Per Diem for Meetings Attended
- 6. Director Comments/Reports on Meetings Attended
 - President DeMeo presented a 55-year Member Recognition Certificate awarded to FPUD from the Fallbrook Chamber of Commerce.
- 7. 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.

There were no public comments on any Closed Session agenda items.

The Board of Directors adjourned to Closed Session at 5:12 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1 through VI.2.

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

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

Discuss Performance Evaluation of General Manager

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

Discuss Performance Evaluation of General Counsel

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 5:51 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

There was no reportable action in Closed Session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, President DeMeo adjourned the May Regular Meeting of the Fallbrook Public Utility District at 5:55 p.m.

President, Board of Directors

ATTEST:

Acting Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: June 28, 2021
SUBJECT: Resolution No. 5010 Placing Fixed Charge Special Assessments to Add Delinquent and Unpaid Charges on the Tax Roll

Purpose

To authorize the San Diego County Treasurer-Tax Collector to add delinquent and unpaid charges as a Fixed Charge Special Assessment to the annual 2021-22 tax roll.

Summary

Article 21, Section 21.8 of the Administrative Code provides that standby accounts with a delinquent balance greater than \$500 as of April 1 of each year may be sent notification to place delinquent and unpaid charges on the annual tax roll. The notification of intent must be sent by May 1, and it provides the property owner 60 days to bring the account current. If the amount is not brought current by July 1, the portion of the delinquency due may be reported to the County of San Diego for inclusion on the annual taxes levied on the property. Notification has been sent to property owners, and the final list of delinquent and unpaid charges for the 2021-22 annual tax roll will be finalized after the July 1 deadline.

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

Recommended Action

That the Board adopt Resolution No. 5010 placing fixed charge special assessments to add delinquent and unpaid charges on the annual tax roll for 2021-22 by the San Diego County Treasurer-Tax Collector.

RESOLUTION NO. 5010

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

* * * * *

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

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

WHEREAS, the property owners of parcels on standby with a delinquent account balance greater than \$500 as of April 1, 2021, were notified by mail at least 60 days prior to July 1, 2021, that the delinquent amount may be reported to the San Diego County Treasurer-Tax Collector; and

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

WHEREAS, taxing agencies must submit a list of standby accounts with delinquencies to the San Diego County Treasurer-Tax Collector between July 1, 2021, and August 10, 2021.

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

1. On or before August 10, 2021, the Secretary of the Fallbrook Public Utility District shall provide to the San Diego County Treasurer-Tax Collector the following:
 - a. An electronic list of parcels with delinquent and unpaid charges as of July 1, 2021, that have remained unpaid as of the date of filing and whose property owners were notified at least 60 days prior to July 1, 2021, that the delinquent charges may be added to the property tax roll; and
 - b. A letter of certification signed by an official of the District.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Acting Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: June 28, 2021
SUBJECT: Ordinance No. 350 Fixing Water Standby or Availability Charges for 2021-22

Purpose

To adopt the annual water standby or availability charges and provide a certified copy of Ordinance No. 347 to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

Summary

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

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

Recommended Action

The Board adopt Ordinance No. 347 as prepared and authorize the Secretary of the Board of Directors to send a certified copy to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

ORDINANCE NO. 350

**ORDINANCE OF THE BOARD OF DIRECTORS OF THE FALLBROOK
PUBLIC UTILITY DISTRICT, SAN DIEGO COUNTY, CALIFORNIA,
FIXING WATER STANDBY OR AVAILABILITY CHARGES AND
REPEALING ORDINANCE NO. 347**

* * * * *

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

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

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

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

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

1. Fallbrook Service Area

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

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

2. DeLuz Improvement District

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

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

4. Exemptions:

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

SECTION III. On or before August 10, 2021, the Secretary of this District shall furnish in writing to the Board of Supervisors of the County of San Diego and the Auditor and Controller of the County of San Diego a description of the land within the District upon which standby or availability charges are to be levied and collected together with the amount of the charges. At the time and in the manner required by law for the levying of taxes for County purposes, the Board of Supervisors shall collect, in addition to taxes it levies, water availability charges in the amounts fixed by this Ordinance for the respective parcels of land described in Section II of this Ordinance. All County officers charged with the duty of collecting taxes will collect the charges with the regular tax payments in the same form and manner as County taxes are collected. Such availability charges are a lien on the property with respect to which they are fixed.

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

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

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

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

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Acting Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Lisa Chaffin, Human Resources Manager
DATE: June 28, 2021
SUBJECT: Approval of Amended Salary Schedule, Effective July 1, 2021, by adoption of Resolution No. 5017

Purpose

To obtain approval for the amended FY 2021-2022 salary schedule resulting from the previously approved reorganization which takes effect July 1, 2021.

Summary

Following is a summary of the changes approved at the April 26, 2021 Board meeting and included in the amended salary schedule:

- Mechanical Technician position title changed to Senior Maintenance Technician;
- Plant Maintenance Worker I/II position title changed to Maintenance Technician I/II; and
- Senior Instrumentation and Controls Specialist position title changed to SCADA, Electrical & Maintenance Supervisor and pay range updated from 35-38/40 to 44-45.

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

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

The regulations also contain criteria for ensuring the pay schedule is publicly available and does not permit a reference to another document (e.g., the budget) in lieu of the required pay schedule. Further, the regulations clarify that “compensation earnable” or “pensionable compensation” will be limited to the amount listed on a pay schedule that meets all of the established criteria. In addition, the regulations require that the pay schedule be duly approved by the Board in accordance with the requirements of applicable public meeting laws.

The amended salary schedule, effective July 1, 2021, is attached as Exhibit “C” to Resolution No. 5017.

Budgetary Impact

As provided in the April 26, 2021 Board meeting agenda packet, the overall changes result in an initial annual salary cost of approximately \$155,771.

Recommended Action

That the Board adopt Resolution No. 5017 approving the amended salary schedule, effective July 1, 2021 per the personnel changes approved by the Board in April, 2021.

RESOLUTION NO. 5017

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT ADOPTING THE AMENDED SALARY SCHEDULE, EFFECTIVE JULY 1, 2021.

* * * * *

WHEREAS, the amended salary schedule to be effective July 1, 2021 reflects the position title and salary modifications as set forth in the reorganization approved at the April 26, 2021 Board meeting; and

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT THAT:

1. All the recitals set forth above are true.
2. The amended salary schedule attached to this Resolution as Exhibit "A," which exhibit is made part of this Resolution, is hereby adopted.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President, Board of Directors

ATTEST:

Acting Secretary, Board of Directors

Exhibit “C”

SALARY SCHEDULE
EFFECTIVE JULY 1, 2021

Classification	Positions	Salary Range
Accounting Technician I & II	2	19 & 23
Administrative Office Specialist	1	21
Collection Supervisor	1	39-41
Customer Service Representative I & II	1	15 & 19
Customer Service Specialist	2	25
Engineering Technician I, II & III	3	20-22/27-28/31-32
Environmental Compliance Technician	1	35-37
Equipment Mechanic	1	25
Executive Assistant / Board Secretary	1	36
Geographical Information Systems (GIS) Coordinator	1	32a
Information Systems Technician	1	31
Instrumentation, Electrical & Controls Technician I/II	2	28-32
Laboratory Technician I & II	1	28-29/32-33
Lead Plant Operator	2	30-31
Management Analyst	1	31
Senior Maintenance Technician	1	28-31
Operations Specialist	1	21-22
Maintenance Technician I & II	1	15-17/18-21
Plant Operator (I-T), I, II	2	16-17/22-23/26/29
Public Affairs Specialist	1	36
Purchasing/Warehouse/Fleet Supervisor	1	37-38
Safety & Risk Officer	1	43-45
System Operations Supervisor	1	40
Meter Services/ Construction Supervisor	1	39-41
Systems Operator I, II, III	4	22-23/24a-25a/28a-29a
Utility Technician (Water and Wastewater)	6	25a-27a
Utility Worker I & II (Water and Wastewater)	17	15-17/18-21
Warehouse/Purchasing Specialist	1	27-28
<u>Management (Exempt) General Manager</u>		
General Manager	1	\$220,147
Assistant General Manager/CFO	1	62
Chief Plant Operator	1	45-46
Field Services Manager	1	46 & 48
Operations Manager	1	53a
Human Resources Manager	1	53
Senior Accountant	1	42-43
Engineering Manager	1	52
SCADA, Electrical & Maintenance Supervisor	1	44-45

Range #	FY 21-22 Hourly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$17.09	\$17.52	\$17.95	\$18.41	\$18.86	\$19.33	\$19.82	\$20.31	\$20.83	\$21.34
2	\$17.52	\$17.95	\$18.41	\$18.86	\$19.33	\$19.82	\$20.31	\$20.83	\$21.34	\$21.88
3	\$17.95	\$18.41	\$18.86	\$19.33	\$19.82	\$20.31	\$20.83	\$21.34	\$21.88	\$22.42
4	\$18.41	\$18.86	\$19.33	\$19.82	\$20.31	\$20.83	\$21.34	\$21.88	\$22.42	\$22.98
5	\$18.86	\$19.33	\$19.82	\$20.31	\$20.83	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56
6	\$19.33	\$19.82	\$20.31	\$20.83	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.14
7	\$19.82	\$20.31	\$20.83	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.14	\$24.75
8	\$20.31	\$20.83	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.14	\$24.75	\$25.37
9	\$20.83	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.14	\$24.75	\$25.37	\$26.01
10	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.14	\$24.75	\$25.37	\$26.01	\$26.66
11	\$21.88	\$22.42	\$22.98	\$23.56	\$24.14	\$24.75	\$25.37	\$26.01	\$26.66	\$27.32
12	\$22.42	\$22.98	\$23.56	\$24.14	\$24.75	\$25.37	\$26.01	\$26.66	\$27.32	\$28.01
13	\$22.98	\$23.56	\$24.14	\$24.75	\$25.37	\$26.01	\$26.66	\$27.32	\$28.01	\$28.71
14	\$23.56	\$24.14	\$24.75	\$25.37	\$26.01	\$26.66	\$27.32	\$28.01	\$28.71	\$29.42
15	\$24.14	\$24.75	\$25.37	\$26.01	\$26.66	\$27.32	\$28.01	\$28.71	\$29.42	\$30.16
16	\$24.75	\$25.37	\$26.01	\$26.66	\$27.32	\$28.01	\$28.71	\$29.42	\$30.16	\$30.91
17	\$25.37	\$26.01	\$26.66	\$27.32	\$28.01	\$28.71	\$29.42	\$30.16	\$30.91	\$31.68
18	\$26.01	\$26.66	\$27.32	\$28.01	\$28.71	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48
19	\$26.66	\$27.32	\$28.01	\$28.71	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29
20	\$27.32	\$28.01	\$28.71	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12
21	\$28.01	\$28.71	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97
22	\$28.71	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.84
23	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.84	\$36.74
23a	\$30.30	\$31.06	\$31.84	\$32.63	\$33.45	\$34.29	\$35.14	\$36.02	\$36.93	\$37.84
24	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.84	\$36.74	\$37.66
24a	\$31.06	\$31.84	\$32.63	\$33.45	\$34.29	\$35.14	\$36.02	\$36.93	\$37.84	\$38.79
25	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.84	\$36.74	\$37.66	\$38.60
25a	\$31.84	\$32.63	\$33.45	\$34.29	\$35.14	\$36.02	\$36.93	\$37.84	\$38.79	\$39.76
26	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.84	\$36.74	\$37.66	\$38.60	\$39.57
26a	\$32.63	\$33.45	\$34.29	\$35.14	\$36.02	\$36.93	\$37.84	\$38.79	\$39.76	\$40.76
27	\$32.48	\$33.29	\$34.12	\$34.97	\$35.84	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56
27a	\$33.45	\$34.29	\$35.14	\$36.02	\$36.93	\$37.84	\$38.79	\$39.76	\$40.76	\$41.78
28	\$33.29	\$34.12	\$34.97	\$35.84	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57
28a	\$34.29	\$35.14	\$36.02	\$36.93	\$37.84	\$38.79	\$39.76	\$40.76	\$41.78	\$42.82
29	\$34.12	\$34.97	\$35.84	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61
29a	\$35.14	\$36.02	\$36.93	\$37.84	\$38.79	\$39.76	\$40.76	\$41.78	\$42.82	\$43.89
30	\$34.97	\$35.84	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.67
31	\$35.84	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.67	\$44.76
32	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.67	\$44.76	\$45.89
32a	\$37.84	\$38.79	\$39.76	\$40.76	\$41.78	\$42.82	\$43.89	\$44.99	\$46.11	\$47.27
33	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.67	\$44.76	\$45.89	\$47.03
34	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.67	\$44.76	\$45.89	\$47.03	\$48.21
35	\$39.57	\$40.56	\$41.57	\$42.61	\$43.67	\$44.76	\$45.89	\$47.03	\$48.21	\$49.42
36	\$40.56	\$41.57	\$42.61	\$43.67	\$44.76	\$45.89	\$47.03	\$48.21	\$49.42	\$50.66
37	\$41.57	\$42.61	\$43.67	\$44.76	\$45.89	\$47.03	\$48.21	\$49.42	\$50.66	\$51.92
38	\$42.61	\$43.67	\$44.76	\$45.89	\$47.03	\$48.21	\$49.42	\$50.66	\$51.92	\$53.22
39	\$43.67	\$44.76	\$45.89	\$47.03	\$48.21	\$49.42	\$50.66	\$51.92	\$53.22	\$54.55
40	\$44.76	\$45.89	\$47.03	\$48.21	\$49.42	\$50.66	\$51.92	\$53.22	\$54.55	\$55.91

Range #	FY 21-22 Hourly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
41	\$45.89	\$47.03	\$48.21	\$49.42	\$50.66	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31
42	\$47.03	\$48.21	\$49.42	\$50.66	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74
43	\$48.21	\$49.42	\$50.66	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.20
44	\$49.42	\$50.66	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.20	\$61.72
45	\$50.66	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.20	\$61.72	\$63.25
46	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.20	\$61.72	\$63.25	\$64.84
47	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.20	\$61.72	\$63.25	\$64.84	\$66.46
48	\$54.55	\$55.91	\$57.31	\$58.74	\$60.20	\$61.72	\$63.25	\$64.84	\$66.46	\$68.12
49	\$55.91	\$57.31	\$58.74	\$60.20	\$61.72	\$63.25	\$64.84	\$66.46	\$68.12	\$69.82
50	\$57.31	\$58.74	\$60.20	\$61.72	\$63.25	\$64.84	\$66.46	\$68.12	\$69.82	\$71.56
51	\$58.74	\$60.20	\$61.72	\$63.25	\$64.84	\$66.46	\$68.12	\$69.82	\$71.56	\$73.36
52	\$60.20	\$61.72	\$63.25	\$64.84	\$66.46	\$68.12	\$69.82	\$71.56	\$73.36	\$75.19
53	\$61.72	\$63.25	\$64.84	\$66.46	\$68.12	\$69.82	\$71.56	\$73.36	\$75.19	\$77.07
53a	\$63.56	\$65.16	\$66.79	\$68.45	\$70.16	\$71.91	\$73.72	\$75.56	\$77.45	\$79.38
54	\$63.25	\$64.84	\$66.46	\$68.12	\$69.82	\$71.56	\$73.36	\$75.19	\$77.07	\$79.00
55	\$64.84	\$66.46	\$68.12	\$69.82	\$71.56	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97
56	\$66.46	\$68.12	\$69.82	\$71.56	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00
57	\$68.12	\$69.82	\$71.56	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07
58	\$69.82	\$71.56	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20
59	\$71.56	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38
60	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.62
61	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.62	\$93.91
62	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.62	\$93.91	\$96.25
63	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.62	\$93.91	\$96.25	\$98.65
64	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.62	\$93.91	\$96.25	\$98.65	\$101.13
65	\$83.00	\$85.07	\$87.20	\$89.38	\$91.62	\$93.91	\$96.25	\$98.65	\$101.13	\$103.65
66	\$85.07	\$87.20	\$89.38	\$91.62	\$93.91	\$96.25	\$98.65	\$101.13	\$103.65	\$106.24
67	\$87.20	\$89.38	\$91.62	\$93.91	\$96.25	\$98.65	\$101.13	\$103.65	\$106.24	\$108.90
68	\$89.38	\$91.62	\$93.91	\$96.25	\$98.65	\$101.13	\$103.65	\$106.24	\$108.90	\$111.62
69	\$91.62	\$93.91	\$96.25	\$98.65	\$101.13	\$103.65	\$106.24	\$108.90	\$111.62	\$114.41
70	\$93.91	\$96.25	\$98.65	\$101.13	\$103.65	\$106.24	\$108.90	\$111.62	\$114.41	\$117.28

Range #	FY 21-22 Bi-Weekly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$1,367	\$1,401	\$1,436	\$1,473	\$1,509	\$1,546	\$1,586	\$1,625	\$1,666	\$1,707
2	\$1,401	\$1,436	\$1,473	\$1,509	\$1,546	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750
3	\$1,436	\$1,473	\$1,509	\$1,546	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794
4	\$1,473	\$1,509	\$1,546	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839
5	\$1,509	\$1,546	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885
6	\$1,546	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,931
7	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,931	\$1,980
8	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,931	\$1,980	\$2,030
9	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,931	\$1,980	\$2,030	\$2,081
10	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,931	\$1,980	\$2,030	\$2,081	\$2,133
11	\$1,750	\$1,794	\$1,839	\$1,885	\$1,931	\$1,980	\$2,030	\$2,081	\$2,133	\$2,186
12	\$1,794	\$1,839	\$1,885	\$1,931	\$1,980	\$2,030	\$2,081	\$2,133	\$2,186	\$2,241
13	\$1,839	\$1,885	\$1,931	\$1,980	\$2,030	\$2,081	\$2,133	\$2,186	\$2,241	\$2,297
14	\$1,885	\$1,931	\$1,980	\$2,030	\$2,081	\$2,133	\$2,186	\$2,241	\$2,297	\$2,354
15	\$1,931	\$1,980	\$2,030	\$2,081	\$2,133	\$2,186	\$2,241	\$2,297	\$2,354	\$2,413
16	\$1,980	\$2,030	\$2,081	\$2,133	\$2,186	\$2,241	\$2,297	\$2,354	\$2,413	\$2,473
17	\$2,030	\$2,081	\$2,133	\$2,186	\$2,241	\$2,297	\$2,354	\$2,413	\$2,473	\$2,535
18	\$2,081	\$2,133	\$2,186	\$2,241	\$2,297	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598
19	\$2,133	\$2,186	\$2,241	\$2,297	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663
20	\$2,186	\$2,241	\$2,297	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730
21	\$2,241	\$2,297	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798
22	\$2,297	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,867
23	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,867	\$2,939
23a	\$2,424	\$2,485	\$2,547	\$2,611	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,027
24	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,867	\$2,939	\$3,013
24a	\$2,485	\$2,547	\$2,611	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,027	\$3,103
25	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,867	\$2,939	\$3,013	\$3,088
25a	\$2,547	\$2,611	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,027	\$3,103	\$3,181
26	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,867	\$2,939	\$3,013	\$3,088	\$3,166
26a	\$2,611	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,027	\$3,103	\$3,181	\$3,260
27	\$2,598	\$2,663	\$2,730	\$2,798	\$2,867	\$2,939	\$3,013	\$3,088	\$3,166	\$3,245
27a	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,027	\$3,103	\$3,181	\$3,260	\$3,342
28	\$2,663	\$2,730	\$2,798	\$2,867	\$2,939	\$3,013	\$3,088	\$3,166	\$3,245	\$3,326
28a	\$2,743	\$2,811	\$2,882	\$2,954	\$3,027	\$3,103	\$3,181	\$3,260	\$3,342	\$3,426
29	\$2,730	\$2,798	\$2,867	\$2,939	\$3,013	\$3,088	\$3,166	\$3,245	\$3,326	\$3,409
29a	\$2,811	\$2,882	\$2,954	\$3,027	\$3,103	\$3,181	\$3,260	\$3,342	\$3,426	\$3,511
30	\$2,798	\$2,867	\$2,939	\$3,013	\$3,088	\$3,166	\$3,245	\$3,326	\$3,409	\$3,494
31	\$2,867	\$2,939	\$3,013	\$3,088	\$3,166	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581
32	\$2,939	\$3,013	\$3,088	\$3,166	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671
32a	\$3,027	\$3,103	\$3,181	\$3,260	\$3,342	\$3,426	\$3,511	\$3,599	\$3,689	\$3,782
33	\$3,013	\$3,088	\$3,166	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763
34	\$3,088	\$3,166	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857
35	\$3,166	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953
36	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,053
37	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,053	\$4,153
38	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,053	\$4,153	\$4,257
39	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,053	\$4,153	\$4,257	\$4,364
40	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,053	\$4,153	\$4,257	\$4,364	\$4,473

41	\$3,671	\$3,763	\$3,857	\$3,953	\$4,053	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585
42	\$3,763	\$3,857	\$3,953	\$4,053	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699
43	\$3,857	\$3,953	\$4,053	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,816
44	\$3,953	\$4,053	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,816	\$4,938
45	\$4,053	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,816	\$4,938	\$5,060
46	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,816	\$4,938	\$5,060	\$5,187
47	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,816	\$4,938	\$5,060	\$5,187	\$5,317
48	\$4,364	\$4,473	\$4,585	\$4,699	\$4,816	\$4,938	\$5,060	\$5,187	\$5,317	\$5,450
49	\$4,473	\$4,585	\$4,699	\$4,816	\$4,938	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586
50	\$4,585	\$4,699	\$4,816	\$4,938	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725
51	\$4,699	\$4,816	\$4,938	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869
52	\$4,816	\$4,938	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015
53	\$4,938	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166
53a	\$5,085	\$5,213	\$5,343	\$5,476	\$5,613	\$5,753	\$5,897	\$6,045	\$6,196	\$6,351
54	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320
55	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478
56	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640
57	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806
58	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976
59	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150
60	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,330
61	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,330	\$7,513
62	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,330	\$7,513	\$7,700
63	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,330	\$7,513	\$7,700	\$7,892
64	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,330	\$7,513	\$7,700	\$7,892	\$8,090
65	\$6,640	\$6,806	\$6,976	\$7,150	\$7,330	\$7,513	\$7,700	\$7,892	\$8,090	\$8,292
66	\$6,806	\$6,976	\$7,150	\$7,330	\$7,513	\$7,700	\$7,892	\$8,090	\$8,292	\$8,500
67	\$6,976	\$7,150	\$7,330	\$7,513	\$7,700	\$7,892	\$8,090	\$8,292	\$8,500	\$8,712
68	\$7,150	\$7,330	\$7,513	\$7,700	\$7,892	\$8,090	\$8,292	\$8,500	\$8,712	\$8,930
69	\$7,330	\$7,513	\$7,700	\$7,892	\$8,090	\$8,292	\$8,500	\$8,712	\$8,930	\$9,153
70	\$7,513	\$7,700	\$7,892	\$8,090	\$8,292	\$8,500	\$8,712	\$8,930	\$9,153	\$9,382

Range #	FY 21-22 Monthly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$2,962	\$3,036	\$3,111	\$3,191	\$3,270	\$3,351	\$3,435	\$3,521	\$3,611	\$3,699
2	\$3,036	\$3,111	\$3,191	\$3,270	\$3,351	\$3,435	\$3,521	\$3,611	\$3,699	\$3,792
3	\$3,111	\$3,191	\$3,270	\$3,351	\$3,435	\$3,521	\$3,611	\$3,699	\$3,792	\$3,887
4	\$3,191	\$3,270	\$3,351	\$3,435	\$3,521	\$3,611	\$3,699	\$3,792	\$3,887	\$3,984
5	\$3,270	\$3,351	\$3,435	\$3,521	\$3,611	\$3,699	\$3,792	\$3,887	\$3,984	\$4,084
6	\$3,351	\$3,435	\$3,521	\$3,611	\$3,699	\$3,792	\$3,887	\$3,984	\$4,084	\$4,184
7	\$3,435	\$3,521	\$3,611	\$3,699	\$3,792	\$3,887	\$3,984	\$4,084	\$4,184	\$4,290
8	\$3,521	\$3,611	\$3,699	\$3,792	\$3,887	\$3,984	\$4,084	\$4,184	\$4,290	\$4,398
9	\$3,611	\$3,699	\$3,792	\$3,887	\$3,984	\$4,084	\$4,184	\$4,290	\$4,398	\$4,508
10	\$3,699	\$3,792	\$3,887	\$3,984	\$4,084	\$4,184	\$4,290	\$4,398	\$4,508	\$4,621
11	\$3,792	\$3,887	\$3,984	\$4,084	\$4,184	\$4,290	\$4,398	\$4,508	\$4,621	\$4,736
12	\$3,887	\$3,984	\$4,084	\$4,184	\$4,290	\$4,398	\$4,508	\$4,621	\$4,736	\$4,855
13	\$3,984	\$4,084	\$4,184	\$4,290	\$4,398	\$4,508	\$4,621	\$4,736	\$4,855	\$4,976
14	\$4,084	\$4,184	\$4,290	\$4,398	\$4,508	\$4,621	\$4,736	\$4,855	\$4,976	\$5,100
15	\$4,184	\$4,290	\$4,398	\$4,508	\$4,621	\$4,736	\$4,855	\$4,976	\$5,100	\$5,227
16	\$4,290	\$4,398	\$4,508	\$4,621	\$4,736	\$4,855	\$4,976	\$5,100	\$5,227	\$5,358
17	\$4,398	\$4,508	\$4,621	\$4,736	\$4,855	\$4,976	\$5,100	\$5,227	\$5,358	\$5,492
18	\$4,508	\$4,621	\$4,736	\$4,855	\$4,976	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629
19	\$4,621	\$4,736	\$4,855	\$4,976	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770
20	\$4,736	\$4,855	\$4,976	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914
21	\$4,855	\$4,976	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062
22	\$4,976	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,212
23	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,212	\$6,369
23a	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,401	\$6,559
24	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,212	\$6,369	\$6,528
24a	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,401	\$6,559	\$6,724
25	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,212	\$6,369	\$6,528	\$6,691
25a	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,401	\$6,559	\$6,724	\$6,892
26	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,212	\$6,369	\$6,528	\$6,691	\$6,859
26a	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,401	\$6,559	\$6,724	\$6,892	\$7,064
27	\$5,629	\$5,770	\$5,914	\$6,062	\$6,212	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030
27a	\$5,798	\$5,943	\$6,092	\$6,244	\$6,401	\$6,559	\$6,724	\$6,892	\$7,064	\$7,242
28	\$5,770	\$5,914	\$6,062	\$6,212	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206
28a	\$5,943	\$6,092	\$6,244	\$6,401	\$6,559	\$6,724	\$6,892	\$7,064	\$7,242	\$7,422
29	\$5,914	\$6,062	\$6,212	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386
29a	\$6,092	\$6,244	\$6,401	\$6,559	\$6,724	\$6,892	\$7,064	\$7,242	\$7,422	\$7,608
30	\$6,062	\$6,212	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,569
31	\$6,212	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,569	\$7,758
32	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,569	\$7,758	\$7,954
32a	\$6,559	\$6,724	\$6,892	\$7,064	\$7,242	\$7,422	\$7,608	\$7,798	\$7,993	\$8,193
33	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,569	\$7,758	\$7,954	\$8,153
34	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,569	\$7,758	\$7,954	\$8,153	\$8,357
35	\$6,859	\$7,030	\$7,206	\$7,386	\$7,569	\$7,758	\$7,954	\$8,153	\$8,357	\$8,565
36	\$7,030	\$7,206	\$7,386	\$7,569	\$7,758	\$7,954	\$8,153	\$8,357	\$8,565	\$8,781
37	\$7,206	\$7,386	\$7,569	\$7,758	\$7,954	\$8,153	\$8,357	\$8,565	\$8,781	\$8,999
38	\$7,386	\$7,569	\$7,758	\$7,954	\$8,153	\$8,357	\$8,565	\$8,781	\$8,999	\$9,224
39	\$7,569	\$7,758	\$7,954	\$8,153	\$8,357	\$8,565	\$8,781	\$8,999	\$9,224	\$9,455
40	\$7,758	\$7,954	\$8,153	\$8,357	\$8,565	\$8,781	\$8,999	\$9,224	\$9,455	\$9,691

41	\$7,954	\$8,153	\$8,357	\$8,565	\$8,781	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933
42	\$8,153	\$8,357	\$8,565	\$8,781	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182
43	\$8,357	\$8,565	\$8,781	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,435
44	\$8,565	\$8,781	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,435	\$10,698
45	\$8,781	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,435	\$10,698	\$10,963
46	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,435	\$10,698	\$10,963	\$11,239
47	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,435	\$10,698	\$10,963	\$11,239	\$11,520
48	\$9,455	\$9,691	\$9,933	\$10,182	\$10,435	\$10,698	\$10,963	\$11,239	\$11,520	\$11,808
49	\$9,691	\$9,933	\$10,182	\$10,435	\$10,698	\$10,963	\$11,239	\$11,520	\$11,808	\$12,103
50	\$9,933	\$10,182	\$10,435	\$10,698	\$10,963	\$11,239	\$11,520	\$11,808	\$12,103	\$12,404
51	\$10,182	\$10,435	\$10,698	\$10,963	\$11,239	\$11,520	\$11,808	\$12,103	\$12,404	\$12,715
52	\$10,435	\$10,698	\$10,963	\$11,239	\$11,520	\$11,808	\$12,103	\$12,404	\$12,715	\$13,033
53	\$10,698	\$10,963	\$11,239	\$11,520	\$11,808	\$12,103	\$12,404	\$12,715	\$13,033	\$13,359
53a	\$11,017	\$11,294	\$11,577	\$11,865	\$12,162	\$12,464	\$12,777	\$13,097	\$13,424	\$13,760
54	\$10,963	\$11,239	\$11,520	\$11,808	\$12,103	\$12,404	\$12,715	\$13,033	\$13,359	\$13,693
55	\$11,239	\$11,520	\$11,808	\$12,103	\$12,404	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035
56	\$11,520	\$11,808	\$12,103	\$12,404	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386
57	\$11,808	\$12,103	\$12,404	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746
58	\$12,103	\$12,404	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115
59	\$12,404	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,493
60	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,493	\$15,881
61	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,493	\$15,881	\$16,278
62	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,493	\$15,881	\$16,278	\$16,684
63	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,493	\$15,881	\$16,278	\$16,684	\$17,099
64	\$14,035	\$14,386	\$14,746	\$15,115	\$15,493	\$15,881	\$16,278	\$16,684	\$17,099	\$17,529
65	\$14,386	\$14,746	\$15,115	\$15,493	\$15,881	\$16,278	\$16,684	\$17,099	\$17,529	\$17,967
66	\$14,746	\$15,115	\$15,493	\$15,881	\$16,278	\$16,684	\$17,099	\$17,529	\$17,967	\$18,416
67	\$15,115	\$15,493	\$15,881	\$16,278	\$16,684	\$17,099	\$17,529	\$17,967	\$18,416	\$18,876
68	\$15,493	\$15,881	\$16,278	\$16,684	\$17,099	\$17,529	\$17,967	\$18,416	\$18,876	\$19,348
69	\$15,881	\$16,278	\$16,684	\$17,099	\$17,529	\$17,967	\$18,416	\$18,876	\$19,348	\$19,832
70	\$16,278	\$16,684	\$17,099	\$17,529	\$17,967	\$18,416	\$18,876	\$19,348	\$19,832	\$20,329

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M E M O

TO: Board of Directors
FROM: Fiscal Policy and Insurance (FP&I) Committee
DATE: June 28, 2021
SUBJECT: Adopt the District Fiscal Year 2021-22 Recommended Annual Budget

Purpose

Consider the District's Fiscal Year 2021-22 Recommended Annual Budget (Budget) for approval (Attachment A). The District's Fiscal Year 2021-22 Budget Resolution (Attachment B) includes the appropriations for operations and capital improvement projects for the upcoming fiscal year. In addition, the District's Administrative Code will be amended, as shown in Attachment C, to reflect the Fiscal Year 2021-22 Readiness-To-Service (RTS) Charge, which is a Metropolitan Water District (MWD) charge passed through to the District by the San Diego County Water Authority (SDCWA). This charge is a fiscal year charge and is effective July 1, 2021.

Summary

The Fiscal Policy and Insurance Committee (Committee) has met and reviewed the Budget on April 21, 2021, May 18, 2021 and June 10, 2021. During these meetings, the Committee conducted a detailed line item review of the District's budgeted expenditures and revenues and identified cost savings opportunities. The attached Budget reflects these changes.

	FY 2019-20	FY 2020-21		FY 2021-22	Bgt to Bgt
	Actuals	Budget	Projected	Recommended	% Change
Cost of Water	12,663,006	14,012,905	13,958,710	11,547,729	-17.6%
Debt Service	2,761,290	3,563,048	3,137,523	3,685,471	3.4%
Salaries	5,459,032	5,316,951	5,174,700	5,716,546	7.5%
Non-Labor Expense	4,407,278	4,515,332	4,300,633	6,667,765	47.7%
Operating Expense Total	25,290,607	27,408,236	26,571,566	27,617,511	0.8%
Benefits Expenditures (Ops)	2,994,316	3,625,254	3,625,254	3,874,164	6.9%
Total	\$28,284,922	\$31,033,489	\$30,196,819	\$ 31,491,675	1.5%

As shown in the summary table above, the Recommended Fiscal Year 2021-22 Budget is 1.5% higher than the prior budget. The primary driver of the increase the costs associated with the operating costs of the District's new Santa Margarita Groundwater Treatment Plant (SMGTP), which is expected to be operational by the end of 2021.

Attachment D provides the detailed operating budget tables with line item budget to budget changes greater than ±5% indexed (Far right column) to a user guide that provides details on the driver of the change. This information will also be summarized during the Budget presentation.

The District strives to make the Budget an understandable and transparent document in line with industry best management practices. The District's reformatted Fiscal Year 2018-19, 2019-20 and 2020-21 Adopted Budgets received the California Society of Municipal Finance Officers' Operating Budget Excellence Award and the Governmental Finance Officers Association's Distinguished Budget Presentation Award. The receipt of these awards illustrates the significant progress made by the District towards greater fiscal transparency and prudent financial management.

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

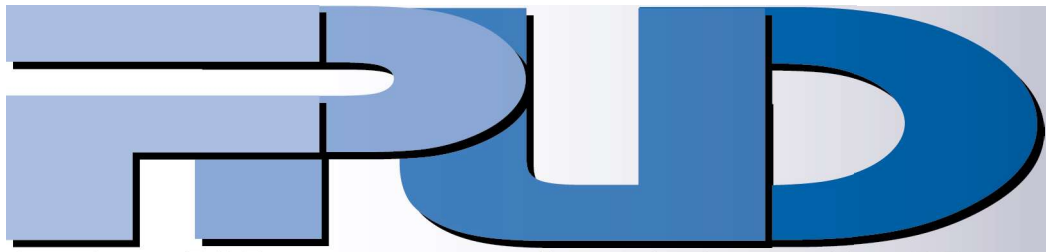
Board actions in June include:

- **Adopting the Budget Resolution** – This approves the Budget and authorizes the General Manager subject to the limitations provided in the resolution to execute the Budget and operate the District;
- **Administrative Code Amendment** – MWD has adopted its Fiscal Year 2021-22 RTS charge and SDCWA has published the draft monthly charge to the District. This action passes through the reduction in the RTS to customers effective for water use beginning on July 1, 2021.

Recommended Action

That the Board adopt Resolution No. 5011 adopting the final budget for Fiscal Year 2021-22 and adopt Resolution No. 5012 amending the Administrative Code to reflect the new RTS charge.

Attachment A



Fallbrook Public Utility District



Fallbrook Public Utility District Fiscal Year 2021-22 Recommended Annual Budget

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Fallbrook Public Utility District

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



Current Board of Directors:

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

District Management:

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

Acknowledgment: District Management would like to thank Jodi Brown, Aaron Cook, Mick Cothran, Noelle Denke, Kevin Collins, Mickey Case, Jason Cavender, Larry Ragsdale, Kyle Drake, Owni Toma, Steve Stone, Veronica Tamzil, Annalece Bokma, Kelly Laughlin and Lisa Chaffin for their support in preparing this document.

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Board of Directors

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Jennifer DeMeo
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Don McDougal
Division 4

Charley Wolk
Division 5

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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

June 28, 2021

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

Budget Message

Enclosed is the Fiscal Year 2021-22 Recommended Operating and Capital Budget (Budget) for the Fallbrook Public Utility District (District). The District is focused on executing the Board of Directors' goals and objectives through the continued implementation of the District Strategic Plan, which is included at the beginning of the Budget document. These objectives help the District meet its overall objective, which is to benefit the community of Fallbrook by leveraging sound business practices to provide efficient and reliable services. The Budget presented here supports these goals and objectives.

Overcoming Challenges

This year was fraught with 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. 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 approximately 40% of the District's water enterprise operating costs. With SDCWA facing operational challenges from declining water demands and the additional costs from the potential 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.



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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.

Having recently settled over 66 years of water rights litigation with Camp Pendleton Marine Corps Base, the Santa Margarita River Conjunctive Use Project (SMRCUP) has secured a local water supply for the District. This major achievement will provide all future District ratepayers long-term rate relief from increasing water costs at the local wholesale and State levels. The settlement has allowed the District to quickly move forward with the construction of the Santa Margarita Groundwater Treatment Plant (SMGTP). This project is currently under construction and is scheduled to begin producing water by the end of 2021. 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 cheaper than water purchased from SDCWA.

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 been made, but this is a long-term program to meet the future replacement needs.

Continuous Improvement

We also understand that this pandemic has added an additional financial burden to our ratepayers, many of whom were already struggling with the increasing cost of water. This year the District was able to leverage all of the hard work done to enhance its financial management and reporting practices into rate payer savings by executing a public debt offering and refinancing a wastewater loan. The refinancing saved rate payers \$1.6 million on a present value basis. Over the past three years, the District’s Annual Budget and Comprehensive Annual Financial Report (CAFR) have received awards for





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excellence from the Governmental Finance Officers Association (GFOA). This enhanced financial transparency enabled the District’s wastewater system to secure a credit rating from Standard and Poor’s (S&P). With a rating of A+, the District’s bonds are considered investment grade with a strong capacity to repay. The District realizes that while small, savings like this add up and help lessen the financial burden our ratepayers face.

Looking Forward

On May 3, 2021, the District opened its doors for in person service after being closed for over a year. While the social and economic impacts of the pandemic will continue, there is hope things will return to pre-pandemic conditions in the near future. The District is committed to supporting its rate payers by helping them access any available economic relief and get through these hard times. The District is also focused on lowering its wholesale water costs by changing the Districts wholesale provider. While this effort will be politically challenging, it has the potential to provide our customers with immediate and substantial rate relief.

During this Budget cycle, the District is taking the final step towards a higher level of water independence by commissioning the SMGTP. With the SMGTP operating, the District’s operating costs change to now include all the costs of producing and pumping treated water. This means that less money will be sent to SDCWA for water purchases providing both short and long term net rate payer savings. As we head into the new fiscal year, California is again faced by drought. The District is preparing for potential water use restrictions to ensure the highest level of water supply reliability possible for rate payers.

Jack Bebee
General Manager

David Shank
Assistant General Manager/CFO



Budget in Brief

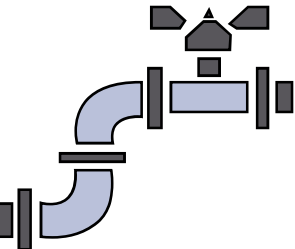
Fiscal Year 2020-21 Accomplishments

- Maintained the Santa Margarita Groundwater Treatment Plant (SMGTP) Project construction schedule with a continued goal of beginning deliveries of approximately 50% of our supply by 2022.
- Key pipeline replacement projects to maintain system reliability and improve the methodology for evaluating and prioritizing projects have been completed.
- Continue progress on replacing meters with smart meters (Advanced Metering Infrastructure (AMI) meters) and continue outreach to customers on how these meters can help them better monitor and reduce water use and water costs.
- Digitized all customer files for electronic access streamlining account management.
- Implemented a computerized maintenance management system that is integrated with the District's GIS to enhance system operations and maintenance.
- Continue to move the District's LAFCO initiatives forward and complete the detachment negotiations with the San Diego County Water Authority (SDCWA).
- Pursued power storage grant opportunities to reduce the District's operating costs.
- The District's Comprehensive Annual Financial Report (CAFR) and an annual budget document that received the Government Financial Officers Association's (GFOA) Excellence in Financial Reporting and Distinguished Budget Presentation Award and California Society of Municipal Finance Officers (CSMFO) Operating Budget Excellence Award.
- Received the District Transparency Certificate of Excellence from the Special District Leadership Foundation.
- Reduced the loan amount for the SMGTP by using funds refunded to the District by SDCWA to pay a portion of the projects costs. This saved rate payers \$275,000 over the life of the loan.

Fiscal Year 2021-22 Goals

The Key Goals for the upcoming year include:

- Start-up and operate the District's new Santa Margarita Groundwater Treatment Plant (SMGTP) with a goal of producing approximately 50% of the District's treated water supply.
- Develop and execute an operating plan for SMGTP that optimizes operations and minimizes costs.
- Complete key pipeline replacement projects to maintain system reliability and improve the methodology for evaluating and prioritizing projects.
- Complete project of replacing meters with smart meters (Advanced Metering Infrastructure (AMI) meters) replacement project and continue outreach to customers on how these meters can help them better monitor and reduce water use and water costs.
- Complete a review of the billing and banking systems to assess cost savings opportunities and operation enhancement that might be realized.
- Continue to move the District's LAFCO initiatives forward and complete the detachment negotiations with the San Diego County Water Authority (SDCWA).
- Produce a Comprehensive Annual Financial Report (CAFR) and an annual budget document that meet the Government Financial Officers Association's (GFOA) Excellence in Financial Reporting and Distinguished Budget Presentation Awards.



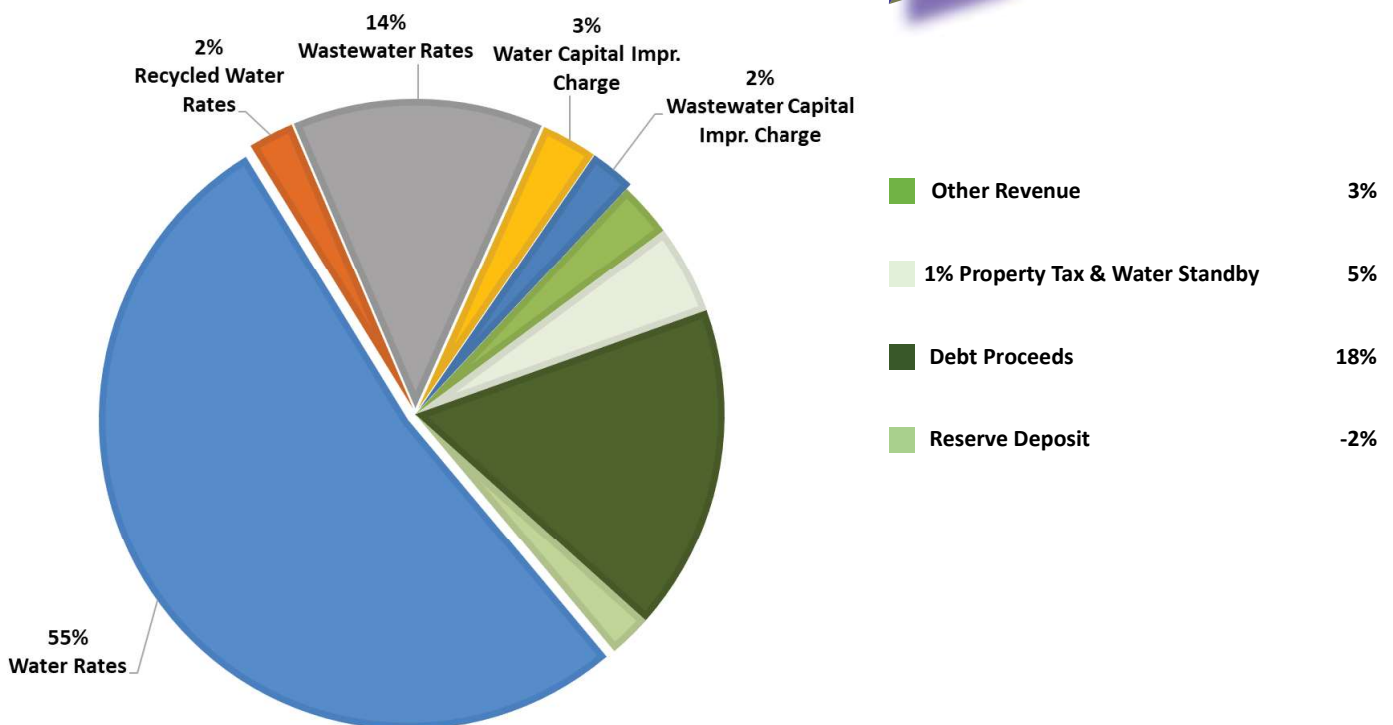
Continue projects to replace key pipelines and valves to reduce water outages and blowouts.

Sources of Funds

The water, recycled water and wastewater systems combined operating and non-operating revenues and net fund withdrawals are budgeted to be sufficient to fund the budgeted uses of funds. Fiscal Year 2020-21 was the first year water sales increased year-over-year due to dry conditions. With current sales tracking the District’s projected long-term average water sales levels, the water sales level this budget cycle is held constant. The water, recycled water and wastewater rate increases for the Budget are up to 8%, 8%, and 4.5%, respectively, for Calendar Year 2022 and were approved during the Proposition 218 process in 2017. While these increases are in-line with the financial plan adopted by the Board in 2018, the Board will take action to adopt Calendar Year 2022 rates and charges in December of 2021. When the Board takes action on rates and charges, it will take into account the economic impact the pandemic has had on the service area and strive to mitigate rate increases.

Chart 1 shows a breakdown of the District’s \$47.2 million budgeted sources of funds. Rate and charge revenues make up 76% of the District’s total budgeted sources of funds. In addition, the District is going to be drawing down its State Revolving Funds (SRF) loan and using the proceeds to pay for the SMGTP. Net fund deposits from reserves are budgeted this year. The District plans to fund renewal and replacement Capital Improvement Program (CIP) with cash on a Pay-As-You-Go (PAYGO) basis.

Chart #1 - Sources of Revenue Fiscal Year 2021-22
Total Revenue \$47,229,674



Use of Funds

Now that the District’s local supply of water will be available for delivery to customers, the costs related to the operations of the SMGTP are increasing the District’s Operating Costs. While treatment and pumping are increasing Operating Costs, Water Purchases costs from the San Diego County Water Authority (SDCWA) are decreasing. The result is a reduced water bill from SDCWA offsetting the Operating Cost increases as we are now producing our own local water. There are 2.2 additional Full-Time Equivalent (FTE) positions included in the Fiscal Year 2021-22 Recommended Budget. This brings the FTE count up from 66.8 FTEs to 69 FTEs. Staff evaluated the most cost-effective approach to operating the SMGTP that also optimized existing staffing resources. The recommendation from the Engineering and Operations Committee was to shift some operator responsibilities to utility worker positions and re-structuring the District’s maintenance approach. This optimizes existing System Operator position functions and requires only adding one additional System Operator. Two Utility Worker positions assume the select operator tasks. The lower cost Utility Worker positions allowed for deletion of a higher cost Utility Technician position. This optimized both staffing and minimized the cost to operate the SMGTP. The budget for the SMGTP is contained in the new Water Services Treatment Division. Overall the Operating Cost increase is 1.5%. The increase is driven by the SMGTP.

San Diego County Water Authority is increasing its treated water rate by 6.8% in CY 2022, pushing the District’s water supply costs higher.

Table #1 - Overview of Total Services’ Operating Budget

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Cost of Water	\$ 12,663,006	\$ 14,012,905	\$ 13,958,710	\$ 11,547,729	-17.6%
Debt Service	2,761,290	3,563,048	3,137,523	3,685,471	3.4%
Total Labor*	5,459,032	5,316,951	5,174,700	5,716,546	7.5%
Total Non-Labor	4,407,278	4,515,332	4,300,633	6,667,765	47.7%
Total Labor and Non-Labor Expenses	\$ 25,290,607	\$ 27,408,236	\$ 26,571,566	\$ 27,617,511	0.8%
Benefits Expenses	2,994,316	3,625,254	3,625,254	3,874,164	6.9%
Total Expenses	\$ 28,284,922	\$ 31,033,489	\$ 30,196,819	\$ 31,491,675	1.5%

* Total Labor does not include District’s Benefits



Recycled water program



Pipeline relining program

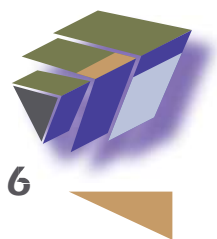
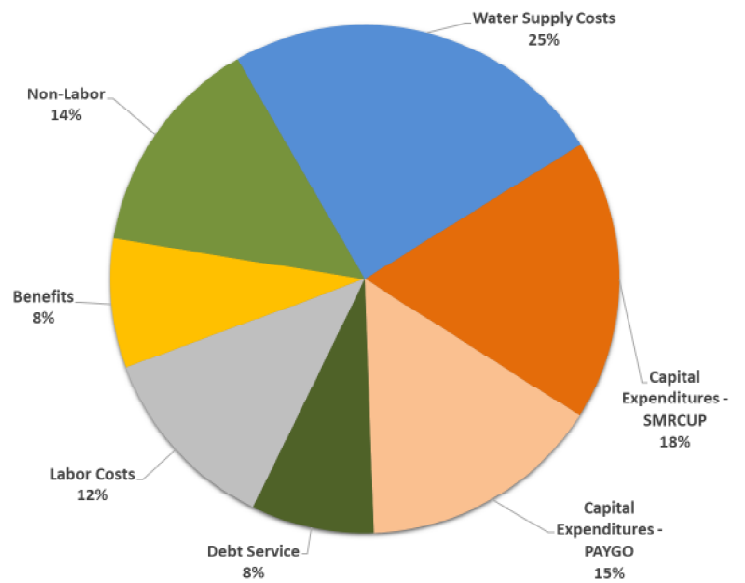


Chart 2 shows the breakdown of the District’s total use of funds. Labor related uses of funds represent 20% of the District’s budgeted uses of funds. Eighty percent of the District’s uses of funds are for non-labor related expenditures. Water supply costs are the District’s single largest ongoing use of funds. Fifty-four percent of the CIP expenditures are due to SMRCUP and funded with a SRF loan.

Chart #2 - Uses of Funds Fiscal Year 2021-22
Total Uses of Funds \$47,229,674



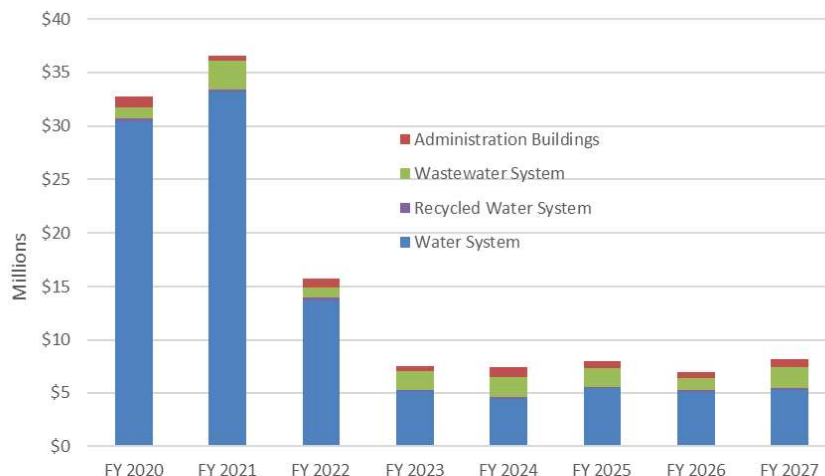
Capital Budget

The District has implemented a capital program to improve the overall reliability of the water, wastewater and recycled systems. The most significant on-going component of the capital program is the replacement of aging infrastructure. In addition to rehabilitation, the construction of the \$66.2 million SMGTP is expected to be completed in Fiscal Year 2021-22 and will be the most significant single project for the next 15-20 years. The SMGTP will provide a long-term cost effective local water supply. The SMGTP is funded with a SRF loan. Chart 3 shows the annual CIP expenditures by project type. Other projects are shown. The Capital Budget for Fiscal Year 2021-22 is \$15.7 million, with \$8.5 million funded with a SRF Loan.

SDCWA Rate Lawsuit Rebate

The Board has elected to use the refunded overpayment from SDCWA to fund a portion of the SMGTP. The \$909,412.67 received reduces the loan amount for SMGTP, which saves water rate payers approximately \$275,000 over the life of the loan.

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



Financial Summaries

This year, as shown in the updated financial projections for Fiscal Year 2021-22 in Table 2, the District is projecting a deposit to reserves. Looking forward, the District has made a significant reduction in the projected water sales level due to a persistent trend of lower annual water sales. SDCWA, the District’s water wholesaler, continues to increase the region’s cost of water due to its high cost water supply mix that is comprised of water transfer deliveries from the Imperial Irrigation District (IID) and its purchase contract with Poseidon Resources. The District is pursuing detachment from SDCWA and annexation into Eastern Municipal Water District (EMWD) to save the District water users over 30% on their water costs. EMWD offers the District a reliable alternative wholesaler to SDCWA at a significantly lower cost. Chart 4 illustrates the per unit savings that the District would realize by purchasing its water from EMWD and shows EMWD maintains a lower average annual increase. As shown in the financial projections in Table 2, a budgeted reserve deposit of \$1.1 million is planned. Chart 5 shows the District’s reserve balances are expected to remain relatively stable but below the target fund levels. The District is projected to maintain a debt service coverage level in excess of its required 1.2x.

Chart #4 - District’s Estimated Wholesale Water Costs

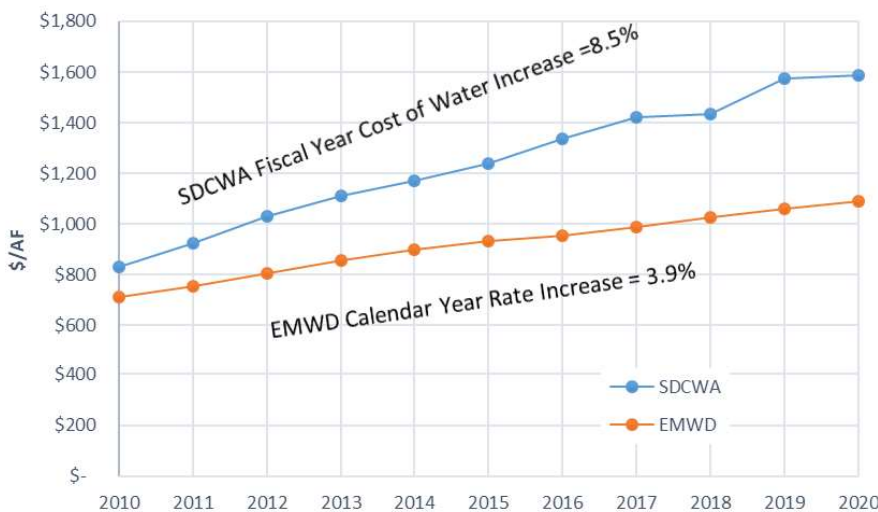


Chart #5 - District’s Fund Balances and Target Balance Level

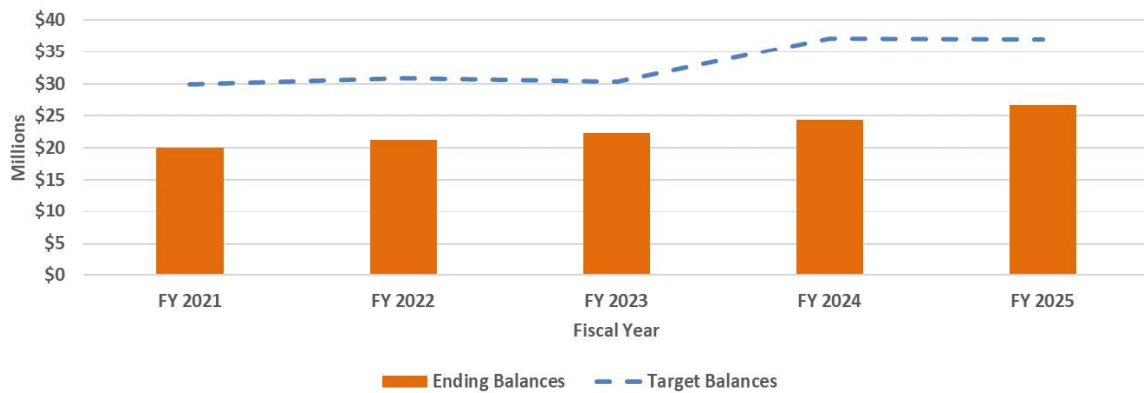


Table #2 - Fallbrook Public Utility District's Financial Summary

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenues					
Revenue from Rates					
Water	\$ 24,099,177	\$ 25,883,905	\$ 27,700,339	\$ 29,377,746	\$ 31,156,721
Recycled Water	1,168,084	1,175,173	1,254,808	1,330,097	1,409,903
Wastewater	6,168,490	6,469,183	6,760,297	7,064,510	7,382,413
Subtotal Revenue from Rates	\$ 31,435,751	\$ 33,528,261	\$ 35,715,444	\$ 37,772,353	\$ 39,949,037
Other Operating Revenue Subtotal	\$ 809,217	\$ 823,567	\$ 893,044	\$ 951,516	\$ 997,084
Non-Operating Revenue	\$ 5,535,975	\$ 5,546,087	\$ 5,619,908	\$ 5,760,356	\$ 5,911,047
Total Revenues	\$ 37,780,943	\$ 39,897,916	\$ 42,228,396	\$ 44,484,225	\$ 46,857,168
Total Operating Expenses					
	\$ 27,059,297	\$ 27,806,204	\$ 28,123,324	\$ 29,575,614	\$ 30,932,778
Net Operating Revenues	\$ 10,721,646	\$ 12,091,712	\$ 14,105,072	\$ 14,908,611	\$ 15,924,390
Total Debt Service	\$ 3,137,523	\$ 3,685,471	\$ 5,419,756	\$ 5,419,502	\$ 5,422,004
Total Capital Expenditures					
	\$ 36,595,000	\$ 15,738,000	\$ 7,590,686	\$ 7,459,018	\$ 8,038,361
Total Expenditures					
	\$ 66,791,820	\$ 47,229,674	\$ 41,133,766	\$ 42,454,135	\$ 44,393,143
SRF Loan Proceeds	\$ 30,500,000	\$ 8,450,000	\$ -	\$ -	\$ -
Change in Net Position *	\$ 1,489,123	\$ 1,118,241	\$ 1,094,630	\$ 2,030,090	\$ 2,464,025
Beginning Balances	\$ 18,560,207	\$ 20,049,330	\$ 21,167,571	\$ 22,262,201	\$ 24,292,291
Ending Balances	\$ 20,049,330	\$ 21,167,571	\$ 22,262,201	\$ 24,292,291	\$ 26,756,316

*Change in net position is Total Revenues minus Total Expenditures plus SRF Loan Proceeds.

Budget User Guidance*

The District's Fiscal Year 2021-22 Recommended Budget is organized and presented in a manner to better communicate the District's financial operations. Through enhanced transparency stakeholders will be better able to understand the District's costs and cost structure. The budget sections and a summary of the information provided in them is provided below:

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

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

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

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

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

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

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

* Tables may not foot due to rounding.

DISTINGUISHED BUDGET PRESENTATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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Award*

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**Fallbrook Public Utility District
California**

For the Fiscal Year Beginning

July 1, 2020

Christopher P. Morill

Executive Director

OPERATING BUDGET EXCELLENCE AWARD



DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE

OUR COMMITMENT TO TRANSPARENCY



**DISTRICT
TRANSPARENCY
CERTIFICATE OF
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2020

About the District

History

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



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

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

Service Area / STATISTICS

- 44 square-mile service area
- Population: 32,000
- 9,300 water customers
- 5,000 sewer customers
- 30 recycled water customers
- 69 employees budgeted
- \$29 million operating revenues
- \$180 million in total assets
- 8,100 acre-feet sold annually

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.

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

Back when the District used to produce some of its water from the Santa Margarita River, it did so using a small pump in the river, under a direct diversion license from the state of California. In 1948, additional water permits were obtained for diversion facilities and construction of a proposed 150-foot dam that would store 30,000 acre-feet of river water. The diversion works for the small pump were destroyed in 1969 by floods and was not rebuilt. Subsequently the state canceled the small-diversion license for lack of use, but the 30,000 acre-foot storage permit remained in place while the dam was being planned.

The proposed dam, and associated water supply, immediately hit some hurdles. In 1951, soon after the District had obtained water permits from the state, the federal government filed suit against the District over water rights on the river, to quiet its title to the adjudicated rights accruing to the U.S. Marine Corps Base Camp Pendleton. The lawsuit, the U.S. v. Fallbrook case, is the oldest civil case in the county. For more than 66 years, the District has been attempting to develop a permanent local water supply on the Santa Margarita River.

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

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

Fiscal Year 2021-22 marks the first year water deliveries from this landmark agreement will be delivered to the District's rate payers. To treat SMRCUP water deliveries, the District is constructing a \$66.2 million Santa Margarita Groundwater Treatment Plant (SMGTP).

Wastewater and Recycled Water History and Mergers

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



Construction progress of the SMGTP

Services

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

Water System

In the past, the District imported 99% of its potable water from the SDCWA with the remaining 1% coming from a local well. Expected to be operational by the end of 2021, the District's cost structure is changing now that it is operating and maintaining the SMGTP. While only a partial year of deliveries are expected this year from SMRCUP, the local supply will reduce the amount of water purchased from SDCWA. The District expects 37% of its Fiscal Year 2021-22 water sales to come from the plant's production. The remaining 63% will be purchased from SDCWA. The cost of the District's treatment operations is expected to be less than the cost of water supply purchases, resulting in savings for the District's rate payers starting this year.

SANTA MARGARITA GROUNDWATER TREATMENT PLANT and PUMPING STATION / STATISTICS

Fallbrook Public Utility District anticipates having this project completed in 2021 and to begin having its own cost-effective supply that same year.

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



Construction progress of the SMGTP

The District's water distribution system is comprised of 270 miles of pipeline, 6,800 valves, an ultraviolet disinfection water treatment plant, nine steel reservoirs, a 300-million-gallon treated water reservoir, five pump stations and 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 has 4 connections to the imported water system, three of the four are directed connected to MWD owned pipelines and the fourth which is currently not in use is connected to SDCWA's pipeline.

The District's five-year average annual water sales is 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 reduced from 7,000 acre-feet in Fiscal Year 2008 to 2,350 in Fiscal Year 2020.

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.

Recycled Water System

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

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

The District has received grant funding to explore development of a joint Indirect Potable Reuse Project with Camp Pendleton Marine Corps Base. The pilot project is planned to be operating during the first part of FY 2021-22.

Governance and Organizational Structure

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

Current Board of Directors:

District #1 - Dave Baxter, Vice-President

District #2 - Ken Endter

District #3 - Jennifer DeMeo, President

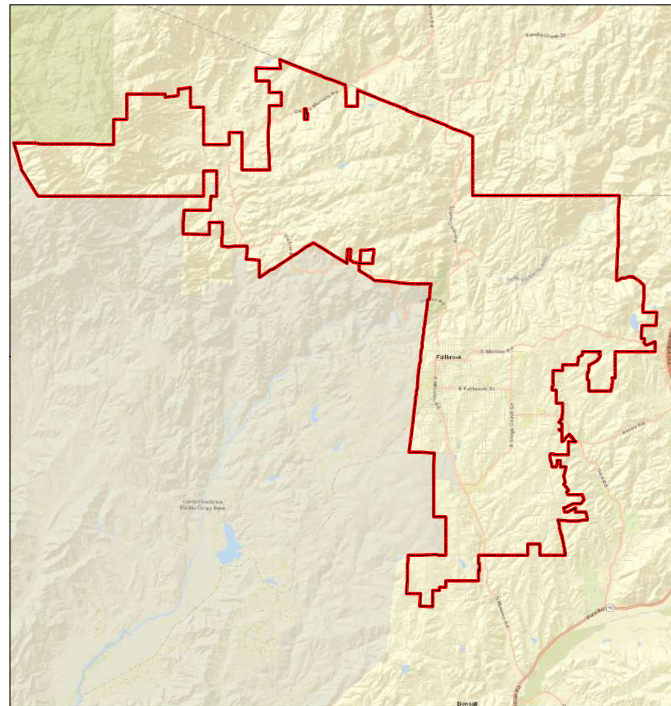
District #4 - Don McDougal

District #5 - Charley Wolk

Service Area and Local Economy

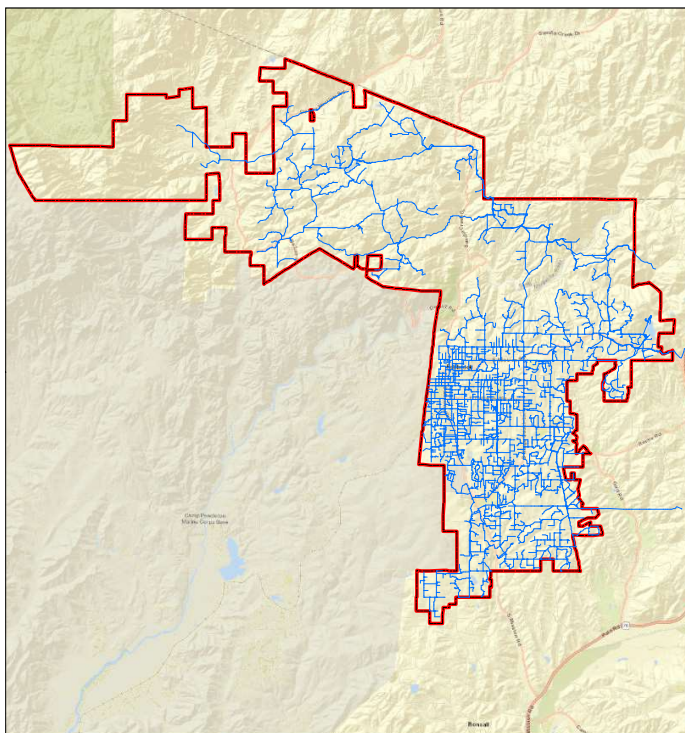
San Diego County is the second-most populous county in the state and the fifth-most populous in the United States. The District is located in the north-east region of the county and is rural in character. The District’s service area and pipeline is shown in the accompanying maps. The District is bordered 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 2019 population is estimated to be 31,701 with 11,074 households. Fallbrook’s population has remained relatively unchanged over the past several years.

Figure #1 - District Service Area



DISCLAIMER: By accepting this map, you agree that the Fallbrook Public Utility District assumes no liability or responsibility of any kind arising from use of this map. This map, its data, and any calculations associated with this map is provided without warranty of any kind.	LEGEND FALLBROOK PUBLIC UTILITY DISTRICT WATER BOUNDARY
	FALLBROOK PUBLIC UTILITY DISTRICT WATER BOUNDARY
Source: ESRI, FPUID Projection: California State Plane NAD 83 Feet, Zone 1, Epoch 1911.20 Map Created by Todd Jester (6-6-21), X:\GIS\Data - In\GIS\Project\Spec\GIS\ESTR\F\BOUNDARY\WATER_BOUNDARY_PU\ROAD	

Figure #2 - District Pipelines



DISCLAIMER: By accepting this map, you agree that the Fallbrook Public Utility District assumes no liability or responsibility of any kind arising from use of this map. This map, its data, and any calculations associated with this map is provided without warranty of any kind.	LEGEND FALLBROOK PUBLIC UTILITY DISTRICT WATER BOUNDARY WATERLINE
	FALLBROOK PUBLIC UTILITY DISTRICT WATER BOUNDARY
Source: ESRI, FPUID Projection: California State Plane NAD 83 Feet, Zone 1, Epoch 1911.20 Map Created by Todd Jester (6-6-21), X:\GIS\Data - In\GIS\Project\Spec\GIS\ESTR\F\BOUNDARY\WATER_BOUNDARY_WATERLINE\ROAD	

The median household income in Fallbrook was \$63,244, which is less than the state median of \$75,235 and slightly higher than the national average of \$62,843. As of March 2021, San Diego County’s unemployment rate was 6.9%, which is lower than the State’s 8.2%.

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.

District's Strategic Plan for FY 2021/2022

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

#1 Strategic Focus Area | Water Supply

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

Fiscal Year 2021-22 District Objectives:

1. Complete Construction and initiate startup of SMRCUP in order to begin taking delivery of local water.
2. Take all necessary steps to ensure the District's LAFCO application to switch water wholesalers and reduce water costs continues to move towards LAFCO approval and a vote of District ratepayers.
3. Continue to evaluate funding alternatives including additional grants to help support water quality treatment improvements to the SMRCUP and to expand recycled water service to increase utilization of existing supplies.
4. Complete grant funded Indirect Potable Reuse (IPR) pilot project with Camp Pendleton to lay the groundwork to increase the reliability and availability of local water supplies.

#2 Strategic Focus Area | Infrastructure

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

Fiscal Year 2021-22 District Objectives:

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

#3 Strategic Focus Area | Efficiency

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

Fiscal Year 2021-22 District Objectives:

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

#4 Strategic Focus Area | Community

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

Fiscal Year 2021-22 District Objectives:

1. Highlight all the progress made by the District through our 100 year anniversary celebration. Develop a well-attended, successful event that also highlights the key role the District plays in supporting the community.
2. Promote the District role in helping benefit the community. Expand high-school internship program through in person or virtual approach.
3. Continue to provide administrative support for the community benefit program proposal submitted to LAFCO.
4. Continue to improve customer engagement through social media and quarterly newsletters. Develop 2 additional short videos to highlight key aspects of the District.
5. Further improve the District budget to identify clearly to the public how costs are allocated and how resources are being managed. Continue to produce a CAFR and achieve a GFOA and California Society of Municipal Finance Officers (CSMFO) budget awards. Achieve District of Distinction from the California Special District's Association.

#5 Strategic Focus Area | Workforce

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

Fiscal Year 2021-22 District Objectives:

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



Budget Basis

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

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

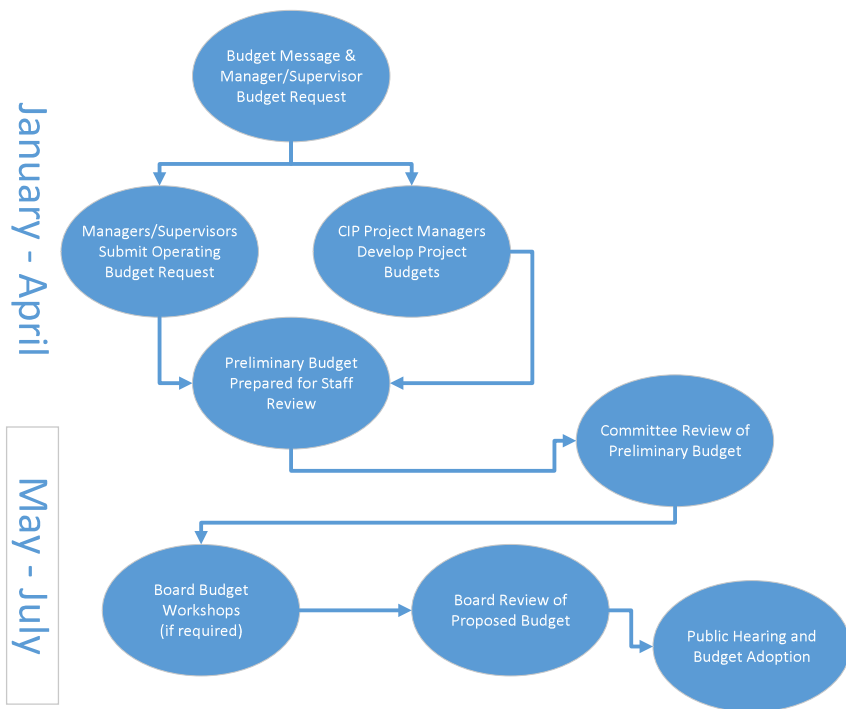
Budget adjustments are made if projects or expenditures are needed that fall outside the District’s adopted budget. These items are brought to the Board for approval and to appropriate the funds. A mid-year budget update is also provided to the Board each year to update spending trends and identify early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

Budget Process

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

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

Figure #3 - Fallbrook District’s Annual Budget Process



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

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

DISTRICT ORGANIZATIONAL CHART

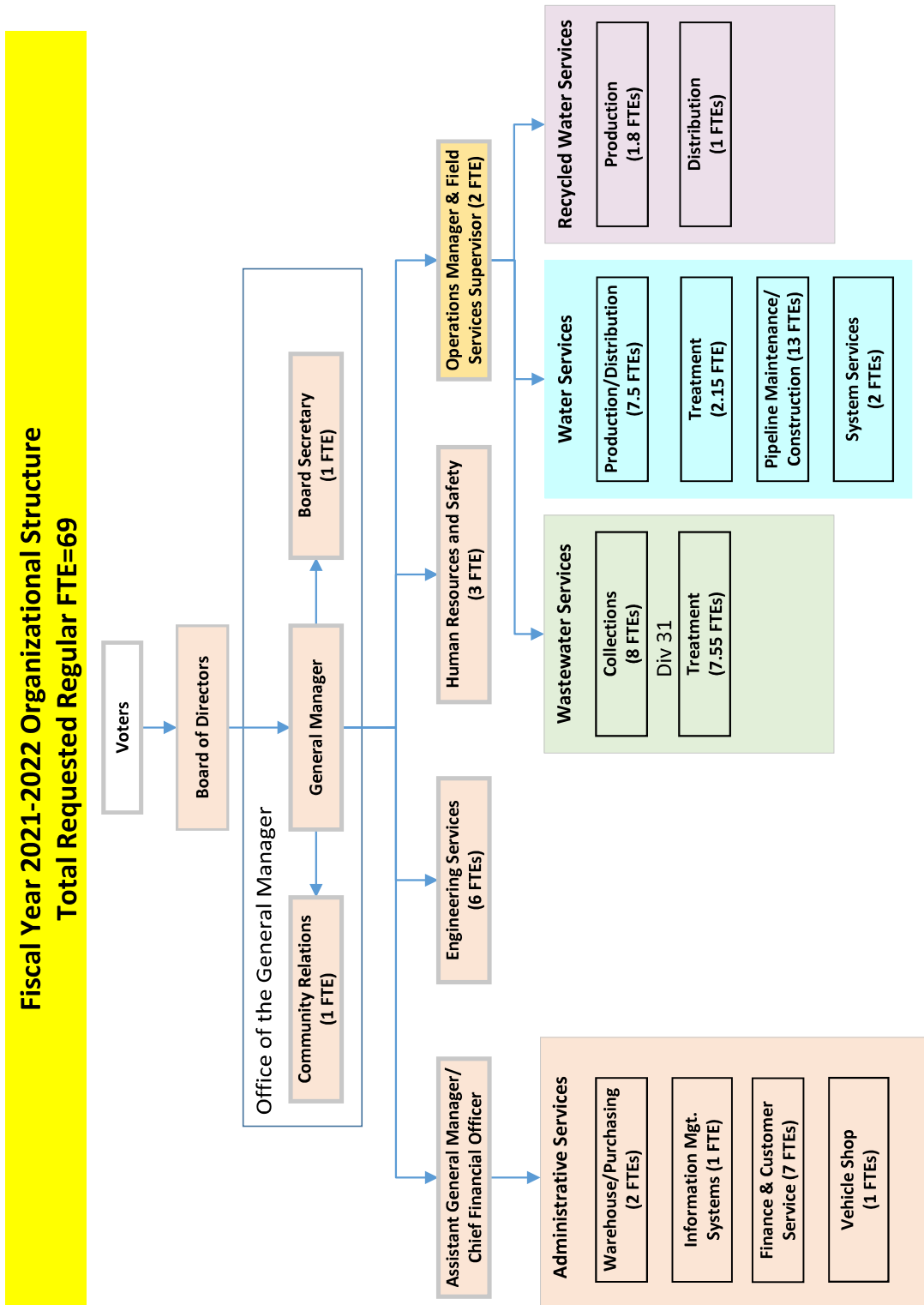
The District maintains an efficient level of staffing which requires an organizational structure that is very flat, with staff working across services and filling a variety of roles. The organizational chart provided is designed to illustrate the District’s structure and staffing levels. The Proposed Budget includes 69 Full Time Equivalent (FTE), which is 2.2 more FTEs from the previous Fiscal Year. This is due to the operational requirements of the new SMGTP. The boxes under Administrative, Water, Wastewater and Recycled Water Services represent functional groups called Divisions. However, in some cases (Human Resources & Engineering Services) a division of Administrative Services is identified separately. In these cases, the object is colored to illustrate that it is part of Administrative Services.

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

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



Figure #4 - Proposed Fiscal Year 2021-22 Organizational Structure ¹



FTE = Full-Time Equivalent

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

Fund Structure

The District's fund structure is set up to support water, wastewater and recycled water operations, and capital funding needs. Each fund is structured to receive certain revenues and fund certain expenditures. The District's working capital or operating funds receive operating and certain non-operating revenues and fund operating expenses for each of the services. The District's capital funds receive certain non-operating revenues that are restricted to capital uses and funds the District's capital expenditures, including a portion of debt service.

In 2017, the District completed the 2017 Water, Recycled Water and Wastewater Rate Study Report (Report). As part of the Report, the District's fund structure and target fund balances were re-evaluated and modified to meet future funding needs. The District's current working capital/operating structure, and a description of each fund and the fund's target balance is provided below:

Water Services Funds

Working Capital/Operating Fund: To be established and maintained at a level of three months operating and maintenance expenses including water purchases. The primary source of funds for the Operating Fund are water sales, fixed service charge and pass-through charge revenues. The Operating Fund Target for Fiscal Year 2021-22 is \$5.3 million.

Rate Stabilization Fund: To prevent "spikes" and mid-year changes in rates because of net revenue shortfalls due to weather conditions, state or federal legislation or other future uncertainties. This fund was primarily established to buffer variability of water deliveries from the SMRCUP in dry years. The target level is set equal to two years of debt service payments on the SMRCUP financing. The RSF target and balance are \$0 until the SMRCUP is operational but has been prefunded with the \$6.2 million from the sale of the District's Santa Margarita Property in Fiscal Year 2018-19.

Wastewater Services Funds

Working Capital/Operating Fund: To be established and maintained at a level of three months operating and maintenance expenses. The primary source of funds for the Operating Fund are wastewater service charges and investment earnings. The Operating Fund Target for Fiscal Year 2021-22 is \$1.5 million.

Rate Stabilization Fund: To promote smooth and predictable rates and charges, a Rate Stabilization Fund is established with a target level equal to 10% of annual revenues. The Rate Stabilization Fund Target for Fiscal Year 2021-22 is \$0.9 million.

Recycled Water Services Fund

Working Capital/Operating Fund: To be established at three months operating and maintenance expenses. The primary source of funds for the Operating Fund are water sales and fixed service charge revenues. The Operating Fund Target for Fiscal Year 2021-22 is \$0.1 million.

The District’s capital fund structure and their target balances are provided below:

Water Services Capital Fund

The primary source of funds are the Water and Pumping Capital Improvement charges, property tax and standby availability charge receipts, annexation fees, connection fees and meter fees. Target fund balance is set to the equivalent of the sum of three years of expenditures on recurring capital projects (i.e. pipeline renewal/replacement). The Fiscal Year 2021-22 target balance for the Water Capital Fund is \$17.0 million.

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

Wastewater Services Capital Fund

The primary source of funds are Wastewater Capital Improvement charges, connection fees, property tax receipts, and meter fees. Target fund balance is set to the equivalent of the sum of three years of expenditures on recurring capital projects (i.e. pipeline renewal/replacement). The Fiscal Year 2021-22 target balance for the Wastewater Capital Fund is \$5.7 million.

Recycled Water Services Capital Fund

Target fund balance is set to the equivalent of the sum of three years of expenditures on recurring capital projects (i.e. pipeline renewal/replacement). Recycled Operating Fund transfers are the primary source of funds followed by a portion of the property tax receipts. The Fiscal Year 2021-22 target balance for the Water Capital Fund is \$0.4 million.

Fund Summary

The Districts total water target fund balance (22.3 million) equals the water working capital/operating fund (5.3 million), the rate stabilization fund (0 million) and the water services capital fund (17.0 million). The total recycled water target fund balance (0.5 million) equals the recycled working capital/operating fund (0.1 million) and the recycled water services capital fund (0.4 million). The total wastewater target fund balance (8.1 million) equals the wastewater working capital/operating fund (1.5 million), the rate stabilization fund (0.9 million) and the wastewater services capital fund (5.7 million). The District’s projected Fiscal Year 2021-22 year-end balances are shown in the table below.

Table #1 - Total Fund Balances

Service	Target Balance (Millions)	Projected Fiscal Year 2021-22 Ending Balance (Millions)
Water	\$ 22.3	\$ 17.1
Recycled Water	\$ 0.5	\$ 0.5
Wastewater	\$ 8.1	\$ 3.6
Total	\$ 30.9	\$ 21.2

Other Funds Maintained by the District

Section 115 Pension and OPEB Trust Fund

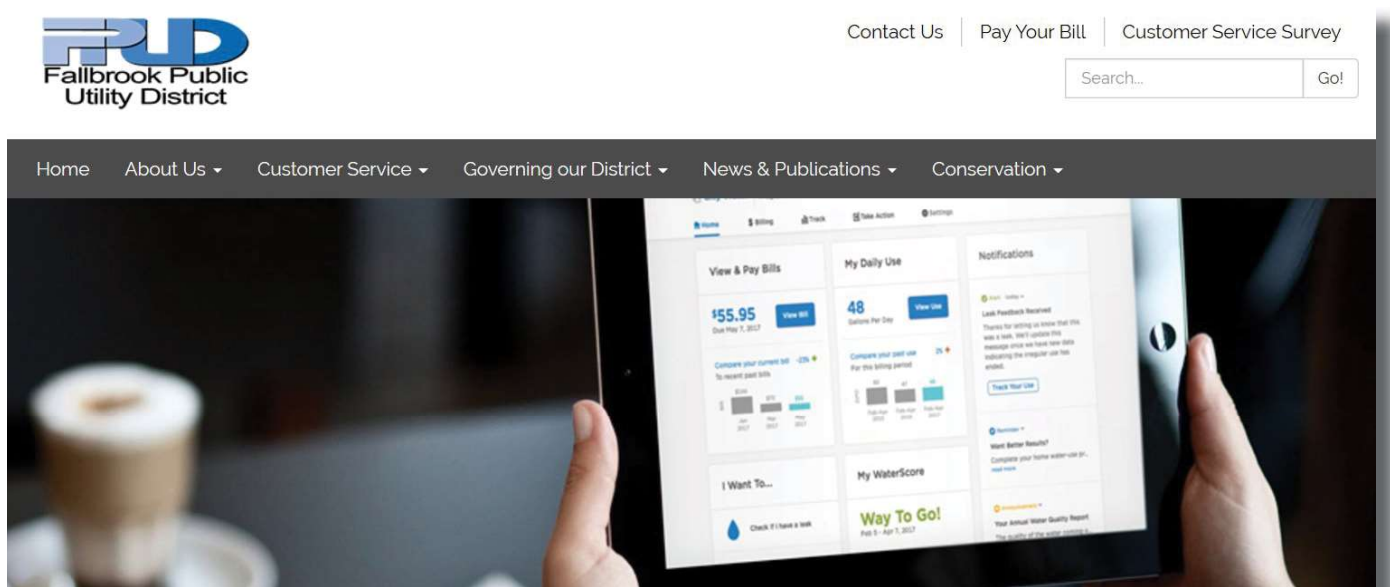
This fund was set up in Fiscal Year 2016-17 as an irrevocable trust established for the benefit of the pension and Other Post-Employment Benefits (OPEB) beneficiaries. The fund is managed by Public Agency Retirement Services (PARS) and is restricted in its use to funding pension and OPEB expenditures. The funds restricted for OPEB and pension costs are tracked in the fund. The fund balance was \$9.8 million on April 30, 2021. The District OPEB obligation is nearly fully funded and no additional contributions will be made this budget. The District has developed a strategy to use returns from the fund to help off-set on-going OPEB costs. Details on the District’s pension and OPEB obligations are provided in Appendix D.

District’s Financial Management Policies

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

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

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



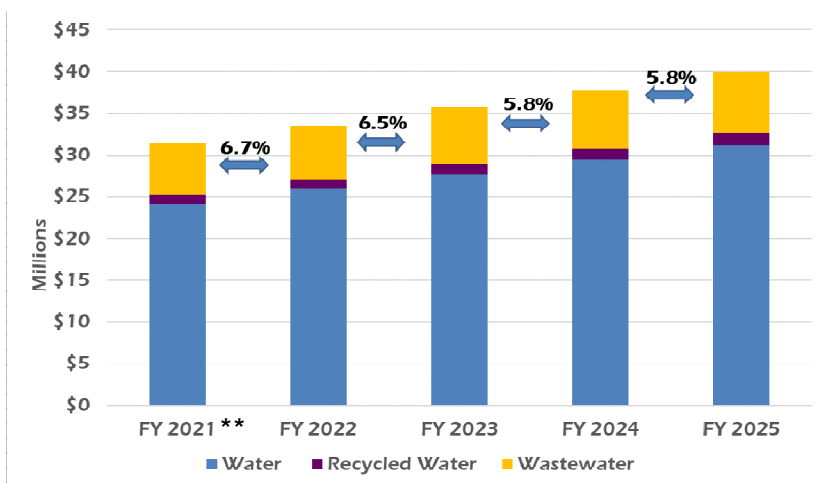
Financial Summaries

The rate and charge increases included in the projections are in line with the increases approved by the Board in December 2017 as part of the 2017 Water, Recycled Water and Wastewater Rate Study Report and Proposition 218 process. Table 1 shows the approved increases through 2022. A similar increase is assumed for Calendar Years 2023, 2024 and 2025, but a rate and charge study will be conducted to determine the actual rate increases. Because the rate and charge increases are effective for a calendar year, the impact of a rate increase spans two fiscal years. The projections take this into account and show revenues on a fiscal year basis with the underlying rate increases. The Board will set the Calendar Year 2022 rates and charges in December 2021. Since no decision on the rate and charge increases has been made at this time, the Budget uses the approved rate and charge increases for Calendar Year 2022 and similar increases thereafter to project revenues. Chart 1 shows the projected increase in revenues due to the rate adjustments. The large increase in Fiscal Year 2020-2021 is driven by a return to average water sales levels. **Appendix A provides the detailed revenue, expense and fund balance projections for Water, Recycled Water and Wastewater operations.**

Table #1 - Prop 218 Board Approved Maximum Rate Increases CY 2019-22

	CY 2019	CY 2020	CY 2021	CY 2022
Water Rate increase				
Approved Increase	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%
Wastewater Rate increase				
Approved Increase	(up to) 4.5%	(up to) 4.5%	(up to) 4.5%	(up to) 4.5%
Recycled Water Rate increase				
Approved Increase	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%

Chart #1 - Projected Total Rate Revenues *



Looking Forward

The economic impacts and duration of the pandemic are still unknown. While the Budget uses rate and charge increases in line with the Board’s financial plan, the Board will take action to set rates in December 2021. At that time, both the economic impacts and duration of the pandemic will be more clear. The Board will take these factors into consideration when adopting rates and charges and may elect to defer projects to mitigate rate increases.

* Total Rate Revenue increases shown

** Projected revenues based upon current District sales projections

This section provides an overview of the Districts overall projected financial operations. Table 2 provides a detailed summary of the District’s revenues and expenditures and the projected year-end fund balances. Revenues from the District’s water, recycled water and wastewater services are projected to increase over the projection period driven by rate and charge increases. Non-operating revenues are projected to remain relatively stable. Projected costs are assumed to rise at rates of inflation in line with levels assumed in the 2017 Water, Recycled Water and Wastewater Rate Study Report. Wholesale water rates are projected to increase annually in line with past averages driven by State and regional water supply

reliability related costs. In Fiscal Year 2021-22, the District is projecting deliveries from the SMRCUP and the related costs. The SMRCUP deliveries reduce the cost of purchased water as shown in Table 2 and in Fiscal Year 2021-22 reduce projected purchased water costs by approximately -26%. For labor and non-labor, the result of the escalation is an average annual increase of approximately 4%. This includes projected increase in the District’s pension and other benefits costs.

Table #2 - Fallbrook Public Utility District’s Financial Projections

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenues					
Revenue from Rates					
Water	\$ 24,099,177	\$ 25,883,905	\$ 27,700,339	\$ 29,377,746	\$ 31,156,721
Recycled Water	1,168,084	1,175,173	1,254,808	1,330,097	1,409,903
Wastewater	6,168,490	6,469,183	6,760,297	7,064,510	7,382,413
Subtotal Revenue from Rates	\$ 31,435,751	\$ 33,528,261	\$ 35,715,444	\$ 37,772,353	\$ 39,949,037
Other Operating Revenue					
Pass-through Charges					
MWD RTS Charge	\$ 296,466	\$ 261,102	\$ 273,996	\$ 287,851	\$ 302,355
SDCWA IAC Charge	501,751	551,466	608,048	652,664	683,728
Sundry*	11,000	11,000	11,000	11,000	11,000
SDCWA Incentive	-	-	-	-	-
Other Revenue Subtotal	\$ 809,217	\$ 823,567	\$ 893,044	\$ 951,516	\$ 997,084
Non-Operating Revenue					
Water Availability Charge**	\$ 204,000	\$ 204,000	\$ 204,000	\$ 204,000	\$ 204,000
1% Property Tax	2,111,907	2,122,467	2,133,079	2,143,744	2,154,463
Investment Earnings	141,500	123,651	130,289	139,663	153,146
Water CIP Charge	1,421,360	1,443,359	1,489,340	1,581,568	1,679,501
Pumping CIP Charge	32,756	32,756	32,756	32,756	32,756
Other Revenue	250,000	255,000	260,100	265,302	270,608
Water Capacity Fees	50,000	50,500	51,005	51,515	52,030
Wastewater CIP Charge	1,178,775	1,180,678	1,198,409	1,234,404	1,271,480
Wastewater Capacity fees	35,000	35,700	36,414	37,142	37,885
Federal Interest Rate Subsidy	110,677	97,977	84,516	70,261	55,178
Subtotal Non-Operating Revenue	\$ 5,535,975	\$ 5,546,087	\$ 5,619,908	\$ 5,760,356	\$ 5,911,047
Total Revenues	\$ 37,780,943	\$ 39,897,916	\$ 42,228,396	\$ 44,484,225	\$ 46,857,168

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

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

Table #2 - Fallbrook Public Utility District's Financial Projections, cont.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Revenues	\$ 37,780,943	\$ 39,897,916	\$ 42,228,396	\$ 44,484,225	\$ 46,857,168
Operating Expenses					
Water Supply Costs					
Purchased Water Costs***	\$ 13,778,710	\$ 10,241,648	\$ 9,467,281	\$ 10,161,103	\$ 10,790,054
Pumping Costs	180,000	189,000	198,450	208,373	218,791
SMRCUP Supply	-	1,117,081	1,512,560	1,541,977	1,572,276
Labor Costs	2,724,900	3,160,387	3,318,406	3,484,327	3,658,543
Fringe Benefits	1,974,048	2,141,829	2,281,048	2,429,316	2,550,782
Services, Materials & Supplies	1,932,397	4,052,400	4,173,972	4,299,191	4,428,167
Administrative Expenses	6,469,242	6,903,859	7,171,607	7,451,328	7,714,165
Total Operating Expenses	\$ 27,059,297	\$ 27,806,204	\$ 28,123,324	\$ 29,575,614	\$ 30,932,778
Net Operating Revenues	\$ 10,721,646	\$ 12,091,712	\$ 14,105,072	\$ 14,908,611	\$ 15,924,390
Total Debt Service	\$ 3,137,523	\$ 3,685,471	\$ 5,419,756	\$ 5,419,502	\$ 5,422,004
Total Capital Expenditures	\$ 36,595,000	\$ 15,738,000	\$ 7,590,686	\$ 7,459,018	\$ 8,038,361
Total Expenditures	\$ 66,791,820	\$ 47,229,674	\$ 41,133,766	\$ 42,454,135	\$ 44,393,143
SRF Loan Proceeds	\$ 30,500,000	\$ 8,450,000	\$ -	\$ -	\$ -
Change in Net Position ****	\$ 1,489,123	\$ 1,118,241	\$ 1,094,630	\$ 2,030,090	\$ 2,464,025
<i>Beginning Balances</i>	\$ 18,560,207	\$ 20,049,330	\$ 21,167,571	\$ 22,262,201	\$ 24,292,291
<i>Ending Balance</i>	\$ 20,049,330	\$ 21,167,571	\$ 22,262,201	\$ 24,292,291	\$ 26,756,316

***Detail on purchased water costs provided on page 45. Purchased water costs include MWD RTS Charge and SDCWA IAC Charge.

****Change in net position is Total Revenues minus Total Expenditures plus SRF Loan Proceeds.

Debt service and capital expenditures are deducted from the District's Net Operating Revenues to determine the change in Net Position for the fiscal year. It is important to note that funds from the SRF Loan offsets the use of the District's financial resources as shown in the table above. The Fiscal Year 2021-22 Change in Net Position shows the District is building reserves in that particular fiscal year. In Fiscal Year 2021-22, the District is projecting a deposit of \$1,118,241 into reserves.

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

Chart #2 - District Fund Balances and Target Level



Water Services Sources of Funds

The primary source of funds for water operations is water sales revenues. Water sales levels determine the District's water sales revenues. Because Fallbrook is located in a semi-arid region of the United States and is subject to significant fluctuations in the level of water demands, each year careful attention is paid to the projected level of water sales. Heading into the Fiscal Year 2021-22 budget cycle, California is again facing drought conditions with most reservoir levels below the historical average (see Figure 1). At this point in time, no water use restrictions are in place but it is possible that some restrictions will be in place this summer. As a result of expected dry conditions with the potential for some use restrictions, water sales are projected to be in line with the District's long-term expected average sales level.

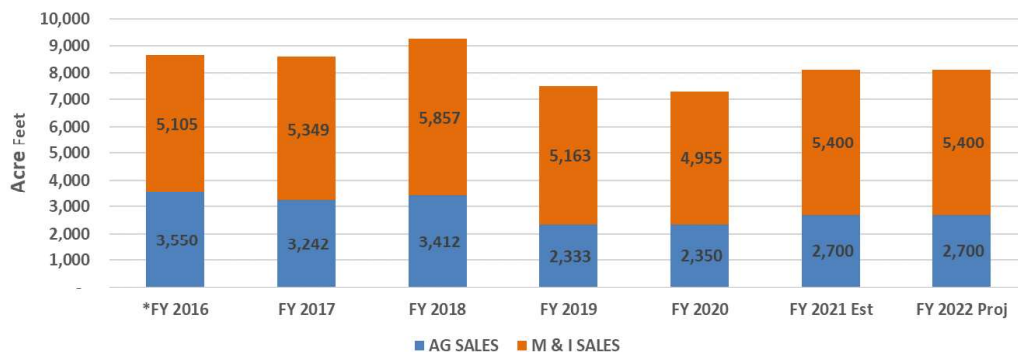
The District's sales over the last five years including the estimate for the current fiscal year and the projected water sales for the budget period are shown in Table 1. The table shows water production and total sales; production includes system losses, and water sales are units sold to customers.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

Table #1 - Five-Year Production and Sales History

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21 Estimated	FY 2021-22 Projected
Production	9,573	9,193	10,090	8,043	7,986	8,650	8,650
Total Sales (adjusted for system losses)	8,656	8,592	9,269	7,496	7,305	8,100	8,100
AG Sales	3,550	3,242	3,412	2,333	2,350	2,700	2,700
M&I Sales	5,105	5,349	5,625	5,163	4,955	5,400	5,400

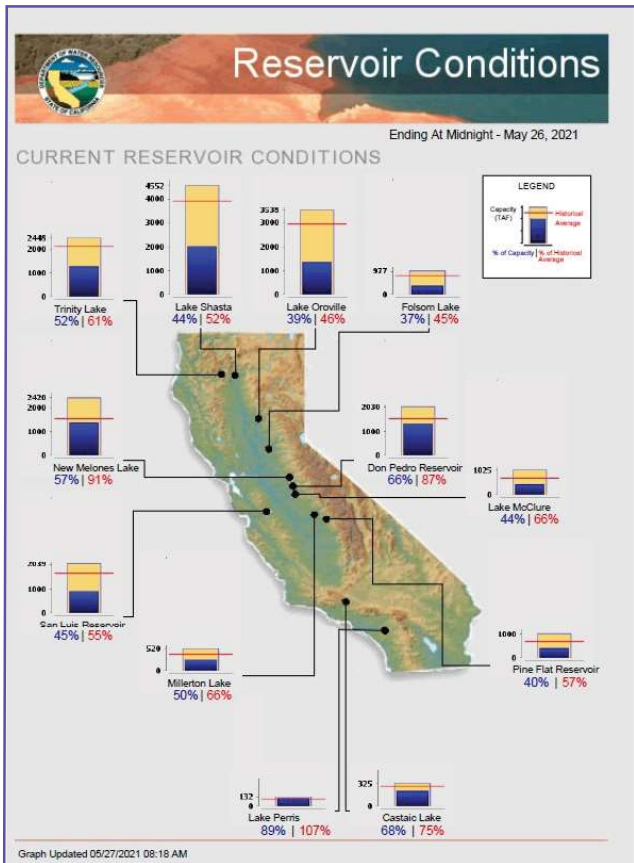
As the table and chart shows, recent years have been impacted by restrictions in use levels, wet weather and changes in customer use patterns all of which have resulted in reduced water demands. The District's Fiscal Years 2018-19 and 2019-20 water demands were at or near the historic low levels. This persistent trend in lower water demands has caused the District to reevaluate how it projects future water demands. After looking at changes in the region's agricultural industry and domestic water use patterns, the District has reduced the long-term average water sales it uses for planning purposes last year. The projected Fiscal Year 2021-22 water sales use this new long-term average, which is an 11% decrease from what the District had previously used to project water sales largely due to the projected permanent loss of land in agricultural production.

Chart#1 - Water Sales Trends



*Drought rates in effect July 2015-May 2016. Both M&I and AG sales decreased in this period.

Figure #1 - State Reservoir Conditions



The Water Services operating and non-operating revenues are shown in Table 2. Water sales revenues are those collected by the District for water usage during a billing cycle. Each of the District’s customers are charged a fee based upon their user class and for water purchased in that billing period. The monthly water fixed service charge revenues are an important revenue stream for the District because they are not subject to volatility in water demands. The District also passes through certain fixed charges from the MWD and the SDCWA. The revenue projection for Fiscal Year 2021-22 provided here include rate and charge increases in line with what was approved by the Board as part of the 2017 Rate and Charge Study. The primary driver of the 6.0% revenue increase budget to budget is the increase in water rates and charges. Fiscal Year 2020-21 sales revenues are projected to be close to budgeted levels.

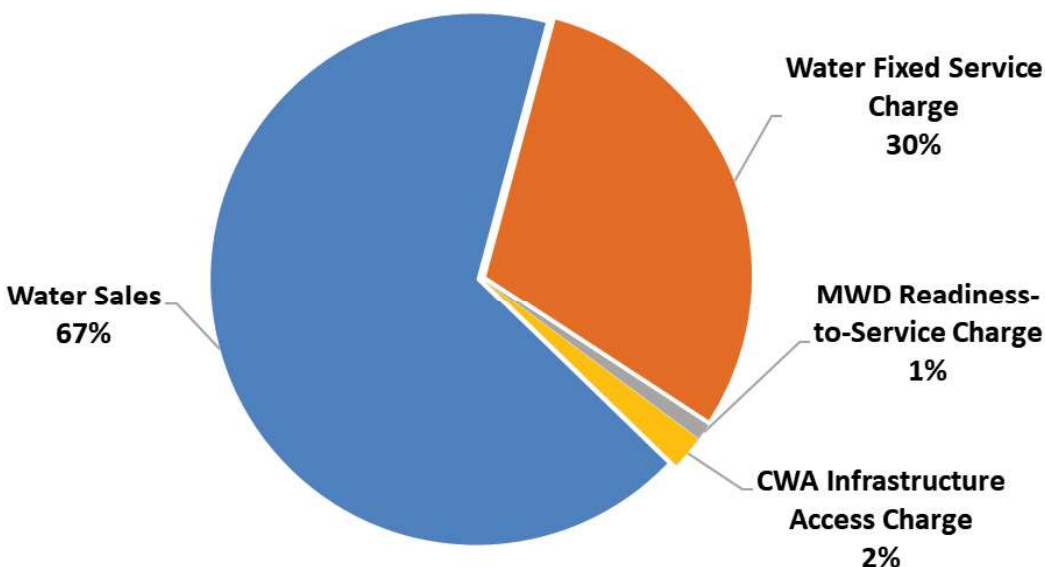
Table #2 - Water Services Sources of Revenue

Description	FY 2019-20 Actual	FY 2020-21		FY 2021-22 Budget	Budget to Budget Change (%)
		Budget	Projected		
Operating Revenues:					
Water Sales	\$ 14,260,513	\$ 16,867,076	\$ 16,624,043	\$ 17,883,218	6.0%
Water Fixed Service Charge	6,782,469	7,547,752	7,475,134	8,000,687	6.0%
MWD Readiness-to-Service Charge	309,956	291,331	296,466	261,102	-10.4%
SDCWA Infrastructure Access Charge	455,824	501,670	501,751	551,466	9.9%
Total Operating Revenue	\$ 21,808,762	\$ 25,207,828	\$ 24,897,394	\$ 26,696,472	5.9%
Non-Operating Revenues:					
Water Capital Improvement Charge	\$ 1,368,292	\$ 1,455,281	\$ 1,421,360	\$ 1,443,359	-0.8%
Property Tax	1,146,897	1,050,225	1,050,225	1,055,476	0.5%
Water Availability Charge	204,418	204,000	204,000	204,000	0.0%
Water Capacity Charges	8,526	50,000	50,000	50,500	1.0%
Investment Earnings	248,504	100,000	100,000	99,482	-0.5%
Pumping Capital Improvement Charge	22,494	32,756	32,756	32,756	0.0%
Gain/Loss on sale of assets	(31,450)	-	-	-	N/A
Other Revenue	131,473	5,000	5,000	5,000	0.0%
Cell Phone Revenue	249,092	250,000	250,000	255,000	2.0%
Total Non-Operating Revenue	\$ 3,348,246	\$ 3,147,262	\$ 3,113,341	\$ 3,145,573	-0.1%
Total Revenues	\$ 25,157,008	\$ 28,355,090	\$ 28,010,735	\$ 29,842,045	5.2%

As Chart 2 shows, water sales revenues represent 67% of the District’s water operating revenues with the remaining 33% of revenues coming from other sources that are independent from water sales. This variable/fixed mix of revenue means that operating revenues are subject to volatility due to water sales levels. Managing this volatility requires good fiscal planning and the use of the Rate Stabilization Fund to make up shortfalls. The primary sources of non-operating revenues are the water Capital Improvement Charge, which is a fixed charge restricted to fund only capital projects, and property tax and Water Availability Charge revenues. Other revenues include pumping Capital Improvement Charge, investment earnings and other income.

The SMRCUP is being funded with a SRF loan. While not shown here as a source of funds, the expected \$66.2 million loan will provide funding for the project’s costs. The project costs are expected to be \$27.2 million, \$30.5 million and \$8.5 million in Fiscal Years 2019-20, 2020-21 and 2021-22, respectively.

Chart #2 - Fiscal Year 2021-22 Water Services Operating Revenues

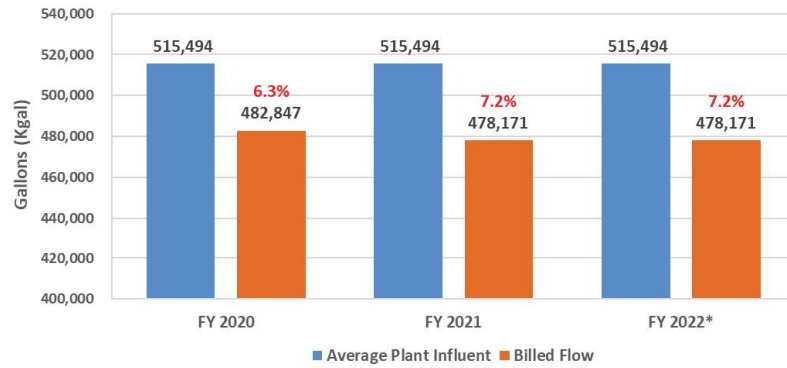


Wastewater Services Sources of Funds

Wastewater revenue is relatively stable since it is billed based upon indoor water used. To estimate the amount of water used indoors that is returned to the sewer, a return to sewer factor is applied to each user class. For residential users, the return to sewer factor is applied to their 3-month winter average. The winter months, which are typically wet, allow indoor use to be estimated since outdoor/landscape use is at a minimum. However, even the winter average use is adjusted to reflect some level of residential outdoor/landscape, which is not returned to the sewer. This methodology limits the impact weather has on billable sewer flows. The revenue projection for Fiscal Year 2021-22 provided here includes rate and charge increases in line with what was approved by the Board and billable wastewater flows in line with historic wastewater flows at the District water reclamation plant.

Historic averages provide a good basis from which flows and revenue projections can be evaluated. The chart below shows the average annual flows at the plant (Plant Influent) and the billable wastewater flows projected for this budget period. The variance between Average Plant Influent and Billable Flows is shown in red. The projection for Fiscal Year 2021-22 shows billable flows at the Fiscal Year 2020-21 plant flow levels. Prior to adopting rates and charges in December 2021, staff will develop a recommendation for changes in the residential billable flow methodology.

Chart #3 - Wastewater Services Annual Flows



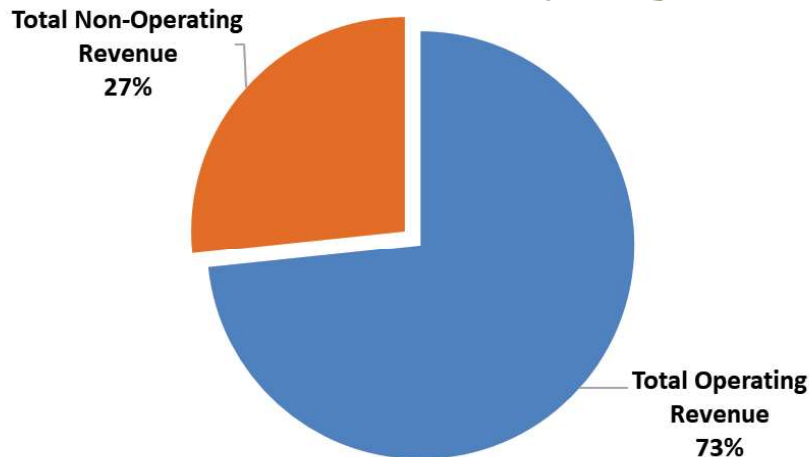
* Projection based on Fiscal Year 2020-21 levels.

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

Table #3 - Wastewater Services Sources of Revenue

Description	FY 2019-20 Actual	FY 2020-21		FY 2021-22 Budget	Budget to Budget Change (%)
		Budget	Projected		
Operating Revenue					
Wastewater Service Charges	\$ 5,924,878	\$ 6,186,330	\$ 6,168,490	\$ 6,469,183	4.6%
Sundry Other Revenue	6,590	1,000	1,000	1,000	0.0%
Total Operating Revenue	\$ 5,931,468	\$ 6,187,330	\$ 6,169,490	\$ 6,470,183	4.6%
Non-Operating Revenue					
Wastewater Capital Improvement Charge	\$ 1,168,350	\$ 1,207,132	\$ 1,178,775	\$ 1,180,678	-2.2%
Property Tax	1,006,095	916,985	1,011,126	1,016,181	10.8%
Wastewater Capacity Charges	98,581	35,000	35,000	35,700	2.0%
Investment Earnings	131,547	40,000	40,000	20,736	-48.2%
Federal Interest Rate Subsidy	123,762	110,677	110,677	97,977	-11.5%
Total Non-Operating Revenue	\$ 2,528,335	\$ 2,309,794	\$ 2,375,578	\$ 2,351,272	1.8%
Total Revenues	\$ 8,459,803	\$ 8,497,123	\$ 8,545,068	\$ 8,821,455	3.8%

Chart #4 - Fiscal Year 2021-22 Wastewater Services Operating Revenues



Recycled Water Services Sources of Funds

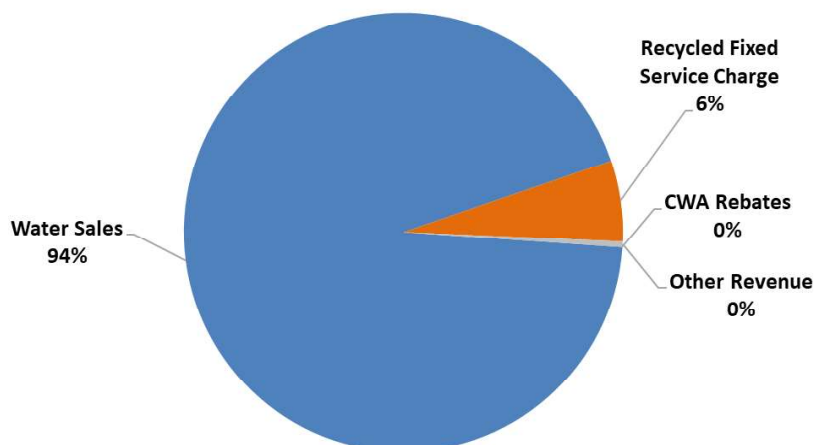
While recycled water sales are subject to weather driven water demands, these customers are not subject to use restrictions due to drought. It is for this reason that many have chosen to be a recycled water customer. While the District is expanding the distribution system, the customer base is relatively small and demands have remained static even with additional customers. Therefore, the historic average adjusted for a small level of growth provide a good basis from which revenues can be budgeted from. The projected recycled water sales for Fiscal Year 2021-22 is 580 acre-feet, which is a slight reduction from the prior year. The revenue projection for Fiscal Year 2021-22 provided here include rate and charge increases in line with what was approved by the Board. The Board will review and adopt CY 2022 rates in December 2021.

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

Table #4 - Recycled Water Services Sources of Revenue

	FY 2019-20 Actual	FY 2020-21		FY 2021-22 Budget	Budget to Budget Increase (%)
		Budget	Projected		
Operating Revenues					
Water Sales	\$ 949,040	\$ 1,122,142	\$ 1,102,620	\$ 1,105,108	-1.5%
Recycled Fixed Service Charge	51,745	66,099	65,464	70,066	6.0%
Other Revenue	5,000	5,000	5,000	5,000	0.0%
CWA Rebates	53,520	-	-	-	N/A
Total Operating Revenue	\$ 1,059,305	\$ 1,193,241	\$ 1,173,084	\$ 1,180,173	-1.1%
Non-Operating Revenues					
Property Tax	\$ 52,983	\$ 55,275	\$ 50,556	\$ 50,809	-8.1%
Investment Earnings	3,745	1,500	1,500	3,433	128.9%
Total Non-Operating Revenue	\$ 56,728	\$ 56,775	\$ 52,056	\$ 54,242	-4.5%
Total Revenues	\$ 1,116,033	\$ 1,250,016	\$ 1,225,140	\$ 1,234,415	-1.2%

Chart #5 - Fiscal Year 2021-22 Recycled Water Services Operating Revenues



Operating Budget

Overview

The District, while relatively small, provides a wide range of services to residents. This section of the budget document provides a detailed description of the District’s budgeted use of funds (operating expenses) for each division/function. To make the budget easy to follow, the District’s Operating Budget is broken out into its main cost centers. The cost center breakdown is: Administrative Services, Water Services, Wastewater Services and Recycled Water Services (collectively the Services).

This section also provides a detailed breakdown of the District’s employer-paid employee benefits and debt-service costs. Each of the District’s Services are allocated a portion of the District’s benefits costs based upon the Services’ share of total labor costs. The allocation of the benefits’ costs is detailed in the benefit cost section and each of the Districts Services’ operating budgets. It is denoted as Allocated Benefits Expenditures on each Services’ Total Operating Budget Summary Table. The Recommended FY 2021-22 Budget includes a 1.5% increase in the total Services’ Operating Budget.

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

It should be noted that the District has restructured its accounting system and chart of accounts. As a result of these changes, year to year comparison of the line items are now possible and allow line item comparisons. Appendix A provides the detailed revenue, expense and fund balance projections for District operations.

Table #1 - Overview of Total Services’ Operating Budget

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to
	Actual	Budget	Projected	Budget	Budget Change (%)
Cost of Water	\$ 12,663,006	\$ 14,012,905	\$ 13,958,710	\$ 11,547,729	-17.6%
Debt Service	2,761,290	3,563,048	3,137,523	3,685,471	3.4%
Total Labor *	5,459,032	5,316,951	5,174,700	5,716,546	7.5%
Total Non-Labor	4,407,278	4,515,332	4,300,633	6,667,765	47.7%
Operating Total	\$ 25,290,607	\$ 27,408,236	\$ 26,571,566	\$ 27,617,511	0.8%
Benefits Expenses	2,994,316	3,625,254	3,625,254	3,874,164	6.9%
Total Services Operating Budget	\$28,284,922	\$ 31,033,489	\$ 30,196,819	\$31,491,675	1.5%

* Total Labor does not include District’s Benefits

Administrative Services

Administrative Services includes a wide range of functions that support the District’s core services: water, wastewater and recycled water. The Organizational Chart on page 21 shows the broad scope of functions captured in the Administrative Services budget. Administrative Service functions include:

- Manages District operations and capital projects
- Implements and maintains District policies and procedures
- Directs and maintains District documents and archives
- Supports activities of the Board of Directors

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

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

Table #2 - Administrative Services Approved Positions

Position	Actual FTE* FY 2019-20	Actual FTE FY 2020-21	Proposed FTE FY 2021-22
General Manager	1.0	1.0	1.0
Board Secretary	1.0	-	-
Executive Assistant/ Board Secretary	-	1.0	1.0
Assistant General Manager/Chief Financial Officer	1.0	1.0	1.0
Human Resources Manager	1.0	1.0	1.0
Senior Accountant	1.0	1.0	1.0
Accounting Technician	2.0	2.0	2.0
Management Analyst	1.0	1.0	1.0
Safety & Risk Officer	1.0	1.0	1.0
Information Systems Tech	1.0	1.0	1.0
Senior Engineer	1.0	1.0	-
Engineering Manager	-	-	1.0
Engineering Supervisor	1.0	-	-
Administrative Office Specialist	1.0	1.0	1.0
Engineering Technician	3.0	3.0	3.0
GIS Specialist	1.0	1.0	1.0
Operations Specialist	1.0	1.0	1.0
Public Affairs Specialist	0.8	0.8	1.0
Customer Service Specialist	2.0	2.0	2.0
Customer Service Representative	1.0	1.0	1.0
Purchasing Warehouse Supervisor	1.0	1.0	1.0
Warehouse Purchasing Specialist	1.0	1.0	1.0
Equipment Mechanic	1.0	1.0	1.0
TOTAL FTE	24.8	23.8	24.0

*FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

The Office of the General Manager

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

Finance and Customer Services

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

Warehouse and Purchasing

- Issue Requests for Proposals, and solicitations for equipment, supplies and materials
- Maintain and manage District equipment, supplies and materials inventory
- Manage purchasing contracts for materials, supplies, equipment and services

Human Resources

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

Information Management

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

Engineering Services

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

Vehicle Services/Shop

- Service and repair small and large equipment and vehicles

Safety and Risk

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

Table #3 - Administrative Services Total Operating Budget Summary

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Total Labor*	\$ 2,512,593	\$ 2,421,728	\$ 2,449,800	\$ 2,556,158	5.6%
Total Non-Labor	2,375,977	2,392,432	2,368,236	2,615,365	9.3%
Services Operating Total	\$ 4,888,570	\$ 4,814,160	\$ 4,818,036	\$ 5,171,523	7.4%
Allocated Benefits Expenditures**	1,378,174	1,651,206	1,651,206	1,732,336	4.9%
Total Services Budget	\$ 6,266,744	\$ 6,465,366	\$ 6,469,241	\$ 6,903,859	6.8%

* Total Labor does not include District’s Benefits

** Includes transfer to Pension/OPEB Trusts

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

Description	FY 2019-20 Actual	FY 2020-21		FY 2021-22 Budget	Budget to Budget Change (%)
		Budget	Projected		
Office of the General Manager					
Labor:					
Salaries	\$474,943	\$ 431,934	\$ 416,100	\$ 453,099	4.9%
Non-Labor:					
Director Expenses	31,192	40,000	20,174	40,000	0.0%
General & Administrative	14,858	12,700	15,006	12,700	0.0%
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	88,899	68,300	44,159	92,300	35.1%
Professional Services	451,519	316,000	473,642	400,000	26.6%
Memberships/Training/Permits	74,141	96,600	86,787	96,600	0.0%
Santa Margarita Watermaster	119,829	123,429	116,402	128,412	4.0%
Total Non-Labor	\$ 780,438	\$ 657,029	\$ 756,169	\$ 770,012	17.2%
Division Operating Total	\$ 1,255,380	\$ 1,088,963	\$ 1,172,269	\$ 1,223,111	12.3%

Finance & Customer Service					
Labor:					
Salaries	\$ 734,550	\$ 757,348	\$ 762,000	\$ 793,026	4.7%
Non-Labor:					
Contractor Services	19,769	19,000	30,506	21,000	10.5%
Equipment (Non Capital)	5,277	4,000	-	4,000	0.0%
Materials/Services/Supplies	183,364	195,700	136,675	197,200	0.8%
Professional Services	110,091	136,000	114,000	166,000	22.1%
Memberships/Training/Permits	1,629	2,700	935	2,700	0.0%
Utilities **	-	-	-	-	NA
Total Non-Labor	\$ 320,131	\$ 357,400	\$ 282,116	\$ 390,900	9.4%
Division Operating Total	\$ 1,054,681	\$ 1,114,748	\$ 1,044,116	\$ 1,183,926	6.2%

**Utility cost increase driven by actual cost levels.

Warehouse & Purchasing					
Labor:					
Salaries	\$ 183,341	\$ 169,919	\$ 210,500	\$ 171,869	1.1%
Non-Labor:					
Contractor Services	133,307	115,000	115,000	120,000	4.3%
Equipment (Non Capital)	3,570	4,000	668	500	-87.5%
Materials/Services/Supplies	132,292	98,450	114,105	106,800	8.5%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	635	1,000	1,093	1,000	0.0%
Utilities **	46,361	45,000	47,137	45,000	0.0%
Total Non-Labor	\$ 316,166	\$ 263,450	\$ 278,003	\$ 273,300	3.7%
Division Operating Total	\$ 499,506	\$ 433,369	\$ 488,503	\$ 445,169	2.7%

**Utility cost increase driven by actual cost levels.

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

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to
	Actual	Budget	Projected	Budget	Budget Change (%)
Human Resources					
Labor:					
Salaries	\$ 211,774	\$ 198,212	\$ 238,100	\$ 239,473	20.8%
Non-Labor:					
Contractor Services	13,874	31,325	20,309	61,325	95.8%
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	16,459	17,400	16,035	27,400	57.5%
Professional Services	78,201	10,000	7,443	10,000	0.0%
Memberships/Training/Permits	68,371	95,950	50,165	95,550	-0.4%
Education Funding	3,215	30,000	1,085	3,000	-90.0%
Utilities **	-	-	-	-	NA
Total Non-Labor	\$ 180,120	\$ 184,675	\$ 95,037	\$ 197,275	6.8%
Division Operating Total	\$ 391,894	\$ 382,887	\$ 333,137	\$ 436,748	14.1%

**Utility cost increase driven by actual cost levels.

Information Management					
Labor:					
Salaries	\$ 89,345	\$ 93,937	\$ 89,600	\$ 96,286	2.5%
Non-Labor:					
Contractor Services	35,532	58,150	63,000	62,150	6.9%
Equipment (Non Capital)	18,118	25,000	40,073	25,000	0.0%
Materials/Services/Supplies	133,927	145,728	150,000	185,728	27.4%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	-	-	-	-	NA
Total Non-Labor	\$ 187,578	\$ 228,878	\$ 253,073	\$ 272,878	19.2%
Division Operating Total	\$ 276,922	\$ 322,815	\$ 342,673	\$ 396,164	14.4%

**Utility cost increase driven by actual cost levels.

Engineering Services					
Labor:					
Salaries	\$ 593,237	\$ 475,800	\$ 476,500	\$ 480,913	1.1%
Non-Labor:					
Contractor Services	345	2,500	14,080	10,000	300.0%
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	52,309	42,000	40,000	42,000	0.0%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	170	500	-	500	0.0%
Utilities **	-	-	-	-	NA
Total Non-Labor	\$ 52,824	\$ 45,000	\$ 54,080	\$ 52,500	16.7%
Division Operating Total	\$ 646,061	\$ 520,800	\$ 530,580	\$ 533,413	2.4%

**Utility cost increase driven by actual cost levels.

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

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Safety & Risk					
Labor:					
Salaries	\$ 148,508	\$ 204,842	\$ 147,400	\$ 213,682	4.3%
Non-Labor:					
Contractor Services	13,385	18,500	19,607	19,000	2.7%
Equipment (Non Capital)	37,929	35,000	32,764	35,000	0.0%
Materials/Services/Supplies	6,825	27,500 *	7,375	29,500 *	7.3%
Professional Services	203,464	275,000	275,000	275,000	0.0%
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	-	-	-	-	NA
Total Non-Labor	\$ 261,602	\$ 356,000	\$ 334,746	\$ 358,500	0.7%
Division Operating Total	\$ 410,110	\$ 560,842	\$ 482,146	\$ 572,182	2.0%

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

**Utility cost increase driven by actual cost levels.

Vehicle Services & Shop					
Labor:					
Salaries	\$ 76,896	\$ 89,735	\$ 109,600	\$ 107,811	20.1%
Non-Labor:					
Contractor Services	24,778	25,000	25,011	25,000	0.0%
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	252,342	275,000	290,000	275,000	0.0%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	-	-	-	-	NA
Total Non-Labor	\$ 277,120	\$ 300,000	\$ 315,011	\$ 300,000	0.0%
Division Operating Total	\$ 354,015	\$ 389,735	\$ 424,611	\$ 407,811	4.6%

**Utility cost increase driven by actual cost levels.

Fiscal Year 2020-21 Accomplishments

- Coordinated 12 safety-related remote training sessions
- Continued working with LAFCO on detachment efforts
- Coordinated development and updates of District’s COVID Response Plan and administered COVID-related policies and protocols
- Conducted 7 recruitments resulting in 3 internal promotions/transfers and 4 newly-hired employees
- Created Career Development Plans for 10 Employees
- Coordinated/facilitated 20+ remote trainings, including Ethics in the Workplace and the Women in Water Conference
- Successfully converted Customer Service to a fully remote work environment during pandemic
- Continued integration of CityWorks into Customer Service work and service order process

- Enhanced information technology systems security by implementing a new security software and a management software for District mobile devices
- Fleet services expanded Teletrek utilization to implement best management practices for fleet vehicles and life-cycle cost management
- Completed the implementation of Project Management in SpringBrook
- Executed a public debt offering that refunded an outstanding state loan and saved the District \$1.6 million on a net present value basis
- Continued construction of the SMRCUP on schedule, and added GAC treatment facilities
- Completed District tank recoating program
- Improved planned shutdown process to better serve effected customers during COVID

Fiscal Year 2021-22 Goals and Objectives

- Participate and finalize ERP for compliance with 2018 AWIA
- Safety checklist forms converted to paperless electronic Jot-Forms
- Coordinate awards and annual Safety luncheon
- Submit for ACWA JPIA H.R. LaBounty Award
- Coordinate Total Compensation Study
- Participate in labor negotiations and update Memorandums of Understanding
- Update Personnel Regulations
- Document finance policy and procedure guides
- Evaluate banking, billing and payment services and consider utilizing a lock box for mailed in payments
- Start SMGTP operations
- Execute CIP and catch up on pipeline replacement projects

Key Performance Indicators

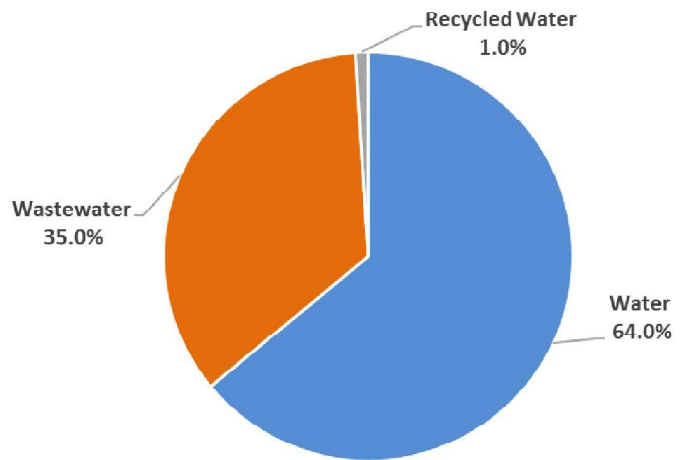
- Maintain a Workers Comp Experience Modification Rate below 1%; in FY 2021 rate was 0.91%
- Maintain an Emergency Response Training at a minimum of 25%; in FY 2021 training rate was 26.72%
- Maintain an average customer service call wait time of less than 3 minutes; in FY 2021 wait time was approximately 1:10
- Maintain an inventory shrinkage rate of less than 1%; in FY 2021 shrinkage was 0.3%
- Reduce the number of audit findings from one year to the next. The District's last audit received an unmodified opinion with no findings



Cost Allocation of Administrative Services

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

Chart #1 - Administrative Services Cost Allocation



Total Number of Accounts: 14,317

Water Services

The District provides Water Services to approximately 9,200 meters within the District’s service area. The largest component of the Water Services’ operating budget is the Cost of Water (Pg. 45). The District buys water from the SDCWA, which is the region’s wholesale water provider. This year is the first year the District will produce treated water from its Santa Margarita River water rights for District rate payers. Appendix A provides the detailed revenue, expense and fund balance projections for Water operations. Water Services provide the following functions:

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

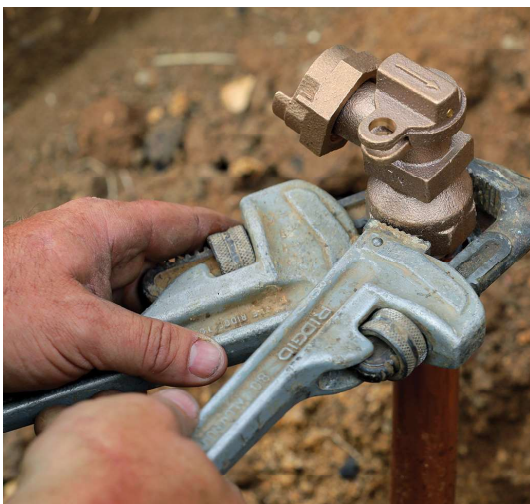
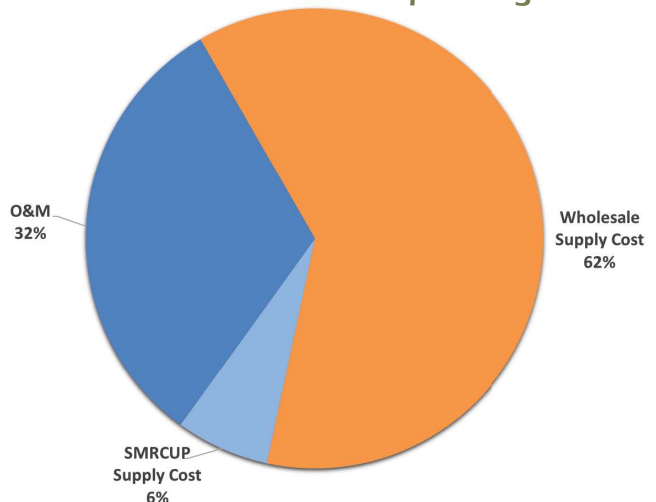


Chart #2 - Water Services Operating Costs



Water Services is broken down into divisions that support a specific function. Some changes to labor allocations have been made to align expenditures with cost of service principles given the addition of the Treatment Division. Water Services historic and proposed staffing levels are shown in Table 5.

Table #5 - Water Services Approved Positions

Position	Actual FTE FY 2019-20	Actual FTE FY 2020-21	Proposed FTE FY 2021-22
Field Services Manager	1.0	1.0	1.0
Utility Technician	4.75	5.5	4.5
Utility Worker I & II	9.5	9.5	11.5
System Service/ Shop Supervisor	1.0	1.0	-
Meter Services/ Construction Supervisor	-	-	1.0
Operations Manager	1.0	1.0	0.75
System Operations Supervisor	1.0	1.0	1.0
Systems Operator I/II	3.0	3.0	4.0
Senior Instrumentation & Control Specialist	1.0	1.0	-
SCADA/Electrical/Maintenance Supervisor	-	-	0.75
Instrumentation, Electrical & Controls Tech	2.0	2.0	1.5
Backflow/ Cross Connection Tech	0.75	-	-
Senior Maintenance Technician	-	-	0.2
Maintenance Technician I/II	-	-	0.2
TOTAL FTE	25.0	25.0	26.4

*FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

Treatment

- Operates and maintains a new groundwater treatment plant to treat water delivered by Camp Pendleton
- Maximize SMGTP production to achieve lowest Cost of Water mix

Production and Distribution

- Schedule and manage wholesale water deliveries to the District to optimize SMGTP operations
- Operate water system assets and monitors system conditions including water pressure and water quality
- Maintain crews to operate the system and respond to customer inquiries

Pipeline Maintenance and Construction

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

System Services

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

**DISTRICT’S
NEW WATER
TREATMENT
PLANT**

Able to produce enough drinking water to fill 12 olympic size pools a day.

Table #6 - Water Services, Total Operating Budget Summary*

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Total Labor **	\$ 1,628,552	\$ 1,449,807	\$ 1,333,700	\$ 1,703,177	17.5%
Total Non-Labor	785,697	758,000	655,948	2,498,500	229.6%
Operating Total	\$ 2,414,249	\$ 2,207,807	\$ 1,989,648	\$ 4,201,677	90.3%
Allocated Benefits Expenditures	893,271	988,521	988,521	1,154,262	16.8%
Total Direct Water Costs	\$ 3,307,520	\$ 3,196,328	\$ 2,978,169	\$ 5,355,939	67.6%
Allocation of Administrative Services	4,010,716	4,137,834	4,140,314	4,418,470	6.8%
Total Services Budget	\$ 7,318,237	\$ 7,334,162	\$ 7,118,484	\$ 9,774,409	33.3%

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

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

Table #7 - Water Services, Division Budget to Budget Comparison

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Treatment					
Labor:					
Salaries	\$ -	\$ -	\$ -	\$ 180,473	NA
Non-Labor:					
Contractor Services	-	-	-	80,000	NA
Equipment (Non Capital)	-	-	-	5,000	NA
Materials/Services/Supplies	-	-	-	158,000	NA
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	50,000	NA
Utilities **	-	-	-	1,327,000	NA
Total Non-Labor	\$ -	\$ -	\$ -	\$ 1,620,000	NA
Division Operating Total	\$ -	\$ -	\$ -	\$ 1,800,473	NA

**Utility cost increase driven by actual cost levels.

Production & Distribution					
Labor:					
Salaries	\$ 827,534	\$ 679,375	\$ 709,800	\$ 633,161	-6.8%
Non-Labor:					
Contractor Services	47,405	51,000	91,000	111,500	118.6%
Equipment (Non Capital)	10,914	14,000	12,000	20,000	42.9%
Materials/Services/Supplies	249,025	238,000	213,549	218,000	-8.4%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	60,671	80,000	70,000	70,000	-12.5%
Utilities **	64,891	75,000	76,329	120,000	60.0%
Total Non-Labor	\$ 432,905	\$ 458,000	\$ 462,878	\$ 539,500	17.8%
Division Operating Total	\$ 1,260,439	\$ 1,137,375	\$ 1,172,678	\$ 1,172,661	3.1%

**Utility cost increase driven by actual cost levels.

Table #7 - Water Services, Division Budget to Budget Comparison, cont.

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Pipeline Maintenance & Construction					
Labor:					
Salaries	\$ 368,901	\$ 380,361	\$ 288,500	\$ 457,939	20.4%
Non-Labor:					
Contractor Services	129,902	36,000	30,000	30,000	-16.7%
Equipment (Non Capital)	2,792	10,000	8,209	10,000	0.0%
Materials/Services/Supplies	33,938	33,000	19,647	98,000	197.0%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	-	-	-	-	NA
Total Non-Labor	\$ 166,632	\$ 79,000	\$ 57,856	\$ 138,000	74.7%
Division Operating Total	\$ 535,533	\$ 459,361	\$ 346,356	\$ 595,939	29.7%

**Utility cost increase driven by actual cost levels.

System Services					
Labor:					
Salaries	\$ 432,117	\$ 390,071	\$ 335,400	\$ 431,604	10.6%
Non-Labor:					
Contractor Services	46,666	76,000	47,120	76,000	0.0%
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	139,494	145,000	88,094	125,000	-13.8%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	-	-	-	-	NA
Total Non-Labor	\$ 186,160	\$ 221,000	\$ 135,214	\$ 201,000	-9.0%
Division Operating Total	\$ 618,277	\$ 611,071	\$ 470,614	\$ 632,604	3.5%

**Utility cost increase driven by actual cost levels.

Fiscal Year 2020-21 Accomplishments

- Exchanged 550 meters and 262 back flow devices; Repaired 10 water main leaks and 11 water main breaks; Replaced 49 valves as of May 1
- Replaced/upgraded flow control facilities the UV Treatment Plant
- Upgraded several SCADA sites to improve communication
- Added solar power to key facilities to maintain SCADA communication during SDG&E PSPS events
- Implemented the CMMS preventative maintenance work order system at the UV Treatment Plant and the potable distribution system
- Transitioned service request data collection, for water quality and pressure issues, from excel to CMMS
- Successfully performed numerous planned shutdowns in support of the Santa Margarita project

Fiscal Year 2021-22 Goals and Objectives

- Continue field offices upgrades
- Replace 100 water main valves

- Complete the meter exchange program
- Begin meter testing program
- Demo dilapidated tank at Lange Reservoir
- Begin Right of Way maintenance program
- Upgrade the SCADA system to improve communication between critical sites
- Upgraded pressure/flow control facilities to increase reliability and better track flow rates and water loss.
- Develop advanced reporting/dashboards in CMMS
- Install solar at key SCADA communication sites to maintain communication during SDG&E PSPS events
- Maintain operation of SMGTP to deliver all available supplies
- Optimize operation of SMGTP

Key Performance Indicators

- Maintain 3,000 feet of right of ways/year; in FY 2021 maintained 1,608 feet of right of ways as of May 1
- Test 400 meters/year; FY 2022 will be our first year of testing, this metric will increase to AWWA testing recommendations as the program is finalized
- Replace 100 water main valves/year; in FY 2021 replaced 49 as of May 1 (backflow exchanges took precedence)
- Replace 1,476 meters/year; in FY 2021 replaced 550 meters as of May 1 (the meter replacement program is scheduled for completion in FY 2021. Staff will be extremely close to meeting this goal
- 100% regulatory compliance for water quality sampling, in FY 2021 we are at 100% compliance
- Exercise 189 valves/month as part of the valve exercise program, in FY 2021 we are at an average of 159 valves/month
- Complete all preventative maintenances work orders on time, in FY 2021 we are at 100%

Water Supply Costs

The District’s Water Supply Costs are comprised of Purchased Water Costs and pumping costs. The District’s Purchased Water Costs are comprised of the of wholesale water costs from SDCWA and water delivery costs from Camp Pendleton. This is the first Budget that shows payment to Camp Pendleton for pumping the District’s Santa Margarita water to the District’s service area. This fiscal year Camp Pendleton will pump an estimated 3,011 AF 7 miles from the Santa Margarita River Aquifer to the SMGTP. The cost of treating the water and delivering it to customers is part of the District’s Water Services cost. Water Supply Costs are broken down into fixed and variable costs. Variable or Commodity costs vary depending on the amount of water purchased (this includes pumping costs). Fixed charges are set regardless of the water consumed during the billing period. The fixed water costs are comprised of the SDCWA’s fixed charges and MWD’s fixed charges that are pass through by SDCWA. SDCWA’s recommended rates and charges are used for the cost of water estimate. The reduction in the Variable Water Cost is due to the reduced water purchases from SDCWA now that the District produces its own treated drinking water. The District’s variable and fixed water charges are summarized on the following page.

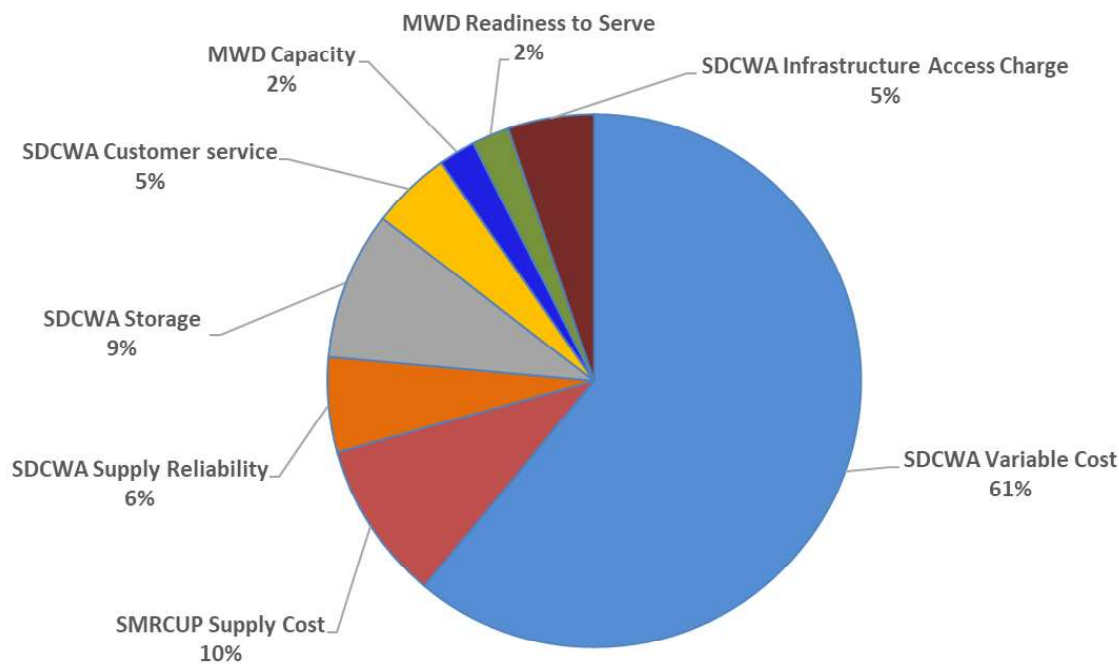
LOCAL WATER SUPPLY

Local water supplies will reduce SDCWA water purchases by 3,011 AF or \$4.1 million this year.

Table #8 - Variable and Fixed Charges Budget to Budget Comparison

	FY 2019-20 Actual	FY 2020-21		FY 2021-22 Budget	Budget to Budget Change (%)
		Budget	Projected		
Variable Costs:					
SDCWA Variable Cost	\$ 9,333,972	\$ 10,587,871	\$ 10,554,904	\$ 7,043,180	-33.5%
SMRCUP Supply Cost	-	-	-	1,117,081	N/A
Fixed Costs:					
SDCWA Supply Reliability	\$ 593,131	\$ 690,036	\$ 668,808	\$ 667,260	-3.3%
SDCWA Storage	1,110,084	1,066,398	1,066,398	1,036,866	-2.8%
SDCWA Customer service	585,936	570,306	570,306	559,854	-1.8%
MWD Capacity	254,981	244,872	244,872	258,528	5.6%
MWD Readiness to Serve	310,434	291,012	291,012	260,964	-10.3%
SDCWA IAC	474,468	562,410	562,410	603,996	7.4%
Total Cost of Water	\$ 12,663,006	\$ 14,012,905	\$ 13,958,710	\$ 11,547,729	-17.6%

Chart #3 - Water Supply Costs Breakdown



Fixed Costs

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

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

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

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

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

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

Fixed Costs are **29%** of the Total Cost of Water Purchased from SDCWA

Variable Costs

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

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

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

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

Variable Costs are **71%** of the Total Cost of Water Purchased from SDCWA

Wastewater Services

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

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

Wastewater Services is broken down into divisions that support a specific functions. Wastewater Services historic and proposed staffing levels are shown in Table 9.

Table #9 - Wastewater Services Approved Positions

Position	Actual FTE	Actual FTE	Proposed FTE
	FY 2019-20	FY 2020-21	FY 2021-22
Collections Supervisor	1.0	1.0	1.0
Utility Technician	2.0	2.0	2.0
Utility Worker I & II	5.0	5.0	5.0
Chief Plant Operator	0.85	0.85	0.85
Lead Plant Operator	1.7	1.7	1.7
Plant Operator	1.7	1.7	1.7
Operations Manager	-	-	0.25
Environmental Compliance Technician	0.5	0.5	0.5
Laboratory Technician	0.85	0.85	0.85
Mechanical Technician	0.8	0.8	-
Senior Maintenance Technician	-	-	0.6
Plant Maintenance Worker	0.8	0.8	-
Maintenance Technician I/II	-	-	0.6
SCADA/Electrical/Maintenance Supervisor	-	-	0.25
Instrumentation, Electrical & Controls Tech	-	-	0.5
TOTAL FTE	15.2	15.2	15.8

*FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

Collections

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

Treatment

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

Table #10 - Wastewater Services Operating Budget Summary*

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Total Labor **	\$ 1,198,408	\$ 1,257,231	\$ 1,282,800	\$ 1,275,294	1.4%
Total Non-Labor	1,014,152	1,136,900	1,065,801	1,331,900	17.2%
Operating Total	\$ 2,212,560	\$ 2,394,131	\$ 2,348,601	\$ 2,607,194	8.9%
Allocated Benefits Expenditures	657,335	857,217	857,217	864,281	0.8%
Total Direct Wastewater Costs	\$ 2,869,895	\$ 3,251,349	\$ 3,205,818	\$ 3,471,475	6.8%
Allocation of Administrative Services	2,193,361	2,262,878	2,264,234	2,416,351	6.8%
Total Services Budget	\$ 5,063,255	\$ 5,514,227	\$ 5,470,053	\$ 5,887,826	6.8%

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

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

Table #11 - Wastewater Services, Division Budget to Budget Comparison

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Collections					
Labor:					
Salaries	\$ 471,065	\$ 429,802	\$ 521,400	\$ 450,525	4.8%
Non-Labor:					
Contractor Services	30,488	43,000	35,000	56,000	30.2%
Equipment (Non Capital)	2,566	5,000	5,000	5,000	0.0%
Materials/Services/Supplies	62,602	125,000	85,055	124,000	-0.8%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	363	900	-	900	0.0%
Utilities **	113,320	120,000	59,911	100,000	-16.7%
Total Non-Labor	\$ 209,338	\$ 293,900	\$ 184,966	\$ 285,900	-2.7%
Division Operating Total	\$ 680,403	\$ 723,702	\$ 706,366	\$ 736,425	1.8%

**Utility cost increase driven by actual cost levels.

Treatment					
Labor:					
Salaries	\$ 727,343	\$ 827,430	\$ 761,400	\$ 824,770	-0.3%
Non-Labor Expenses:					
Contractor Services	259,898	213,500	283,360	433,000	102.8%
Equipment (Non Capital)	6,000	9,000	7,345	9,000	0.0%
Materials/Services/Supplies	278,084	310,500	265,964	312,000	0.5%
Professional Services	35,000	-	-	-	NA
Memberships/Training/Permits	62,981	95,000	80,000	95,000	0.0%
Utilities **	162,851	215,000	244,165	197,000	-8.4%
Total Non-Labor	\$ 804,814	\$ 843,000	\$ 880,834	\$ 1,046,000	24.1%
Division Operating Total	\$ 1,532,157	\$ 1,670,430	\$ 1,642,234	\$ 1,870,770	12.0%

**Utility cost increase driven by actual cost levels.

Fiscal Year 2020-21 Accomplishments

- Water Reclamation Plant stayed in compliance with state and federal regulations, including the new NPDES permit R9-2019-0169
- Maintained equipment from the headwork’s to the secondary, including solids handling equipment
- The plant reduced its overall power consumption by 1.6%. The plant reduced chlorine usage by 28%

Fiscal Year 2021-22 Goals and Objectives

- Operate Water Reclamation Plant treatment units to stay in compliance with state and federal regulations
- Maintain Water Reclamation Plant equipment from the headwork’s to secondary, including solids handling equipment using preventative and predictive measures
- Maintain energy consumption +/- 5%
- Maintain chlorine usage +/- 5%

Key Performance Indicators

- Maintain energy usage (kWh) at +/- 5% of target annual average of 2,760,000
- Reduce 10-year average wastewater spills by 10% - Keep spills under 9,075 gallons; in FY 2021 kept spills at 7,451 gallons
- Keep common sewer spills to 3 or less during the year; in FY 2021 we had 4 spills

Recycled Water Services

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

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

Recycled Water Services is broken down into Divisions that support a specific function. Recycled Water Services historic and proposed staffing levels are shown in Table 12.



Table #12 - Recycled Water Services Approved Positions

Position	Actual FTE	Actual FTE	Proposed FTE
	FY 2019-20	FY 2020-21	FY 2021-22
Chief Plant Operator	0.15	0.15	0.15
Lead Plant Operator	0.3	0.3	0.3
Plant Operator	0.3	0.3	0.3
Environmental Compliance Technician	0.5	0.5	0.5
Laboratory Technician	0.15	0.15	0.15
Mechanical Technician	0.2	0.2	-
Senior Maintenance Technician	-	-	0.2
Plant Maintenance Worker	0.2	0.2	-
Maintenance Technician I/II	-	-	0.2
Utility Technician	0.25	0.5	0.5
Utility Worker I	0.5	0.5	0.5
Backflow/ Cross Connection Tech	0.25	-	-
TOTAL FTE	2.8	2.8	2.8

* FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

Production

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

Distribution

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



Table #13 - Recycled Water Services Operating Budget Summary*

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Total Labor **	\$ 119,479	\$ 188,184	\$ 108,400	\$ 181,916	-3.3%
Total Non-Labor	231,452	228,000	210,648	222,000	-2.6%
Operating Total	\$ 350,931	\$ 416,184	\$ 319,048	\$ 403,916	-2.9%
Allocated Benefits Expenditures	65,535	128,310	128,310	123,286	-3.9%
Total Direct Recycled Water Costs	\$ 416,467	\$ 544,494	\$ 447,358	\$ 527,202	-3.2%
Allocation of Administrative Services	62,667	64,654	64,692	69,039	6.8%
Total Services Budget	\$ 479,134	\$ 609,148	\$ 512,050	\$ 596,241	-2.1%

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

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

Table #14 - Recycled Water Services, Division Budget to Budget Comparison

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Production					
Labor:					
Salaries	\$ 117,388	\$ 150,060	\$ 104,700	\$ 145,595	-3.0%
Non-Labor:					
Contractor Services	25,944	20,000	27,000	34,000	70.0%
Equipment (Non Capital)	3,051	4,000	3,000	4,000	0.0%
Materials/Services/Supplies	116,168	91,000	65,687	77,000	-15.4%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	69,793	95,000	110,000	85,000	-10.5%
Total Non-Labor	\$ 214,956	\$ 210,000	\$ 205,687	\$ 200,000	-4.8%
Division Operating Total	\$ 332,345	\$ 360,060	\$ 310,387	\$ 345,595	-4.0%

**Utility cost increase driven by actual cost levels.

Distribution					
Labor:					
Salaries	\$ 2,091	\$ 38,124	\$ 3,700	\$ 36,321	-4.7%
Non-Labor:					
Contractor Services	-	-	-	-	NA
Equipment (Non Capital)	-	-	-	-	NA
Materials/Services/Supplies	15,968	18,000	4,442	22,000	22.2%
Professional Services	-	-	-	-	NA
Memberships/Training/Permits	-	-	-	-	NA
Utilities **	528	-	518	-	NA
Total Non-Labor	\$ 16,496	\$ 18,000	\$ 4,961	\$ 22,000	22.2%
Division Operating Total	\$ 18,587	\$ 56,124	\$ 8,661	\$ 58,321	3.9%

**Utility cost increase driven by actual cost levels.

Fiscal Year 2020-21 Accomplishments

- Operated the Water Reclamation Plant tertiary treatment units while staying in compliance with applicable recycled water permits: Order No. 91-39, Title 22, State Recycled Water Permits and Policy
- Provided reliable recycled water production by maintaining the Water Reclamation Plant tertiary equipment from the filters to the reclaimed water pond, using preventative and predictive measures
- Maintained an overall compliance of > 99.9% each month from all samples associated with the Title 22 and WDR Permit

Fiscal Year 2021-22 Goals and Objectives

- Operate the Water Reclamation Plant tertiary treatment units while staying in compliance with the applicable recycled water permits: Order No. 91-39, Title 22, State Recycled Water Permits and Policy
- Maintain the Water Reclamation Plant tertiary equipment from the filters to the reclaimed water pond, using preventative and predictive measures, to reliably produce recycled water

Key Performance Indicators

- Maintain an overall compliance of > 99.9% each month from all samples associated with the Title 22 and WDR Permit

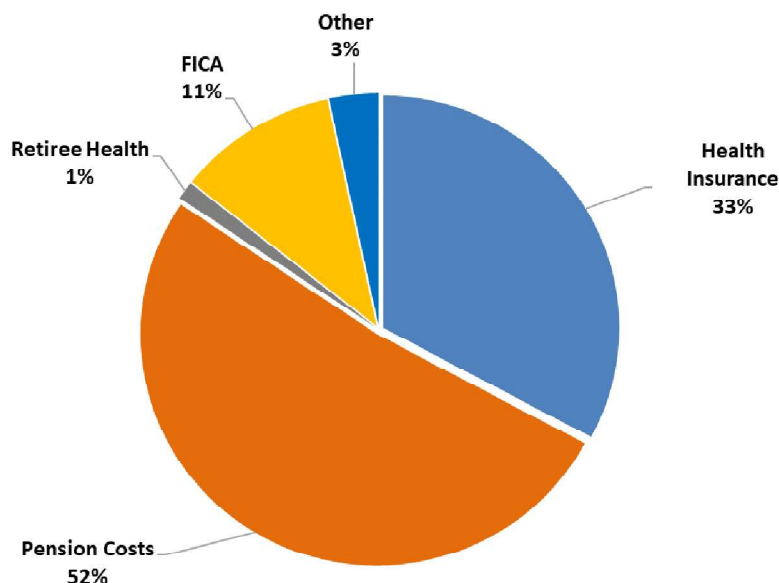


UV Plant

Employee Benefits

The District updates the cost of the benefits offered to District staff as part of the annual budget. The current Memorandum of Understanding (MOU) between the District and its employee association is set to expire in July 2022, the budget was developed based upon the terms of the current MOU. Table 15 shows the breakdown of the District's costs related to employee benefits. These cost estimates include expected increases in costs due mainly to increased health benefit rates and 2 additional FTE's required to operate the new SMGTP.

Chart #4 - Fiscal Year 2021-22 Benefits Breakdown



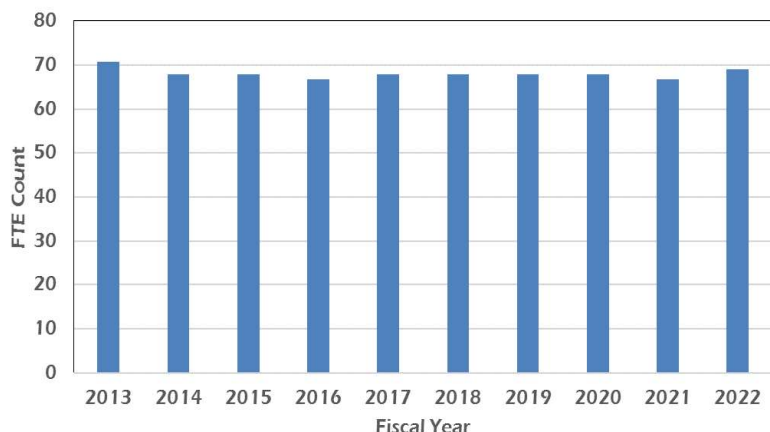
Strategic Planning

The District's proactive management of the district's pension obligations has resulted in approximately 84% funding of its pension obligations. This limits the potential for future rate and charge increases due to pension obligation funding needs.

Table #15 - Breakdown of District's Employee Benefit Costs

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to
	Actual	Budget	Projected	Budget	Budget Change (%)
Auto Allowance	\$ 14,211	\$ 14,500	\$ 14,500	\$ 14,500	0.0%
Insurance - Dental	61,471	73,856	70,000	76,000	2.9%
Insurance - Vision	12,305	14,394	13,000	14,606	1.5%
Insurance - Health	858,051	1,000,135	972,792	1,151,301	15.1%
Insurance - Life and Disability	44,626	51,714	51,714	46,779	-9.5%
Insurance - Worker's Comp	140,741	157,403	157,403	152,881	-2.9%
Longevity Bonus	25,169	36,448	30,000	26,921	-26.1%
FICA - Employer's share	440,803	462,225	450,000	480,601	4.0%
CalPERS Annual Contribution	532,223	652,605	620,000	652,526	0.0%
CalPERS Unfunded Liability Payment	881,796	965,469	965,469	1,112,995	15.3%
Pension/OPEB Liability Trust Payment	500,000	500,000	500,000	500,000	0.0%
Employer's share (401 & 457)	47,917	51,467	51,467	54,187	5.3%
District Share of Retiree Medical Insurance	42,356	57,615	57,615	55,300	-4.0%
Retiree Compensated Absence Payout	16,841	20,000	20,000	20,000	0.0%
Uniforms & Boots	37,706	31,460	49,803	31,851	1.2%
Total	\$ 3,656,216	\$ 4,089,292	\$ 4,023,763	\$ 4,390,448	7.4%

Chart #5 - Fallbrook Public Utility District's Approved Full-Time Staffing Equivalent



The District's staffing levels shown in Chart 4 in order to operate the new SMGTP reflect the increase of 2.2 FTE's. The District participates in the California Public Employees' Retirement System (CalPERS). Recent changes to CalPERS accounting practices have caused pension costs for participating agencies to increase. The District's pension cost budget incorporates the costs determined by CalPERS for the next fiscal year. The recent change to the discount rate

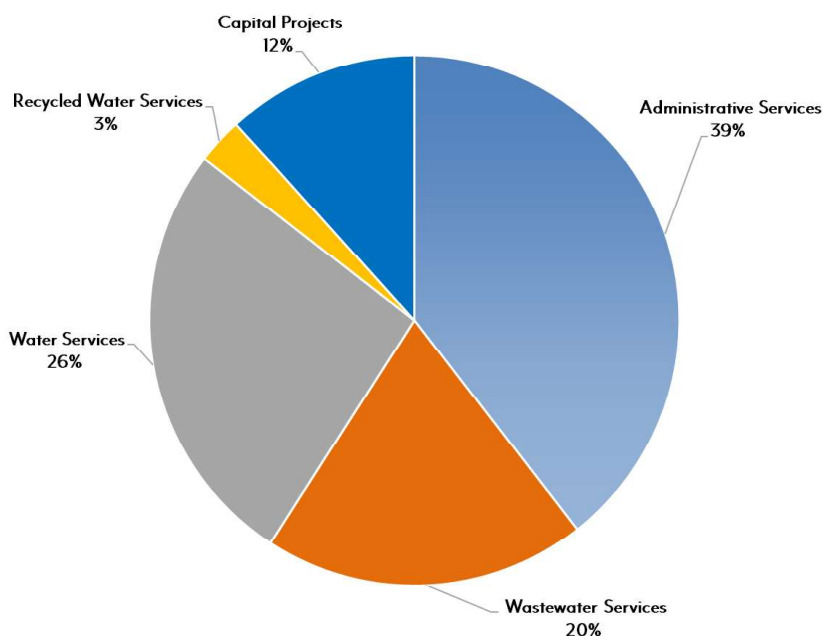
used to calculate the current cost of the pension benefits already earned by staff are driving up the Unfunded Liability Payment as seen by the 15.3% increase in this cost. The District has maintained its contribution to the Pension/OPEB Liability 115 Trust as part of the Board's strategy to mitigate the impacts of changing pension costs. Appendix D provides the District's CalPERS annual payment schedule for the Unfunded Actuarial Accrued Liability (UAAL).

The District's healthcare insurance costs are budgeted to increase by 11.1% driven by a change in the healthcare coverage elections made by both new hires and 2 additional FTE's. The District's healthcare insurance premium increases were in line with inflation. Changes to other benefits are shown on the table.

Benefit Allocation

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

Chart#6 - Fiscal Year 2021-22 Benefits Allocation



Debt Service

The District currently has four outstanding long-term debt obligations, the Red Mountain State Revolving Fund Loan (2011 SRF Loan), the 2021 Wastewater Refunding Revenue Bonds (2021 WWRRB), the Qualified Energy Conservation Revenue Bonds (2010 QECB) and the State Revolving Fund Loans (2018 SRF Loan). The 2011 SRF Loan funded the construction of a water treatment facility serving the Red Mountain Reservoir. The 2021 Wastewater Refunding Revenue Bonds (2021 WWRRB), which refunded a SRF Loan that funded the rehabilitation and modernization of the District's Water Reclamation Plant. The 2010 QECB loan funded the District's 1 MW solar facility. The 2018 SRF loan funded the District's SMGTP. While the District has requested an increase in the loan amount, the original debt service is shown here since the requested modification to the agreement has not yet been approved.

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

Each debt issuance is linked to the Service that it was used to fund. In some cases, the debt service can be allocated to more than one service. The table below shows the debt service payments for Fiscal Year 2021-22 and the amount allocated to each service.

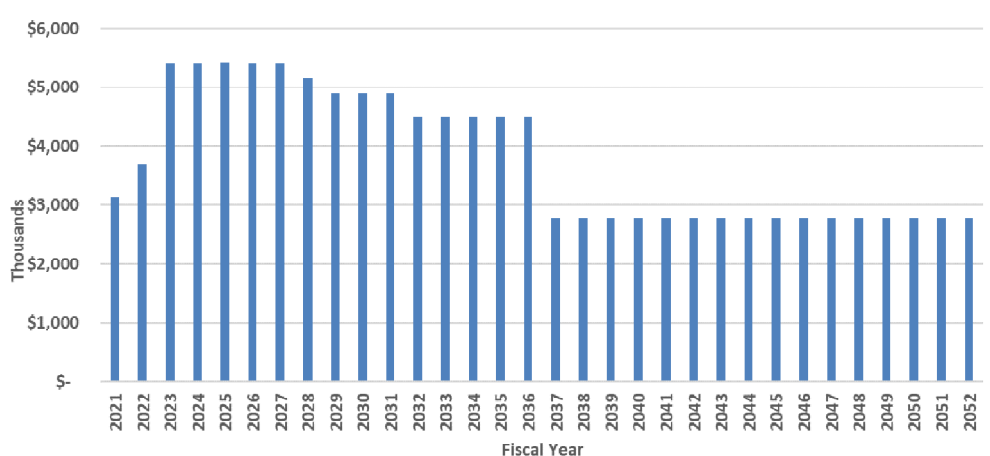
Table #16 - Debt Service Budget Summary

Debt Issuance	Service			Total Debt Service
	Water	Wastewater	Recycled Water	
2018 SRF Loan*	\$ 1,038,424	\$ -	\$ -	\$ 1,038,424
2011 SRF Loan	395,851	-	-	395,851
2021 WWRRB**	-	1,210,919	518,965	1,729,884
2010 QECB	-	521,312	-	521,312
Total	\$ 1,434,275	\$ 1,732,231	\$ 518,965	\$ 3,685,471

*During the construction period the District pays interest on the funds received from the State at the loan interest rate of 1.9%.

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

Chart #7 - Annual Debt Service



The table below shows the debt service payment schedule for each debt issuance. The debt service in Fiscal Year 2022-23 increases significantly because full debt service payments for the SMRCUP loan begin.

The District expects to make an interest payment on the 2018 SRF Loan this budget period. The Full debt service for the 2018 SRF Loan is expected to begin in Fiscal Year 2022-23 and is shown in the summary table. The financial projections in this document include this debt service starting in Fiscal Year 2022-23.

Table #17 - Fiscal Year 2021-22 Debt Service Schedule

Year Ending June 30	Red Mountain State Revolving Fund Loan		Wastewater Revenue Refunding Bonds		QECB* Loan		SMRCUP State Revolving Funds**		District Annual Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
	2021	300,807	95,044	-	58,700	345,316	175,326	-	
2022	308,589	87,261	1,110,000	619,884	366,104	155,208	-	1,038,424	\$3,685,471
2023	316,573	79,278	1,115,000	616,022	387,783	133,884	1,584,121	1,187,095	\$5,419,756
2024	324,764	71,087	1,120,000	610,746	410,388	111,302	1,605,532	1,165,684	\$5,419,502
2025	333,166	62,685	1,130,000	603,575	433,953	87,409	1,636,037	1,135,179	\$5,422,004
2026	341,786	54,065	1,145,000	584,934	458,515	62,150	1,667,122	1,104,094	\$5,417,666
2027	350,628	45,222	1,185,000	546,700	484,114	35,465	1,698,797	1,072,419	\$5,418,346
2028	359,700	36,151	1,230,000	498,400	254,219	7,296	1,731,074	1,040,142	\$5,156,982
2029	369,006	26,845	1,280,000	448,200	-	-	1,763,965	1,007,251	\$4,895,267
2030	378,553	17,298	1,335,000	395,900	-	-	1,797,480	973,736	\$4,897,967
2031	388,347	7,503	1,390,000	341,400	-	-	1,831,632	939,584	\$4,898,467
2032	-	-	1,445,000	284,700	-	-	1,866,433	904,783	\$4,500,916
2033	-	-	1,505,000	225,700	-	-	1,901,895	869,321	\$4,501,916
2034	-	-	1,565,000	164,300	-	-	1,938,031	833,185	\$4,500,516
2035	-	-	1,630,000	100,400	-	-	1,974,854	796,362	\$4,501,616
2036	-	-	1,695,000	33,900	-	-	2,012,376	758,840	\$4,500,116
2037	-	-	-	-	-	-	2,050,611	720,605	\$2,771,216
2038	-	-	-	-	-	-	2,089,573	681,643	\$2,771,216
2039	-	-	-	-	-	-	2,129,275	641,941	\$2,771,216
2040	-	-	-	-	-	-	2,169,731	601,485	\$2,771,216
2041	-	-	-	-	-	-	2,210,956	560,260	\$2,771,216
2042	-	-	-	-	-	-	2,252,964	518,252	\$2,771,216
2043	-	-	-	-	-	-	2,295,770	475,446	\$2,771,216
2044	-	-	-	-	-	-	2,339,390	431,826	\$2,771,216
2045	-	-	-	-	-	-	2,383,839	387,377	\$2,771,216
2046	-	-	-	-	-	-	2,429,131	342,085	\$2,771,216
2047	-	-	-	-	-	-	2,475,285	295,931	\$2,771,216
2048	-	-	-	-	-	-	2,522,315	248,901	\$2,771,216
2049	-	-	-	-	-	-	2,570,239	200,977	\$2,771,216
2050	-	-	-	-	-	-	2,619,074	152,142	\$2,771,216
2051	-	-	-	-	-	-	2,668,836	102,380	\$2,771,216
2052	-	-	-	-	-	-	2,719,544	51,672	\$2,771,216

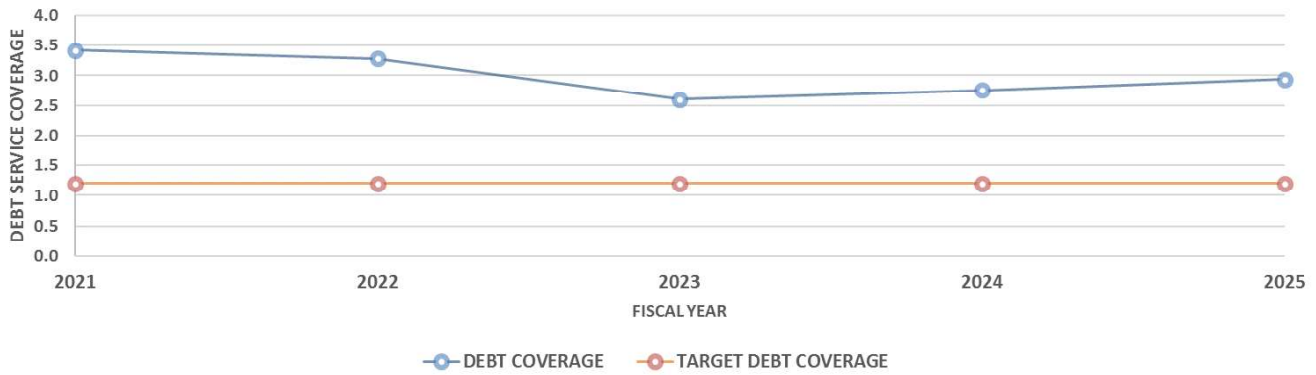
*Qualified Energy Conservation Revenue Bonds. Debt service is not adjusted for interest rate subsidy payments.

**Debt service based upon approved loan amount and interest rate. Actual debt service will be calculated once the Santa Margarita Conjunctive Use Project is completed.

***District Annual Debt Service Total includes \$1,750,772 of Debt Services on a SRF Loan that was refunded in January 2021.

While there is no established legal debt limit for the District, the District has an adopted Debt Management Policy. The Debt Management Policy creates the framework for issuing debt. The District's debt service indentures require that the debt service coverage ratio be maintained at or above 1.2x. Chart 7 shows the projected debt service coverage above the target level of 1.2x. Currently the District has no subordinate debt outstanding.

Chart #8 - Debt Service Coverage Ratio



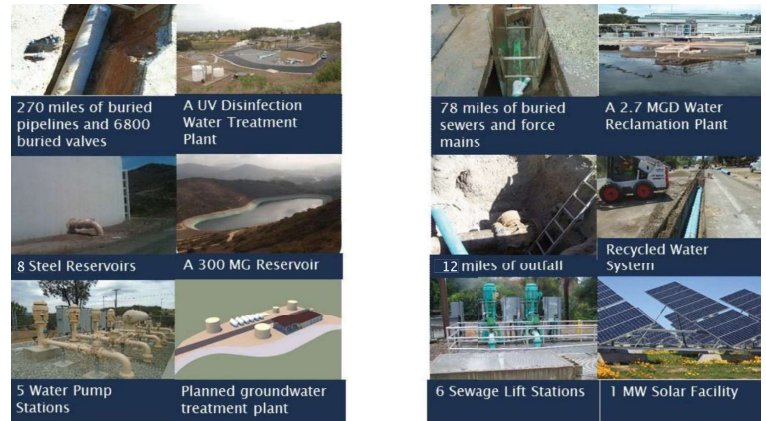
Santa Margarita River

Project Summary for Fiscal Year 2021-22

District Capital Program

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

Figure #1 - Fallbrook District Facilities



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

For Fiscal Year 2020-21, Table 1 shows budget versus projected actual expenses for each capital project category. Water Capital expenses were under budget due to delayed implementation of the pipeline replacement plans described in more detail below. Recycled Water Capital expenses were also under budget as a result of delays in the state grant process which slowed the implementation of the water supply reliability feasibility project. Wastewater Capital Expenses for the year were over budget, primarily due to the timing of the Overland Trail Lift Station (OTLS) Rehabilitation Project. This project was planned over multiple fiscal years, and more work was completed in the past year than originally planned. Finally, administrative capital expenses were close to the planned budget, except for the fleet and equipment purchases. The purchase of two fleet trucks and the crane were delayed due to supply chain constraints, pushing their delivery into the coming fiscal year. This is explained further in the detailed Vehicles and Heavy Equipment section.

Capital Project Summary for Fiscal Year 2021-22

The District has implemented a capital program to improve the overall reliability of the water, wastewater and recycled systems. The most significant component of the capital program is replacement of aging infrastructure. In addition to rehabilitation, the ongoing construction of the \$66.2 million SMRCUP will be the most significant single project for the next 15-20 years and will provide a long-term cost effective local water supply. The key capital projects scheduled for Fiscal Year 2021-22 are summarized on the following pages.

Water Capital Projects

District construction staff will continue with valve replacement projects to reduce outage impacts of breaks and failures. The District implemented an escalating capital improvement charge to ensure the District is meeting pipeline infrastructure replacement needs. In Fiscal Year 2020-2021, the pipeline replacement goals were not met due to limitations on staff time caused by the construction of the SMRCUP as well as alignment complications on one of the planned projects. In an effort to catch up with the replacement goal, additional pipeline replacement efforts are planned for the coming year. The major pipeline projects for Fiscal Year 2021-22 include:

- Completion of the first phase of the Gum Tree Pipeline Replacement Project started in Fiscal Year 2020-21. The project consists of the replacement of approximately 1,400 linear feet of 20-inch water main.
- Construct phases two and three of the Winter Haven Road Pipeline Replacement Project, approximately 5,580 linear feet of 120-inch water main.
- Construct the Knoll Park Pipeline replacement project, approximately 1,350 linear feet of 24-inch water main and 700 linear feet of 8-inch water main.

The SMRCUP project is currently under construction, approximately 75 percent complete, and scheduled to begin operating in the second quarter of Fiscal Year 2021-22.

Wastewater/ Recycled Capital Projects

As part of the long-term sewer system replacement plan, the focus will be on rehabilitating deteriorating manholes and replacement of the Green Canyon Force Main, as well as the Hawthorn Lift Station.

At the Water Reclamation Plant (WRP), the second phase of the conveyor controls replacement will be implemented, as well as the replacement of aging mechanical equipment.

For the recycled water system, a portion of the distribution system that has experienced multiple breaks will be replaced. Additional Remote pressure monitoring capabilities will be added in strategic locations. The biggest recycled system project is the continuation of the water supply reliability project currently underway. The Integrated Regional Water Management Proposition 1 Grant that funds 50 percent of that project was formally approved by the State Department of Water Resources in April of 2021.

Table #1 - Capital Improvements Projects Summary Table

	Budget	Projected	FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Water Capital Projects										
Pipelines & Valve Replacement Projects by District	\$ 670,000	\$ 730,000	\$ 670,000	\$ 593,144	\$ 704,177	\$ 605,066	\$ 611,117	\$ 617,228		
Pipeline Replacement Projects by Contractors	1,298,000	400,000	3,388,000	3,561,988	3,047,404	3,306,635	3,216,406	3,294,500		
Deluz ID Projects	80,000	65,000	100,000	104,060	105,101	106,152	107,214	109,572		
Pump Stations	233,750	30,000	412,500	52,030	178,672	53,076	53,607	54,786		
Meter Replacement	675,000	660,000	275,000	52,030	21,020	21,230	21,443	21,914		
Pressure Reducing Stations	20,000	15,000	-	93,654	21,020	21,230	-	21,697		
Red Mountain Reservoir Improvements	40,000	25,000	112,000	364,211	52,551	95,537	53,607	54,786		
Steel Reservoir Improvements	669,000	700,000	180,000	10,406	10,510	849,216	696,888	712,220		
Treatment Plant R&R	-	-	-	208,121	210,202	212,304	214,427	219,144		
SCADA Upgrades/ Security/Telemetry	130,000	60,000	95,000	93,654	89,336	111,460	112,574	115,051		
Total PAYGO Water Capital Projects	\$ 3,815,750	\$ 2,685,000	\$ 5,232,500	\$ 5,133,300	\$ 4,439,992	\$ 5,381,907	\$ 5,087,282	\$ 5,220,900		
Santa Margarita Conjointive Use Project Construction	\$ 31,900,000	\$ 30,500,000	\$ 8,450,000	-	-	-	-	-		
Total Water Capital Projects	\$ 35,715,750	\$ 33,185,000	\$ 13,682,500	\$ 5,133,300	\$ 4,439,992	\$ 5,381,907	\$ 5,087,282	\$ 5,220,900		
Recycled Water Capital Projects										
Recycled Water Improvements	\$ 430,000	\$ 180,000	\$ 270,000	\$ 118,629	\$ 119,815	\$ 121,013	\$ 175,830	\$ 179,698		
Total Recycled Water Capital Projects	\$ 430,000	\$ 180,000	\$ 270,000	\$ 118,629	\$ 119,815	\$ 121,013	\$ 175,830	\$ 179,698		
Wastewater Capital Projects										
WRP Improvements	\$ 245,000	\$ 270,000	\$ 315,000	\$ 253,907	\$ 998,460	\$ 796,140	\$ 428,854	\$ 919,800		
Collection System Improvements	1,740,000	2,500,000	595,000	1,571,312	903,869	1,050,905	525,346	1,074,025		
Outfall Improvements	50,000	10,000	50,000	52,030	52,551	53,076	268,034	112,420		
Total Wastewater Capital Projects	\$ 2,035,000	\$ 2,780,000	\$ 960,000	\$ 1,877,250	\$ 1,954,879	\$ 1,900,121	\$ 1,222,234	\$ 2,106,245		
Administrative Capital Projects										
Administrative Upgrades	\$ 30,000	\$ 30,000	\$ 65,000	\$ 26,015	\$ 446,679	\$ 26,538	\$ 26,803	\$ 27,393		
Engineering & Operations Information Systems	40,000	20,000	-	31,218	31,530	31,846	32,164	32,872		
Facility Improvements/Upgrades/Security	185,000	190,000	120,000	88,451	26,275	26,538	26,803	229,950		
District Yard Improvements	120,000	130,000	25,000	-	52,551	53,076	-	54,244		
Vehicles and Heavy Equipment	566,000	80,000	615,500	315,823	387,297	497,322	395,082	403,774		
Total Administrative Capital Projects	\$ 941,000	\$ 450,000	\$ 825,500	\$ 461,508	\$ 944,333	\$ 635,320	\$ 480,853	\$ 748,232		
Total Capital Budget Projects	\$ 7,221,750	\$ 6,095,000	\$ 7,288,000	\$ 7,590,686	\$ 7,459,018	\$ 8,038,361	\$ 6,966,199	\$ 8,255,075		
Total all Capital Projects (Including SMRCUP)	\$ 39,121,750	\$ 36,595,000	\$ 15,738,000	\$ 7,590,686	\$ 7,459,018	\$ 8,038,361	\$ 6,966,199	\$ 8,255,075		

Capital Expenditure Carry-Over

As mentioned in the Water Capital Projects summary, additional pipeline replacement efforts are planned for the coming year to make up for delayed projects in Fiscal Year 2020-21. The unused portion of the planned budget will be carried over to the coming year’s budget. Pipeline replacement projects planned for Fiscal Year 2020-21 totaled approximately 4,150 linear feet of replaced pipe at the time the budget was approved, but only 2,620 were completed. The SMRCUP included approximately 4,000 linear feet of 24-inch pipeline replacement, therefore the combined total for the year was 6,620 linear feet. The Gum Tree Pipeline Project, which ultimately consists of about 1,400 linear feet of 20-inch water main has been awarded, but will not be constructed until the beginning of Fiscal Year 2021-22 due to design delays related to right-of-way constraints and longer than usual pipeline procurement time. The second phase of the Winter Haven Pipeline Project was originally planned to begin construction near the end of the fiscal year, but design details are still being finalized. This project will now be bid and constructed as a single project along with the third phase that was planned for Fiscal Year 2021-22. Combined, the project will replace 5,580 linear feet of 12-inch water main. These projects, along with other previously planned replacements for the coming year, will realize a combined total replacement of approximately 9,030 linear feet. The resulting two year average of 5,825 linear feet will exceed the long term goal of 5,000 linear feet of replaced pipeline per year. The planned budget has been adjusted accordingly as shown in Table 2 below.

Similarly, there were delays in planned vehicle procurements caused by unexpected supply chain issues. As a result, two of the fleet vehicles and the replacement crane that were ordered during Fiscal Year 2020-21 were not delivered. These purchases will be incurred in Fiscal Year 2021-22. Staff have revised and improved the fleet replacement plan as discussed in the project descriptions section. The delayed purchases from Fiscal Year 2020-21 combined with the revised replacement plan resulted in adjustments to the planned budget as shown in Table 2 below. Note that the carry-over amount for the vehicles does not match the expenditure shortfall. The improved fleet replacement program demonstrated that two fleet vehicle purchases can be deferred to future years. The carry-over value is only for the replacement crane purchase.

Table #2 - Capital Expenditure Carry-Over Summary Table

Project	FY 2020-21 Budget	FY 2020-21 Projected Actual	FY 2020-21 Carry-Over	FY 2021-22 Revised Budget*
Pipeline Replacements Projects by Contractors	\$ 1,298,000	\$ 400,000	\$ 898,000	\$ 3,388,000
Vehicles & Heavy Equipment	\$ 566,000	\$ 80,000	**313,000	\$ 615,000

*Includes FY 2020-21 carry-over

**Carry-over value does not match the expenditure shortfall. It only includes the replacement crane purchase. Planned fleet truck purchases have been deferred as part of the updated fleet management plan.

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Pipeline and Valve Replacement Projects by District

Project Description:

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



The proposed purchases and costs for Fiscal Year 2021-22 also include:

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

Valves Replaced by Year	
Year	Quantity
FY 2017-18	112
FY 2018-19	57
FY 2019-20	89
FY 2020-21	49 (as of 5/1/21)
FY 2021-22	100 (Target)

Supports Strategic Goals:

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

Operating Impacts:

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

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Valve Replacement Program	Continuous Replacement Program	\$ 500,000
Miscellaneous Pipeline Replacements	Continuous Replacement Program	\$ 100,000
Mainline Leak Detection	Continuous Detection Program	\$ 20,000
Easement Rehabilitation	Continuous Rehabilitation Program	\$ 50,000
Total		\$ 670,000



Pipeline Replacement Projects by Contractors

Project Description:

Significant pipeline replacement projects installed by contractors. Projects are prioritized based on the pipeline asset risk assessment model to minimize pipeline failures and unplanned service outages. Specific projects planned for Fiscal Year 2021-22 include:



- Gum Tree Pipeline Replacement Phase 1 – 1,400 linear feet of 20-inch water main. The Gum Tree Lane Pipeline is a 20-inch cement lined iron pipe transmission main that conveys water from Red Mountain to Gheen Reservoir. Its actual age is unknown, but it was relined in 1966. There are multiple above grade creek crossings that have deteriorated and required repairs in areas that are challenging to access. This replacement project will focus on approximately 1,400 linear feet in the vicinity of the above grade creek crossings. This project was planned for the previous year, but was not awarded until March, and with the long pipe fabrication lead time, the bulk of the installation will occur this fiscal year.
- Winter Haven Road Pipeline Replacement Phase 2 and 3 – 5,580 linear feet of 12-inch water main. The second and third phases of the Winter Haven Road Pipeline Replacement will be completed together, replacing the existing water main from Havencrest Lane to the Yarnell PRV. The existing cement lined iron pipe was relined in 1968.
- Knoll Park Pipeline Replacement – 1,350 linear feet of 24-inch water main and 700 linear feet of 8-inch water main between Hillcrest Lane and Chanelle Lane. The portion of the distribution system currently has duplicate water lines, an 8-inch installed in 1958 and a 24-inch installed in 1963. Both are in need of replacement.

Supports Strategic Goals:

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

Operating Impacts:

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

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Gum Tree Pipeline Replacement Phase 1	\$ 480,000	\$ 380,000
Winter Haven Road Pipeline Replacement Phases 2 & 3	\$ 1,953,000	\$ 1,953,000
Knoll Park Pipeline Replacement	\$ 1,055,000	\$ 1,055,000
Total		\$ 3,388,000



DeLuz ID Projects

Project Description:

Capital Projects in the DeLuz Improvement District using Deluz Improvement District Funds. Projects include pipeline extension to specified parcels per adopted policy and rehabilitation of existing infrastructure. Projects for Fiscal Year 2021-22 include:



- De Luz Aqueduct Plug Valve Replacements – There are several 24-inch plug valves on the De Luz Aqueduct that are no longer functioning. The most critical locations for isolation needs will be selected for replacement.
- De Luz Yard Rehabilitation – The De Luz Yard and former De Luz Irrigation District offices had been leased to the Fire Department for the last 20 years. That lease agreement expired and the Fire Department turned the property back over to the District. The site is ideal for storage of limited materials for use on maintenance efforts in the area. Yard material storage bins will be installed, a missing portion of the perimeter fence will be replaced, a dilapidated existing bathroom structure will be demolished, and storage shelving will be added to the existing garage.

Supports Strategic Goals:

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

Operating Impacts:

The new pressure reducing station will help improve water reliability by providing operational flexibility in the DeLuz service area. The project will have a negligible impact on operation costs.

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
DeLuz Aqueduct Valves	\$ 50,000	\$ 50,000
DeLuz Yard	\$ 50,000	\$ 50,000
Total		\$ 100,000



Pump Stations

Project Description:

The District has 5 pump stations that deliver water to higher elevation areas. In Fiscal Year 2021-22, the following Pump Station projects are planned:



- **Toyon Pump Station Replacement** – This pump station has been scheduled for replacement for some time now, but has been deferred due to other capital priorities and new planning complexities introduced by details of the SMRCUP and potential change of imported water supplier. The pump station serves 63 accounts in the Toyon Service Area above Red Mountain Reservoir. The existing facility, built in 1982, is housed in a wood structure adjacent to the narrow Toyon Heights Road and is in poor condition. The new station will be constructed at the Red Mountain site, near the UV Plant, making it easier for operators to access and away from public right-of-way. The project will include new pumps, improved SCADA capabilities, and approximately 550 linear feet of new 8-inch water main to connect it to the Toyon Service Area.
- **Minor Pump Station Improvements**–The check valves at Donnil Pump Station are needing to be replaced. These critical valves protect the pumps from damage during pressure fluctuations. At the Daily Pump Station, electrical modifications are planned to better facilitate temporary power during power outages. This has become more critical as SDG&E has enacted public safety power shut-offs more frequently in recent years.
- **De Luz Pump Station Design** – In order to deliver SMRCUP water to the De Luz Service Area, additional pumping capabilities will be needed. Initial planning and design for a potential pump station will be completed, in preparation for the construction of this pump station in the following year.

Supports Strategic Goals:

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

Operating Impacts:

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

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Toyon Pump Station Replacement	\$ 292,500	\$ 292,500
Minor Pump Station Surge Improvements	\$ 95,000	\$ 95,000
DeLuz Pump Station Design	\$ 25,000	\$ 25,000
Total		\$ 412,500



Meter Replacement Program

Project Description:

In Fiscal Year 2021-22 the District will complete the Meter Replacement Program that was started in 2015. The program replaces existing Automatic Meter Reading (AMR) meters with Advanced Metering Infrastructure (AMI) meters, which are able to provide real time data collection and alerts. As of May, 2021, approximately 8,500 of the District’s 9,252 meters have been exchanged. By the beginning of Fiscal Year 2021-22, there will be fewer than 400 left to exchange.

Supports Strategic Goals:

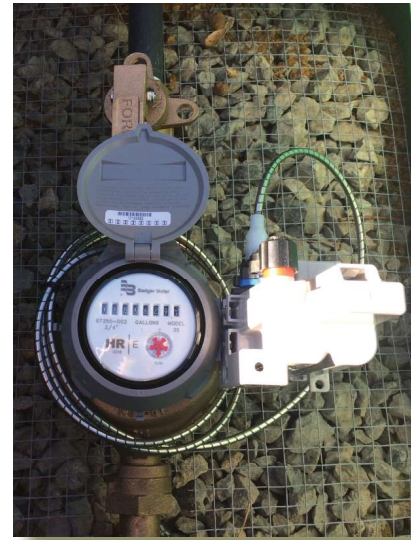
Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

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

Project Budget:

Project	Total Project Budget	FY 2021-22 Budget
Meter Replacement Program	\$ 3,000,000	\$ 275,000
Total		\$ 275,000



Red Mountain Reservoir Facility Improvements

Project Description:

Replacement and rehabilitation of equipment and facilities at the Red Mountain Site, including the reservoir and UV plant. Projects for Fiscal Year 2021-22 include:



- Additional Mixer – with the SMRCUP scheduled to begin deliveries in late 2021, the operation of the Red Mountain Reservoir will be significantly altered. There will likely be winter months with little system demand, but large SMRCUP deliveries that will need to be stored for several months in the reservoir. To maintain water quality additional reservoir mixing capacity will be needed.
- Reactor Inlet Valve Replacements – the inlet valves to each reactor train have exceeded their useful life and require replacement.
- Boat Storage Replacement – the District keeps a small boat stored at the reservoir. The storage structure is in disrepair and will be replaced by a storage container.

Supports Strategic Goals:

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

Operating Impacts:

Proper reservoir mixing and functioning valves will improve operational efficiency.

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Reservoir Mixer	\$ 110,000	\$ 90,000
Valve Replacements	\$ 10,000	\$ 10,000
Boat Storage Replacement	\$ 12,000	\$ 12,000
Total		\$ 112,000



Steel Reservoir Improvements

Project Description:

In Fiscal Year 2020-21, the District completed the reservoir recoating program which was started in 2014, protecting the existing reservoirs from corrosion and extending their useful life. The coatings typically last 10 to 15 years, so no recoating projects are anticipated for the next few years. Other projects planned in Fiscal Year 2021-22 include:



- Dive Inspection – Routine dive inspections enable a review of the interior condition of the tanks.
- Gheen Site Improvements – The fencing around the west and south side of the Gheen site is in poor condition and will be replaced to enhance security of the site.
- Rattlesnake Site Analysis – The hillside around the Rattlesnake tank has erosion issues that could eventually effect the structural integrity of the tank. The tank perimeter access is also in poor condition. Plans for repair or alternative uses of the site will be analyzed to identify the most efficient approach for the District.
- Lang Reservoir Decommissioning – The Lang Reservoir has been out of service for several years. The site is used for District communications equipment and a cell tower lease. The reservoir itself will be removed to improve safety at the site.
- Cathodic Protection Replacements – The steel reservoirs use sacrificial anodes to further prevent corrosion. Based on an assessment of the cathodic systems at each of the tanks, the anodes at Toyon, Gheen, and the IMG tanks will be replaced.

Supports Strategic Goals:

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

Operating Impacts:

The projects will ensure the long-term integrity of these water supply tanks. There are no additional operating costs.

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Dive Inspection	\$ 30,000	\$ 30,000
Gheen Site Improvements	\$ 65,000	\$ 65,000
Rattlesnake Site Analysis	\$ 50,000	\$ 50,000
Lang Reservoir Decommissioning	\$ 20,000	\$ 20,000
Cathodic Proection Repair	\$ 15,000	\$ 15,000
Total		\$ 180,000

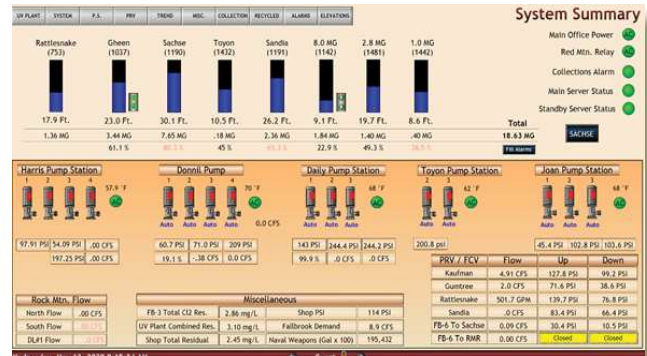


SCADA and Security

Project Description:

SCADA and security upgrades protect the District’s facilities and enable improved remote operations and controls. Projects for Fiscal Year 2021-22 include:

- Network Security/Firewall Improvements – Improvements will enable better remote access capabilities while enhancing network security.
- SCADA Upgrades–Replacement of outdated equipment with newer technology increases remote capabilities. Specific improvements planned for the coming year include: A communication tower will be added to the McDonald PRV site, new SCADA panels will be installed at the Yarnell PRV site, replacement of equipment at the Reclamation Plant and main office communication towers, and new emergency backup power capabilities at multiple locations.



Supports Strategic Goals:

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

Operating Impacts:

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

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Network Security/Monitoring	\$ 20,000	\$ 20,000
SCADA Upgrades	\$ 75,000	\$ 75,000
Total		\$ 95,000



Santa Margarita River Conjunctive Use Project

Project Description:

Development of a new groundwater treatment plant to treat water delivered by Camp Pendleton per the executed settlement agreement of US v. FPU. Projected to provide on average 4,500 acre-feet per year of local water. The project construction is expected to take approximately 2 years. Construction started in September 2019 and is expected to be completed in October 2021.



Supports Strategic Goals:

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

Operating Impacts:

The project will provide on average 30% of the District water needs and will help mitigate against future imported water cost increases. Without the project, the District would continue to rely on SDCWA for 99% of District potable water needs. The new facilities will result in significant additional operating costs, but the overall impact to the operating budget is more than offset by reduced expenditures on lower quantities of imported water.

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Construction	\$ 60,650,000	\$ 7,500,000
Construction Management/Design Services During Construction	\$ 4,230,000	\$ 600,000
Internal Staff Support	\$ 350,000	\$ 150,000
SCADA Integration Services	\$ 400,000	\$ 200,000
Total		\$ 8,450,000

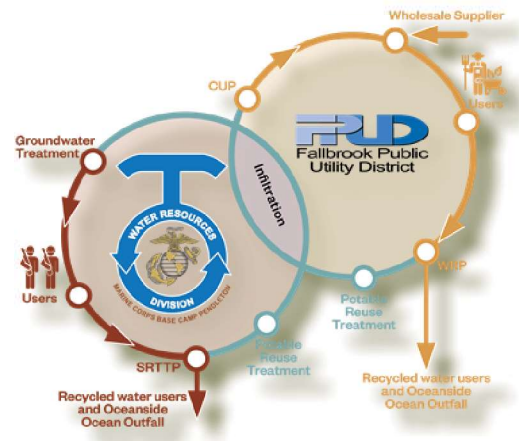


Recycled Water Improvements

Project Description:

The recycled system delivers water that has been treated to Title 22 tertiary standards for outdoor use. Projects for Fiscal Year 2021-22 include:

- Mainline Rehabilitation – Sections of the recycled distribution system have experienced multiple breaks and will be replaced.
- Distribution SCADA Improvements – Remote pressure monitoring capabilities will be added in strategic locations to better identify issues with fluctuating pressure.
- Water Supply Reliability Feasibility Study – This effort began in Fiscal Year 2019-20. Due to challenges identifying potential new users for recycled water within cost effective expansion areas, alternative uses for treated WRP effluent need to be explored. With the addition of the SMRCUP facilities, the infrastructure needed to extract and treat ground water from the Lower Santa Margarita River Aquifer will be in place. Staff have begun looking into the feasibility of using treated WRP effluent for ground water augmentation in the aquifer. Integrated Regional Water Management Grant funds covering 50% of the cost have been awarded, and will be used along with CIP matching funds to conduct pilot treatment studies to determine the feasibility for reuse. This pilot project will establish the parameters of a potential future full scale project, including additional treatment required, regulatory compliance, construction and operating costs and financial feasibility. The planning has been completed and the pilot treatment train will be implemented for a 4 month period starting late fall 2021. After completion of the pilot project, staff and all involved stakeholders will have the information needed to make an informed decision as to whether and when to move forward with a full scale project.



Supports Strategic Goals:

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

Operating Impacts:

There is no impact to the operating budget, but mainline replacements and pressure monitoring will simplify operations. The pilot study would not have any operating impacts. If groundwater augmentation is considered feasible, full scale implementation would increase local water supply, eliminate the majority of discharges to the ocean, and improve operations by increasing utilization of the SMRCUP infrastructure.

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Mainline Rehabilitation	\$ 100,000	\$ 100,000
Distribution SCADA Improvements	\$ 20,000	\$ 20,000
Water Supply Reliability Feasibility Study	\$ 700,000	\$ 150,000
Total		\$ 270,000



Water Reclamation Plant Improvements

Project Description:

On-going repair and replacement of key components of the Water Reclamation Plant (WRP) are critical to maintaining this critical facility. The projects for Fiscal Year 2021-22 include:



- Capital Equipment Replacements – Several pieces of mechanical equipment have exceeded their useful life and are in need of replacement. These include air vacuum release valves, air conditioning units, pumps, sensors, etc.
- Pavement Replacement – The pavement on the site access from the south up to the recycled ponds will be replaced.
- Coating Replacement – Concrete structures throughout the treatment plant have industrial strength coatings to prevent corrosion/deterioration and prolong useful life expectancy. Several areas of the coating system have failed and will be strategically patched to prevent damage to the structures.
- Conveyor System Improvements – Replace conveyor control system, increasing automation and remote control capabilities. This effort started in Fiscal Year 2020-21 and will be completed in Fiscal Year 2021-22 .

Supports Strategic Goals:

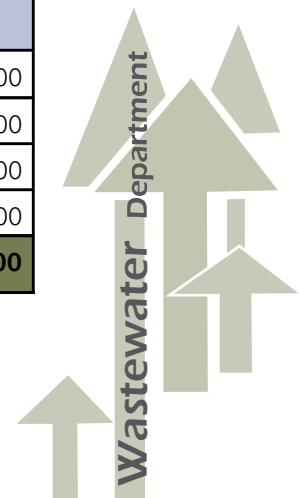
Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

On-going replacement of equipment will ensure long-term reliability of the facility. The projects will not have any impact on operation costs, and in the case of the conveyor improvements, will simplify operations.

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Capital Equipment Replacements	Continuous Replacement Program	\$ 181,000
Pavement Replacement	\$ 25,000	\$ 25,000
Coating Replacement	\$ 30,000	\$ 30,000
Conveyor System Improvements	\$ 135,000	\$ 79,000
Total		\$ 315,000



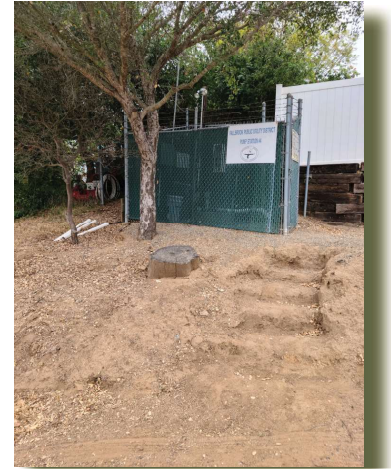
Collections System Projects

Project Description:

Projects include replacements and major repairs to existing sewer infrastructure.

The proposed projects for Fiscal Year 2021-22 include:

- Green Canyon Force Main Replacement – The Green Canyon Force Main is a 4-inch line that conveys wastewater from the Green Canyon Lift Station to Overland Trail Lift Station. The line runs along Ostrich Creek and past breaks have caused spills into the creek. The 1,400 linear feet of replaced line will use a higher quality pipe material and ideally move it away from the creek to prevent future leaks.
- Hawthorne Lift Station Replacement – This lift station serves only 4 customers and is in need of repair. Instead of replacing the lift station itself, it can be decommissioned with the installation of approximately 500 linear feet of gravity sewer main, eliminating a maintenance need by reducing the number of operating lift stations.
- Manhole Repair and Relining – Approximately 20 manholes will be reconstructed and lined to like-new condition.
- SCADA/Telemetry Upgrades – Electrical and controls upgrades of Green Canyon Lift Station.



Supports Strategic Goals:

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

Operating Impacts:

The collection systems capital program is critical in reducing the number of spills and potential fines. Operations will be simplified by the elimination of the Hawthorne Lift Station. The planned projects do not require any additional operating budget funds, and are expected to reduce emergency repair costs.

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Green Canyon Force Main Replacement	\$ 350,000	\$ 350,000
Hawthorne Lift Station Replacement	\$ 100,000	\$ 100,000
Manhole Relining	\$ 125,000	\$ 125,000
SCADA Upgrades	\$ 20,000	\$ 20,000
Total		\$ 595,000



Outfall Improvements

Project Description:

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



Supports Strategic Goals:

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

Operating Impacts:

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

Project Budget:

Project	Total Project Budget	FY 2021-22 Budget
Outfall Improvements	Ongoing Improvement Program	\$ 50,000
Total		\$ 50,000



Facility Improvements/Upgrades/Security

Project Description:

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



The projects include the following:

- Upgrade Network/Server Room – Rewiring of network room and building for improved network speed and security.
- Minor Rehabilitation and Office Furniture – Miscellaneous office rehabilitation and furniture replacement.
- Building Roof Repair – Spot repairs as needed to keep the roof functional until it can be replaced.
- Facility Renovations – Continued renovation of the yard restroom facilities, door replacements, and electrical safety improvements in the yard offices.

Supports Strategic Goals:

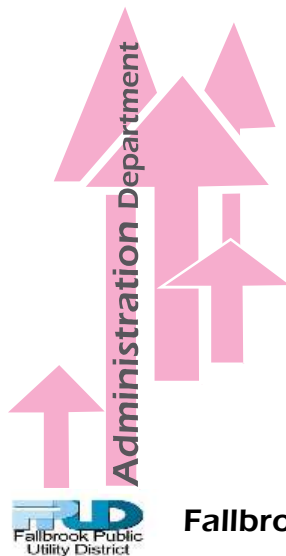
Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

Operating Impacts:

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

Projects Budgets:

Project	Total Project Budget	FY 2021-22 Budget
Upgrade Network/Server Room	\$ 65,000	\$ 65,000
Minor Rehabilitation and Office Furniture	Ongoing Rehabilitation	\$ 12,000
Building Roof Repair	\$ 10,000	\$ 10,000
Facility Renovations	\$ 98,000	\$ 98,000
Total		\$ 185,000



District Yard Improvements

Project Description:

Projects consist of on-going improvements at the District Yard to maintain the facility. For Fiscal Year 2021-22 the only planned project is to install additional security measures to enhance the replaced fencing from the work completed in the previous year.

Supports Strategic Goals:

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

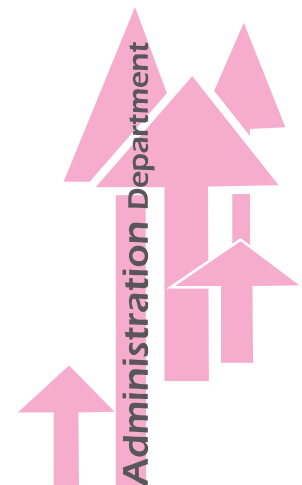


Operating Impacts:

Reduces long-term costs of maintaining the facility by addressing maintenance needs as they are necessary.

Project Budget:

Project	Total Project Budget	FY 2021-22 Budget
Site Security Fencing	\$ 25,000	\$ 25,000
Total		\$ 25,000



Vehicles and Heavy Equipment

Project Description:

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

During Fiscal Year 2020-21, the department updated its methodology for fleet replacement in combination with a new software program to better track how much is spent on each vehicle. These business processes will continue to be refined for Fiscal Year 2021-22 in order to better understand and justify vehicle replacement needs.



Supports Strategic Goals:

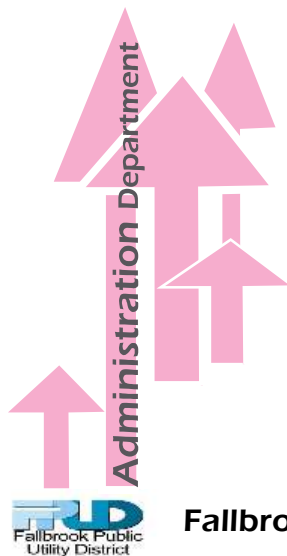
By reviewing various data points using the new software, staff can ensure ratepayers that funds are being spent prudently on vehicle replacements and repairs. This new method of evaluation helps guarantee an extremely reliable fleet. In turn, the fleet allows field operations to respond quickly to leaks,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

Operating Impacts:

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

Projects Budget:

Project	Total Project Budget	FY 2021-22 Budget
Fleet Vehicles	Ongoing Replacement Program	\$ 150,000
Crane	\$ 313,000	\$ 313,000
Miscellaneous Equipment	\$ 152,500	\$ 152,500
Total		\$ 615,500



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

Acre-Foot (AF) - A unit of measure equivalent to 325,900 gallons of water.

AG - Agricultural Customers

AMI – Advanced Meter Infrastructure

AMR – Automatic Meter Reading

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

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

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

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

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

CAFR - Comprehensive Annual Financial Report

CalPERS - California Public Employee Retirement System

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

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

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

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

CEQA - California Environmental Quality Act

CFS - Cubic Feet per Second

CMMS - Computerized Maintenance Management System

CSMFO – California Society of Municipal Finance Officers

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

Disbursements - Payments made on obligations.

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

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

DSCR - Debt Service Coverage Ratio

DWR - California Department of Water Resources

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

EAM – Enterprise Asset Management

EIR/EIS - Environmental Impact Report/Environmental Impact Statement

EMWD - Eastern Municipal Water District

EPA - Environmental Protection Agency

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

EUM - Effective Utility Management

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

FCF - Flow Control Facility

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

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

FPUD - Fallbrook Public Utility District

FTE - Full Time Equivalent

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

GFOA - Government Financial Officers Association

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

GPS - Global Positioning System

HCF - Hundred Cubic Feet

IAC - Infrastructure Access Charge

IAWP - Interim Agricultural Water Program

IID – Imperial Irrigation District

IPR – Indirect Potable Reuse

IRWM - Integrated Regional Water Management Program

KPI - Key Performance Indicator

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

LRP - MWD's Local Resource Program

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

M&I - Municipal and Industrial

Master Plan - Regional Water Facilities Master Plan

ME - Meter Equivalent

MG - Million Gallon

MGD - Million Gallons per Day

MOU - Memorandum of Understanding

MW - Megawatt

MWD - Metropolitan Water District of Southern California

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

NPDES - National Pollutant Discharge Elimination System

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

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

OTLS - Overland Trail Lift Station

PARS - Public Agency Retirement Services

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

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

PRV- Pressure Reducing Valve

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

QECB - Qualified Energy Conservation Revenue Bond

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

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

ROW - Right of Way

RSF - Rate Stabilization Fund

RTS - Readiness to Service charge

S&P - Standard and Poor's rating services

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

SANDAG - San Diego Association of Governments

SAWR - Transitional Special Agricultural Water Rate

SCADA - Supervisory Control and Data Acquisition

SD - San Diego

SDCWA - San Diego County Water Authority

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

SMGTP - Santa Margarita Groundwater Treatment Plant

SMRCUP - Santa Margarita River Conjunctive Use Project

SpringBrook - The District's ERP.

SR - State Route

SRF - State Revolving Fund

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

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

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

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

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

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

UV - Ultraviolet

UWMP - Urban Water Management Plan

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

WRP – Water Reclamation Plant

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

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenues					
Revenue from Rates					
Water	\$ 24,099,177	\$ 25,883,905	\$ 27,700,339	\$ 29,377,746	\$ 31,156,721
Recycled Water	1,168,084	1,175,173	1,254,808	1,330,097	1,409,903
Wastewater	6,168,490	6,469,183	6,760,297	7,064,510	7,382,413
Subtotal Revenue from Rates	\$ 31,435,751	\$ 33,528,261	\$ 35,715,444	\$ 37,772,353	\$ 39,949,037
Other Operating Revenue					
Pass-through Charges					
MWD RTS Charge	\$ 296,466	\$ 261,102	\$ 273,996	\$ 287,851	\$ 302,355
SDCWA IAC Charge	501,751	551,466	608,048	652,664	683,728
Sundry	11,000	11,000	11,000	11,000	11,000
MWD/CWA Incentive	-	-	-	-	-
Subtotal Other Operating Revenues	\$ 809,217	\$ 823,567	\$ 893,044	\$ 951,516	\$ 997,084
Non-Operating Revenue					
Water Availability Charge	\$ 204,000	\$ 204,000	\$ 204,000	\$ 204,000	\$ 204,000
1% Property Tax	2,111,907	2,122,467	2,133,079	2,143,744	2,154,463
Investment Earnings	141,500	123,651	130,289	139,663	153,146
Water CIP Charge	1,421,360	1,443,359	1,489,340	1,581,568	1,679,501
Pumping Charge (Cap. Impr part)	32,756	32,756	32,756	32,756	32,756
Facility Rent	250,000	255,000	260,100	265,302	270,608
Water Capacity Fees	50,000	50,500	51,005	51,515	52,030
Wastewater CIP Charge	1,178,775	1,180,678	1,198,409	1,234,404	1,271,480
Wastewater Capacity Fees	35,000	35,700	36,414	37,142	37,885
Federal Interest Rate Subsidy	110,677	97,977	84,516	70,261	55,178
Subtotal Non-Operating Revenue	\$ 5,535,975	\$ 5,546,087	\$ 5,619,908	\$ 5,760,356	\$ 5,911,047
Total Revenues	\$ 37,780,943	\$ 39,897,916	\$ 42,228,396	\$ 44,484,225	\$ 46,857,168
Operating Expenses					
Water Supply Costs					
Purchased Water Costs	\$ 13,778,710	\$ 10,241,648	\$ 9,467,281	\$ 10,161,103	\$ 10,790,054
Pumping Costs	180,000	189,000	198,450	208,373	218,791
SMRCUP Treatment	-	1,117,081	1,512,560	1,541,977	1,572,276
Labor Costs	2,724,900	3,160,387	3,318,406	3,484,327	3,658,543
Fringe Benefits	1,974,048	2,141,829	2,281,048	2,429,316	2,550,782
Services, Materials & Supplies	1,932,397	4,052,400	4,173,972	4,299,191	4,428,167
Allocated Admin Expenses	6,469,242	6,903,859	7,171,607	7,451,328	7,714,165
Total Operating Expenses	\$ 27,059,297	\$ 27,806,204	\$ 28,123,324	\$ 29,575,614	\$ 30,932,778
Net Operating Revenues	\$ 10,721,646	\$ 12,091,712	\$ 14,105,072	\$ 14,908,611	\$ 15,924,390
Debt Service					
Total Debt Service	\$ 3,137,523	\$ 3,685,471	\$ 5,419,756	\$ 5,419,502	\$ 5,422,004
Capital Expenditures					
Total Capital Expenditures	\$ 36,595,000	\$ 15,738,000	\$ 7,590,686	\$ 7,459,018	\$ 8,038,361
Total Expenditures	\$ 66,791,820	\$ 47,229,674	\$ 41,133,766	\$ 42,454,135	\$ 44,393,143
SRF Loan Proceeds	\$ 30,500,000	\$ 8,450,000	\$ -	\$ -	\$ -
Change in Net Position *	\$ 1,489,123	\$ 1,118,241	\$ 1,094,630	\$ 2,030,090	\$ 2,464,025
Beginning Balances	\$ 18,560,207	\$ 20,049,330	\$ 21,167,571	\$ 22,262,201	\$ 24,292,291
Ending Balances	\$ 20,049,330	\$ 21,167,571	\$ 22,262,201	\$ 24,292,291	\$ 26,756,316

*Change in net position is Total Revenues minus Total Expenditures plus SRF Loan Proceeds.

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

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenues					
Revenues from Rates					
Revenues from Current Rates	\$ 24,099,177	\$ 24,888,370	\$ 24,901,420	\$ 24,914,469	\$ 24,927,518
Proposed Revenue Adjustments	-	995,535	2,798,920	4,463,278	6,229,203
Subtotal Operating Revenues	\$ 24,099,177	\$ 25,883,905	\$ 27,700,339	\$ 29,377,746	\$ 31,156,721
Other Operating Revenues					
Pass-through Charges					
MWD RTS Charge	\$ 296,466	\$ 261,102	\$ 273,996	\$ 287,851	\$ 302,355
SDCWD IAC Charge	501,751	551,466	608,048	652,664	683,728
Sundry	5,000	5,000	5,000	5,000	5,000
Subtotal Other Operating Revenues	\$ 803,217	\$ 817,567	\$ 887,044	\$ 945,516	\$ 991,084
Non-Operating Revenue					
Water Availability Charge	\$ 204,000	\$ 204,000	\$ 204,000	\$ 204,000	\$ 204,000
1% Property Tax	1,050,225	1,055,476	1,060,754	1,066,057	1,071,388
Investment Earnings	100,000	99,482	107,580	120,322	136,495
Water Capital Improvement Charge	1,421,360	1,443,359	1,489,340	1,581,568	1,679,501
Pumping Charge (Cap. Impr part)	32,756	32,756	32,756	32,756	32,756
Other Revenue	250,000	255,000	260,100	265,302	270,608
Water Capacity Fees	50,000	50,500	51,005	51,515	52,030
Subtotal Non-Operating Rev	\$ 3,108,341	\$ 3,140,573	\$ 3,205,535	\$ 3,321,520	\$ 3,446,778
Total Revenues	\$ 28,010,735	\$ 29,842,045	\$ 31,792,917	\$ 33,644,782	\$ 35,594,583
Operating Expenses					
Water Supply Costs					
Purchased Water Costs	\$ 13,778,710	\$ 10,241,648	\$ 9,467,281	\$ 10,161,103	\$ 10,790,054
Pumping Costs	180,000	189,000	198,450	208,373	218,791
SMRCUP Supply	-	1,117,081	1,512,560	1,541,977	1,572,276
Labor Costs	1,333,700	1,703,177	1,788,336	1,877,753	1,971,640
Fringe Benefits	988,521	1,154,262	1,229,289	1,309,193	1,374,652
Services, Materials & Supplies	655,948	2,498,500	2,573,455	2,650,659	2,730,178
Allocated Administrative Expenses	4,140,315	4,418,470	4,589,828	4,768,850	4,937,065
Total Operating Expenses	\$ 21,077,194	\$ 21,322,138	\$ 21,359,200	\$ 22,517,906	\$ 23,594,658
Net Operating Revenue	\$ 6,933,541	\$ 8,519,908	\$ 10,433,718	\$ 11,126,876	\$ 11,999,925
Debt Service					
Total Debt Service	\$ 807,409	\$ 1,434,275	\$ 3,167,067	\$ 3,167,067	\$ 3,167,067
Capital Expenditures					
Total Capital Expenditures	\$ 33,635,000	\$ 14,508,000	\$ 5,594,807	\$ 5,384,324	\$ 6,017,227
Total Expenditures	\$ 55,519,602	\$ 37,264,413	\$ 30,121,074	\$ 31,069,298	\$ 32,778,952
SRF Loan Proceeds	\$ 30,500,000	\$ 8,450,000	\$ -	\$ -	\$ -
Change In Net Position *	\$ 2,991,133	\$ 1,027,633	\$ 1,671,844	\$ 2,575,485	\$ 2,815,631
Beginning Balances	\$ 13,075,310	\$ 16,066,443	\$ 17,094,075	\$ 18,765,919	\$ 21,341,403
Ending Balances	\$ 16,066,443	\$ 17,094,075	\$ 18,765,919	\$ 21,341,403	\$ 24,157,034

*Change in net position is Total Revenues minus Total Expenditures plus SRF Loan Proceeds.

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

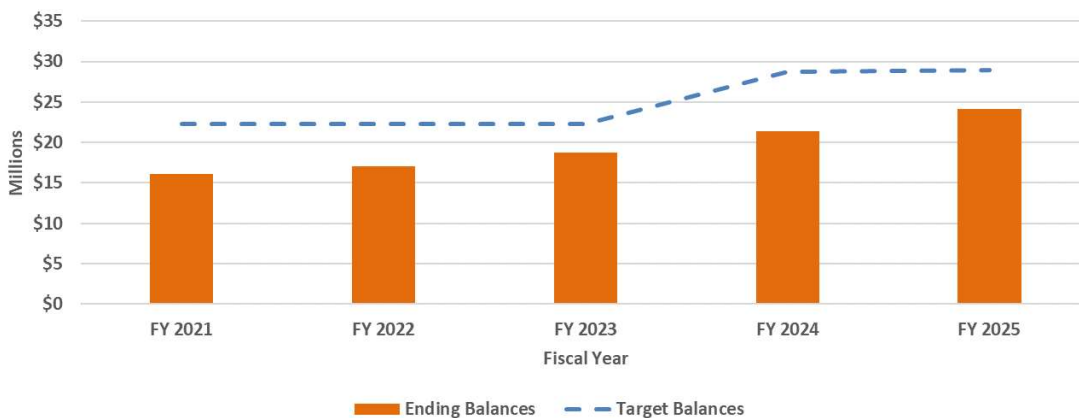


Table #3 - Fallbrook Public Utility District's Wastewater Projections

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenues					
Revenues from Rates					
Revenues from Current Rates	\$ 6,168,490	\$ 6,326,830	\$ 6,326,830	\$ 6,326,830	\$ 6,326,830
Proposed Revenue Adjustments	-	142,354	433,467	737,680	1,055,583
Subtotal Operating Revenues	\$ 6,168,490	\$ 6,469,183	\$ 6,760,297	\$ 7,064,510	\$ 7,382,413
Other Operating Revenues					
Sundry	1,000	1,000	1,000	1,000	1,000
Subtotal Other Operating Revenues	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Non-Operating Revenue					
Wastewater Capital Improvement Charge	\$ 1,178,775	\$ 1,180,678	\$ 1,198,409	\$ 1,234,404	\$ 1,271,480
Wastewater Capacity Fees	35,000	35,700	36,414	37,142	37,885
1% property Tax - IDS	1,011,126	1,016,181	1,021,262	1,026,369	1,031,500
Federal Interest Rate Subsidy	110,677	97,977	84,516	70,261	55,178
Investment Earnings	40,000	20,736	19,569	15,739	12,288
Subtotal Non-Operating Revenues	\$ 2,375,578	\$ 2,351,272	\$ 2,360,170	\$ 2,383,914	\$ 2,408,332
Total Revenues	\$ 8,545,068	\$ 8,821,455	\$ 9,121,466	\$ 9,449,424	\$ 9,791,745
Operating Expenses					
Labor Costs	\$ 1,282,800	\$ 1,275,294	\$ 1,339,059	\$ 1,406,012	\$ 1,476,312
Fringe Benefits	857,217	864,281	920,459	980,289	1,029,304
Services, Materials & Supplies	1,065,801	1,331,900	1,371,857	1,413,013	1,455,403
Allocated Administrative Expenses	2,264,235	2,416,351	2,510,062	2,607,965	2,699,958
Total Operating Expenses	\$ 5,470,053	\$ 5,887,826	\$ 6,141,437	\$ 6,407,278	\$ 6,660,976
Net Operating Revenue	\$ 3,075,015	\$ 2,933,630	\$ 2,980,029	\$ 3,042,146	\$ 3,130,768
Debt Service					
Total Debt Service	\$ 1,787,273	\$ 1,732,231	\$ 1,733,383	\$ 1,733,212	\$ 1,734,864
Capital Expenditures					
Total Capital Expenditures	\$ 2,780,000	\$ 960,000	\$ 1,877,250	\$ 1,954,879	\$ 1,900,121
Total Expenditures	\$ 10,037,325	\$ 8,580,056	\$ 9,752,069	\$ 10,095,369	\$ 10,295,962
Change in Net Position *	\$ (1,492,258)	\$ 241,399	\$ (630,603)	\$ (645,944)	\$ (504,217)
Beginning Balances	\$ 4,827,582	\$ 3,335,325	\$ 3,576,724	\$ 2,946,120	\$ 2,300,176
Ending Balances	\$ 3,335,325	\$ 3,576,724	\$ 2,946,120	\$ 2,300,176	\$ 1,795,959

*Change in net position is Total Revenues minus Total Expenditures.

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

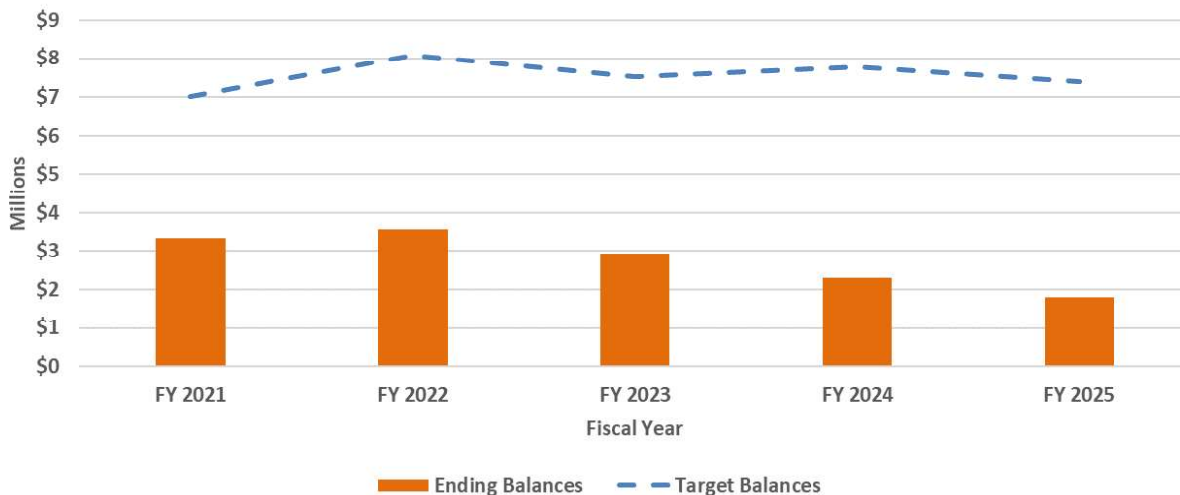


Table #4 Fallbrook Public Utility District’s Recycled Water Projections

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenues					
Revenues from Rates					
Revenues from Current Rates	\$ 1,168,084	\$ 1,129,974	\$ 1,128,019	\$ 1,128,019	\$ 1,128,019
Proposed Revenue Adjustments	-	45,199	126,789	202,078	281,884
Other Operating Revenues					
SDCWA Incentive	\$ -	\$ -	\$ -	\$ -	\$ -
Sundry	5,000	5,000	5,000	5,000	5,000
Subtotal Other Operating Revenues	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Non-Operating Revenue					
1% Property Tax	\$ 50,556	\$ 50,809	\$ 51,063	\$ 51,318	\$ 51,575
Investment Earnings	1,500	3,433	3,141	3,603	4,362
Subtotal Non-Operating Revenue	\$ 52,056	\$ 54,242	\$ 54,204	\$ 54,921	\$ 55,937
Total Revenue	\$ 1,225,140	\$ 1,234,415	\$ 1,314,012	\$ 1,390,018	\$ 1,470,840
Operating Expenses					
Labor Costs	\$ 108,400	\$ 181,916	\$ 191,012	\$ 200,562	\$ 210,591
Fringe Benefits	128,310	123,286	131,300	139,834	146,826
Services, Materials & Supplies	210,648	222,000	228,660	235,520	242,585
Allocated Administrative Expenses	64,692	69,039	71,716	74,513	77,142
Total Operating Expenses	\$ 512,050	\$ 596,241	\$ 622,687	\$ 650,430	\$ 677,143
Net Operating Revenue	\$ 713,090	\$ 638,175	\$ 691,325	\$ 739,588	\$ 793,697
Debt Service					
Total Debt Service	\$ 542,842	\$ 518,965	\$ 519,307	\$ 519,224	\$ 520,072
Capital Expenditures					
Total Capital Expenditures	\$ 180,000	\$ 270,000	\$ 118,629	\$ 119,815	\$ 121,013
Total Expenditures	\$ 1,234,892	\$ 1,385,206	\$ 1,260,623	\$ 1,289,468	\$ 1,318,229
Change in Net Position *	\$ (9,752)	\$ (150,790)	\$ 53,389	\$ 100,550	\$ 152,611
Beginning Balances	\$ 657,315	\$ 647,563	\$ 496,772	\$ 550,162	\$ 650,711
Ending Balances	\$ 647,563	\$ 496,772	\$ 550,162	\$ 650,711	\$ 803,322

*Change in net position is Total Revenues minus Total Expenditures.

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

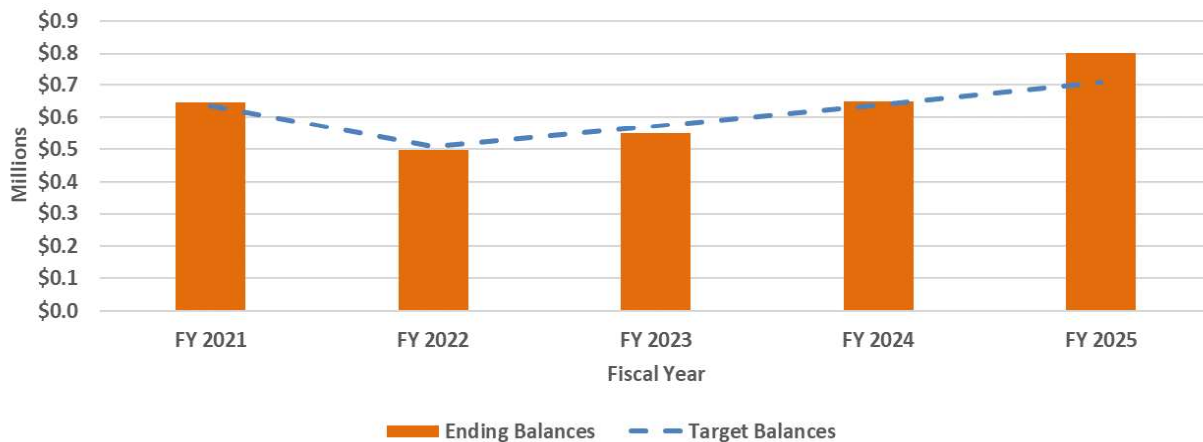


Table #5 - Changes in Net Position and Net Position by Component, Last Ten Fiscal Years

	FY 2010-11	FY 2011-12	FY 2012-13
Changes in Net Position:			
Operating Revenues	\$ 21,255,448	\$ 23,661,715	\$ 27,582,160
Operating Expenses	(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 on Impairment	-	-	-
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 Assets			
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: FPUD Finance Department

Table #5 - Changes in Net Position and Net Position by Component, Last Ten Fiscal Years, cont.

FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
\$ 28,955,183	\$ 27,483,881	\$ 25,356,017	\$ 27,256,065	\$ 29,882,022	\$ 26,944,550	\$ 28,931,007
(33,062,764)	(29,367,701)	(27,921,351)	(30,678,705)	(33,319,799)	(31,708,417)	(33,234,259)
681,876	-	-	-	-	-	-
\$ (3,425,705)	\$ (1,883,820)	\$ (2,565,334)	\$ (3,422,640)	\$ (3,437,777)	\$ (4,763,867)	\$ (4,303,252)
\$ 1,694,090	\$ 1,719,296	\$ 1,815,734	\$ 1,889,808	\$ 1,984,543	\$ 2,106,034	\$ 2,205,975
1,981,822	2,134,025	2,224,529	2,283,558	2,476,452	2,505,876	2,559,135
843,714	729,519	740,125	234,930	-	-	-
209,175	141,433	324,126	63,861	18,188	915,275	920,135
200,779	200,810	200,808	200,730	229,400	204,359	204,418
183,641	185,770	185,220	166,012	178,602	199,433	249,092
-	-	185,040	238,765	145,338	134,924	123,762
118,581	208,521	131,894	238,124	411,744	180,966	107,107
-	-	-	-	-	-	-
-	-	-	-	(273,396)	9,338,297	(31,450)
69,816	162,913	91,361	32,729	-	-	-
(344,730)	(321,941)	(690,409)	(385,483)	(959,015)	(909,966)	(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	153,790	75,299	59,509	73,661	73,789	372,507
828,598 ⁽¹⁾	224,596 ⁽¹⁾	874,040 ⁽³⁾	773,163	-	-	-
-	-	682,428	-	67,100	-	-
-	-	-	-	-	-	-
\$ 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

Chart #1 - Operating Expenses by Activity

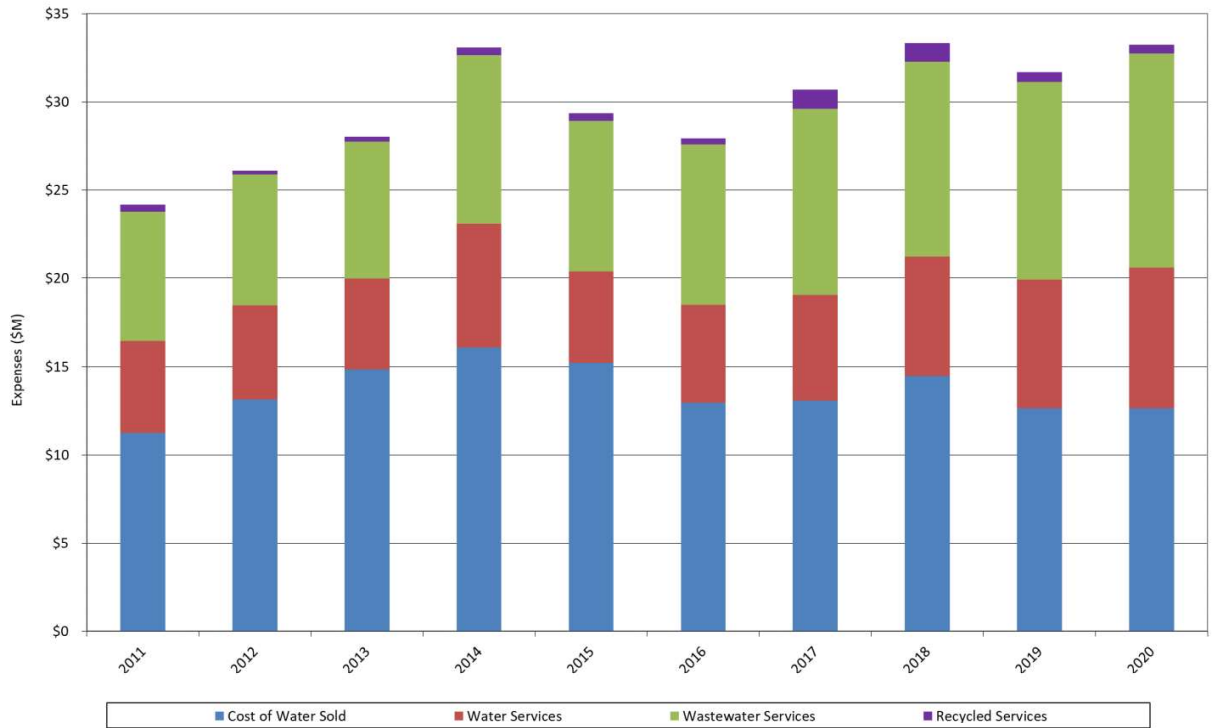
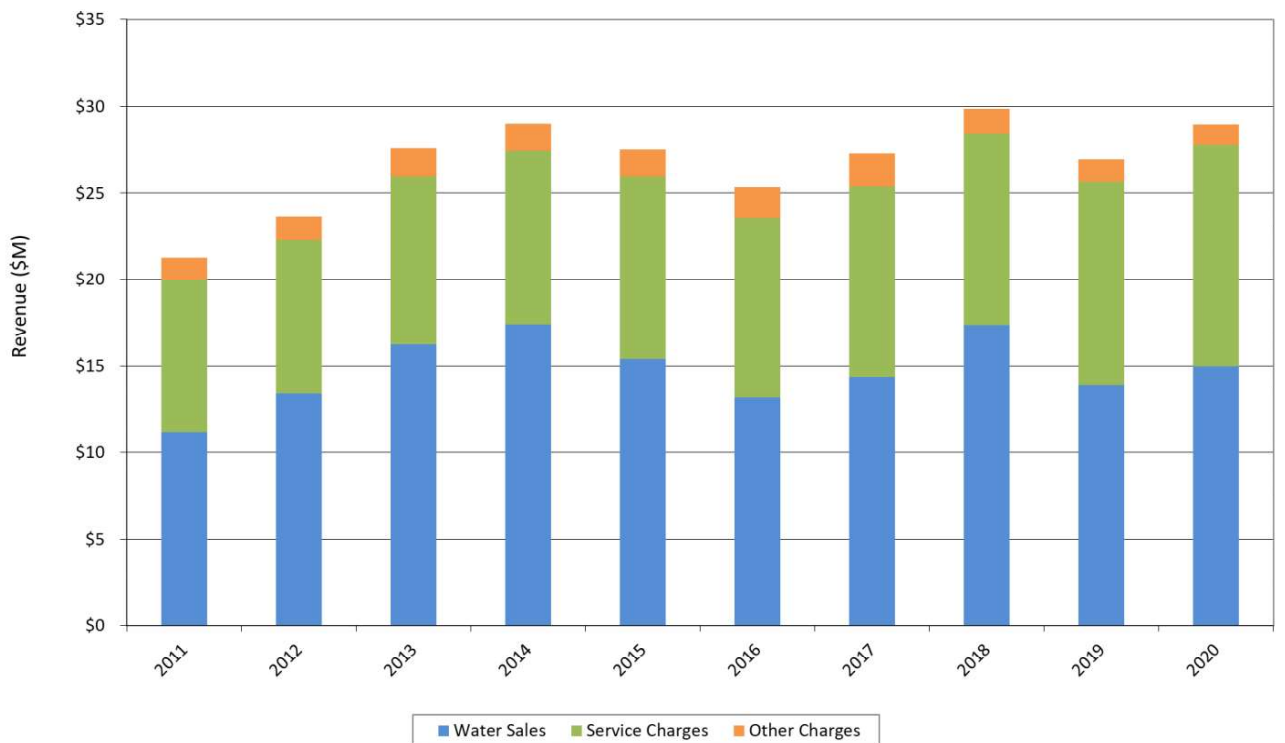


Chart #2 - Operating Revenues by Source



Fallbrook Public Utility District 's Capitalization Policy

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

Purpose:

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

Personnel:

Accounting and Supervisors

Policy:

General Policy

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

Definitions

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

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

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

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

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

Capital Projects

A. Construction Projects

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

B. Plant Equipment

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

C. Office Equipment

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

Fallbrook Public Utility District 's Fund Balance Policy

Article 6. Budget and Fund Management

Sec. 6.1 District's Annual Budget.

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

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

6.1.1 Annual Budget Resolution.

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

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

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

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

Sec. 6.2 Treasurer's Fund.

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

Sec. 6.3 General Fund.

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

Sec. 6.4 Utility Funds.

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

Sec. 6.5 Capital Funds.

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

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

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

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

Sec. 6.6 Equipment Fund.

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

Sec. 6.7 Debt Service Funds.

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

Sec. 6.8 Appropriated Fund Balances.

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

6.8.1 Utility Funds Appropriated Fund Balances.

1. Water.

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

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

2. Wastewater.

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

3. Recycled Water.

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

6.8.2 Utility Capital Funds Appropriated Fund Balances.

1. Water Capital Fund.

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

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

2. Wastewater Capital Fund.

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

3. Recycled Water Capital Fund.

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

6.8.3 Debt Service Funds.

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

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

Sec. 6.9 Petty Cash.

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

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

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

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

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

Fallbrook Public Utility District 's Investment Policy

Article 18. Investment Policy

Sec. 18.1 General.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 18.3 Internal Controls.

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

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

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

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

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

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

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

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

Sec. 18.4 Permissible Investments.

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

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

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

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

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

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

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

Minimum Credit Requirement: None.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Minimum Credit Requirements: None

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

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

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

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

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

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

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

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 18.4.10 and 18.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 18.4.10 and 18.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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

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

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

Minimum Credit Requirement: None.

18.4.13 Money Market Mutual Funds.

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

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

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

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

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

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

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

18.4.15 Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

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

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

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

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

Sec. 18.5 Maturity/Limit of Investments.

With the exception of U.S. Treasury and Federal Agency securities, the maturity of a give investment will not exceed five (5) years, without prior board approval per Section 18.2.4.

Sec. 18.6 Reporting Requirements.

The Treasurer shall prepare a quarterly investment report to the Board of Directors that provides an overview of the District’s investments and lists the investment transactions for the period. The report shall also (1) state the compliance of the portfolio with the statement of investment policy, or the manner in which the portfolio is not in compliance, and (2) the report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available. The Treasurer shall also provide the Board a summary report of investments on a monthly basis.

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

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

ARTICLE 27 (Renumbered as Article 18 by Resolution 5006)
 Revised in its entirety: 2/94
 Adopted in current form: 1/96, 1/97, 1/98, 1/99
 Sec. 27.2.4 – Rev. 1/00
 Adopted in current form: 1/01
 Sec. 27.4.7 – Rev. 10/01
 Sec. 27.6 – Rev. 1/03
 Sec. 27.2.4 – Rev. 1/07
 Sec. 27.4.4 – Rev. 3/07
 Secs. 27.2.3, 27.4.1(2), 27.4.2, 27.4.3, 27.4.4, & 27.4.6 – Rev. 9/07
 Sec. 27.2.1 – Rev. 1/10
 Secs. 27.4.10-12 – Rev. 1/12
 Secs. 27.2.4, 27.2.5, 27.4.5, 27.4.6, 27.4.7, 27.4.10, 27.4.11, 27.4.13, 27.4.14, 27.5 – Rev. 2/13
 Secs. 27.4.6, 27.4.11 – Rev. 1/14
 Secs. 27.1, 27.1.1, Attachment A – Rev. 3/15
 Secs. 27.1, 27.1.1, 27.1.2, 27.1.3, 27.2, 27.2.3, 27.2.4, 27.3, 27.4, 27.4.1, 27.4.2, 27.4.3, 27.4.4, 27.4.6, 27.4.10, 27.4.11, 27.4.12, 27.4.13, 27.4.14, 27.4.15, 27.5 – Rev. 2/16
 Secs. 27.2.4, 27.4, 27.4.3, 27.4.4, 27.4.6, 27.4.10, 27.4.11, 27.4.14, 27.4.15 – Rev. 3/17
 Sec. 27.2.3 – Rev. 6/18
 Sec. 27.6 – Rev. 7/18
 Sec. 27.4.14 – Rev. 2/19

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District's Pension Benefits

The District participates in CalPERS and has two benefit tiers. The Classic employees are eligible to receive 2.5% of their single highest annual salary for each year of service at the age of 55. An employee hired after January 1, 2013, and is new to CalPERS, or those that have had a break in service of more than six-months fall under the California Public Employees' Pension Reform Act of 2013 (PEPRA). PEPRA employees are eligible to receive 2.0% of the highest three-year average annual salary for each year of service at the age of 62. Both Classic and PEPRA employees are potentially subject to salary maximums when determining their benefit.

CalPERS Unfunded Actuarial Accrued Liability (UAAL):

The AUL is portion of the pension liability that has been earned but has not been fully funded. The liability is estimated by an actuary based upon many different underlying assumptions. CalPERS amortizes these existing liabilities over a 30-year period. The payment schedule for the Unfunded Liability is shown below for both Classic and PEPRA. The District's net pension liability in Fiscal Year 2018-19 was \$14.7 million. In Fiscal Year 2018-19, the latest CalPERS valuation date, the District's pension liability was 71.3% funded for Classic employees and 90.1% funded for PEPRA employees.

Fiscal Year Ending (6/30)	Classic	PEPRA	Total
FY 2020-21	\$1,144,657	\$6,634	\$1,151,291
FY 2021-22	1,237,862	7,789	1,245,651
FY 2022-23	1,310,903	8,997	1,319,900
FY 2023-24	1,389,033	10,261	1,399,294
FY 2024-25	1,430,660	10,616	1,441,276
FY 2025-26	1,468,816	10,887	1,479,703
FY 2026-27	1,508,027	11,164	1,519,191
FY 2027-28	1,548,313	11,449	1,559,762
FY 2028-29	1,589,705	11,743	1,601,448
FY 2029-30	1,632,235	12,040	1,644,275

Current Normal Cost

The Normal Cost Rate (NCR) is the percentage of payroll that is contributed to CalPERS to pay for the benefit earned by employees in the current year. This rate is expressed as a percent of payroll. The NCR for Classic employees for Fiscal Year 2021-22 is 12.99% of payroll, which is down from the Fiscal Year 2020-21 which was 13.146%. The NCR for PEPRA employees is 7.73% of payroll in Fiscal Year 2021-22 and was 7.874% in Fiscal Year 2020-21.

District's 115 Pension Trust

As part of the District's commitment to fiscal sustainability, a Section 115 Pension Trust has been established. The trust holds assets pledged to pay for future pension related expenses. The Trust as of April 30 held \$8.6 million

District's Other Post-Employment Benefits (OPEB)

The District provides a retiree healthcare benefit to employees who have ten years of service and are 50 or older. Under the OPEB benefit the District pays for half of the employees' health insurance premium until the beneficiary is 65-years old. The employee must contributed the other half of the insurance premium. The District has established the Section 115 Pension and OPEB Trust Fund (See Fund Structure Section) to fund the District's OPEB liabilities. The District's OPEB liability is almost fully funded based upon an actuarial valuation report as of June 30, 2021. Based upon planned contributions to the OPEB Trust Fund, the District expects to fully fund the OPEB liability over the next 3 years. As of April 30, 2021, the OPEB Trust Fund held \$1,243,707.

Attachment B

RESOLUTION NO. 5011

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT APPROVING AND
ESTABLISHING THE DISTRICT'S FISCAL YEAR 2021-22 BUDGET
FOR OPERATIONS, MAINTENANCE, WATER PURCHASES, CAPITAL
IMPROVEMENTS, EQUIPMENT, AND DEBT SERVICE AND
APPROPRIATING \$47,229,674 CONSISTENT WITH THE APPROVED
BUDGET**

* * * * *

WHEREAS, the Fiscal Policy and Insurance Committee has reviewed and considered the Recommended Fiscal Year 2021-22 Budget during publicly noticed meetings on April 21, 2021, May 18, 2021 and June 10, 2021; and

WHEREAS, the Board has reviewed and considered the Recommended Fiscal Year 2021-22 Budget during a publicly noticed meeting on June 28, 2021;

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

1. The District's Fiscal Year 2021-22 Budget, as presented to the Board of Directors at the publicly noticed meeting on June 28, 2021, is hereby approved.
2. Expenditure under the District's approved Fiscal Year 2021-22 Budget is hereby appropriated as follows:

For administration, operations, and maintenance:	\$16,258,474
For water purchases:	\$11,547,729
For PAYGO capital improvements, and equipment:	\$ 7,288,000
For Santa Margarita Conjunctive Use Project capital improvements:	\$8,450,000
For Revenue Bonds, State Revolving Fund, and interest and principal:	\$ 3,685,471
	<hr/>
TOTAL	<u>\$47,229,674</u>

3. Expenditure of appropriated funds shall be consistent with the approved Budget. Except as provided in this Resolution, no increases or decreases to the Budget shall occur except upon prior approval by the Board.
4. Notwithstanding the total appropriations, set forth herein, the General Manager is authorized subject only to the total appropriations to exceed the expenditure amount designated in the approved Budget for water purchases to meet the District's water demands.
5. The annual Liquidity Fund Level target for Fiscal Year 2021-22 is kept at the current level and no draws from the District's long-term investment portfolio is planned.
6. A deposit of \$1,118,241 to the District's long-term investments is planned, and any unanticipated draws will go to the Board for approval.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Acting Secretary, Board of Directors

Attachment C

Article 12. 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. 12.1 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 10.1).

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
-----------------	-----------------

Irrigation Only (I).

All usage	\$7.04 per unit
-----------------	-----------------

SAWR - Ag Only (AS).

All usage\$5.06 per unit

SAWR - Ag & Home (AT).

1-5 units per month\$6.83 per unit

6-17 units per month\$5.86 per unit

Over 17 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 17 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. 12.2 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 Services Charge	Fire
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. 12.3 MWD Readiness-to-Serve Charge (RTS) and SDCWA Infrastructure Access Charge (IAC).

Effective ~~January~~**July**, 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	\$1.72 \$1.95	\$3.64
1 inch meter	\$2.87 \$3.26	\$6.08
1-1/2 inch meter	\$5.73 \$6.49	\$12.12
2 inch meter	\$9.17 \$10.39	\$19.40
3 inch meter	\$18.35 \$20.81	\$38.86
4 inch meter	\$28.67 \$32.51	\$60.72
6 inch meter	\$57.33 \$64.99	\$121.39

Sec. 12.4 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. 12.5 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. 12.5.1 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. 12.6 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. 12.7 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. 12.8 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. 12.8.1 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. 12.9 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%
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%

Customer Class	Return to Sewer Factor
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. 12.10 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 11.7.2, 11.7.3, or 11.7.4.

Sec. 12.10.1 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 11.7.2, 11.7.3, or 11.7.4. 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 (Renumbered as Article 12 by Resolution 5006)

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
(Renumbered as Article 12 by
Resolution 5006)

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

Secs. 21, 21.1, 21.2, 21.3, 21.4,
21.9, 21.10, 21.10.1 – Rev 12/20

**Resolution No. 5012 Making Pass-through
Adjustments to the Readiness-to-Serve Charge**

RESOLUTION NO. 5012

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT MAKING PASS-
THROUGH ADJUSTMENTS TO THE READINESS-TO-
SERVE-CHARGE**

* * * * *

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, the District purchases almost all of its water from the San Diego County Water Authority (the “CWA”), which in turn purchases water from the Metropolitan Water District of Southern California (“MWD”); and

WHEREAS, the District pays a Readiness-To-Serve charge (“RTS”) to MWD and an Infrastructure Access Charge (“IAC” and, collectively, the “Pass-throughs”) to CWA, which are passed through to customers; and

WHEREAS, the District anticipates that CWA and MWD will increase the rates of the IAC and RTS, respectively, and in order to ensure that there are sufficient revenues to provide water services to customers, the District will annually pass through to customers any increases in the IAC and RTS for a five year period to reflect any such increases by CWA and/or MWD, respectively, commencing January 1, 2018 and ending on December 31, 2022, provided however that the District shall not increase either the IAC or RTS in any year by more than 10% in such year, in no event shall the rates be increased by more than the cost of providing water service, and the District will provide customers at least 30 days written notice prior to an increase (each a “Pass-through Adjustment”); and

WHEREAS, CWA has adjusted the District’s RTS charge effective July 1, 2021, as set forth in Exhibit A hereto; and

WHEREAS, On December 11, 2017, the Board adopted Resolution 4920 authorizing the Board to make certain Pass-through Adjustments for the MWD RTS and the CWA IAC for a five-year period, to authorize inflationary adjustments for certain of the rates, such as the Water and Wastewater CICs, as described in the Resolution, and to authorize revisions to the drought rates for a five-year period, in the maximum amounts; and

WHEREAS, the Board of Directors is authorized to amend Articles 12 of the District’s Administrative Code to reflect the Pass-through Adjustment proposed;

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, including the drought rates and Pass-through Adjustments, established by this Resolution are inconsistent with the Charges, drought rates, 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, including the drought rates and Pass-through Adjustments, adopted pursuant to this Resolution shall prevail.

3. Authorization:

The General Manager is hereby authorized and directed to take all actions necessary to implement and collect the Charges, including the drought rates and any Pass-through Adjustments, as set forth herein. The General Manager, or his or her authorized designee, is hereby authorized and directed to revise Article 12 of the District's Administrative Code as set forth in Exhibit B and as approved by the Board of Directors pursuant to this Resolution.

4. 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, including the drought rates and the Pass-through Adjustments, and set forth herein, 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, including the drought rates and the Pass-through Adjustments, will not expand the District's water, recycled, and wastewater systems. The Board of Directors further finds that the adoption of the rates for the Charges, including the drought rates and the Pass-through Adjustments, is 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 adoption of the Charges, including the drought rates and the Pass-through Adjustments, established 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.

5. 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.

6. 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 special meeting of the Board held on the 28nd day of June, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Acting Secretary, Board of Directors

EXHIBIT A

MONTHLY WATER MWD RTS

Monthly MWD RTS Charge (\$/meter size)	
Effective July 1, 2020	
Meter Size	MWD RTS
3/4"	\$1.95
1"	\$3.26
1 1/2"	\$6.49
2"	\$10.39
3"	\$20.81
4"	\$32.51
6"	\$64.99

EXHIBIT B

**REVISIONS TO ARTICLES 12 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JULY 1, 2021**

Article 12. 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. 12.1 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 10.1).

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
-----------------	-----------------

Irrigation Only (I).

All usage	\$7.04 per unit
-----------------	-----------------

SAWR - Ag Only (AS).

All usage\$5.06 per unit

SAWR - Ag & Home (AT).

1-5 units per month\$6.83 per unit

6-17 units per month\$5.86 per unit

Over 17 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 17 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. 12.2 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. 12.3 MWD Readiness-to-Serve Charge (RTS) and SDCWA Infrastructure Access Charge (IAC).

Effective July, 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	\$1.72	\$3.64
1 inch meter	\$2.87	\$6.08
1-1/2 inch meter	\$5.73	\$12.12
2 inch meter	\$9.17	\$19.40
3 inch meter	\$18.35	\$38.86
4 inch meter	\$28.67	\$60.72
6 inch meter	\$57.33	\$121.39

Sec. 12.4 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. 12.5 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. 12.5.1 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. 12.6 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. 12.7 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. 12.8 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. 12.8.1 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. 12.9 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%
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%

Customer Class	Return to Sewer Factor
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. 12.10 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 11.7.2, 11.7.3, or 11.7.4.

Sec. 12.10.1 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 11.7.2, 11.7.3, or 11.7.4. 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 (Renumbered as Article 12 by Resolution 5006)

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
(Renumbered as Article 12 by
Resolution 5006)

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

Secs. 21, 21.1, 21.2, 21.3, 21.4,
21.9, 21.10, 21.10.1 – Rev 12/20

Attachment D

FPUD Expense Summary
Fiscal Year 2021-22 Operating Budget

Description	Div	FY 2019-20		FY 2020-21		FY 2021-22	% Change	Reference
		Actual	Budget	Projected	Budget	Bgt to Bgt	Code	
Administrative Services								
Office of the General Manager	50							
Labor Expenses:								
Salaries		\$ 474,943	\$ 431,934	\$ 416,100	\$ 453,099		4.9%	
Non-Labor Expenses:								
Director Expenses		31,192	40,000	20,174	40,000		0.0%	
Contractor Services		14,858	12,700	15,006	12,700		0.0%	
Materials/Services/Supplies		88,899	68,300	44,159	92,300		35.1%	1-1
Equipment (Non Capital)							0.0%	
Professional Services		451,519	316,000	473,642	400,000		26.6%	1-2
Memberships/Training/Permits		74,141	96,600	86,787	96,600		0.0%	
Santa Margarita Watermaster		119,829	123,429	116,402	128,412		4.0%	
Total Non-Labor		<u>\$ 780,438</u>	<u>\$ 657,029</u>	<u>\$ 756,169</u>	<u>\$ 770,012</u>		17.2%	
Division Operating Total		<u>\$ 1,255,380</u>	<u>\$ 1,088,963</u>	<u>\$ 1,172,269</u>	<u>\$ 1,223,111</u>		12.3%	
Finance & Customer Service								
	53/54							
Labor Expenses:								
Salaries		\$ 734,550	\$ 757,348	\$ 762,000	\$ 793,026		4.7%	
Non-Labor Expenses:								
Contractor Services		19,769	19,000	30,506	21,000		10.5%	1-3
Equipment (Non Capital)		5,277	4,000	-	4,000		0.0%	
Materials/Services/Supplies		183,364	195,700	136,675	197,200		0.8%	
Professional Services		110,091	136,000	114,000	166,000		22.1%	1-4
Memberships/Training/Permits		1,629	2,700	935	2,700		0.0%	
Utilities		-	-	-	-		NA	
Total Non-Labor		<u>\$ 320,131</u>	<u>\$ 357,400</u>	<u>\$ 282,116</u>	<u>\$ 390,900</u>		9.4%	
Division Operating Total		<u>\$ 1,054,681</u>	<u>\$ 1,114,748</u>	<u>\$ 1,044,116</u>	<u>\$ 1,183,926</u>		6.2%	
Warehouse & Purchasing								
	60							
Labor Expenses:								
Salaries		\$ 183,341	\$ 169,919	\$ 210,500	\$ 171,869		1.1%	
Non-Labor Expenses:								
Contractor Services		133,307	115,000	115,000	120,000		4.3%	
Equipment (Non Capital)		3,570	4,000	668	500		-87.5%	1-5
Materials/Services/Supplies		132,292	98,450	114,105	106,800		8.5%	1-6
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		635	1,000	1,093	1,000		0.0%	
Utilities		46,361	45,000	47,137	45,000		0.0%	
Total Non-Labor		<u>\$ 316,166</u>	<u>\$ 263,450</u>	<u>\$ 278,003</u>	<u>\$ 273,300</u>		3.7%	
Division Operating Total		<u>\$ 499,506</u>	<u>\$ 433,369</u>	<u>\$ 488,503</u>	<u>\$ 445,169</u>		2.7%	
Human Resources								
	70							
Labor Expenses:								
Salaries		\$ 211,774	\$ 198,212	\$ 238,100	\$ 239,473		20.8%	1-7
Non-Labor Expenses:								
Contractor Services		13,874	31,325	20,309	61,325		95.8%	1-8
Equipment (Non Capital)		-	-	-	-		NA	
Materials/Services/Supplies		16,459	17,400	16,035	27,400		57.5%	1-9
Professional Services		78,201	10,000	7,443	10,000		0.0%	
Memberships/Training/Permits		68,371	95,950	50,165	95,550		-0.4%	
Education Funding		3,215	30,000	1,085	3,000		-90.0%	1-10
Utilities		-	-	-	-		NA	
Total Non-Labor		<u>180,120</u>	<u>184,675</u>	<u>95,037</u>	<u>197,275</u>		6.8%	
Division Operating Total		<u>\$ 391,894</u>	<u>\$ 382,887</u>	<u>\$ 333,137</u>	<u>\$ 436,748</u>		14.1%	

FPUD Expense Summary
Fiscal Year 2021-22 Operating Budget

Description	Div	FY 2019-20	FY 2020-21		FY 2021-22	% Change	Reference
		Actual	Budget	Projected	Budget	Bgt to Bgt	Code
Administrative Services							
Information Management 51							
Labor Expenses:							
Salaries		\$ 89,345	\$ 93,937	\$ 89,600	\$ 96,286	2.5%	
Non-Labor Expenses:							
Contractor Services		35,532	58,150	63,000	62,150	6.9%	1-11
Equipment (Non Capital)		18,118	25,000	40,073	25,000	0.0%	
Materials/Services/Supplies		133,927	145,728	150,000	185,728	27.4%	1-12
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-		NA
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 187,578</u>	<u>\$ 228,878</u>	<u>\$ 253,073</u>	<u>\$ 272,878</u>	19.2%	
Division Operating Total		<u>\$ 276,922</u>	<u>\$ 322,815</u>	<u>\$ 342,673</u>	<u>\$ 369,164</u>	14.4%	
Engineering Services 52							
Labor Expenses:							
Salaries		\$ 593,237	\$ 475,800	\$ 476,500	\$ 480,913	1.1%	
Non-Labor Expenses:							
Contractor Services		345	2,500	14,080	10,000	300.0%	1-13
Equipment (Non Capital)		-	-	-	-		NA
Materials/Services/Supplies		52,309	42,000	40,000	42,000	0.0%	
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		170	500	-	500	0.0%	
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 52,824</u>	<u>\$ 45,000</u>	<u>\$ 54,080</u>	<u>\$ 52,500</u>	16.7%	
Division Operating Total		<u>\$ 646,061</u>	<u>\$ 520,800</u>	<u>\$ 530,580</u>	<u>\$ 533,413</u>	2.4%	
Safety & Risk 57							
Labor Expenses:							
Salaries		\$ 148,508	\$ 204,842	\$ 147,400	\$ 213,682	4.3%	
Non-Labor Expenses:							
Contractor Services		13,385	18,500	19,607	19,000	2.7%	
Equipment (Non Capital)		37,929	35,000	32,764	35,000	0.0%	
Materials/Services/Supplies		6,825	27,500	7,375	29,500	7.3%	1-14
Professional Services		203,464	275,000	275,000	275,000	0.0%	
Memberships/Training/Permits		-	-	-	-		NA
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 261,602</u>	<u>\$ 356,000</u>	<u>\$ 334,746</u>	<u>\$ 358,500</u>	0.7%	
Division Operating Total		<u>\$ 410,110</u>	<u>\$ 560,842</u>	<u>\$ 482,146</u>	<u>\$ 572,182</u>	2.0%	
Vehicle Services & Shop 65							
Labor Expenses:							
Salaries		76,896	89,735	109,600	107,811	20.1%	1-15
Non-Labor Expenses:							
Contractor Services		24,778	25,000	25,011	25,000	0.0%	
Equipment (Non Capital)		-	-	-	-		NA
Materials/Services/Supplies		252,342	275,000	290,000	275,000	0.0%	
Professional Services		-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-		NA
Utilities		-	-	-	-		NA
Total Non-Labor		<u>\$ 277,120</u>	<u>\$ 300,000</u>	<u>\$ 315,011</u>	<u>\$ 300,000</u>	0.0%	
Division Operating Total		<u>\$ 354,015</u>	<u>\$ 389,735</u>	<u>\$ 424,611</u>	<u>\$ 407,811</u>	4.6%	
Total Labor		2,512,593	2,421,728	2,449,800	2,556,158	5.6%	
Total Non-Labor Expenses		2,375,977	2,392,432	2,368,236	2,615,365	9.3%	
Operating Total		<u>\$ 4,888,570</u>	<u>\$ 4,814,160</u>	<u>\$ 4,818,036</u>	<u>\$ 5,171,523</u>	7.4%	
Allocated Benefits Expenditures*		1,378,174	1,651,206	1,651,206	1,732,336	4.9%	
Total Budget		<u>\$ 6,266,744</u>	<u>\$ 6,465,366</u>	<u>\$ 6,469,241</u>	<u>\$ 6,903,859</u>	6.8%	

* Includes transfer to Pension/OPEB Trusts

FPUD Expense Summary
Fiscal Year 2021-22 Operating Budget

Description	Div	FY 2019-20		FY 2020-21		FY 2021-22	% Change	Reference Code
		Actual	Budget	Projected	Budget	Bgt to Bgt		
Water Services								
Treatment	30							
Labor Expenses:								
Salaries		\$ -	\$ -	\$ -	\$ -	\$ 180,473		NA
Non-Labor Expenses:								
Contractor Services		-	-	-	-	80,000		NA
Equipment (Non Capital)		-	-	-	-	5,000		NA
Materials/Services/Supplies		-	-	-	-	158,000		NA
Professional Services		-	-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-	50,000		NA
Utilities		-	-	-	-	1,327,000		NA
Total Non-Labor		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,620,000</u>		NA
Division Operating Total		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,800,473</u>		NA 2-1
Production & Distribution	31							
Labor Expenses:								
Salaries		\$ 827,534	\$ 679,375	\$ 709,800	\$ 709,800	\$ 633,161	-6.8%	2-2
Non-Labor Expenses:								
Contractor Services		47,405	51,000	91,000	91,000	111,500	118.6%	2-3
Equipment (Non Capital)		10,914	14,000	12,000	12,000	20,000	42.9%	2-4
Materials/Services/Supplies		249,025	238,000	213,549	213,549	218,000	-8.4%	2-5
Professional Services		-	-	-	-	-		NA
Memberships/Training/Permits		60,671	80,000	70,000	70,000	70,000	-12.5%	2-6
Utilities		64,891	75,000	76,329	76,329	120,000	60.0%	2-7
Total Non-Labor		<u>\$ 432,905</u>	<u>\$ 458,000</u>	<u>\$ 462,878</u>	<u>\$ 462,878</u>	<u>\$ 539,500</u>		17.8%
Division Operating Total		<u>\$ 1,260,439</u>	<u>\$ 1,137,375</u>	<u>\$ 1,172,678</u>	<u>\$ 1,172,678</u>	<u>\$ 1,172,661</u>		3.1%
Pipeline Maintenance & Construction	32							
Labor Expenses:								
Salaries		\$ 368,901	\$ 380,361	\$ 288,500	\$ 288,500	\$ 457,939	20.4%	2-8
Non-Labor Expenses:								
Contractor Services		129,902	36,000	30,000	30,000	30,000	-16.7%	2-9
Equipment (Non Capital)		2,792	10,000	8,209	8,209	10,000	0.0%	
Materials/Services/Supplies		33,938	33,000	19,647	19,647	98,000	197.0%	2-10
Professional Services		-	-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-	-		NA
Utilities		-	-	-	-	-		NA
Total Non-Labor		<u>\$ 166,632</u>	<u>\$ 79,000</u>	<u>\$ 57,856</u>	<u>\$ 57,856</u>	<u>\$ 138,000</u>		74.7%
Division Operating Total		<u>\$ 535,533</u>	<u>\$ 459,361</u>	<u>\$ 346,356</u>	<u>\$ 346,356</u>	<u>\$ 595,939</u>		29.7%
System Services	42							
Labor Expenses:								
Salaries		\$ 432,117	\$ 390,071	\$ 335,400	\$ 335,400	\$ 431,604	10.6%	2-11
Non-Labor Expenses:								
Contractor Services		46,666	76,000	47,120	47,120	76,000	0.0%	
Equipment (Non Capital)		-	-	-	-	-		NA
Materials/Services/Supplies		139,494	145,000	88,094	88,094	125,000	-13.8%	2-12
Professional Services		-	-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-	-		NA
Utilities		-	-	-	-	-		NA
Total Non-Labor		<u>\$ 186,160</u>	<u>\$ 221,000</u>	<u>\$ 135,214</u>	<u>\$ 135,214</u>	<u>\$ 201,000</u>		-9.0%
Division Operating Total		<u>\$ 618,277</u>	<u>\$ 611,071</u>	<u>\$ 470,614</u>	<u>\$ 470,614</u>	<u>\$ 632,604</u>		3.5%
Total Labor		1,628,552	1,449,807	1,333,700	1,333,700	1,703,177	17.5%	
Total Non-Labor		785,697	758,000	655,948	655,948	2,498,500	229.6%	
Operating Total		<u>\$ 2,414,249</u>	<u>\$ 2,207,807</u>	<u>\$ 1,989,648</u>	<u>\$ 1,989,648</u>	<u>\$ 4,201,677</u>		90.3%
Allocated Benefits Expenditures		893,271	988,521	988,521	988,521	1,154,262	16.8%	
Total Direct Water Costs		<u>\$ 3,307,520</u>	<u>\$ 3,196,328</u>	<u>\$ 2,978,169</u>	<u>\$ 2,978,169</u>	<u>\$ 5,355,939</u>		67.6%
Allocation of Administrative Services		4,010,716	4,137,834	4,140,314	4,140,314	4,418,470	6.8%	
Total Budget		<u>\$ 7,318,237</u>	<u>\$ 7,334,162</u>	<u>\$ 7,118,484</u>	<u>\$ 7,118,484</u>	<u>\$ 9,774,409</u>		33.3%

**FPUD Expense Summary
Fiscal Year 2021-22 Operating Budget**

Description	Div	FY 2019-20	FY 2020-21		FY 2021-22	% Change	Reference Code
		Actual	Budget	Projected	Budget	Bgt to Bgt	
Wastewater Services							
Collections	31						
Labor Expenses:							
Salaries		\$ 471,065	\$ 429,802	\$ 521,400	\$ 450,525	4.8%	
Non-Labor Expenses:							
Contractor Services		30,488	43,000	35,000	56,000	30.2%	3-1
Equipment (Non Capital)		2,566	5,000	5,000	5,000	0.0%	
Materials/Services/Supplies		62,602	125,000	85,055	124,000	-0.8%	
Professional Services		-	-	-	-	NA	
Memberships/Training/Permits		363	900	-	900	0.0%	
Utilities		113,320	120,000	59,911	100,000	-16.7%	3-2
Total Non-Labor		<u>\$ 209,338</u>	<u>\$ 293,900</u>	<u>\$ 184,966</u>	<u>\$ 285,900</u>	-2.7%	
Division Operating Total		<u>\$ 680,403</u>	<u>\$ 723,702</u>	<u>\$ 706,366</u>	<u>\$ 736,425</u>	1.8%	
Treatment	30						
Labor Expenses:							
Salaries		\$ 727,343	\$ 827,430	\$ 761,400	\$ 824,770	-0.3%	
Non-Labor Expenses:							
Contractor Services		259,898	213,500	283,360	433,000	102.8%	3-3
Equipment (Non Capital)		6,000	9,000	7,345	9,000	0.0%	
Materials/Services/Supplies		278,084	310,500	265,964	312,000	0.5%	
Professional Services		35,000	-	-	-	NA	
Memberships/Training/Permits		62,981	95,000	80,000	95,000	0.0%	
Utilities		162,851	215,000	244,165	197,000	-8.4%	3-4
Total Non-Labor		<u>\$ 804,814</u>	<u>\$ 843,000</u>	<u>\$ 880,834</u>	<u>\$ 1,046,000</u>	24.1%	
Division Operating Total		<u>\$ 1,532,157</u>	<u>\$ 1,670,430</u>	<u>\$ 1,642,234</u>	<u>\$ 1,870,770</u>	12.0%	
Total Labor		1,198,408	1,257,231	1,282,800	1,275,294	1.4%	
Total Non-Labor		1,014,152	1,136,900	1,065,801	1,331,900	17.2%	
Operating Total		<u>\$ 2,212,560</u>	<u>\$ 2,394,131</u>	<u>\$ 2,348,601</u>	<u>\$ 2,607,194</u>	8.9%	
Allocated Benefits Expenditures		657,335	857,217	857,217	864,281	0.8%	
Total Direct Wastewater Costs		<u>\$ 2,869,895</u>	<u>\$ 3,251,349</u>	<u>\$ 3,205,818</u>	<u>\$ 3,471,475</u>	6.8%	
Allocation of Administrative Services		2,193,361	2,262,878	2,264,234	2,416,351	6.8%	
Total Budget		<u>\$ 5,063,255</u>	<u>\$ 5,514,227</u>	<u>\$ 5,470,053</u>	<u>\$ 5,887,826</u>	6.8%	

FPUD Expense Summary
Fiscal Year 2021-22 Operating Budget

Description	Div	FY 2019-20		FY 2020-21		FY 2021-22	% Change	Reference Code
		Actual	Budget	Projected	Budget	Bgt to Bgt		
Recycled Water Services								
Production	30							
Labor Expenses:								
Salaries		\$ 117,388	150,060	104,700	145,595		-3.0%	
Non-Labor Expenses:								
Contractor Services		25,944	20,000	27,000	34,000		70.0%	4-1
Equipment (Non Capital)		3,051	4,000	3,000	4,000		0.0%	
Materials/Services/Supplies		116,168	91,000	65,687	77,000		-15.4%	4-2
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		-	-	-	-		NA	
Utilities		69,793	95,000	110,000	85,000		-10.5%	4-3
Total Non-Labor		<u>\$ 214,956</u>	<u>\$ 210,000</u>	<u>\$ 205,687</u>	<u>\$ 200,000</u>		-4.8%	
Division Operating Total		<u>\$ 332,345</u>	<u>\$ 360,060</u>	<u>\$ 310,387</u>	<u>\$ 345,595</u>		-4.0%	
Distribution	31							
Labor Expenses:								
Salaries		2,091	38,124	3,700	36,321		-4.7%	
Non-Labor Expenses:								
Contractor Services		-	-	-	-		NA	
Equipment (Non Capital)		-	-	-	-		NA	
Materials/Services/Supplies		15,968	18,000	4,442	22,000		22.2%	4-4
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		-	-	-	-		NA	
Utilities		528	-	518	-		NA	
Total Non-Labor		<u>\$ 16,496</u>	<u>\$ 18,000</u>	<u>\$ 4,961</u>	<u>\$ 22,000</u>		22.2%	
Division Operating Total		<u>\$ 18,587</u>	<u>\$ 56,124</u>	<u>\$ 8,661</u>	<u>\$ 58,321</u>		3.9%	
Total Labor		119,479	188,184	108,400	181,916		-3.3%	
Total Non-Labor		231,452	228,000	210,648	222,000		-2.6%	
Operating Total		<u>\$ 350,931</u>	<u>\$ 416,184</u>	<u>\$ 319,048</u>	<u>\$ 403,916</u>		-2.9%	
Allocated Benefits Expenditures		65,535	128,310	128,310	123,286		-3.9%	
Total Direct Recycled Water Costs		<u>\$ 416,467</u>	<u>\$ 544,494</u>	<u>\$ 447,358</u>	<u>\$ 527,202</u>		-3.2%	
Allocation of Administrative Services		62,667	64,654	64,692	69,039		6.8%	
Total Budget		<u>\$ 479,134</u>	<u>\$ 609,148</u>	<u>\$ 512,050</u>	<u>\$ 596,241</u>		-2.1%	

FY 2021-22 Operating Budget Justifications (+/- 5%)

Administration

- 1-1** Increased budget for public outreach needed for detachment
- 1-2** Increased budget for additional contracted resources needed to support detachment
- 1-3** Increased budget for document storage costs
- 1-4** Increased budget for rate study expected to begin in Spring 2022
- 1-5** Decreased budget for small tools which departments budget on their own
- 1-6** Increased budget for additional Covid related materials and increased fuel costs
- 1-7** Increased budget due to 100% Admin Specialist support allocation to HR (transferred from Engineering)
- 1-8** Increased budget for salary survey
- 1-9** Increased budget due to recruiting expenses
- 1-10** Decreased budget for education expenses based on employees currently enrolled in covered education courses
- 1-11** Increased budget to reflect increases in contractor services (AWS-Amazon Web Services and Konica printer services)
- 1-12** Increased budget for AT&T FirstNet service, updated District mobile devices and additional administrative security
- 1-13** Increased budget for additional consulting costs to complete the UWMP (Urban Water Management Plan)
- 1-14** Increased budget for milestone awards
- 1-15** Increased budget due to filling of long time vacant position with Warehouse supervisor time allocation

Water Services

- 2-1** New budget for Santa Margarita River Water Treatment Plant operations
- 2-2** Decreased budget due to allocation of Production and Distribution related activities being moved to new Water Treatment Plant
- 2-3** Increased budget due to increases for ARC flash study, additional CityWorks support and tree & brush removal
- 2-4** Increased budget for purchase of small equipment and tools for additional vehicles and staff
- 2-5** Decreased budget for continuing efforts to reduce chemical usage
- 2-6** Decreased budget to align with projections for dues/fees/permits/memberships
- 2-7** Increased utility budget for new Mission Road meter
- 2-8** Increased budget due to District restructure related to water treatment plant operations
- 2-9** Decreased budget due to reduced temporary labor for construction
- 2-10** Increased budget for equipment rentals for right of ways repairs and fire hydrant repairs
- 2-11** Increased budget for 2 FTE's budgeted full-time
- 2-12** Decreased budget for reduced materials

Wastewater Services

- 3-1** Increased budget for CityWorks support
- 3-2** Decreased utility budget due to the decommission of Anthony's Corner lift station

- 3-3** Increased budget due to Denali sludge hauling year round and the Eaton annual service (ARC flash study)
- 3-4** Decreased budget due to reduction in power for treatment

Recycled Water Services

- 4-1** Increased budget due to cost of D&H annual & semi-annual service for chlorine gas has increased
- 4-2** Decreased budget for continuing efforts to reduce chemical usage
- 4-3** Decreased budget due to reduction in power
- 4-4** Increased budget for additional remote devices to support CityWorks and SCADA

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: June 28, 2021
SUBJECT: 2021 California Special Districts Association Board of Directors Election, (Seat A), Southern Network

Purpose

Fallbrook Public Utility District is a member of the California Special Districts Association (CSDA), and as such, is entitled to vote for candidates in the 2021 CSDA Board of Directors Election, (Seat A) Southern Network.

Summary

There are nine (9) candidates seeking election to Seat A for the 2022-2024 term in the Southern Network, which includes the counties of Los Angeles, San Bernardino, Orange, Riverside, San Diego, and Imperial. Jo MacKenzie of Vista Irrigation District currently represents the Southern Network on the CSDA Board of Directors for Seat A.

The slate of candidates is as follows: Jo MacKenzie of Vista Irrigation District, Jan Bissell of Valley-Wide Recreation and Park District, Kelly J. Gregg of Hesperia Recreation and Park District, Rickey Manbahal, of West Valley Water District, Jo-Anne Martin of Placentia Library District, Paulina Martinez-Perez of South Bay Irrigation District, Rachel Mason of Fallbrook Regional Health District, David E. Raley of San Bernardino Valley Water Conservation District, and John Skerbelis of Rubidoux Community Services District (Attachment A).

The District Secretary has been designated by CSDA to cast the District's vote by electronic ballot (Attachment B) subject to Board direction. The due date for ballots is July 16, 2021.

Budgetary Impact

There is no budgetary impact of this action.

Recommended Action

That the Board select one candidate from the slate of candidates in the 2021 California Special Districts Association Board of Directors Election, (Seat A), Southern Network for the 2022-2024 term and authorize the District Secretary to cast its vote by electronic ballot.

Attachment A



Home How It Works Logout **Lauren Eckert**

CSDA Board of Directors Election Ballot - Term 2022-2024; Seat A - Southern Network

Please vote for your choice

Choose **one** of the following candidates:

- Jo MacKenzie*
- Jan Bissell
- Kelly Gregg
- Rickey Manbahal
- Jo-Anne Martin
- Paulina Martinez-Perez
- Rachel Mason
- David E. Raley
- John Skerbelis

*Incumbent

Jo MacKenzie* [\[view details\]](#)

Jan Bissell [\[view details\]](#)

Kelly Gregg [\[view details\]](#)

Rickey Manbahal [\[view details\]](#)

Jo-Anne Martin [\[view details\]](#)

Paulina Martinez-Perez [\[view details\]](#)

Rachel Mason [\[view details\]](#)

David E. Raley [\[view details\]](#)

John Skerbelis [\[view details\]](#)

Continue

Cancel

This is the online voting system of CSDA. Powered by [Simply Voting](#).

Attachment B

Lauren Eckert

From: vote@simplyvoting.com on behalf of CSDA <vote@simplyvoting.com>
Sent: Friday, May 28, 2021 7:02 AM
To: Lauren Eckert
Subject: CSDA 2021 Board of Directors Elections

Dear CSDA Member:

A link to an electronic CSDA Board of Directors election ballot is below for your district's use in voting to elect a representative to the CSDA Board of Directors in your Network for Seat A.

To vote, please visit: <https://CSDA.simplyvoting.com/>

Then enter:
Elector ID - D2583
Password - Y3K5F

Or follow this link to access the ballot directly: <https://CSDA.simplyvoting.com/auth.php?c=D2583&mac=6333c1405701991be645>

Each of CSDA's six (6) networks has three seats on the Board and the candidates are either a board member or management-level employee of a member district located in your Network. Each Regular Member (district) in good standing shall be entitled to vote for one (1) person to represent its Network in Seat A.

Once logged in, you will see the candidates for CSDA Board Seat A in your Network as well as candidate information for each person who submitted the optional background information. Please vote for **only one** candidate to represent your Network in Seat A and be sure to fully complete all required fields and submit your vote. Unfortunately, if any part of the ballot is not complete, the ballot will not be valid and will not be counted.

The deadline to complete your voting through the system is July 16, 2020 at 5:00 pm.

If you have any questions or would like to request the ability to vote by hard-copy mail, please contact Amber Phelen at 916.442.7887 or amberp@csda.net

Thank you!

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[Unsubscribe](#)



1391 Engineer Street • Vista • California 92081-8840
Phone: (760) 597-3100 • Fax: (760) 598-8757
www.vidwater.org

Board of Directors

Patrick H. Sanchez, *President*
Paul E. Dorey
Jo MacKenzie
Marty Miller
Richard L. Vásquez

Administrative Staff

Brett L. Hodgkiss
General Manager
Lisa R. Soto
Board Secretary
David B. Cosgrove
General Counsel

May 18, 2021

Re: Jo MacKenzie for CSDA Board of Directors, Southern Network, Seat A

Dear Board President:

On February 17, 2021, the Vista Irrigation District (VID) Board nominated Jo MacKenzie to the California Special Districts Association (CSDA) Board of Directors for the Southern Network, Seat A. As President of the Board, I'm requesting that your Board cast its vote for Jo MacKenzie, CSDA Board of Directors. The electronic balloting starts on May 28.

Jo's enthusiasm, commitment, and comprehensive knowledge of special districts have brought a high level of experience to the CSDA Board of Directors. Jo believes it is important that CSDA continue to be the voice of all special districts and build on the present foundation of legislative advocacy, educational programs, and public outreach.

Currently serving on the CSDA Board as a Past President (President, 2011), Jo serves on the CSDA Legislative Committee; she served as the Committee Chair from 2006-2010 and in 2012 and was named Legislative Advocate of the Year in 2010. Jo currently serves as President of the CSDA Finance Corporation, and Treasurer of the Special District Leadership Foundation. She also serves on the CSDA Membership Committee and is very active with the San Diego Chapter of CSDA, serving as its President 1998-2000.

Jo was elected to the VID Board of Directors in 1992 and has since served as President eight times. She is currently a Commissioner on the San Diego Local Agencies Formation Commission (LAFCO) and served as Chair in 2019-2020; Jo has continuously served in various capacities on LAFCO since 1994. She also serves on the California Association LAFCO Board of Directors and is on its Legislative Committee. Jo is a past Board Director for the Association of California Water Agencies and currently serves on its Membership Committee.

Jo is active in her local community, having served on the City of San Marcos Planning Commission, Traffic/Safety Commission, Budget Review Committee and Affordable Housing Task Force. She has also been active in the San Marcos Chamber of Commerce for 30 years, serving as a Board Member and a Life Member Ambassador.

Jo is extremely active and engaged in all aspects of California special districts and her wealth of experience makes her the obvious choice for the Southern Network, Seat A. I urge your Board to vote for Jo MacKenzie to continue her service as Seat A Director for the Southern Network. Thank you for your support!

Very truly yours,

Patrick H. Sanchez
President, Board of Directors

M E M O

TO: Board of Directors
FROM: Soleil Develle: Engineering Technician III
DATE: June 28, 2021
SUBJECT: LAFCO Application for Annexation of Two Parcels to Sewer Service Area

Purpose

To present to the Board for approval the proposed annexation of 1.51 acres and LAFCO application for two parcels into the sewer service area.

Summary

The subject parcels are adjacent to an existing sewer mainline and are just outside the current sewer service area boundary.

One parcel (106-272-09, 0.56 Acres), notified us back in 2018 of their interest in annexing into the sewer service area, but did not complete the process. They are located north of Winter Haven Rd and west of Hummingbird Lane. They have septic failure problems and are very interested in annexing to the sewer service area as soon as possible.

The other parcel (106-272-27, 0.95 Acres) is a vacant lot that is south of Winter Haven Rd and across from the intersection of Hummingbird Lane. This parcel is currently undeveloped but the new owners are very intent on annexing to the sewer service area and connecting to the sewer mainline. The sewer mainline is located along the Northerly (Winter Haven Rd) and Easterly property boundaries of that parcel. They are interested in immediate sewer services.

The Water Reclamation Plant (WRP) can easily accommodate any flow from these parcels. The WRP has an average annual flow of 1.6 MGD and is designed for an average annual flow of 2.7 MGD. The LAFCO application attached is complete and ready to be submitted to LAFCO with the attached CEQA Exemption. The property owners have paid the required fees for the application to LAFCO to the District.

Staff also reached out to the adjacent parcels along Hummingbird Lane, which are outside the Sewer Service Area, to see if they there was any interest in joining this LAFCO application (and thus reduce the cost per customer for the LAFCO process). Only these two parcels have shown interest in this LAFCO application.

Additional Annexation fees will be charged, per the administration code, when the customers purchase the sewer permit and apply for the connection to the sewer mainline. The current Annexation fee is \$11,389.

Recommendation Action

That the Board authorize staff to submit the request for annexation to the sewer service area, for subject parcels, to LAFCO with the completed LAFCO application, CEQA Exemption and the required application fees (\$4050).

Attachment A

LAFCO APPLICATION

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

The following information must be submitted when filing a change of organization or reorganization proposal with the San Diego Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal.

1. **Completed CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION.**
2. (a) A **certified resolution of application** from an affected city or district; or
 (b) A **landowner or registered voter petition** making application to San Diego LAFCO (available from LAFCO or <http://www.sdlafco.org/forms/petition.pdf>).
3. A **metes-and-bounds legal description of the proposal territory perimeter** for the proposed boundary change(s), a **reproducible parcel/plat map**, and a **vicinity map**. For information about mapping requirements, refer to: http://www.sdlafco.org/forms/legal_description.pdf, and contact the County Assessor's Mapping Division at 619/531-5588. The Thomas Brother's Guide may be used for the vicinity map.
4. **Environmental documentation** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only:
- (a) INITIAL STUDY: Submit completed form (available from LAFCO) if no environmental review has been conducted;
- (b) CATEGORICAL EXEMPTION: Submit document if an agency has certified that the project qualifies for a categorical exemption from CEQA;
- (c) NEGATIVE DECLARATION (ND): Submit document with certifying resolution and Initial Study*;
- (d) ENVIRONMENTAL IMPACT REPORT (EIR): Submit 15 copies of the Final EIR and certifying resolution, plus one copy of the EIR Appendix*.
- * For an ND or EIR, a copy of the receipt for the fee paid to the California Department of Fish and Game must be submitted.
- NA 5. If annexation to a city is proposed, submit one copy of the **city resolution approving rezoning and general plan land-use designations** for the proposal territory.
- NA 6. **JURISDICTIONAL CONFLICTS**: If the response to question number 6 on page 3 is "Yes", complete and sign the Policy L-107 form at http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf.
7. **Completed CAMPAIGN CONTRIBUTION DISCLOSURE FORM AND EVALUATION CHECKLIST for DISCLOSURE OF POLITICAL EXPENDITURES** (pages 7 and 8 of application).
8. **PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY** (page 9 of application).
9. Completed **SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM** (pages 10-12 of application) from **each** subject agency.
10. **LAFCO processing fees**. The San Diego LAFCO FEE SCHEDULE is available at <http://www.sdlafco.org/document/feeschedule.pdf>, or contact LAFCO staff.

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
9335 Hazard Way · Suite 200 · San Diego, CA 92123
(858) 614-7755 · www.sdlafco.org

CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

The information in this application is used by LAFCO staff to evaluate proposals for changes of government organization. Please respond to **all** items in this form, indicating "NA" when an item does *not* apply.

SUBJECT AGENCY(IES) (City or Special District)	PROPOSED CHANGE OF ORGANIZATION/ACTION (Annexation, detachment, sphere amendment, etc.)
1. <u>Fallbrook Public Utility District</u>	1. <u>Annexation for Sewer Service Area</u>
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____

As part of this application, the city of NA or the Fallbrook Public Utility district, Fallbrook PUD (the applicant), and/or the FEDERICO OROZCO (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the San Diego LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any or all of them, the purpose of which is to attack, set aside, void, or annul the approval or denial of this application or adoption of or refusal to adopt the environmental document which accompanies it or any other action San Diego LAFCO takes with respect to this application. This defense and indemnification obligation shall include, but not be limited to, attorneys' fees and other costs of defense, damages, costs, and expenses, including attorney fees payable to another party. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. San Diego LAFCO's acceptance of this application is sufficient to make this agreement a binding, bilateral contract between us.

I acknowledge that annexation to the city of NA or the Fallbrook PUD -Sewer Service district may result in the imposition of taxes, fees and assessments **existing within the (city or district)** on the effective date of annexation. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot proceeding or an election on those **existing taxes, fees and assessments.**

Agreed:

Signature: Federico Orozco Date: 6/19/21

Print/Type Name: FEDERICO OROZCO

Address: 1206 WINTERHAVEN RD FALLBROOK CA 92028

Telephone: (760) 802-6879

Property Address: 1206 WINTERHAVEN RD FALLBROOK CA 92028

Cross Street(s): HUMMINGBIRD Hill LN FALLBROOK CA 92028

Assessor Parcel Number(s): _____ Acres: _____

Indicate below if anyone, in addition to the person signing this application, is to receive notices of these proceedings.

Name: _____

Address: _____

Telephone: () _____

CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

The information in this application is used by LAFCO staff to evaluate proposals for changes of government organization. Please respond to all items in this form, indicating "NA" when an item does not apply.

SUBJECT AGENCY(IES) (City or Special District)	PROPOSED CHANGE OF ORGANIZATION/ACTION (Annexation, detachment, sphere amendment, etc.)
1. <u>Fallbrook Public Utility District</u>	1. <u>Annexation for Sewer Service Area</u>
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____

As part of this application, the city of NA or the Fallbrook Public Utility district, Fallbrook PUD (the applicant), and/or the Don Rady, US Financial LP (real party in interest; subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the San Diego LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any or all of them, the purpose of which is to attack, set aside, void, or annul the approval or denial of this application or adoption of or refusal to adopt the environmental document which accompanies it or any other action San Diego LAFCO takes with respect to this application. This defense and indemnification obligation shall include, but not be limited to, attorneys' fees and other costs of defense, damages, costs, and expenses, including attorney fees payable to another party. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. San Diego LAFCO's acceptance of this application is sufficient to make this agreement a binding, bilateral contract between us.

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Agreed:

Signature: _____

Date: 6-9-21

Print/Type Name: _____

US Financial LP by Don Rady

Address: _____

1919 Grand Ave #2F, San Diego 92109

Telephone: (619) 838-4819

Property Address: _____

Wintzehaven Rd, Fallbrook 92082

Cross Street(s): _____

Assessor Parcel Number(s): _____

106-272-27-00

Acres: _____

Indicate below if anyone, in addition to the person signing this application, is to receive notices of these proceedings.

Name: _____

Address: _____

Telephone: () _____

A. PROPOSAL DESCRIPTION/JUSTIFICATION

1. Explain in detail why the proposal is necessary **at this time** (e.g., condition of an approved tentative map, an existing structure requires new services, etc.). The Fallbrook Public Utility District (FPUD) Sewer Service Area needs to annex two (2) parcels that are interested in obtaining sewer services. One of the
Parcels (106-272-09) has a failing septic system and the other parcel (106-272-27) is undeveloped and
the owner wants to obtain sewer service, as soon as possible.
2. Describe the use of **developed** property within the proposal territory, including details about existing structures. Describe anticipated development of **vacant** property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur. Parcel 106-272-09 has a single family residence on the property, with a failing septic system, according
to the owner. Parcel 106-272-27 is a vacant lot (0.95 acre) that is in the process of developing a single
family residence.
3. Describe the topography and physical features of the proposal territory, as well as its general location in relation to communities, major freeways/highways, roads, etc. One site is located in a small
"donut hole" and one site is adjacent to the extents of the FPUD Sewer Service Area. This area is
within the Fallbrook Village designation of the Fallbrook Community Map. Both parcels are across
Winterhaven Rd from each other at the intersection of Hummingbird Lane.
4. How many residents live within the proposal territory? 4
5. How many of these residents are registered voters? 4
6. Are there any jurisdictional issues associated with the LAFCO proposal or pending LAFCO action?
 NO YES (If yes, please complete the Policy L-107 form at
http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf)

B. LAND USE INFORMATION

GENERAL PLAN AND ZONING:

If the proposal territory is **not** within an incorporated city, San Diego County General Plan and zoning information may be obtained by calling (858) 565-5981 or toll-free (888) 267-8770 with the Assessor Parcel Number(s) of the subject property. If the proposal territory is within a city, please call the appropriate city's planning department for General Plan and zoning information.

1. COUNTY:

- (a) The territory is within the Fallbrook community plan.
- (b) The County General Plan or community plan designation and allowed density: The Fallbrook
Village Boundary encompasses these parcels with a designation VR-2, which is 2 EDUs per Acre.
- (c) Current County zoning and allowed density: VR-2: 2 EDUs per Acre

2. CITY:

(a) The territory is within the general plan area for the City of NA

(b) The City General Plan land use designation and allowed density: NA

(c) Current City zoning and allowed density: NA

(d) Current City rezoning and allowed density: NA

3. Indicate below **all** permits or approvals that will be needed by the County or any city to complete the project. If already granted, please note the date of approval and attach a copy of each resolution of approval. If approval is pending, please note the anticipated approval date.

Type of Approval or Permit	File No.	Approval Date	Is Resolution Attached?
Tentative Subdivision Map		NA	<input type="checkbox"/> YES <input type="checkbox"/> NO
Tentative Parcel Map		NA	<input type="checkbox"/> YES <input type="checkbox"/> NO
Major Use Permit		NA	<input type="checkbox"/> YES <input type="checkbox"/> NO
City/County General Plan Amendment		NA	<input type="checkbox"/> YES <input type="checkbox"/> NO
City Rezoning		NA	<input type="checkbox"/> YES <input type="checkbox"/> NO
County Rezone		NA	<input type="checkbox"/> YES <input type="checkbox"/> NO
(Other)		NA	<input type="checkbox"/> YES <input type="checkbox"/> NO

4. Describe the land uses surrounding the proposal territory (e.g., residential, commercial, agricultural, industrial, open space, etc.).

North: Residential East: Residential
 South: Residential West: Residential

5. Indicate with a if any portion of the proposal territory contains the following:

- Agricultural land uses Agricultural Preserve
- Open Space Easement Slopes greater than 25%
- Sewer moratorium area Coastal Permit Zone
- Unusual features such as: --- NA

6. For city annexation proposals: Is any part of the proposal territory under a Williamson Act contract? If yes, please contact the LAFCO office for special instructions regarding petition/resolution of application requirements. YES NO

C. PUBLIC SERVICES INFORMATION

SEWER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public sewer service? YES NO
(b) **If yes**, which agency? Fallbrook Public Utility District
2. (a) Is a developed parcel in need of annexation due to failed septic system? YES NO
(b) **If yes**, include a copy of any letters from the San Diego County Department of Environmental Health or private septic-system company. *NOT AVAILABLE*
(c) **If no**, is annexation for sewer service part of this application? YES NO
3. If annexation for sewer service is proposed, which district or city would serve the territory if this jurisdictional change is approved? Fallbrook Public Utility District
4. (a) Has the agency that will be providing service issued a letter of sewer availability? YES NO
(b) **If yes**, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. (a) Will the agency be prepared to furnish sewer service upon annexation? YES NO
(b) **If no**, please explain: _____

WATER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public water service? YES NO
(b) **If yes**, which agency? Fallbrook Public Utility District
2. Is a well or other on-site water system currently used on the property? YES NO
3. Is an on-site system proposed to be used when the property is developed? YES NO
4. (a) Is annexation for water service part of this application? YES NO
(b) **If yes**, which district or city would serve the territory if this jurisdictional change is approved? NA
- (c) Will the agency that will be providing service be prepared to furnish water service upon annexation? YES NO
5. (a) Has the agency that will be providing service issued a letter of water availability? YES NO
(b) **If yes**, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

FIRE PROTECTION SERVICES: NOTE: Complete the following section **only** if annexation to a fire protection service provider is proposed—or if the current fire protection service provider is proposed to change.

1. (a) Is the proposal territory **currently** within an agency that provides fire protection? YES NO

(b) **If yes**, provide name and address/location of current fire service provider

NA

(c) Provide estimated response times to the proposal territory:

priority _____ minutes; non-priority _____ minutes

2. Is annexation for fire protection service part of this application? YES NO

3. Which city or district would serve the proposal territory if this jurisdictional change is approved?

NA

(a) Location/address of the proposed fire service provider: _____

(b) Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

POLICE PROTECTION SERVICES: NOTE: Complete the following section **only** if the police protection provider is proposed to change.

1. Which police agency **currently** serves the proposal territory?

NA

(a) Location/address of nearest police station: NA

(b) Estimated response times to the proposal territory: priority _____ minutes; non-priority _____ minutes

2. Which police agency would serve the proposal territory if this jurisdictional change is approved?

NA

(a) Location/address of nearest police station: NA

(b) Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

CAMPAIGN CONTRIBUTION DISCLOSURE PROVISIONS

LAFCOs are subject to the campaign disclosure provisions detailed in Government Code Section 84308, and the Regulations of the Fair Political Practices Commission (FPPC), Section 18438.

Please carefully read the following information to determine if the provisions apply to you. If you determine that the provisions are applicable, the Campaign Disclosure Form must be completed and returned to San Diego LAFCO with your application.

1. No LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party¹ or agent² while a change of organization proceeding is pending, and for three months subsequent to the date a final decision is rendered by LAFCO. This prohibition commences when your application has been filed, or the proceeding is otherwise initiated.

2. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 made to any commissioner by the party, or agent, during the preceding 12 months. No party to a LAFCO proceeding, or agent, shall make a contribution to a commissioner during the proceeding and for three months following the date a final decision is rendered by LAFCO.

3. Prior to rendering a decision on a LAFCO proceeding, any commissioner who received contribution of more than \$250 within the preceding 12 months from any party, or agent, to a proceeding shall disclose that fact on the record of the proceeding, and shall be disqualified from participating in the proceeding. However, if any commissioner receives a contribution that otherwise would require disqualification, and returns the contribution within 30 days of knowing about the contribution and the relevant proceeding, that commissioner shall be permitted to participate in the proceeding.

¹ "Party" is defined as any person who files an application for, or is the subject of, a proceeding.

² "Agent" is defined as a person who represents a party in connection with a proceeding. If an individual acting as an agent also is acting as an employee or member of a law, architectural, engineering, or consulting firm, or a similar entity or corporation, both the individual and the entity or corporation are agents. When a closed corporation is a party to a proceeding, the majority shareholder is subject to these provisions.

To determine whether a campaign contribution of more than \$250 has been made by you or your agent to a commissioner within the preceding 12 months, all contributions made by you or your agent during that period must be aggregated.

Names of current LAFCO commissioners are available at <http://www.sdlafco.org/document/CommRoster.pdf>. If you have questions about Government Code Section 84308, FPPC regulations, or the Campaign Disclosure Form, please contact San Diego LAFCO at 9335 Hazard Way, Suite 200, San Diego, CA 92123, (858) 614-7755.

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

(a) Proposed change(s) of organization: _____
Add 2 parcels to FPUD Sewer Service Area

(b) Name and address of any party, or agent, who has contributed more than \$250 to any commissioner within the preceding 12 months:

1. NA

2. NA

(c) Date and amount of contribution:

Date NA Amount \$ _____

Date _____ Amount \$ _____

(d) Name of commissioner to whom contribution was made:

1. NA

2. _____

(e) I certify that the above information is provided to the best of my knowledge.

Printed Name _____

Signature _____

Date _____ Phone _____

To be completed by LAFCO:

Proposal:

Ref. No.

DISCLOSURE OF POLITICAL EXPENDITURES

Effective January 1, 2008, expenditures for political purposes, which are related to a change of organization or reorganization proposal that will be or has been submitted to LAFCO, are subject to the reporting and disclosure requirements of the Political Reform Act of 1974 and the Cortese-Knox-Hertzberg Act of 2000.

Please carefully read the following information to determine if reporting and disclosure provisions apply to you.

- Any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expend \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act of 1974 (Government Code Section 81000 et seq.) as provided for local initiative measures, and Section 56700.1 of the Cortese-Knox-Hertzberg Act of 2000.
- Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be filed with the Secretary of State and the appropriate city or county clerk. Copies of the report must also be filed with the Executive Officer of San Diego LAFCO.
- A roster of current San Diego LAFCO commissioners is available from the LAFCO office: 9335 Hazard Way, Suite 200, San Diego, CA 92123, (858) 614-7755, or from <http://www.sdlafco.org/document/CommRoster.pdf>

EVALUATION CHECKLIST FOR DISCLOSURE OF POLITICAL EXPENDITURES

The following checklist is provided to assist you in determining if the requirements of Government Code Sections 81000 et seq. apply to you. For further assistance contact the Fair Political Practices Commission at 428 J Street, Suite 450, Sacramento, CA 95814, (866) 275-3772 or at <http://www.fppc.ca.gov>.

1. Have you directly or indirectly made a contribution or expenditure of \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

NA

Date of contribution _____ Amount \$ _____

Name/Ref. No. of LAFCO proposal _____

Date proposal submitted to LAFCO _____

2. Have you, in combination with other person(s), directly or indirectly contributed or expended \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution _____ Amount \$ _____

Name/Ref. No. of LAFCO proposal _____

Date proposal submitted to LAFCO _____

3. If you have filed a report in accordance with FPPC requirements, has a copy of the report been filed with San Diego LAFCO?

Yes

No

PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY

Note: Processing of jurisdictional boundary change proposals, which involve **uninhabited**¹ territory, can be expedited by approximately 60 days if all affected landowners consent to the proposal. If you wish to take advantage of this option, please return the completed PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY to San Diego LAFCO with your application for a jurisdictional boundary change. If consenting signatures of 100% of the affected property owners are affixed and LAFCO does not receive any opposition from subject agencies, the Commission may consider the proposal without public notice, public hearing and/or an election.

¹ Territory included within a proposed boundary change that includes less-than 12 registered voters is considered **uninhabited** (Government Code 56045).

The undersigned owners(s) of property hereby consent(s) to inclusion of that property within a proposed change of organization or reorganization consisting of:

(Please list all proposed actions)

Annexation to: 1. Fallbrook Public Utility District - Sewer Service Area
 2. _____
 3. _____

Detachment from: 1. _____
 2. _____
 3. _____

	<u>Date</u>	<u>Signature</u>	<u>Assessor's Parcel Number(s)</u>
1.	<u>6/14/21</u>	<u>Federico Lopez</u>	106-272-09
2.			106-272-27
3.			
4.			
5.			

Attach additional sheets if necessary

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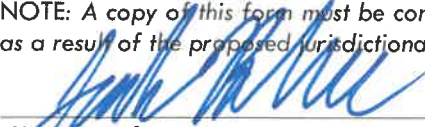
Detachment from: 1. _____
 2. _____
 3. _____

<u>Date</u>	<u>Signature</u>	<u>Assessor's Parcel Number(s)</u>
1. _____	_____	106-272-09
2. <u>6-9-21</u>		106-272-27
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

Attach additional sheets if necessary

SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM

NOTE: A copy of this form must be completed and signed by each local agency that will gain or lose territory as a result of the proposed jurisdictional boundary change. Attach additional sheets if necessary.

	Jack Bebe
Signature of agency representative	Print name
General Manager	Title
760-728-1125	6/16/21
Telephone	Date

A. JURISDICTIONAL INFORMATION:

Name of agency:
Fallbrook Public Utility District

1. Is the proposal territory within the agency's sphere of influence? Yes No
2. Upon annexation, will the proposal territory be included within an assessment district and be subject to assessment for new or extended services? Yes No
3. Does the agency have plans to establish any new assessment district that would include the proposal territory? Yes No
4. Will the proposal territory assume any existing bonded indebtedness? Yes No
If yes, indicate any taxpayer cost: \$ _____
5. Will the proposal territory be subject to any special taxes, benefit charges, or fees? Yes No
If yes, please provide details of all costs: The District (FPUD) has established fees for annexed parcels, per EDU, at a rate of \$11,389 / EDU, payable upon connection.
6. Is the agency requesting an exchange of property tax revenues as a result of this proposal? Yes No
7. Is this proposed jurisdictional change subject to a master property tax agreement or master enterprise district resolution? Yes No
8. FOR CITY ANNEXATIONS: Does the proposal territory contain existing commercial development that generates retail sales of ten million dollars or more per year? Yes No
9. FOR CITY ANNEXATIONS: If any part of the proposal territory is under a Williamson Act contract, please contact the LAFCO office for special instructions regarding petition or resolution of application requirements.

EXPEDITED PROPOSAL PROCESSING: *Processing of jurisdictional boundary change proposals can be expedited by approximately 60 days if all affected landowners consent to the waiver of protest and termination (conducting authority) proceedings and subject agencies do not oppose the waiver. If you do NOT want to waive these proceedings, then attach a written statement to the subject agency information form containing a signature, date, and declaration of opposition to a waiver of such proceedings.*

B. SEWER SERVICE:

1. What is the agency's current wastewater treatment capacity (expressed in million gallons per day and equivalent dwelling units)? 2.7 MGD

2. What is the average volume of influent currently being treated by the agency (expressed in million gallons per day and equivalent dwelling units)? 1.6 MGD

3. (a) What is the agency's peak flow volume (expressed in million gallons per day)?
3.2 MGD

(b) What is the agency's peak flow capacity (expressed in million gallons per day)?
4.7 MGD

(c) Has the agency exceeded the flow (peak) capacity within the past two years?
 YES NO
(d) **If yes**, please describe the frequency and volume of incidents that exceeded the agency's peak capacity: _____

4. (a) Has the agency issued a letter of sewer availability for the proposal territory? YES NO
(b) **If yes**, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

5. (a) How many future equivalent dwelling units have been reserved or committed for proposed projects? 3 EDUs. Each parcel (2) with one residence plus (1) ADU.
(b) Can all projects that have received commitments of sewer availability (e.g., "will serve letters") be accommodated with planned capacity? YES NO

6. (a) Does the agency have the necessary contractual and/or operational treatment capacity to provide sewer service to the proposal territory? YES NO
(b) **If yes**, please specify the proposal territory's estimated sewer demand and the agency's available sewer capacity (expressed in million gallons per day and equivalent dwelling units):
The addition of 2 parcels will have a negligible impact to the sewer demand.

(c) **If no**, please describe the agency's plans to upgrade capacity to resolve any capacity related issues: _____

7. Will the proposal territory be annexed to a sewer improvement district? YES NO

8. (a) The distance for connection of the proposal territory to the agency's existing sewer system is 0 feet.
(b) Describe the location of the connection to the agency's existing sewer system:
Each Parcel is adjacent to an existing sewer mainline.

C. WATER SERVICE:

1. (a) Does the subject agency have adequate water supply and sufficient contractual and/or operational capacity available to serve the proposal territory? YES NO
- (b) **If yes**, describe the proposal territory's estimated water demand and the agency's available water supply and capacity (expressed in acre-feet or million gallons per day):
The subject of this application is for Sewer service area only. Water service is currently Available.
- (c) **If no**, what plans does the agency have to increase its water capacity?

2. Specify any improvements (on and off-site) that will be necessary to connect and serve the anticipated development. Indicate the total cost of these improvements and method of financing (e.g., general property tax, assessment district, landowner or developer fees): NA YES NO
3. (a) Has the agency issued a letter of water availability for the proposal territory? YES NO
- (b) **If yes**, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
4. (a) The distance for connection of the proposal territory to the agency's existing water system is NA feet.
- (b) Describe the location of the connection to the agency's existing water system:

5. (a) Is the agency currently under any drought-related conditions and/or restrictions? YES NO
- (b) **If yes**, describe the conditions and specify any related restrictions:

6. (a) Will the proposal territory utilize reclaimed water? YES NO
- (b) **If yes**, describe the proposal territory's reclaimed water use and the agency's available reclaimed water supply and capacity (expressed in acre-feet or million gallons per day):

- (c) The distance for connection of the proposal territory to the agency's existing reclaimed water system is _____ feet.
- (d) Describe the location of the connection to the agency's existing reclaimed water system: _____
- (e) **If no**, has the agency considered availability of reclaimed water to the proposal territory? YES NO
- (f) What restrictions prevent use of reclaimed water? Residential property

7. Will the proposal territory be annexed to an improvement district? YES NO

**CUSTOMER
APPLICATION**

(APN 106-272-09)

LEGAL DESCRIPTION

June 14, 2021

Fallbrook Public Utility District

990 E Mission Rd

Fallbrook CA 92028

Subject: annexation to the Sewer Service Area, APN 106-272-09-00

To: the Board of the Fallbrook Public Utility District

We respectfully request that our property be annexed into the Fallbrook Public Utility District Sewer Service Area.

The reason for this request is the septic System is failing and we are unable to install a new leach field due to hardscape and other obstacles.

This property is 0.56 acres and is located at the intersection of Winter Haven Rd and Hummingbird Hill Lane, in the northwesterly corner of said intersection. Existing sewer mainline is located in Winter Haven Rd, in front of the subject property, and would not require any offsite sewer mainline extensions.

Your consideration of this request will be greatly appreciated.

Respectively submitted

Fredrico Orozco

A handwritten signature in black ink, appearing to read 'Fredrico Orozco', is written over the printed name.

EXHIBIT "A"
LEGAL DESCRIPTION
APN: 106-272-09

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

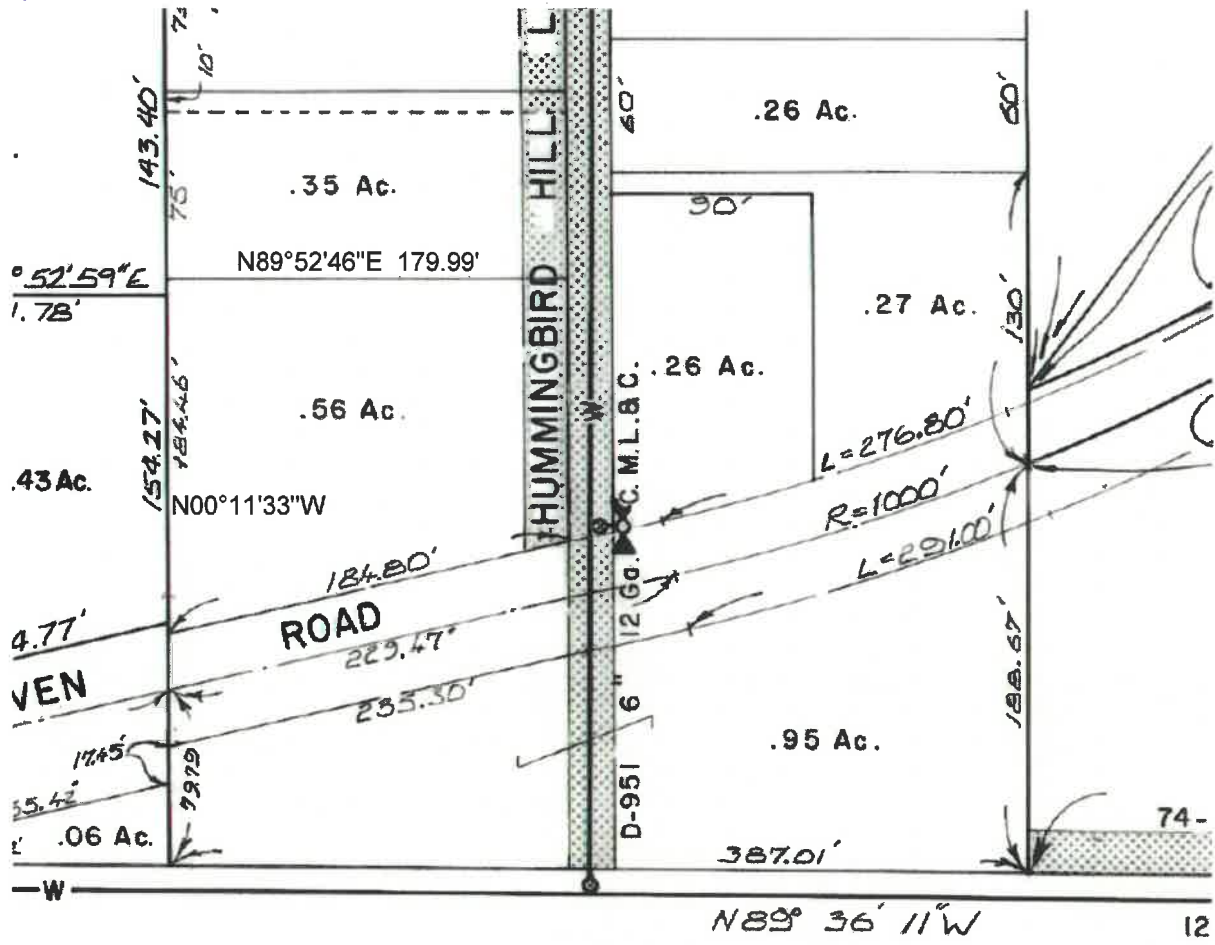
PARCEL 1:

THE WESTERLY 180.00 FEET OF THAT PORTION OF LOT 19 OF THE SUBDIVISION OF
RANCHO MONSERATE, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA,
ACCORDING TO MAP THEREOF NO. 821 FILED IN THE OFFICE OF THE COUNTY
RECORDER OF SAN DIEGO COUNTY SEPTEMBER 26, 1896, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHERLY LINE OF SAID LOT 19, DISTANT
THEREON SOUTH 89°38'12" EAST, 329.44 FEET FROM THE SOUTHWEST CORNER OF
SAID LOT, SAID POINT OF BEGINNING BEING THE SOUTHEAST CORNER OF THE WEST
10 ACRES OF SAID LOT CONVEYED TO GARDNER H. NARBONNE, BY DEED DATED
APRIL 30, 1914 AND RECORDED IN BOOK 653, PAGE 55 OF DEEDS, RECORDS OF SAID
COUNTY; THENCE NORTH 00°09'12" WEST ALONG THE EAST LINE OF SAID LAND
CONVEYED TO NARBONNE 80.15 FEET TO THE TRUE POINT OF BEGINNING, SAID LAST
MENTIONED POINT ALSO BEING A POINT ON THE CENTER LINE OF COUNTY ROAD
SURVEY NO. 398, AS FILED IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO
COUNTY; THENCE ALONG THE CENTER LINE OF SAID COUNTY ROAD, NORTH 76°46'00"
EAST 229.73 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY AND
HAVING A RADIUS OF 1000.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE,
171.83 FEET THROUGH AN ANGLE OF 09°50'42" TO A POINT ON THE WEST LINE OF THE
EAST 21.65 ACRES OF SAID LOT AS CONVEYED TO A. W. MORTON, BY DEED DATED
JANUARY 6, 1914 AND RECORDED IN BOOK 643, PAGE 49 OF DEEDS; THENCE ALONG
THE WEST LINE OF SAID EAST 21.45 ACRES, NORTH 00°09'14" WEST 250.00 FEET;
THENCE PERPENDICULAR TO THE WEST LINE OF SAID EAST 21.65 ACRES, SOUTH
89°50'46" WEST 187.00 FEET; THENCE PARALLEL TO THE WEST LINE OF SAID EAST
21.65 ACRES, NORTH 00°09'14" WEST 219.43 FEET; THENCE PERPENDICULAR TO THE
WEST LINE OF SAID EAST 21.65 ACRES, SOUTH 89°50'46" WEST 200.00 FEET TO A
POINT ON THE EAST LINE OF SAID LAND CONVEYED TO NARBONNE; THENCE ALONG
THE EAST LINE OF SAID LAND CONVEYED TO NARBONNE, SOUTH 00°09'14" EAST
574.46 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE NORTHERLY 390.00 FEET THEREOF.

APN 106-272-09 PLAT REFERENCE



CUSTOMER APPLICATION

(APN 106-272-27)

LEGAL DESCRIPTION

Attn: Fallbrook Public Utility District Board

Don Rady together with US Financial LLP & Oftedahl Construction request a formal annexation into the Fallbrook Public Utility District – Sewer Service Area, and want to be connected to the sewer system for the purpose to build a SFR on Winter Haven Road – A.P.N #106-272-27-00.

Ed Jackson

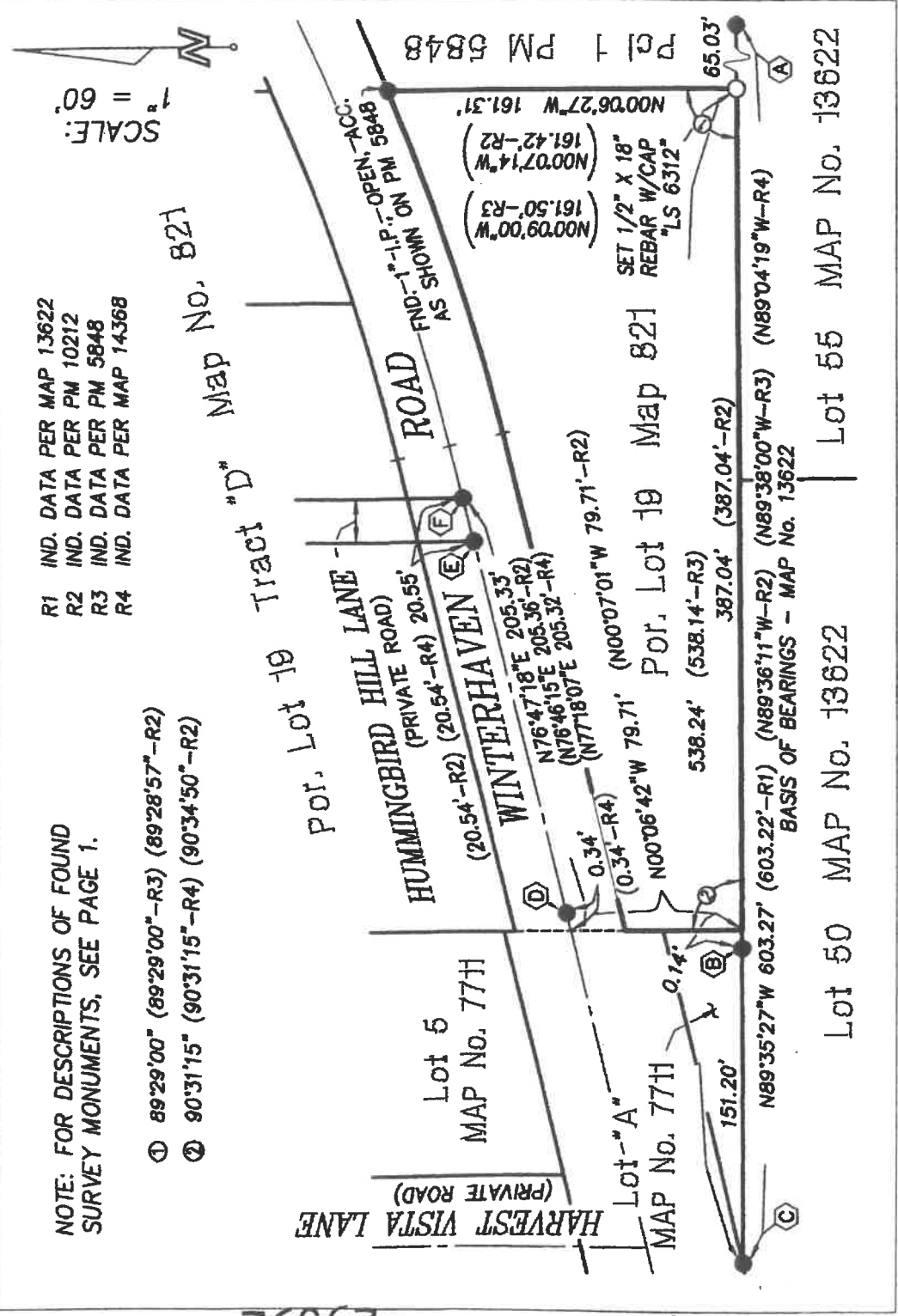
Don Rady

Us Financial LLP

NOTE: FOR DESCRIPTIONS OF FOUND SURVEY MONUMENTS, SEE PAGE 1.

- ① 89°29'00" (89°29'00"-R3) (89°28'57"-R2)
- ② 90°31'15" (90°31'15"-R4) (90°34'50"-R2)

- R1 IND. DATA PER MAP 13622
- R2 IND. DATA PER PM 10212
- R3 IND. DATA PER PM 5848
- R4 IND. DATA PER MAP 14368



MICROFILMED

JUN 05 2007

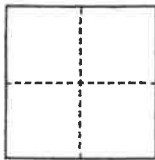
CORNER RECORD

Document Number 250321

Assessor Parcel Number 106-272-27

City of _____ County of SAN DIEGO, California

Brief Legal Description PORTION OF LOT 19 OF TRACT "D" OF MAP No. 821



CORNER TYPE

Government Corner Control
Meander Property
Rancho Other
Date of Survey 2/25/2007

**COORDINATES
(Optional)**

N. _____
E. _____
Zone _____ Datum _____
Elev. _____

Corner - Left as found Found and tagged Established Reestablished Rebuilt

Identification and type of corner found: Evidence used to identify or procedure used to establish or reestablish the corner: (A) IND. FND. 2" I.P., DISC "LS 5905", SET PER PM 16488. (B) IND. FND. 2" I.P., DISC "LS 5210", SET PER MAP 14368; NOT ACC. AS SET AT LOCATION SHOWN THERON, POSSIBLY DISTURBED. (C) IND. FND. 2" I.P., DISC "LS 6215", SHOWN ON MAP 13622. (D) IND. FND. WELL MONUMENT, DISC STAMPED "LS 1162", SET PER MAP 7711. (E)&(F) IND. FND. SPIKE AND WASHER STAMPED "S D COUNTY"; NO REC.; ACC. AS PERPETUATIONS OF REBAR SET PER MAP 13622.

A description of the physical condition of the monument as found and as set or reset: (SEE PAGE 2)

SURVEYOR'S STATEMENT

This Corner Record was prepared by me or under my direction in conformance with the Land Surveyor's Act on MAY 16 2007
Signed Michael Anderson L.S. ~~XXXX~~ Number L.S. 6312
Expiration Date 12/31/2008



COUNTY SURVEYOR'S STATEMENT

This Corner Record was received MAY 29 2007 20____ and examined and filed MAY 29 2007 20____
Signed [Signature] County Surveyor



County Surveyor's Comment _____

MICROFILMED
JUN 05 2007

DOC# 2021-0378424



May 18, 2021 03:24 PM

OFFICIAL RECORDS

Ernest J. Dronenburg, Jr.,

SAN DIEGO COUNTY RECORDER

FEES: \$134.80 (SB2 Atkins: \$0.00)

PCOR: N/A

PAGES: 2

RECORDING REQUESTED BY:

U.S. Financial

WHEN RECORDED MAIL DEED
AND TAX STATEMENT TO:

U.S. Financial, L.P.
1919 GRAND AVE, SUITE 2F
SAN DIEGO, CA 92109

APN: 106-272-27-00

TS No: CA01000066-20

TO No: 95312920

TRUSTEE'S DEED UPON SALE

The undersigned Grantor, under penalty of perjury, declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was: **\$97,994.67**
- 3) The amount paid by the Grantee at the trustee sale was: **\$97,994.68**
- 4) The documentary transfer tax is: **\$107.80**
- 5) Said property is in the city of: FALLBROOK
- 6) A.P.N. 106-272-27-00

and **Special Default Services, Inc.**, herein called "Trustee", as Trustee (or as Successor Trustee) of the Deed of Trust hereinafter described, hereby grants and conveys, but without covenant or warranty, express or implied, to **U.S. Financial, L.P.**, herein called "Grantee", the real property in the County of San Diego, State of California, described as follows: **ALL THAT PORTION OF LOT 19 OF THE SUBDIVISION OF THE TRACT 'D' OF THE PARTITION OF RANCHO MONSERATE, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THERE OF MAP NO. 821 FILED SEPTEMBER 25, 1896, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, INCLUDED IN THAT LAND DESCRIBED IN DEED TO NADYNE R. PARKER, RECORDED JUNE 30, 1972 AS INSTRUMENT NO. 1972-168715, OF OFFICIAL RECORDS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, LYING SOUTHERLY OF THE CENTERLINE OF THE COUNTY ROAD SURVEY NO. 398 AS SAID CENTERLINE IS DESCRIBED IN SAID PARKER DEED. EXCEPTING THEREFROM THE RIGHT TO ACCEPT AT A FUTURE TIME, A 30.00 FEET STRIP OF LAND, LYING SOUTHERLY OF AND ADJACENT TO THE CENTERLINE OF ROAD SURVEY NO. 398 AS SAID CENTERLINE IS DESCRIBED IN SAID PARKER DEED AS AN EASEMENT FOR COUNTY HIGHWAY. THE ENDS OF SAID EASEMENT ARE TO TERMINATE ON THE WESTERLY AND EASTERLY BOUNDARIES OF SAID PARKER DEED.**

This deed is made pursuant to the authority and powers given to Trustee (or to Successor Trustee) by law and by that certain Deed of Trust dated **June 26, 2019**, made to **CARLOS CASAS, JR.** and recorded on **July 16, 2019**, as Instrument No. **2019-0283655** of Official Records in the office of the Recorder of San Diego County, CA, Trustee (or Successor Trustee) having complied with all applicable statutory provisions and having performed all of his duties under the said Deed of Trust.

ACCOMMODATION ONLY. THIS INSTRUMENT FILED FOR RECORD BY CORINTHIAN TITLE COMPANY AS AN ACCOMODATION ONLY. IT HAS NOT YET BEEN EXAMINED AS TO ITS EXECUTION, AS TO ITS EFFECTS UPON TITLE.

RECORDING REQUESTED BY:

U.S. Financial

WHEN RECORDED MAIL DEED
AND TAX STATEMENT TO:

U.S. Financial, L.P.
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SAN DIEGO, CA 92109

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ACCOMMODATION ONLY. THIS
INSTRUMENT FILED FOR RECORD BY
CORINTHIAN TITLE COMPANY AS AF.
ACCOMODATION ONLY. IT HAS NOT YET
BEEN EXAMINED AS TO ITS EXECUTION,
AS TO ITS EFFECTS UPON TITLE.

APN: 106-272-27-00

TS No: CA01000066-20

TO No: 95312920

All requirements of law and of said Deed of Trust relating to this sale and to notice thereof having been complied with. Pursuant to the Notice of Trustee's Sale, the above-described property was sold by Trustee (or Successor Trustee) at public auction on **May 5, 2021** at the place specified in said Notice, to Grantee who was the highest bidder therefore, for **\$97,994.68**, in lawful money of the United States, which has been paid.

Dated: 5-12-21

Special Default Services, Inc., as Duly Appointed Successor Trustee



By: Susan Earnest, Authorized Signatory

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 ORANGE

Bernardo Sotelo-Hernandez

On 5-12-21 before me, _____, a Notary Public, personally appeared SUSAN EARNEST, 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 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.

Notary Public Signature



CEQA DOCUMENT EXEMPTION

PRELIMINARY EXEMPTION ASSESSMENT

(Certificate of Determination
When Attached to Notice of Exemption)

1. Name or description of project:	CEQA Documentation for the LAFCO Application; Annexation of 2 parcels to Sewer Service Area: Winter Haven Rd/ Hummingbird Ln	
2. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	Fallbrook, California. (See attached map showing the Fallbrook Public Utility District's (FPUD) Sewer Service Area)	
3. Entity or person undertaking project:	A. Fallbrook Public Utility District	
	B. Other (Private)	
	(1) Name	
	(2) Address	
4. Staff Determination:		
The Lead Agency's Staff, having undertaken and completed a preliminary review of this project in accordance with the Lead Agency's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)" has concluded that this project does not require further environmental assessment because:		
a. <input checked="" type="checkbox"/>	The proposed action does not constitute a project under CEQA.	
b. <input type="checkbox"/>	The project is a Ministerial Project.	
c. <input type="checkbox"/>	The project is an Emergency Project.	
d. <input type="checkbox"/>	The project constitutes a feasibility or planning study.	
e. <input type="checkbox"/>	The project is categorically exempt.	
	Applicable Exemption Class:	(Pub. Res. Code § 21065; State CEQA Guidelines § 15378(a) and 15061(b)(3); (common sense exemption).
f. <input type="checkbox"/>	The project is statutorily exempt.	
	Applicable Exemption:	
g. <input checked="" type="checkbox"/>	The project is otherwise exempt on the following basis:	The proposed action simply adjusts the (FPUD) Sewer Service Area boundary. The addition of these 2 parcels to the Sewer Service Area does not require the installation of any District facilities. This application also enables the removal of an existing septic system.
h. <input type="checkbox"/>	The project involves another public agency which constitutes the Lead Agency.	
	Name of Lead Agency:	

Date: 6/15/2021

Staff: Adrian Davelle

NOTICE OF EXEMPTION

<p>TO:</p> <p><input checked="" type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044</p>	<p>FROM: Jack Bebee (Public General Manager Agency) Fallbrook Public Utility District 990 E. Mission Road Fallbrook, CA 92028</p>
<p><input checked="" type="checkbox"/> Clerk of the Board of Supervisors or County Clerk County of: San Diego</p>	<p>Address San Diego Clerk's Office County Administration Center 1600 Pacific Highway, Suite 260 San Diego, CA 92101</p>

1. Project Title:	CEQA Documentation for the LAFCO Application; Annexation of 2 parcels to Sewer Service Area: Winter Haven Rd / Hummingbird Ln
2. Project Applicant:	Fallbrook Public Utility District
3. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	Fallbrook, California. (See attached map showing the District's Service Area)
4. (a) Project Location – City: Unincorporated	(b) Project Location – County: San Diego
5. Description of nature, purpose, and beneficiaries of Project:	<p>The purpose of the proposed action is to add 2 parcels to the sewer service area of the Fallbrook Public Utility District. One parcel is south of Winter Haven Rd and one is at the NW corner of the intersection of Winter Haven Rd and Hummingbird Ln. A sewer mainline exist along the boundaries of these parcels so a mainline extension is not necessary.</p> <p>Parcel 106-272-09 (0.56 Acres) and parcel 106-272-27 (0.95 Acres) have requested to be annexed into the Fallbrook Public Utility District (FPUD) - Sewer Service Area, and will be submitting this annexation request to LAFCO.</p>
6. Name of Public Agency approving project:	Fallbrook Public Utility District
7. Name of Person or Agency undertaking the project, including any person undertaking an	Fallbrook Public Utility District

activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:		
8. Exempt status: (check one)		
(a)	<input type="checkbox"/> Ministerial project.	(Pub. Res. Code § 21080(b)(1); State CEQA Guidelines § 15268)
(b)	<input checked="" type="checkbox"/> Not a project.	(Pub. Res. Code § 21065; State CEQA Guidelines § 15378(a))
(c)	<input type="checkbox"/> Emergency Project.	(Pub. Res. Code § 21080(b)(4); State CEQA Guidelines § 15378(b),(c))
(d)	<input type="checkbox"/> Categorical Exemption. State type and section number:	Title 14, California Code Regulations, Sec. 15302 Replacement or Reconstruction, Class 2 (c).
(e)	<input type="checkbox"/> Declared Emergency.	(Pub. Res. Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(f)	<input type="checkbox"/> Statutory Exemption. State Code section number:	
(g)	<input type="checkbox"/> Other. Explanation:	State CEQA Guidelines § 15061(b)(3); (common sense exemption).
9.	Reason why project was exempt:	The proposed action simply adjusts the (FPUD) Sewer Service Area boundary. The addition of these 2 parcels to the Sewer Service Area does not require the installation of any District facilities. This application also enables the removal of an existing septic system.
10.	Lead Agency Contact Person:	Jack Bebee, General Manager
	Telephone:	(760) 728-1125
11.	If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing.	
12.	Has a Notice of Exemption been filed by the public agency approving the project? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
13.	Was a public hearing held by the Lead Agency to consider the exemption? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	If yes, the date of the public hearing was: _____	

Signature: _____ Date: _____ Title: _____

Signed by Lead Agency Signed by Applicant

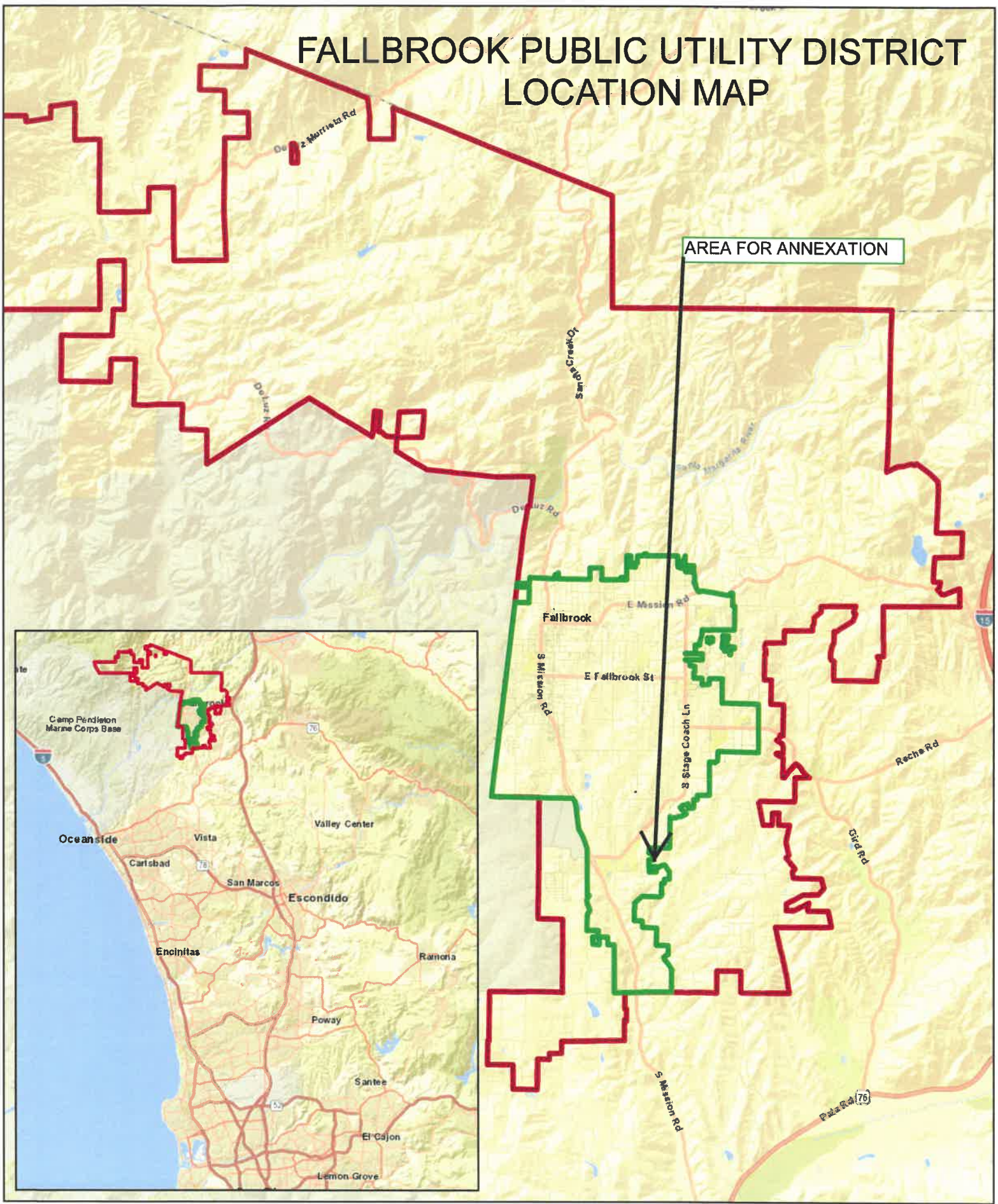
Date Received for Filing: _____

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

DISTRICT LOCATION MAPS

FALLBROOK PUBLIC UTILITY DISTRICT LOCATION MAP



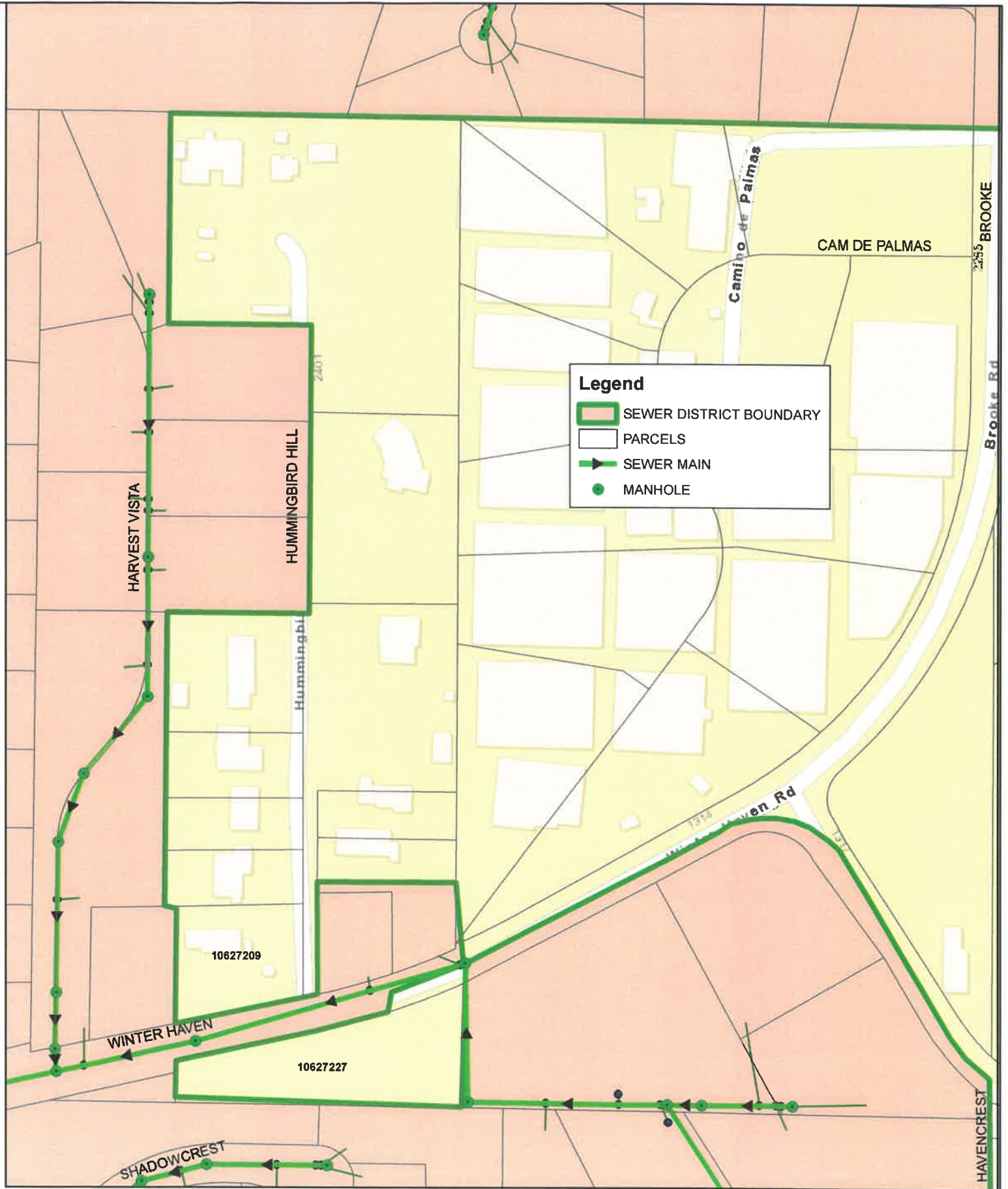
Legend

- SEWER SERVICE AREA
- FALLBROOK P.U.D. BOUNDARY

LAFCO APPLICATION 6/28/2021

FALLBROOK PUBLIC UTILITY DISTRICT
-SEWER SERVICE AREA-

247



Legend

- SEWER DISTRICT BOUNDARY
- PARCELS
- SEWER MAIN
- MANHOLE

POTENTIAL SEWER SERVICE AREA ANNEXATIONS
 (IDENTIFIED BY APN)

LAFCO ANNEXATION APPLICATION 06/28/2021



0 50 100 200 300 400
 Feet

M E M O

TO: Board of Directors
FROM: Fiscal Policy and Insurance Committee
DATE: June 28, 2021
SUBJECT: Update Article 18 – Investment Policy

Purpose

Update the District's Administrative Code to incorporate any changes in California Law.

Summary

The State Assembly Committee on Local Government periodically reviews the State's permitted investments and portfolio constraints. These are intended to support the State's stated goals of Safety, Liquidity and Yield. This year only a few changes were made that impact the District.

- The single issuer limit of 10% for commercial paper was combined with the 10% limit on corporate notes. The policy now limits the combined amount commercial paper and corporate notes from the same issuer to 10%.
- Under Prohibited Investments reference to Government Code Section 53601.6 is included. This would allow the District in times of extreme capital market dislocation/volatility to purchase government securities that may not offer a yield or may have negative interest rates. This is not an event that is anticipated but under the right circumstances could provide a valuable investment option to the District.

Recommended Action

Recommend that the Board adopt Resolution 5018 amending Article 18 of the District's Administrative Code.

RESOLUTION NO. 5018

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK
PUBLIC UTILITY DISTRICT AMENDING ADMINISTRATIVE CODE
ARTICLE 18, INVESTMENT POLICY**

* * * * *

WHEREAS, each year the District's Investment Policy is reviewed by staff, and it was found that Article 18, *Investment Policy*, required amendment to modify the single issuer limits for combined Commercial Paper and Medium-Term Notes and to add a reference to Government Code Section 53601.6 under Prohibited Securities to comply with state code.

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

1. That the Board approves the proposed revisions to Article 18, section 18.2.5, *Prohibited Securities* as set forth in Exhibit A and incorporated herein.
2. That the Board approves the proposed revisions to Article 18, section 18.4.3, *Commercial Paper* as set forth in Exhibit A and incorporated herein.
3. That the Board approves the proposed revisions to Article 18, section 18.4.4, *Medium-Term Notes* as set forth in Exhibit A and incorporated herein.
4. The remaining provisions of Article 18 are unaffected and reconfirmed hereby.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Acting Secretary, Board of Directors

Exhibit “A”

Article 18. Investment Policy

Sec. 18.1 General.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 18.3 Internal Controls.

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

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

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

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

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

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

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

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

Sec. 18.4 Permissible Investments.

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

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

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

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

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

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

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

Minimum Credit Requirement: None.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Minimum Credit Requirements: None

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

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

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

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

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

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

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

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 18.4.10 and 18.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 18.4.10 and 18.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

18.4.12 Joint Powers Authority Pool. The investment with a Joint Powers Authority Pool is mandated by that pool. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the

following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission; (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive; and (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

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

Minimum Credit Requirement: None.

18.4.13 Money Market Mutual Funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 18.5 Maturity/Limit of Investments.

With the exception of U.S. Treasury and Federal Agency securities, the maturity of a give investment will not exceed five (5) years, without prior board approval per Section 18.2.4.

Sec. 18.6 Reporting Requirements.

The Treasurer shall prepare a quarterly investment report to the Board of Directors that provides an overview of the District’s investments and lists the investment transactions for the period. The report shall also (1) state the compliance of the portfolio with the statement of investment policy, or the manner in which the portfolio is not in compliance, and (2) the report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available. The Treasurer shall also provide the Board a summary report of investments on a monthly basis.

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

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

ARTICLE 27 (Renumbered as Article 18 by Resolution 5006)

Revised in its entirety: 2/94

Adopted in current form: 1/96,
1/97, 1/98, 1/99

Sec. 27.2.4 – Rev. 1/00

Adopted in current form: 1/01

Sec. 27.4.7 – Rev. 10/01

Sec. 27.6 – Rev. 1/03

Sec. 27.2.4 – Rev. 1/07

Sec. 27.4.4 – Rev. 3/07

Secs. 27.2.3, 27.4.1(2), 27.4.2,
27.4.3, 27.4.4, & 27.4.6 – Rev. 9/07

Sec. 27.2.1 – Rev. 1/10

Secs. 27.4.10-12 – Rev. 1/12

Secs. 27.2.4, 27.2.5, 27.4.5, 27.4.6,
27.4.7, 27.4.10, 27.4.11, 27.4.13,
27.4.14, 27.5 – Rev. 2/13

Secs. 27.4.6, 27.4.11 – Rev. 1/14

Secs. 27.1, 27.1.1, Attachment A –
Rev. 3/15

Secs. 27.1, 27.1.1, 27.1.2, 27.1.3,
27.2, 27.2.3, 27.2.4, 27.3, 27.4,
27.4.1, 27.4.2, 27.4.3, 27.4.4,
27.4.6, 27.4.10, 27.4.11, 27.4.12,
27.4.13, 27.4.14, 27.4.15, 27.5 –
Rev. 2/16

Secs. 27.2.4, 27.4, 27.4.3, 27.4.4,
27.4.6, 27.4.10, 27.4.11, 27.4.14,
27.4.15 – Rev. 3/17

Sec. 27.2.3 – Rev. 6/18

Sec. 27.6 – Rev. 7/18

Sec. 27.4.14 – Rev. 2/19

M E M O

TO: Board of Directors
FROM: Engineering Department
DATE: June 28th, 2021
SUBJECT: Updates of the District's Water Shortage Contingency Plan, Administrative Code Article 17, Addendum to the 2015 Urban Water Management Plan, and 2020 Urban Water Management Plan and Finding that the Action is Exempt from CEQA

Purpose

To present final updates to the District's Water Shortage Contingency Plan (WSCP), revised Administrative Code Article 17 (Water Shortage Response Plan), Addendum to the 2015 Urban Water Management Plan to show reduced reliance on the Sacramento-San Joaquin Delta (Delta) in compliance with the Delta Plan (2015 Addendum), and 2020 Urban Water Management Plan (2020 UWMP), and finding that the preparation and adoption of the WSCP, 2015 Addendum, and the 2020 UWMP are statutorily exempt from the California Environmental Quality Act (CEQA).

Overview

The California Water Code (CWC) requires all urban water suppliers within the state to prepare UWMPs and update them every five years. Updates related to this process include the revising and updating the District's (1) WSCP (a new requirement under the CWC and a required element of the 2020 UWMP), (2) Water Shortage Response Plan (to help implement to the WSCP), (3) 2015 Addendum, and (4) 2020 UWMP (which supports the District's long-term water resources planning to ensure that adequate water supplies are available to meet existing and future needs).

UWMPs compile an extensive body of information and analysis about urban water suppliers and their supplies, including descriptions of the communities they serve, lay descriptions of infrastructure and operations, water supplies and demands, water supply reliability, water shortage contingency planning, and water conservation programs and practices. The 2020 UWMP and WSCP must be adopted and submitted to the California Department of Water Resources (DWR) by July 1, 2021. DWR has also recommended that water suppliers whose sources include water involving the Delta should adopt an addendum to their 2015 UWMPs in compliance with the Delta Plan.

District staff will present on these Urban Water Management Planning updates.

Recommendation

Hold three separate public hearings to consider (1) Resolutions 5013 and 5014, (2) Resolution 5015, and (3) Resolution 5016. Consider adopting the District's WSCP (Resolution 5013), revised Water Shortage Response Plan (Resolution 5014), 2015 Addendum (Resolution 5015), and 2020 UWMP (Resolution 5016). Consider filing a CEQA Notice of Exemption for the WSCP, 2015 Addendum, and 2020 UWMP.

RESOLUTION 5013

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT ADOPTING A WATER SHORTAGE CONTINGENCY PLAN (WSCP)

* * * * *

WHEREAS, The California Urban Water Management Planning Act, (Wat. Code §10610, et seq. (the Act)), mandates that every urban supplier of water providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare and adopt, in accordance with prescribed requirements, a Water Shortage Contingency Plan (WSCP) as part of its 2020 Urban Water Management Plan (2020 Plan); and

WHEREAS, the Act specifies the requirements and procedures for adopting such WSCPs; and

WHEREAS, pursuant to recent amendments to the Act, urban water suppliers are required to adopt and electronically submit their WSCPs to the California Department of Water Resources (DWR) by July 1, 2021; and

WHEREAS, pursuant to the Act, “urban water supplier” means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers; and

WHEREAS, Fallbrook Public Utility District (FPUD) meets the definition of an urban water supplier for purposes of the Act and is required to prepare and adopt and WSCP as part of its 2020 Plan; and

WHEREAS, FPUD has prepared a WSCP in accordance with the Act, and in accordance with applicable legal requirements, has undertaken certain coordination, notice, public involvement, public comment, and other procedures in relation to its WSCP; and

WHEREAS, in accordance with the Act, FPUD has prepared its WSCP with its own staff, with the assistance of consulting professionals, and in cooperation with other governmental agencies, and has utilized and relied upon industry standards and the expertise of industry professionals in preparing its WSCP, and has also utilized DWR’s Urban Water Management Plan Guidebook 2020, including its related appendices, in preparing its WSCP; and

WHEREAS, in accordance with applicable law, including Water Code section 10642, and Government Code section 6066, a Notice of a Public Hearing regarding

FPUD's WSCP was published within the jurisdiction of FPUD on June 10th and June 17th; and

WHEREAS, in accordance with applicable law, including but not limited to Water Code section 10642, a public hearing was held by Webconference/Teleconference (via Zoom) on June 28th 2021 at 4 PM, or soon thereafter, in order to provide members of the public and other interested entities with the opportunity to be heard in connection with proposed adoption of the WSCP and issues related thereto; and

WHEREAS, pursuant to said public hearing on FPUD's WSCP, FPUD, among other things, encouraged the active involvement of diverse social, cultural, and economic members of the community within FPUD's service area with regard to the WSCP, and encouraged community input regarding FPUD's WSCP; and

WHEREAS, the FPUD Board of Directors has reviewed and considered the purposes and requirements of the Act, the contents of the WSCP, and the documentation contained in the administrative record in support of the WSCP, and has determined that the factual analyses and conclusions set forth in the WSCP are legally sufficient; and

WHEREAS, the FPUD Board of Directors desires to adopt the WSCP and to incorporate it as part of its 2020 Plan prior to July 1, 2021 in order to comply with the Act.

WHEREAS, Section 10652 of the California Water Code provides that the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) (CEQA) does not apply to the preparation and adoption of a WSCP as part of Plan pursuant to California Water Code section 10632.

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

1. All of the above recitals are true.
2. The FPUD Water Shortage Contingency Plan (WSCP), attached hereto as Exhibit "A," is hereby adopted as amended by changes incorporated by the FPUD Board of Directors as a result of input received (if any) at the public hearing and ordered filed with the Secretary of the FPUD Board of Directors and shall be incorporated into FPUD's 2020 Plan.
3. The General Manager is hereby authorized and directed to include a copy of this Resolution in FPUD's WSCP and/or in FPUD's 2020 Plan.

4. The General Manager is hereby authorized and directed, in accordance with Water Code sections 10621(d) and 10644(a)(1)-(2), to electronically submit a copy of the WSCP, as part of its 2020 Plan, to DWR no later than July 1, 2021.
5. The General Manager is hereby authorized and directed, in accordance with Water Code section 10644(a), to submit a copy of the WSCP, as part of its 2020 Plan, to the California State Library, and to any city or county within which FPUD provides water supplies no later than thirty (30) days after this adoption date.
6. The General Manager is hereby authorized and directed, in accordance with Water Code section 10645, to make the WSCP available for public review at FPUD's offices during normal business hours and on its website at www.fpud.com no later than thirty (30) days after filing a copy of the WSCP, as part of its 2020 Plan, with DWR.
7. The General Manager is hereby authorized and directed to implement the WSCP in accordance with the Act and to provide recommendations to the FPUD Board of Directors regarding the necessary budgets, procedures, rules, regulations, or further actions to carry out the effective and equitable implementation of the WSCP.
8. The FPUD Board of Directors finds and determines that this resolution is not subject to CEQA pursuant to Water Code Section 10652 because CEQA does not apply to the preparation and adoption of a WSCP or to the implementation of the actions taken pursuant to such plans. Because this resolution comprises the FPUD Board of Directors' adoption of FPUD's WSCP and involves its implementation, no CEQA review is required.
9. Pursuant to CEQA, the FPUD Board of Directors directs staff to file a Notice of Exemption with the County Clerk's office within five (5) working days of adoption of this resolution.

10. The document and materials that constitute the record of proceedings on which this resolution and the above findings have been based are located at 990 East Mission Rd, Fallbrook CA 92028. The custodian for these records is the Acting Secretary, Board of Directors, Mavis Canpinar.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT "A"

**FALLBROOK PUBLIC UTILITY DISTRICT
WATER SHORTAGE CONTINGENCY PLAN**

Section 8 – Water Shortage Contingency Plan (WSCP)

This document constitutes Fallbrook Public Utility District’s (District or FPUD) Water Shortage Contingency Plan (WSCP), a detailed proposal for how the District intends to act in the case of an actual water shortage condition.

8.1 WATER SUPPLY RELIABILITY ANALYSIS

FPUD has reduced its per capita water use by 54% from its 20 X 2020 Baseline and is 43% under its official 2020 target GPCD. FPUD has a diverse and reliable supply portfolio that includes multiple local and imported sources of water. While FPUD is increasing its utilization of local water supplies, the District may rely to a greater extent on wholesale purveyors during dry periods when local supplies are less available. The most common issue for water supplies in Fallbrook, as is the case in much of the arid west, is drought.

The District’s water wholesaler, the San Diego County Water Authority (Water Authority) and the Water Authority’s wholesaler the Metropolitan Water District of Southern California (Metropolitan) have made substantial investments in supply reliability over many decades to ensure that the regions they serve have sufficient water supplies, even during periods when source waters are in shorter supply. The Water Authority and Metropolitan have reported regional information and methodologies in their 2020 Urban Water Management Plans, which contain comprehensive analysis regarding supply reliability. Strategies for the optimization of supply reliability include diverse portfolios of local and imported supplies, storage, and supply management practices. These water management strategies will enable the Water Authority and Metropolitan to adapt operational practices to meet water supply needs for their member agencies to ensure the reliable supply of water.

8.2 ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT PROCEDURES

Starting in 2022, each year FPUD will complete an “Annual Water Supply and Demand Assessment”, which will be reported to the Department of Water Resources by July 1st. This review process will assess current conditions at that time, updating the District’s supply profile (detailed in Section 6 of the District’s UWMP) and demand projections (detailed in Section 4 of the District’s UWMP).

Because FPUD’s receives a significant portion of its potable supplies from the Water Authority, it will consider the Water Authority’s Annual Assessment of its supply availability. The Water Authority first considers its core water supplies as part of the annual assessment. Included as part of consideration of the core supplies are the capabilities and constraints of the infrastructure used to deliver the core water supplies. Next, the Water Authority considers member agency projected water demands on the Water Authority to identify available supplies capable of meeting estimated demand. The Water Authority then evaluates its

storage assets to determine whether to supplement its core supplies with stored water. More detail on the Water Authority Assessment procedures is contained in Section 11.3.2 of its 2020 UWMP.

Because wholesale supplies purchased by the Water Authority from Metropolitan are an important element of the Annual Assessment, of note is Metropolitan's 2020 UWMP, Section 2.5, which outlines its procedures. In summary, Metropolitan's Annual Assessment determination will be based on considerations of available core water supplies, unconstrained water demand, planned water use, and infrastructure conditions. Metropolitan also considers the use of its in-region and out of-region stored water and other water management programs to supplement core water supplies. The difference between projected core water supplies and anticipated unconstrained demand will be used to determine what, if any, shortage stage is expected under Metropolitan's Water Shortage Contingency Plan framework.

Data and Methodology

FPUD will take into account the Water Authority's and Metropolitan's Assessment of available supplies and FPUD's own local supply estimates. FPUD will use its excel based Water Demand Forecasting Model under current local hydrologic conditions to estimate unconstrained demand. Availability of FPUD local surface water and groundwater supplies has a strong correlation to past availability under similar hydrologic conditions. Groundwater modeling and updated monthly yield projections for the Santa Margarita River Conjunctive Use Project, a joint groundwater project operated by Camp Pendleton and FPUD that will go live in 2022, will provide the District with an accurate method of forecasting yield from the project. FPUD will also assess the ability of its distribution system and SMRCUP infrastructure to deliver all available supplies to its customers. If there are infrastructure constraints, FPUD will develop a plan to address those physical constraints in as expeditious a manner as possible.

When combined with results of the Water Authority and Metropolitan's Annual Assessments, FPUD will be able to complete a comprehensive analysis of its supply and demand balance and identify any shortfalls. If a gap is identified, FPUD will be able to determine the most appropriate actions to take under the WSCP.

Decision-Making Process

FPUD will prepare the written Annual Water Supply Assessment per DWR requirements and present the results of the Assessment to its Board of Directors prior to submission to DWR. Depending on the results of the Assessment and then-current conditions, FPUD may request action from its Board consistent with its WSCP and in advance of submission of the Annual Assessment to DWR.

8.3 SIX STANDARD WATER SHORTAGE STAGES

In the event of declared water shortages, Article 17 of the Administrative Code will be implemented. A copy is included in Appendix F. This plan includes both voluntary and mandatory rationing during water supply shortages, including specific response actions that align with six standard water shortage levels based on water supply conditions and shortages resulting from catastrophic supply interruptions.

As soon as a particular condition is declared to exist, the water conservation measures provided for under that condition would apply to all FPUD water service until a different condition is declared. The chart below indicates the six shortage levels that could be enacted by FPUD in the event of a declared shortage. A narrative summary is beneath the table and the complete text is in Appendix F.

The table below shows the six stages of our shortage plan

Submittal Table 8-1		
Shortage Level	Percent Shortage Range	Shortage Response Actions (Narrative description)
1	Up to 10%	Water Shortage Notice
2	Up to 20%	Water Shortage Watch
3	Up to 30%	Water Shortage Alert
4	Up to 40%	Water Shortage Warning
5	Up to 50%	Water Shortage Critical Condition
6	>50%	Water Shortage Emergency Condition
NOTES:		

Level 1 “Water Shortage Notice” is enforced when local supply conditions and/or the District’s wholesalers notify the District that cutbacks are necessary, caused by water shortages or other reduction in supplies. During a “Water Shortage Notice”, reductions in consumer demands of up to 10% are required in order to have sufficient supplies available to meet anticipated demands.

Level 2 “Water Shortage Watch” is enforced when local supply conditions and/or the District’s wholesalers notify the District that cutbacks are necessary, caused by water shortages or other reduction in supplies. During a “Water Shortage Watch”, reductions in consumer demands of up to 20% are required in order to have sufficient supplies available to meet anticipated demands.

Level 3 “Water Shortage Alert” applies when local supply conditions and/or the District’s wholesalers notify the District that due to increasing cutbacks are necessary, caused by water shortages or other reduction of supplies. During a

“Water Shortage Alert”, reductions in consumer demands of up to 30% are required in order to have sufficient supplies available to meet anticipated demands.

Level 4 “Water Shortage Warning” applies when local supply conditions and/or the District’s wholesalers notify the District that due to increasing cutbacks are necessary, caused by serious water shortages or other reduction of supplies. During a “Water Shortage Warning”, reductions in consumer demands of up to 40% are required in order to have sufficient supplies available to meet anticipated demands.

Level 5 “Water Shortage Critical Condition” applies when local supply conditions and/or the District’s wholesalers notify the District that due to increasing cutbacks are necessary, caused by critical water shortages or other reduction of supplies. During a “Water Shortage Critical Condition”, reductions in consumer demands of up to 50% are required in order to have sufficient supplies available to meet anticipated demands.

Level 6 “Water Shortage Emergency Condition” applies when local supply conditions and/or the District’s wholesalers notify the District that is has declared a water shortage emergency and requires a demand reduction of more than 50% in order for the District to have maximum supplies available to meet anticipated demands.

8.4 WATER SHORTAGE RESPONSE ACTIONS

The following prohibitions apply to use of potable water and do not apply to reclaimed water or well water use. More detailed information is available in the complete text of Article 17 of the Administrative Code, in Appendix F.

The table below shows mandatory prohibitions

Table 8-2a Retail: Restrictions and Prohibitions on End Uses			
Stage	Restrictions and Prohibitions on End Users <i>Drop down list</i> <i>These are the only categories that will be accepted by the WUEdata online submittal tool</i>	Additional Explanation or Reference (optional)	Penalty, Charge or Other Enforcement?
<i>Add additional rows as needed</i>			
1	Landscape - Restrict or prohibit runoff from landscape irrigation		Yes
1	Other – Prohibit use of potable water for washing hard surfaces		Yes
1	Other – Require automatic shut-off hoses	No residential or commercial irrigation between 10am and 6pm	Yes
1	Water Features – Restrict water use for decorative water features, such as fountains, ponds, lakes and waterfalls	Must use re-circulated water	Yes
1	Other	Must use a positive shutoff nozzle to wash vehicles	Yes
1	CII – Lodging establishment must offer opt-out of linen service		Yes
1	CII – Restaurants may only serve water upon request		Yes
1	Other – Customers must repair leaks, breaks, and malfunctions in a timely manner	Within 120 hours	Yes
1	Other	Recycled or non-potable water use for construction when possible	Yes
1	Landscape – Limit landscape irrigation to specific times	Before 10am and after 6pm	Yes
2	Increased enforcement of conservation measures		Yes
3	Other – Customers must repair leaks, breaks, and malfunctions in a timely manner	Within 72 hours	Yes

CONTINUED -- Table 8-2a Retail: Restrictions and Prohibitions on End Uses			
Stage	Restrictions and Prohibitions on End Users <i>Drop down list</i> <i>These are the only categories that will be accepted by the WUEdata online submittal tool</i>	Additional Explanation or Reference (optional)	Penalty, Charge or Other Enforcement?
<i>Add additional rows as needed</i>			
3	Landscape – Lawn watering limited to ten minutes per station on assigned days		Yes
4	Landscape – Limit irrigation to one day per week		Yes
4	Other – Customers must repair leaks, breaks, and malfunctions in a timely manner	Within 48 hours	Yes
4	Other – Prohibit vehicle washing, except at facilities using recycled or recirculating water		Yes
5	Landscape – Prohibit all automatic landscape irrigation	*For exemptions, see FPUD’s Article 17, in Appendix F	Yes
5	Public parks, playing fields, school grounds irrigation limited to (2) days per week		Yes
5	Other – Customers must repair leaks, breaks, and malfunctions in a timely manner	Within 24 hours	Yes
6	Additional public communication and restrictions as required by emergency conditions		Yes

* Consumption reduction methods in lower stages apply at all higher levels.

8.4.1 SUPPLY AUGMENTATION

The District owns and operates the Red Mountain Reservoir, which has a storage capacity of 1,200AF. During normal conditions, reservoir levels are kept below capacity, as the reservoir is used as a storage facility near one of the District’s imported water aqueduct connections. In the event of an emergency supply shortage, FPUD could coordinate with Camp Pendleton (partner in the Santa Margarita Conjunctive Use Project) to increase the volume of stored water being pumped to augment local and imported supplies as needed. These modifications would likely be implemented in concert with appropriate demand reduction measures to provide sufficient water supply to meet the community’s demands.

The table below shows supply augmentation

Submittal Table 8-3: Supply Augmentation and Other Actions			
Shortage Level	Supply Augmentation Methods and Other Actions by Water Supplier <i>Drop down list</i> <i>These are the only categories that will be accepted by the WUEdata online submittal tool</i>	How much is this going to reduce the shortage gap? <i>Include units used (volume type or percentage)</i>	Additional Explanation or Reference <i>(optional)</i>
<i>Add additional rows as needed</i>			
5	Stored Emergency Supply	As needed (1,200 AF Capacity)	
NOTES:			

8.4.2 DEMAND REDUCTION

Water conservation measures are always in place in FPUD’s service area, which promote end users to use water wisely and treat it as the precious resource that it is. The District offers many services to ratepayers that will be covered in Section 9, Demand Management Measures.

The table below shows demand reduction actions

Submittal Table 8-2b: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions <i>Drop down list</i> <i>These are the only categories that will be accepted by the WUEdata online submittal tool. Select those that apply.</i>	How much is this going to reduce the shortage gap? <i>Include units used (volume type or percentage)</i>	Additional Explanation or Reference <i>(optional)</i>	Penalty, Charge, or Other Enforcement? <i>For Retail Suppliers Only Drop Down List</i>
<i>Add additional rows as needed</i>				
1	Expand Public Information Campaign	5-10%		No
1	Offer Water Use Surveys	5-10%		No
1	Offer Leak Detection Notifications (AMI)	5-10%		No
1	Offer online access to hourly water use (AMI)	5-10%		No
1	Landscape - Restrict or prohibit runoff from landscape irrigation	5-10%		Yes
1	Provide Rebates for Landscape Irrigation Efficiency	5-10%		No
1	Provide Rebates for Turf Replacement	5-10%		No
1	Provide Rebates on Plumbing Fixtures and Devices	5-10%		No
1-6	Implement or Modify Drought Rate Structure or Surcharge	10-30%		Yes
2	Moratorium or Net Zero Demand Increase on New Connections	<5%		No
1	Increase Water Waste Patrols	<5%		Yes
1-6	Decrease frequency of irrigations	5-20%		Yes
1-6	Other restrictions as specified in Article 17	5-50%		Yes
1-6	Autocall directives/messages as conditions require	N/A		No
NOTES:				

LANDSCAPE IRRIGATION

Key savings are found in restrictions and prohibitions on irrigation of landscape. The District has implemented several irrigation restrictions that increase in severity as water supply dictates need for increased conservation. For example, irrigation runoff is prohibited in all levels of the District’s Administrative Code. Irrigation is

also prohibited during and for 48 hours after measurable rainfall within the District's service area.

Beginning in Level 2, landscape irrigation is limited to no more than two days per week during the months of June through October. Lawn watering and landscape irrigation is limited to using sprinklers for no more than 10 minutes per station. During the months of November through May, landscape irrigation is limited to no more than once per week. During extreme Santa Ana conditions, in which the temperature is greater than 80 degrees and there are strong easterly winds greater than 20 mph, one additional day per week of watering is allowed.

In Level 3, the allowance for one additional day of watering during extreme weather conditions is no longer allowed.

In Level 4, the requirement is to stop all landscape irrigation, except for crops and landscape products of commercial growers and nurseries.

COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL (CII)

Commercial, Industrial and Institutional establishments have conservation restrictions that are mandatory in Level 1 and all subsequent levels. For example, restaurants only serve water to customers if requested and lodging establishments offer guests the option of opting out of linen service. More information can be found in Table 8-2a and Appendix F.

WATER FEATURES AND SWIMMING POOLS

To eliminate water waste, beginning with Level 1 and continuing into all subsequent levels, water use is restricted in ornamental fountains in that they may only be operated if they re-circulate their water. More information can be found in Table 8-2a and Appendix F.

DEFINING WATER FEATURES

Decorative water features would be defined as ornamental water fountains which can only be operated if they re-circulate their water. The District does not place any restrictions on swimming pools. Beginning with Level 3, customers must stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life. More information can be found in Table 8-2a and Appendix F.

OTHER

The District requires many conservation practices, beginning with Level 1 and extending to all subsequent levels, such as the washing down of paved surfaces, including sidewalks, is prohibited except when necessary to alleviate safety or sanitation hazards. More information can be found in Table 8-2a, Table 8-2b and Appendix F.

8.4.3 EMERGENCY ACTION PLAN & SEISMIC RISK ASSESSMENT

In the event of an emergency situation, the District's response will be coordinated by utilizing the agency's Emergency Action Plan, which is laid out in Article 20 of the Administrative Code, and included with this plan as Appendix I. This plan details the procedures that will allow District staff to quickly and efficiently respond to an emergency situation including events such as natural disasters or other events that may correspond with an emergency water shortage.

Seismic Risk Assessment

Aqueduct Reliability After A Seismic Event

FPUD currently relies on imported water supplied by SDCWA from the MWD Skinner WTP for the majority of its imported water needs. This water moves from North to South along the first and second aqueduct. For the last 20 years, SDCWA has been implementing the Emergency Storage Project (ESP). The ESP is a system of new, existing and expanded reservoirs, pipelines and pump stations that will ensure that its member agencies receive a 75% Level of Service during a catastrophic earthquake that severs San Diego County from MWD's imported water system. SDCWA's ESP manages the risk of seismic events on the San Andreas, San Jacinto and Elsinore faults. The facilities to deliver ESP to FPUD are not in place, as there is a pump station and appurtenant facilities required to be constructed by SDCWA. It should be noted that SDCWA's planning documents for these facilities indicate that SDCWA will need to use MWD's aqueduct system to make ESP deliveries to FPUD.

Once facilities are constructed, FPUD's customers would be able to receive ESP water in a catastrophic emergency. FPUD's M&I customers would receive a 75% level of service while FPUD's PSAWR customers would be cut at twice the rate of non-TSAWR customers (for example, a 50% cutback compared to 25% for non-PSAWR customers). This lower level of reliability is in exchange for the discounted water rate PSAWR customers pay and in recognition that during an emergency outdoor irrigation water will be a low priority.

MWD has an Emergency Response Plan and emergency water storage for its member agencies and their sub-agencies. MWD maintains sufficient storage in its 800,000 acre foot Diamond Valley Lake and other storage reservoirs to provide a similar 75% Level of Service in the event of earthquakes on the San Andreas and San Jacinto earthquake faults that would sever the imported water conveyance system for the State Water Project and Colorado River. The difference between SDCWA and MWD emergency storage programs is that during a seismic event on the Elsinore Fault in southern Riverside County, service from MWD's treatment plants, reservoirs and local pipelines may be disrupted. The Elsinore Fault is considered the least active of the 3 earthquake faults listed above, and MWD in its Emergency Response Plan intends to

complete repairs on those facilities within 14 days of the seismic event and restore service to at least the 75% level. When facilities for SDCWA's ESP are completed it expects to provide emergency water for a 75% Level of Service to FPUD customers following the seismic event on the Elsinore Fault and the interruption of imported water deliveries. Additional details on how supplies could be provided from MWD pipelines without the ESP facilities was summarized in a report prepared by EMWD titled, *"Analysis of Eastern Municipal Water District's Water Supply and System Reliability with the Potential Annexation of Fallbrook Public Utility District and Rainbow Municipal Water District"* (prepared by EMWD, February 12, 2020". The findings of that report are summarized below.

FPUD and RMWD rely on the imported water that is transported through the San Diego Aqueduct operated by Metropolitan. Pipelines 4 and 5, which are part of this aqueduct system, cross the Elsinore Fault Zone in the Temecula Valley, with portions of the pipelines in areas with moderate to high liquefaction potential and may consequently be subject to disruption in the event of a major earthquake. However, Metropolitan maintains an emergency response plan for maintaining or quickly restoring service to its member agencies following a major earthquake or other catastrophic event.

The La Verne Shops, which include machine, fabrication, coating, and valve shops, are set up to provide emergency services for Metropolitan and their member agencies. The fabrication shop can roll pipe on a 24-hour-per-day basis and is able to fabricate two pipe sections up to 12 feet in diameter simultaneously. Metropolitan also maintains stockpiles and materials on hand, and has its own construction equipment and crews ready to mobilize as needed. Pre-selected urgent repair contractors can also provide additional construction support in case of an emergency. This emergency response plan and the ability to roll pipe at the La Verne shops expedited the emergency repairs necessary as a result of the Northridge earthquake, where Metropolitan was able to repair a line break on an eight-foot section of 84-inch pipe and restore service within 72 hours.

Maintaining these manufacturing and construction capabilities supports Metropolitan's efforts to efficiently operate and maintain its infrastructure and to expedite the repair of pipelines 4 and/or 5 should they be damaged in a major earthquake.

Metropolitan has also adopted a policy that allows for isolation of Metropolitan's system for the purpose of conveying potable water. This would allow either EMWD or Rancho California Water District (an agency covering much of the Temecula area that receives wholesale water service from EMWD and the Western Municipal Water District) to provide potable water through existing connections to the Metropolitan system to supply water to FPUD and RMWD in the event of an emergency.

FPUD Supply Reliability During A Seismic Event

FPUD has the ability to deliver water from either the first or second aqueduct, so the loss of a single pipeline will not inhibit FPUD’s ability to provide imported water during an earthquake. In addition, starting in November 2021, FPUD will have access to its own local water supply and can utilize these supplies in the event that both aqueducts could not provide service. FPUD also has Red Mountain Reservoir that has a storage capacity of 1200 AF, which can provide service to the entire FPUD system.

To address the potential for 14 days with limited or no service in the event of an earthquake on the Elsinore Fault that resulted in loss of both the first and second aqueduct, FPUD customers will receive local water supply during an emergency from its Santa Margarita River Conjunctive Use Project (SMRCUP). FPUD is constructing the SMRCUP in partnership with U.S. Marine Corps Base Camp Pendleton to share local water in the Santa Margarita River through a groundwater storage and recovery project. Local supply from the SMRCUP will provide an additional layer of water supply reliability to the FPUD service area. The SMRCUP is planned to produce approximately 9 acre feet per day on average and can meet all the daily indoor health and safety of FPUD residents for the 14 day expedited repair period. Additional drinking water will be available from the SMRCUP, FPUD’s Red Mountain Reservoir and other storage tanks to meet very limited irrigation needs of M&I and agricultural customers during this period as well.

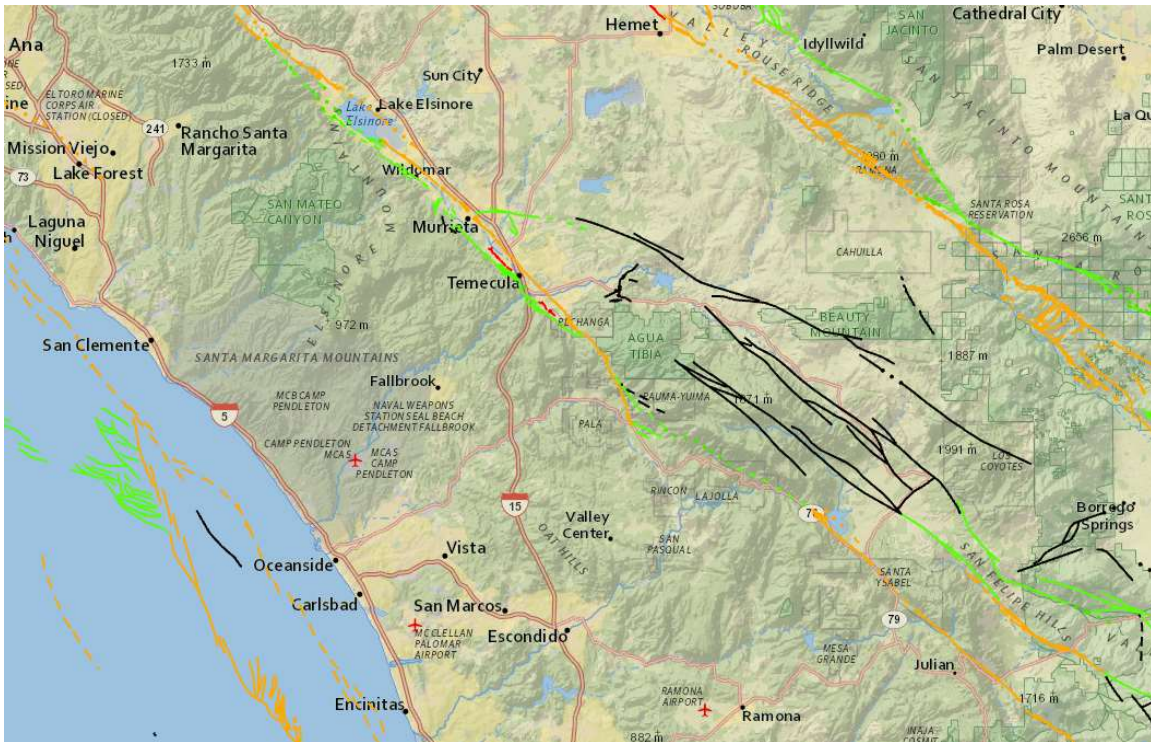
The table below reflects the Level of Service FPUD customers can expect during a catastrophic emergency as a member agency of SDCWA if all ESP facilities were in place or from existing MWD facilities.

	San Andreas & San Jacinto Faults		Elsinore Fault	
	M&I Level of Service	SAWR Level of Service	M&I Level of Service	SAWR Level of Service
SDCWA	75%	37%	75%	37%
MWD	75%	N/A	20 to 75%	N/A

**Range is based on MWD emergency planning for seismic event of Elsinore Fault is to expedite repairs to facilities in southern Riverside County to restore service within 14 days. Indoor Health and Safety water use minimum level of service from local supplies and storage for 14 day period. SDCWA plans to provide emergency deliveries with an earthquake on the Elsinore Fault

FPUD Facility Reliability During A Seismic Event

In addition the available supplies described above, the ability for FPUD facilities to maintain water supply operations during an earthquake is also an important consideration. There are no major fault lines with FPUD service territory or directly adjacent as shown in the figure below, but there are fault lines out in the ocean and outside of the District’s service area closer to the community of Temecula.



Location of know Earthquake Fault lines in vicinity of Fallbrook

The most vulnerable water system facilities to Earthquakes are water storage facilities as the additional forces generated from movement of water in these facilities can result in damage to structures. In 2013, the District completed a Seismic Study of the District’s reservoirs. Based on this study some reservoirs were removed from service and the operating levels were adjusted for others to meet the recommendations of the study to ensure the seismic integrity of the District’s reservoirs.

The District also has developed an Emergency Action Plan (EAP) to assess risks associated with operating and maintaining the District’s Red Mountain Reservoir. The purpose of the EAP is to reduce the risk of loss of human life or injury, and to minimize property damage in the event of a potential or actual emergency situation associated with Red Mountain Dam. These situations include, but are not limited to dam instability, sizable earthquakes, extreme storm events, major spillway releases, overtopping of the dam, outlet system failure, abnormal instrument readings, vandalism or sabotage, spillway gate failures, and failure of the dam. Emergency management authorities will use the information in this EAP to facilitate the implementation of their responsibilities. Local, county, and state authorities have coordinating plans in place to address local emergency operations and/or warnings and evacuations. Those plans are not reprinted in the EAP but maintained by the responsible agencies.

Finally, while the District owns and maintains nearly three hundred miles of water mains, below grade water pipelines have a low degree of potential damage given the distance from known fault lines and are not anticipated to experience significant damage during projected earthquake events.

Summary

The District has multiple sources of supply which results in a high degree of supply reliability during a wide variety of Earthquake scenarios. In addition the District has evaluated the reliability of its infrastructure and taken necessary steps to ensure its system remains operational during a seismic events.

8.4.4 CATASTROPHIC SUPPLY INTERRUPTION

In the event of short-term or prolonged water shortage, FPUD has several safeguards in place. FPUD's Red Mountain Reservoir holds over 1,000 AF of treated water, and the district can tap into it in emergencies. For example, in summer 2005 when the Skinner Filtration plant, which is owned by Metropolitan and serves treated water to the Water Authority as well as Riverside County, suffered a significant operational failure and was only operating at half capacity, FPUD was able to volunteer to take a 50% cut in potable water deliveries. FPUD customers didn't notice any reduced supply or water pressure changes, and the voluntary cutback was helpful to the region.

In the event of a power failure, FPUD also has emergency portable generators that can be used at Red Mountain Reservoir and several other facilities that would allow the district to pump potable water, at a reduced capacity, to De Luz and Toyon Heights, the two regions of the district's service area that are not served by the district's gravity-fed water distribution lines.

FPUD also entered into an exchange agreement with Rainbow Municipal Water District in 1986. Both agencies own and operate water pipeline systems connected to the Water Authority aqueduct and share a common boundary. In some areas of this common boundary, both agencies determined it may be more economical to serve property located in one district from the pipeline system of the other district. Two interconnections were constructed linking both agencies' systems for this exchange purpose, and for the purpose of emergency supply in the event of leaks or maintenance. Rancho California Water District is the only other adjacent water agency, but no opportunity for transfers or emergency connections exist.

When the Santa Margarita Conjunctive Use Project comes online in 2022, emergency operations will enable the District to work with Camp Pendleton to utilize local groundwater supplies to assist with emergency water shortage conditions.

Aqueduct Off – No water being Delivered

An earthquake or other cause might damage the aqueduct, requiring it to be shut down for an extended period of time and eliminating wholesale deliveries of potable water from the Water Authority. The Water Authority's \$1.5 Billion Emergency Storage Project (ESP) was constructed to provide service to its member agencies in the event of a severe earthquake on the Elsinore and San Andreas faults that severed imported water delivery pipelines for an extended period of time. The ESP consists of new and expanded surface water reservoirs and conveyance facilities that would maintain a 75% level of service for its wholesale customers until repairs were made to reconnect the imported water aqueducts to Metropolitan's imported water system. Although the ESP has been completed since 2014 facilities to transport ESP water to FPUD during an emergency have not been constructed and FPUD is not capable of receiving ESP water during a seismic event that severs connections to Metropolitan's imported water delivery system.

In that scenario, FPUD would rely on plans and actions taken by Metropolitan to restore service and would utilize its available local supply, interconnections with other agencies, and stored water to maintain an appropriate level of service to its customers. Metropolitan's emergency storage requirements are based on the potential of a major earthquake on the San Andreas Fault that would damage all supply aqueducts isolating Southern California from its imported water sources. In 2019, Metropolitan and its member agencies completed a collaborative process to update the regional planning estimate of Metropolitan's Emergency Storage Objective. This emergency storage represents the amount of water that Metropolitan would store for the region in preparation for a catastrophic earthquake that would damage the aqueducts that transport imported water supplies to Southern California, including: the Colorado River Aqueduct, both the East and West branches of the California Aqueduct, and the Los Angeles Aqueduct. Although Metropolitan's planning assumes that there is not a simultaneous earthquake on the Elsinore Fault that would sever FPUD from Metropolitan facilities in southern Riverside County Metropolitan plans to expedite repairs and restoration of those facilities serving FPUD within 14 days. During the interim FPUD will utilize its local supplies and demand management measures until emergency supplies from Metropolitan are restored. For more detail on Metropolitan's seismic emergency preparedness refer to Metropolitan's 2020 UWMP Section 2 and Appendix 8.

The following are actions that will be taken by FPUD if an earthquake shuts down the imported water aqueducts.

1. Action to be taken: Notify management personnel as quickly as possible. Consider activation of Emergency Operations Center.

2. Work with Camp Pendleton to maximize available supplies from the Santa Margarita Conjunctive Use Project. Adjust output from the facility in coordination with Camp Pendleton to make up for lost supplies.
3. Determine the total flow into and out of the District's system and the amount of water in storage. Operate valves to maintain the water in the highest reservoirs wherever possible. Use the water from the low reservoirs first.
4. Make an attempt to determine how long the aqueduct will be out of service and how long the District's water must last. Make plans to terminate agricultural and other non-essential uses, as necessary.
5. Notify the public, *via electronic signage, Internet, , All-Call telephone message, media, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, media, radio, TV, etc.*, as to what condition and stage the District is currently in, and ration water, if necessary.

Earthquake

1. Consider activation of Emergency Operations Center. Have an alternative site in mind in case first choice of site is destroyed. Inventory existing equipment.
2. Notify customers, *via electronic signage, Internet, , All-Call telephone message, media, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, media, radio, TV, etc.*, that supply of water may be limited, especially if aqueduct is down, using telephone, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, radio, TV, etc.
3. Prepare a priority list for making repairs. Make sure there are ample copies of valve records, fire hydrant valves and regulator vaults available to make necessary shutdowns and turnoffs and in case assistance is required by other Districts or agencies, such as fire and sheriff's departments.
4. Check on auxiliary power available at treatment plants, pump and lift stations, and chlorination stations. Reroute water where necessary. Isolate broken main sections and repair as possible. Provide temporary lines if necessary.
5. Plan emergency usage and estimate water demand, quality and quantity, during and following earthquakes, taking into account the extent of damage and capability of system. Determine priorities for allocation of water.

Prior arrangements for earthquake preparedness:

1. Set up emergency assistance procedures with local suppliers and contractors for the supply equipment and/or supplies to the District. Devise a plan to obtain extra help, food, housing, etc. for District personnel if necessary.
2. Set up training programs, classroom lectures, maps, etc. The better and more complete the training, the less confusion and uncertainty when disaster strikes. Devise a plan, which clearly outlines who is to do what and when.
3. Initiate mutual-aid agreements and other arrangements with nearby agencies and districts.
4. Include in future design of tanks, pipelines, vaults, etc. earthquake-resistant materials and design criteria.

Major Water Outage

1. Notify key personnel (system operator and superintendent). Consider activation of Emergency Operations Center.
2. Divert water wherever possible to prevent property damage.
3. Isolate blowout (break) and determine extent of damage. Make provisions for fire protection. Contact the appropriate fire department.
4. Contact local contractors for help, if necessary.
5. Notify customers in affected areas, via electronic signage, Internet, , Call-Em-All telephone message, media, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, media, radio, TV, etc., about water outage and shut off meters, if necessary.
6. Divert water to other pipelines and loops, adjust valves to minimize water outage.
7. Repair blowout, flush lines and disinfect them.
8. Turn on meters and return system to normal operation.

No water in system

1. Notify management personnel as to the known areas of lack of water. Consider activation of Emergency Operations Center.
2. Providing the District has water in its system and is receiving water from the aqueduct, proceed to ascertain the reasons for no water being delivered. Repair or correct the cause of no water deliveries as soon as feasible.
3. If the aqueduct is off and the District's system is in operation, contact the Water Authority to identify the problem and determine when the system will be repaired. If necessary, notify the public, *via electronic signage, Internet, , All-Call telephone message, media, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, media, radio, TV, etc.*, of minimum water-use requirements. Make provisions for fire protection water, if possible.

Weather-related damage – Storms/High Winds/Tornado/Hurricanes

1. Notify management personnel of extent of damage insofar as it is possible to determine. Consider activation of Emergency Operations Center.
2. Check the District's system to determine the extent of damage. Be alert to the fact that high winds will probably be accompanied by flooding, which will cause further problems. Watch for downed trees and power lines that may serve the District's facilities.
3. Assist the inhabitants and other agencies wherever possible and as necessary. Protect District employees and crews from potential injuries.

8.5 COMMUNICATION PROTOCOLS

Clear, efficient, and effective communication to District customers, the public, interested parties, and local, regional, and state governments is a key element of coordinating responses to adverse conditions, including a potential water shortage. The District has many tools at hand to communicate with ratepayers, including messaging on invoices, letter distribution, emails (approximately 50% of ratepayers), auto calls, website posts, Twitter and Facebook posts, press releases, and other local media outlets as available/needed.

Perhaps the most efficient means to communicate directly with the public during emergency situations is through auto calls. The District has increased this form of communication in recent years, especially to notify customers about current or predicted shortages, shortage response actions, or disruptions in water service. An auto call presents the opportunity to convey basic information about the situation at hand, while referring customers to a more centralized location for

information, such as the District website. Information to be disseminated on a website can be edited and updated in real time to present the best information available on an ongoing basis.

8.6 COMPLIANCE AND ENFORCEMENT

Depending on the severity of the water shortage, and the level of shortage response that has been enacted, District staff will enforce compliance with water use restrictions. For example, during normal conditions or a “Level 1” shortage condition, if water wasting or run-off is observed, the District will issue a courtesy notice either via a phone call, in-person visit, or door hanger. Continued violation or failure to fix the problem will result in another notification. Unless specific arrangements are made with the General Manager to correct the situation, continued failure to fix the problem could result in a fine or increasing levels of fines, as determined by the General Manager and/or Board of Directors. Additional information on customer compliance, enforcement, appeal, and exemption policies and procedures can be found in Article 17 of the District Administrative Code, attached hereto as Appendix D.

8.7 LEGAL AUTHORITIES

The District has the legal authority to implement and enforce its WSCP. California Constitution Article X, Section 2 and Water Code section 100 provide that water must be put to beneficial use, the waste or unreasonable use or unreasonable method of use of water shall be prevented, and the conservation of water is to be exercised with a view of the reasonable and beneficial use thereof in the interest of the people and the public welfare. Sections of Water Code Chapter 3 commencing with Section 350 of Division 1, provide the authority for the governing body of a water agency to declare a water shortage and to adopt and enforce water conservation restrictions. (Wat. Code §§ 350-359, 375-378.0.)

If necessary, the District shall declare a water shortage emergency in accordance with Water Code Chapter 3 of Division 1. Once having declared a water shortage, the District is provided with broad powers to implement and enforce regulations and restrictions for managing a water shortage. For example, Water Code Section 375(b) grants the District with the authority to set prices to encourage water conservation.

Under California law, including Water Code Chapters 3.3 and 3.5 of Division 1, Parts 2.55 and 2.6 of Division 6, Division 13, and Article X, Section 2 of the California Constitution, the District is authorized to implement the water shortage actions outlined in this WSCP. In water shortage cases, shortage response actions to be implemented will be at the discretion of the District and will be based on an assessment of the supply shortage, customer response, and need for demand reductions as outlined in this WSCP.

It is noted that upon proclamation by the Governor of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, the state will defer to implementation of locally adopted water shortage contingency plans to the extent practicable.

The District will coordinate with regional and local water suppliers for which it provides water supply services for possible proclamation of a local emergency as necessary under California Government Code, California Emergency Services Act (Article 2, Section 8558).

Legal authority to enforce this WSCP is also specified in the District Administrative Code, Article 17,

“California Water Code Sections 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity. The Board of Directors hereby establishes a comprehensive water conservation program pursuant to California Water Code Sections 375 et seq., based upon the need to conserve water supplies and to avoid or minimize the effects of any future shortage.”

8.8 FINANCIAL CONSEQUENCES OF WSCP

If FPUD were to encounter an extended water shortage, the financial result would be a reduced amount of water sold by FPUD to its customers. Since water bills are based on water consumption, the revenue received by the District would also be reduced, but the District collects the majority of fixed costs as a fixed monthly fee, so the revenue reduction is not directly proportional to reduced water use. Some additional administrative costs may also result from the implementation of the WSCP, including public outreach materials and staff time to prepare such materials and enforce the plan. In recent years, the District has streamlined important forms of public outreach, including auto calls and emails. These forms of communication have the advantages of quick delivery and minimal expense. To the extent possible, existing FPUD staff would be reallocated from other workloads to cover the administration tasks during a drought emergency.

DROUGHT RATE STRUCTURES AND SURCHARGES

FPUD uses a variety of mechanisms to mitigate reduced sales. During a declared shortage, FPUD implements tiered drought rates that encourage reductions in usage. These tiered drought rates would help reduce some potential financial effects of water shortages. In addition, lower sales do not have a proportional effect on the District’s revenue because it collects 80% of the fixed costs of running the Water Operations in the District’s fixed Monthly Operations Charge. The District’s variable costs for acquiring and delivering the water to its customers would be

reduced proportionally to reduced usage. Some of the District's costs might be increased, such as additional staff time for monitoring water use or enforcing conservation policies. However, these efforts would more than likely be achieved by temporarily re-directing staff from other tasks. These changes in operation, therefore, would not be expected to cause a significant increase in the District's total expenditures.

USE OF FINANCIAL RESERVES

If the reduction were due to a short-term situation and the fixed costs recovery did not make up for the entire shortfall, the District could absorb any shortfall by drawing on its general fund reserves. After conditions returned to normal, the District would replenish its reserves.

The District's response would be more complex if the most significant drought reduction in consumption of 50% was expected to be permanent. The District would either need to raise rates or cut expenses to balance its budget. One way this rate increase could be accommodated would be to phase increases over a number of years. Two factors would mitigate the need for more immediate increases. First, the District's general fund reserves could be used to temporarily fill the gap between expenditures and revenues. Second, the shortfall mentioned above does not include increased costs of purchased water that would go to the Water Authority as they raise their rates, assuming the reduction was occurring across the region. The Water Authority would likely spread their rate increases over several years, allowing the District to do the same.

8.9 MONITORING AND REPORTING

Extensive monitoring and reporting procedures have been in place at FPUD for many years, and FPUD will continue these monitoring and reporting procedures to evaluate the effectiveness of this WSCP. All of FPUD's connections are metered, and FPUD analyzes water use in near real time through its automated metering program (AMI). Many water management records are maintained in a monthly format, but many of those records are assembled each month by Engineering, Operations, and Finance staff from more granular data. It is not uncommon for these raw datasets to be utilized to meet monitoring and reporting requirements as they arise (for example, ever-evolving State mandated reporting requirements). Other reports, such as [INSERT] are used by staff to refine and analyze internal operations in formats that are often presented to the District Board of Directors. In addition, District staff compiles data for external reports as needed for entities such as wholesale water agencies, state regulatory agencies, and trade organizations such as the American Water Works Association.

8.10 WATER SHORTAGE CONTINGENCY PLAN REFINEMENT PROCEDURES

While extensive work has gone into updating and preparing this Water Shortage Contingency Plan as part of the process of preparing the 2020 Urban Water

Management Plan, the WSCP shall be subject to continued reevaluation, review, and refinement. The implementation of the Santa Margarita Conjunctive Use Project will bring new operational benefits and complexities to water management that will be addressed in FPUD's 2025 Urban Water Management Plan. Procedures for systematically monitoring and evaluating the viability of the WSCP will include ongoing data collection as it pertains to water demands, water supply and the plan's ability to reduce demands to the extent defined in each of the stages of action, if implemented. While the intricacies of a particular water shortage condition may be varied and complex, the end goal of the WSCP is to have a framework in place to reduce demands according to water supply shortage conditions that may arise. Having an effective WSCP will require continuous refinement in the months and years to come.

8.11 SPECIAL WATER FEATURE DISTINCTION

The District's demand reduction measures define water features subject to restrictions to include decorative water features artificially supplied by the public water system such as fountains, ponds, lakes and waterfalls. Refer to Section 8.4 and Table 8-2.

8.12 PLAN ADOPTION, SUBMITTAL AND AVAILABILITY

The District's shall make this WSCP available to its customers and applicable cities and the County no later than 30 days after adoption.

RESOLUTION NO. 5014

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE FALLBROOK PUBLIC UTILITY DISTRICT
AMENDING ADMINISTRATIVE CODE ARTICLE 17, WATER SHORTAGE
RESPONSE PLAN**

* * * * *

WHEREAS, The California Urban Water Management Planning Act, (Wat. Code §10610, et seq. (the Act)), mandates that every urban supplier of water providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare and adopt, in accordance with prescribed requirements, a Water Shortage Contingency Plan (WSCP) as part of its Urban Water Management Plan (Plan); and

WHEREAS, the Act specifies the requirements and procedures for adopting such WSCPs; and

WHEREAS, pursuant to recent amendments to the Act, urban water suppliers are required to adopt and electronically submit their WSCPs to the California Department of Water Resources (DWR) by July 1, 2021; and

WHEREAS, pursuant to the Act, “urban water supplier” means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers; and

WHEREAS, Fallbrook Public Utility District (FPUD) meets the definition of an urban water supplier for purposes of the Act and is required to prepare and adopt and WSCP as part of its 2020 Plan; and

WHEREAS, periodic droughts are a historic fact in the State of California; and

WHEREAS, California Constitution Article X, Section 2 and California Water Code (“Water Code”) Section 100 provide that because of conditions prevailing in the state of California (State), it is declared policy of the State that the general welfare requires that the water resources of the State shall be put to beneficial use to the fullest extent of which they are capable, the waste of water or unreasonable use of or unreasonable method of use of water shall be prevented, and the conservation of such waters is to be exercised with a view to

the reasonable and beneficial use thereof in the interest of the people and the public welfare; and

WHEREAS, pursuant to Water Code Section 350, the Board of Directors is authorized to declare a water shortage emergency to prevail within its jurisdiction when it finds and determines that FPUD will not be able to or cannot satisfy the ordinary demands and requirements of water consumers without depleting supplies to the extent that there would be insufficient water for human consumption, sanitation, and fire protection; and

WHEREAS, in addition to Article X, section 2, Water Code Section 375, et seq., authorizes water suppliers to adopt and enforce a comprehensive water conservation program, and because of persistent and unpredictable water conditions in the State, statutory requirements for water planning, and the declared policy of the State, FPUD has determined that it necessary and appropriate to adopt a water conservation program and has adopted such a program, which is set forth in current Article 17, "Water Shortage Response Plan"; and

WHEREAS, FPUD desires to amend its water conservation program (Article 17, "Water Shortage Response Plan") to be consistent with the FPUD WSCP, in accordance with applicable legal requirements; and

WHEREAS, in accordance with applicable law, including but not limited to Water Code Section 375(a), a public hearing was held by Webconference/Teleconference (via Zoom) on June 28, 2021 at 4:00 p.m., or soon thereafter, in order to provide members of the public and other interested entities with the opportunity to be heard in connection with proposed adoption of amendments to Article 17 and issues related thereto; and

WHEREAS, the FPUD Board of Directors has reviewed and considered the purposes and requirements of the Act and the proposed revisions to Article 17; and

WHEREAS, it is necessary for FPUD to adopt and enforce a water conservation program in the form of its amended Article 17, "Water Shortage Response Plan," in order to conserve FPUD's water supplies.

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

1. All of the above recitals are true.
2. FPUD's amended water conservation program, set forth in Article 17, "Water Shortage Response Plan," attached hereto as Exhibit "A," is hereby adopted as amended by changes incorporated by the FPUD Board of Directors as a result of input received (if any) at the public hearing.
3. General Manager or designee is hereby authorized and directed, in accordance with Water Code section 376, to post this Resolution in three public places within FPUD's boundaries, within ten (10) days after its adoption date.
4. All other provisions of the Administrative Code shall remain unchanged and in full force and effect.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT "A"

**FALLBROOK PUBLIC UTILITY DISTRICT ADMINISTRATIVE CODE
ARTICLE 17, WATER SHORTAGE RESPONSE PLAN**

Article 17. **Water Shortage Response Program.**

Sec. 17.1 Declaration of Policy.

California Water Code Section 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity. The Board of Directors hereby establishes a comprehensive water conservation program pursuant to California Water Code Section 375 et seq., based upon the need to conserve water supplies and to avoid or minimize the effects of any future shortage. Additionally, the California Water Code mandates that water agencies adopt a water shortage contingency plan (WSCP) as part of their Urban Water Management Plan (UWMP). The District’s WSCP is a detailed plan for how an urban water supplier, like the District, intends to act in the case of any actual water shortage condition. This Article 17 is consistent with the District’s WSCP and is how the District implements its WSCP, and can be amended, as needed, outside of updating the District’s UWMP.

Sec. 17.1.1 PSAWR Reduction Program.

The San Diego County Water Authority Permanent Special Agricultural Water Program (PSAWR) 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 per the SDCWA Program. During periods of water shortages imposed by the Metropolitan Water District (MWD), the SDCWA, or due to emergency situations, those customers who are participating in the PSAWR shall abide by the conditions set forth by SDCWA. Administration of the PSAWR Program is incorporated by reference in Article 10 of this Administrative Code.

Sec. 17.1.2 PSAWR Reduction Compliance.

When SDCWA imposes a mandatory use reduction, PSAWR customers must be prepared to reduce consumption by complying with a water allocation, or water use target. Water consumed during each billing period will be compared to the assigned target. Any use below the target will be accumulated and carried forward. The customer’s cumulative use will be compared with the cumulative target, and any total usage above the target will be billed at the “above average” rates. This cumulative comparison will continue for the duration of the fiscal year. Below target usage “credits” will be carried forward until the cumulative target is exceeded, at which time, all cumulative “over target” use will be billed at the “above target” rates. The cumulative comparison process will start over in the next fiscal year.

Upon written request, customers shall reserve the right to “group” accounts and adjust, or “smooth”, allocations to facilitate compliance.

Sec. 17.2 Findings.

The Board of Directors finds and determines that a water shortage could exist as a result of a general regional water supply shortage due to increased demand or limited supplies.

The Board of Directors also finds and determines that the conditions prevailing within and in the vicinity of the District’s service area require that the water resources available be put to maximum beneficial use to the extent to which they are capable, and that the waste or

unreasonable use, or unreasonable method of use, of water be prevented and that the conservation of such water encouraged with a view to the maximum reasonable and beneficial use thereof in the interests of the people of the Fallbrook Public Utility District and for the public welfare.

Sec. 17.3 Application.

The provisions of this Administrative Code shall apply to all water served to persons, customers, and property by the Fallbrook Public Utility District.

Sec. 17.4 Determination and Declaration of Water Supply Conditions.

Sec. 17.4.0 NORMAL CONDITIONS. The District's service area is in a semi-arid climate. Good water management practices dictate that water be used wisely and not wasted at any time. Customers are required to follow the guidelines presented in Sec. 17.8.0 for Normal Conditions at all times. The District will provide public education and outreach efforts to emphasize public awareness of the need to always use water wisely and practice water conservation measures.

Sec. 17.4.1 The General Manager shall monitor the projected supply and demand for water by its customers on a daily basis. The General Manager shall determine the extent of the conservation required through the implementation and/or termination of particular conservation stages in order for the District to prudently plan for and supply water to its customers, and shall recommend to the Board of Directors that the appropriate level of water conservation/water shortage condition be implemented or terminated in accordance with the applicable provision of this Administrative Code. Based on the recommendation of the General Manager, and based upon all available data, the Board of Directors shall from time to time determine and declare whether the District's water supply is in one of the following "water shortage" conditions:

1. WATER SHORTAGE RESPONSE LEVEL 1 – WATER SHORTAGE NOTICE CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to ten percent (10%) is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 1 condition. In such an event, the Board of Directors shall take action to implement and increase enforcement of the conservation practices identified in Sec. 17.8.1 and may implement drought rates as specified in 17.8.7.

2. WATER SHORTAGE RESPONSE LEVEL 2 – WATER SHORTAGE WATCH CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to twenty percent (20%) is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 2 condition. In such an event, the Board of Directors shall take action to implement the Level 2 conservation practices identified in Sec. 17.8.2. During a Level 2 Water Shortage Watch Condition, the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

3. WATER SHORTAGE RESPONSE LEVEL 3 – WATER SHORTAGE ALERT CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency notifies the District that due to cutbacks caused by water shortages or other reduction in supplies, a consumer demand reduction of up to thirty percent (30%) is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 3 condition. In such an event, the Board of Directors shall implement the mandatory Level 3 conservation measures identified in Sec. 17.8.3. During a Level 3 Water Shortage Alert Condition the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.
4. WATER SHORTAGE RESPONSE LEVEL 4 – WATER SHORTAGE WARNING CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency notifies the District that due to increasing cutbacks caused by water shortages or other reduction of supplies, a consumer demand reduction of up to forty (40%) percent is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 4 condition. In such an event, the Board of Directors shall implement the Level 4 conservation measures identified in Sec. 17.8.4. During a Level 4 Water Shortage Warning Condition the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.
5. WATER SHORTAGE RESPONSE LEVEL 5 – CRITICAL CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency notifies the District that due to increasing cutbacks caused by water shortages or other reduction of supplies, a consumer demand reduction of up to fifty percent (50%) is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 5 condition. In such an event, the Board of Directors shall implement the Level 5 conservation measures identified in Sec. 17.8.5. During a Level 5 Critical Condition, the District may implement drought rates as specified in 17.8.7 and may suspend consideration of annexations to its service area, and any service outside District boundaries.
6. WATER SHORTAGE RESPONSE LEVEL 6 – EMERGENCY CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency declares a water shortage emergency pursuant to California Water Code Section 350. A Level 6 Emergency Condition requires a demand reduction of greater than fifty percent (>50%) in order for the District to have maximum supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 6 condition. In such an event, the Board of Directors shall implement the Level 6 conservation measures identified in 17.8.6. During a Level 6 Emergency Condition the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

The General Manager is authorized to require submission of water use curtailment plans from those users having the largest effect on overall District consumption in order to protect the minimum supplies necessary to provide for public health,

sanitation, and fire protection. Failure to provide curtailment plans in a timely manner or plans that do not meet the required cutbacks shall authorize the District to install flow restrictors at the meter or termination of service.

Sec. 17.5 Implementation of Water Shortage Condition Declarations.

California Water Code Sections 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity.

The declaration of any level beyond Normal Conditions shall be made by the Board of Directors, and public announcement shall be made to the District's rate payers through direct communication (mail and/or phone notification), physical posting in the District lobby, on the District website and by publication in a newspaper of general circulation and shall become effective immediately upon announcement. Upon adoption of a water shortage condition, the District shall provide notice to customers within (14) days of the Board's declaration.

The declaration shall be reported by the Board of Directors. The Board of Directors shall rescind the declaration, and may adopt such additional rules and regulations to limit water use during the emergency as it deems appropriate.

Sec. 17.6 Duration of Declaration.

As soon as a particular condition is declared to exist, the water conservation measures provided for herein for that condition shall apply to all District water service until a different condition is declared.

Sec. 17.7 Mandatory and Discretionary Use of Recycled Water.

Nothing in this Administrative Code shall prohibit or limit the use of recycled water for any purposes listed herein. No customer of the District shall make, cause, use or permit the use of potable water supplied by the District for construction grading on major subdivisions, paved surface cleaning, or greenbelt uses, including, but not limited to, cemeteries, playing fields, parks, and highway landscaped areas, when, following notice and a hearing, the District finds that recycled water is available under the following conditions:

1. The recycled water is of adequate quality and is available for use.
2. The recycled water may be furnished to such areas at a reasonable cost, equal to or less than the cost of supplying potable domestic water.
3. The State Department of Health Services has determined that such use would not be detrimental to public health.
4. The use of recycled water will not adversely affect downstream water rights, and will not degrade water quality.

Sec. 17.8

Water Conservation Stages.

Sec. 17.8.0 NORMAL CONDITIONS.

During a Normal Condition, customers are required to use water wisely and to practice water conservation measures so that water is not wasted. All water withdrawn from District facilities shall be put to reasonable beneficial use. District water users shall comply with the following water use prohibitions and conservation measures at all times:

1. Do not wash down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.
2. Eliminate water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.
3. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only, unless using drip irrigation.
4. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.
5. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time.
6. Use re-circulated water to operate ornamental fountains.
7. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation.
8. The irrigation with potable water of ornamental turf on public street medians is prohibited.
9. The application of potable water to outdoor landscapes during or within 48 hours of measurable rainfall is prohibited
10. The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the County of San Diego's Landscape Ordinance.

11. Serve and refill water in restaurants and other food service establishments only upon request.
12. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
13. Repair all water leaks within five (5) days of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.
14. Use recycled or non-potable water for construction purposes when available.

During a Water Shortage Response Levels 1-6 condition, the water conservation measures and water use restrictions established by this Article 17 are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies as specified in this Article.

Sec. 17.8.1 WATER SHORTAGE RESPONSE LEVEL 1 – WATER SHORTAGE NOTICE CONDITION.

During a Level 1 Water Shortage Notice condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and increase enforcement of prohibitions of end use to promote a consumer demand reduction of up to ten percent (10%).

All persons using District water shall comply with Normal Conditions water conservation practices during a Level 1 Water Shortage Watch, as identified in Sec. 17.8.0.

Sec. 17.8.2 WATER SHORTAGE RESPONSE LEVEL 2 – WATER SHORTAGE WATCH CONDITION.

During a Level 2 Water Shortage Watch condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to twenty percent (20%).

All persons using District water shall comply with Normal Conditions and Level 1 Water Shortage Notice water conservation practices during a Level 2 Water Shortage Watch, as identified in Sec. 17.8.0 and 17.8.1. Additionally, upon declaration of a Level 2 Water Shortage Watch condition, the District will suspend consideration of annexations to its service area except under the following circumstances:

1. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of Fallbrook Public Utility District.

Sec. 17.8.3 WATER SHORTAGE RESPONSE LEVEL 3 – WATER SHORTAGE ALERT CONDITION.

During a Level 3 Water Shortage Alert condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to thirty percent (30%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice and Level 2 Water Shortage Watch water conservation practices during a Level 3 Water Shortage Alert, as identified in Sec. 17.8.0, 17.8.1 and 17.8.2, and shall also comply with the following additional conservation measures:

1. During the months of June through October, limit residential and commercial landscape irrigation to no more than two (2) days per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. During the months of November through May, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. During extreme Santa Ana conditions (temperature > 80 and easterly winds > 20 mph), one additional day per week of watering is allowed. This section shall not apply to commercial growers or nurseries. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.
2. Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per assigned day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.
3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by Section 17.8.3 (1), on the same schedule set forth in Section 17.8.3 (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation.
4. Repair all leaks within seventy-two (72) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

For Levels 3 and above, the District may establish a water allocation for property served by the Fallbrook Public Utility District using a method that does not penalize persons for the implementation of conservation methods or the installation of water saving devices and allows for the banking and subsequent use of unused allocations.

If the District establishes a water allocation it shall provide notice of the allocation within (14) days of its establishment by including it in the regular billing statement for the fee or

charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for ongoing water service. The following customer classes are subject to allocations: Commercial Agriculture (CA), Commercial Agriculture Domestic (CB), Commercial (C), Government (G), and Irrigation (I). Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty in the amount of 1.5 times the Base Rate, for each unit of usage greater than the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Article.

Sec. 17.8.4 WATER SHORTAGE RESPONSE LEVEL 4 – WATER SHORTAGE WARNING CONDITION.

During a Level 4 Water Shortage Warning condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to forty percent (40%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch and Level 3 Water Shortage Alert water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2 and 17.8.3 during a Level 4 Water Shortage Warning condition and shall also comply with the following additional mandatory conservation measures:

1. Water landscaped areas, including trees and shrubs located on residential and commercial properties, in accordance with Section 17.8.3.
2. Stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a drought response level under this Article.
3. Stop washing vehicles except at commercial carwashes that recirculate water, or by high pressure/low volume wash systems.
4. Repair all leaks within forty-eight (48) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

Sec. 17.8.5 WATER SHORTAGE RESPONSE LEVEL 5 – WATER SHORTAGE CRITICAL CONDITION.

During a Level 5 Water Shortage Critical condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to fifty percent (50%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch, Level 3 Water Shortage Alert and Level 4 Water Shortage Warning water conservation practices as identified in Sections 17.8.0,

17.8.1, 17.8.2, 17.8.3 and 17.8.4 during a Level 5 Water Shortage Critical Condition, and shall also comply with the following additional mandatory conservation measures:

1. Stop all automated landscape irrigation, except crops and landscape products of commercial growers and nurseries. This restriction shall not apply to the following categories of use unless the Fallbrook Public Utility District has determined that recycled water is available and may be lawfully applied to the use.
 - A. Maintenance of trees and shrubs that are watered on the same schedule set forth in Section 17.8.3 by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation;
 - B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection Fallbrook Public Utility District having jurisdiction over the property to be irrigated;
 - C. Maintenance of existing landscaping for erosion control;
 - D. Maintenance of plant materials identified to be rare or essential to the wellbeing of rare animals;
 - E. Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under Section 17.8.3;
 - F. Watering of livestock; and
 - G. Public works projects and actively irrigated environmental mitigation projects.
2. Repair all water leaks within twenty-four (24) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

The District may establish a water allocation for property served by the District. If the District establishes a water allocation it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for ongoing water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty in the amount 1.5 times the Base Rate, for each unit of usage greater than the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Article.

3. (PSAWR) customers participating in the San Diego County Water Authority (SDCWA) PSAWR Program must abide by any PSAWR restrictions that may be in place.

Water consumed during each billing period will be compared to the assigned target. Any use below the target will be accumulated and carried forward. The customer's cumulative use will be compared with the cumulative target, and any total usage above the target will be billed at the "above target" rates. This cumulative comparison will continue for the duration of the fiscal year. Below target usage "credits" will be carried forward until the cumulative target is exceeded, at which time, all cumulative "over target" use will be billed at the "above target" rates and the cumulative comparison process will start over in the next fiscal year.

Sec. 17.8.6 WATER SHORTAGE RESPONSE LEVEL 6 – EMERGENCY CONDITION.

During a Level 6 Emergency Condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of greater than fifty percent (>50%).

All person using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch, Level 3 Water Shortage Alert, Level 4 Water Shortage Warning, and Level 5 Water Shortage Critical water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2, 17.8.3, 17.8.4 and 17.8.5, and shall also comply with the following additional mandatory conservation measures:

The General Manager is authorized to require submission of water use curtailment plans from those users having the largest effect on overall District consumption in order to protect the minimum supplies necessary to provide for public health, sanitation, and fire protection. Failure to provide curtailment plans in a timely manner or plans that do not meet the required cutbacks shall authorize the District to install flow restrictors at the meter or termination of service.

Sec. 17.8.7 Drought Rates

Drought Rates may be implemented during declaration of Levels 1, 2, 3, 4, 5 and 6 described above. Drought Rates would only be in effect during declared drought Levels 1-6. The escalation factors that would be used to calculate “Drought Rates” relative to a given year’s normal rates are set forth in the tables below:

Monthly Drought Rates by Drought Levels (\$/kgal)			
	Level 1 (10% Reduction)	Levels 2 and 3 (20% and 30% Reduction)	Levels 4, 5 and 6 (40%, 50% and >50% Reduction)
Drought rates (actual class and tier rates will be calculated and adjusted based upon a given year’s approved rates and the drought level in place)	104.98% of Normal Rates	109.61% of Normal Rates	123.03% of Normal Rates

*TSAWR customers are not subject to these drought rates, though they must implement cuts to water use as implemented during specific drought restrictions or face penalties as discussed above in Section 17.1.2.

Section 17.9 Water Shortage Emergencies Pursuant to Water Code Section 350 et seq.

In addition to the declaration by the Board of a water shortage condition under this Article 17, the restrictions in this subsection shall apply if the Board of Directors adopts finding supporting a Water Shortage Emergency and does declare a Water Shortage Emergency in the manner and on the grounds provided in Water Code Section 350 et seq. “Water Shortage Emergency” means a condition existing within the District in which the ordinary water demands and requirements of the persons within the District cannot be satisfied without depleting the District’s water supply to the extent that there would be insufficient water for human consumption, sanitation and fire protection. A water shortage emergency includes a threatened water shortage, in which the District determines that its supply cannot meet an increased future demand.

The District may determine no new potable water service will be provided, no new temporary meters will be provided and those in use will be terminated and collected, no permanent meters will be installed, no additional capacity will be sold, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) will be issued, as authorized by Water Code Sections 350 and 356. Exceptions to these restrictions may be allowed under the following circumstances:

1. A valid, unexpired building permit has been issued for the project, all grading has been completed, and the construction of structures has begun; or
2. The project is necessary to protect the public’s health, safety, and welfare; or
3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset to the satisfaction of the District.

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted for a period of one year or less.

Sec. 17.10 Variances.

If, due to unique circumstances, a specific requirement of this Article of the Administrative Code would result in undue hardship to a person using District water or to property upon which the District water is used, that is disproportionate to the impacts to the District water users generally or to similar property or classes of water uses, then the person may apply for a variance to the requirements as provided in this section.

The variance may be granted or conditionally granted, only upon a written finding of the existence of facts demonstrating an undue hardship to a person using District water or to property upon which the District water is used, that is disproportionate to the impacts to the District water users generally or to similar property or classes of water use due to specific and unique circumstances of the user or the user's property.

A completed appeal shall describe the specific reason(s) the allocation is causing undue hardship, including the following:

1. Commercial buildings that were empty or partially occupied during base period but are now occupied to a greater degree and require more water.
2. A grove with new trees planted a year before the base period began that, in the third year of growth, would need additional water.
3. Agricultural land used for annual crops that had abnormally low irrigation application during the base year.
4. An unexpected emergency line break, or equipment malfunction that has since been fixed.
5. Loss or reduction of an alternative water source, such as a well or pond.
6. Other, with a detailed description.

Sec. 17.10.1 Application.

Application for a variance shall be a form prescribed by Fallbrook Public Utility District.

Sec. 17.10.2 Supporting Documentation.

The application shall be accompanied by photographs, maps, drawings, and other information, including a written statement of the applicant.

Sec. 17.10.3 Required Findings for Variance.

An application for a variance shall be denied unless the approving authority finds, based on the information provided in the application, supporting documents, or such additional information as may be requested, and on water use information for the property as shown by the records of the Fallbrook Public Utility District, all of the following:

- A. That the variance does not constitute a grant of special privilege inconsistent with the limitations upon other Fallbrook Public Utility District customers.
- B. That because of special circumstances applicable to the property or its use, the strict application of this Article would have a disproportionate impact on the property or use that exceeds the impacts to customers generally.
- C. That the authorizing of such variance will not be of substantial detriment to adjacent properties, and will not materially affect the ability of the Fallbrook Public Utility District to effectuate the purpose of this chapter and will not be detrimental to the public interest.
- D. That the condition or situation of the subject property or the intended use of the property for which the variance is sought is not common, recurrent or general in nature.

Sec. 17.10.4. Approval Authority.

The General Manager or his/her designee shall exercise approval authority and act upon any completed application no later than 20 days after submittal and may approve, conditionally approve, or deny the variance. The applicant requesting the variance shall be promptly notified in writing of any action taken. Unless specified otherwise at the time a variance is approved, the variance applies to the subject property during the term of the mandatory drought response.

Sec. 17.10.5 Appeals to Fallbrook Public Utility District Board of Directors.

An applicant may appeal a decision or condition of the General Manager on a variance application to the Fallbrook Public Utility District Board of Directors within 10 days of the written decision upon written request for a hearing. The request shall state the grounds for the appeal. Any determination not appealed within ten (10) days is final. At a public meeting, the Fallbrook Public Utility District Board of Directors shall act as the approval authority and review the appeal de novo by following the regular variance procedure. The decision of the Fallbrook Public Utility District Board of Directors is final.

ARTICLE 26 (Renumbered as Article 17
by Resolution 5006)

Sec. 26.6 – Rev. 7/97

Sec. 26.4, Sec. 26.5, Sec. 26.8.2 –
Rev. 10/07

Article 26 revised in its entirety –
6/08

Sec. 26.8.3, 26.9, 26.10 , 26.10.1,
26.10.2, 26.10.3, 26.10.4, 26.10.5,
and addition of Domestic Class and
Multi-Unit Class rates– Rev. 6/09

Sec. 26.8.3 –Rev. 10/09

Sec. 26.8.3 – Rev. 5/11

Sec. 26.8.3 – Rev. 8/14

Sec. 26.11 – Rev 6/15

Secs. 26.1.1, 26.1.2, 26.4, 26.5,
26.8.3, 26.8.5, 26.10, 26.10.1,
26.10.4, 26.10.5, 26.11 – Rev. 3/16

Secs. 26.8.1, 26.8.3 – Rev. 6/16

Secs. 26.8.2, 26.8.3, 26.8.6 – Rev.
12/17

Secs. 26.1.1, 26.1.2, 26.8.5 – Rev.
12/20

Article 17. **Water Shortage Response Program.**

Sec. 17.1 Declaration of Policy.

California Water Code ~~Sections~~Section 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity. The Board of Directors hereby establishes a comprehensive water conservation program pursuant to California Water Code ~~Sections~~Section 375 et seq., based upon the need to conserve water supplies and to avoid or minimize the effects of any future shortage. Additionally, the California Water Code mandates that water agencies adopt a water shortage contingency plan (WSCP) as part of their Urban Water Management Plan (UWMP). The District’s WSCP is a detailed plan for how an urban water supplier, like the District, intends to act in the case of any actual water shortage condition. This Article 17 is consistent with the District’s WSCP and is how the District implements its WSCP, and can be amended, as needed, outside of updating the District’s UWMP.

Sec. 17.1.1 PSAWR Reduction Program.

The San Diego County Water Authority Permanent Special Agricultural Water Program (PSAWR) 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 per the SDCWA ~~Administrative Code~~Program. During periods of water shortages imposed by the Metropolitan Water District (MWD), the SDCWA, or due to emergency situations, those customers who are participating in the PSAWR shall abide by the conditions set forth by SDCWA. ~~Administration of the PSAWR~~ Program is incorporated by reference in ~~Article- 10 of this Administrative Code.~~

Sec. 17.1.2 PSAWR Reduction Compliance.

When SDCWA imposes a mandatory use reduction, PSAWR customers must be prepared to reduce consumption by complying with a water allocation, or water use target. Water consumed during each billing period will be compared to the assigned target. Any use below the target will be accumulated and carried forward. The customer’s cumulative use will be compared with the cumulative target, and any total usage above the target will be billed at the “above average” rates. This cumulative comparison will continue for the duration of the fiscal year. Below target usage “credits” will be carried forward until the cumulative target is exceeded, at which time, all cumulative “over target” use will be billed at the “above target” rates. The cumulative comparison process will start over in the next fiscal year.

Upon written request, customers shall reserve the right to “group” accounts and adjust, or “smooth”, ~~allocations~~allocations to facilitate compliance.

Sec. 17.2 Findings.

The Board of Directors finds and determines that a water shortage could exist as a result of a general regional water supply shortage due to increased demand or limited supplies.

The Board of Directors also finds and determines that the conditions prevailing ~~in the coastal San Diego County~~within and in the vicinity of the District’s service area require

that the water resources available be put to maximum beneficial use to the extent to which they are capable, and that the waste or unreasonable use, or unreasonable method of use, of water be prevented and that the conservation of such water encouraged with a view to the maximum reasonable and beneficial use thereof in the interests of the people of the Fallbrook Public Utility District and for the public welfare.

Sec. 17.3 Application.

The provisions of this Administrative Code shall apply to all water served to persons, customers, and property by the Fallbrook Public Utility District.

Sec. 17.4 Determination and Declaration of Water Supply Conditions.

Sec. 17.4.0 NORMAL CONDITIONS. The District's service area is in a semi-arid climate. Good water management practices dictate that water be used wisely and not wasted at any time. Customers are ~~requested~~required to follow the guidelines presented in Sec. ~~17.8.1.~~ Under 17.8.0 for Normal Conditions, the at all times. The District will provide public education and outreach efforts to emphasize public awareness of the need to always voluntarily use water wisely and practice water conservation measures.

~~Sec. 17.3~~ ~~Application.~~

~~The provisions of this Administrative Code shall apply to all water served to persons, customers, and property by the Fallbrook Public Utility District.~~

~~Sec. 17.4~~ ~~Determination and Declaration by General Manager of Water Supply Conditions.~~

~~Based on information provided by the District's wholesale water agency of water availability supplies, the Fallbrook Public Utility District General Manager (or in the General Manager's absence his designee) is hereby authorized and directed to implement the provisions of this Administrative Code. Additionally, the General Manager (or in the General Manager's absence, his designee) is hereby authorized to make minor and limited exceptions to prevent undue hardship or unreasonable restrictions, provided that water shall not be wasted or used unreasonably and the purpose of this Administrative Code can be accomplished. Any such exceptions shall be reported to the Board of Directors at the next meeting.~~

Sec. 17.4.1 The General Manager ~~(or in the General Manager's absence his designee)~~ shall from time to time shall monitor the projected supply and demand for water by its customers on a daily basis. The General Manager shall determine the extent of the conservation required through the implementation and/or termination of particular conservation stages in order for the District to prudently plan for and supply water to its customers, and shall recommend to the Board of Directors that the appropriate level of water conservation/water shortage condition be implemented or terminated in accordance with the applicable provision of this Administrative Code. Based on the recommendation of the General Manager, and based upon all available data, the Board of Directors shall from time to time determine and declare whether the District's water supply is in one of the following condition and post a notice thereof in the District's lobby and publish said notice in the local newspaper "water shortage" conditions:

1. WATER SHORTAGE RESPONSE LEVEL 1 – WATER SHORTAGE NOTICE CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to water shortage or other supply reductions, there is a reasonable probability there will be supply

shortages and that a consumer demand reduction of up to ten percent (10%) is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 1 condition. In such an event, the Board of Directors shall take action to implement and increase enforcement of the conservation practices identified in Sec. 17.8.1 and may implement drought rates as specified in 17.8.7.

2. WATER SHORTAGE RESPONSE LEVEL ~~1~~2 – WATER SHORTAGE WATCH CONDITION. This level applies when ~~the San Diego County Water Authority notifies its member agencies~~local supply conditions, and/or the District's wholesale water agency notifies the District that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to ~~10~~twenty percent (20%) is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The ~~General Manager shall~~Board of Directors may declare the existence of a Water Shortage Response Level ~~1~~2 condition ~~and. In such an event, the Board of Directors shall~~ take action to implement the Level ~~1~~2 conservation practices identified in Sec. 17.8.2. ~~The~~During a Level 2 Water Shortage Watch Condition, the District ~~will~~may implement drought rates as specified in 17.8.7, and ~~may~~ suspend consideration of annexations to its service area, ~~and any service outside District boundaries.~~

~~The Board of Directors shall from time to time based upon all available data determine and declare whether the District's water supply is in one of the following conditions and post a notice thereof in the District's lobby and publish said notice in the local newspaper:~~

3. WATER SHORTAGE RESPONSE LEVEL ~~2~~3 – WATER SHORTAGE ALERT CONDITION. This level applies when ~~the San Diego County Water Authority notifies its member agencies~~local supply conditions, and/or the District's wholesale water agency notifies the District that due to cutbacks caused by water shortages or other reduction in supplies, a consumer demand reduction of up to ~~20~~thirty percent (30%) is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors ~~shall~~may declare the existence of a Water Shortage Response Level ~~2~~3 condition ~~and. In such an event, the Board of Directors shall~~ implement the mandatory Level ~~2~~3 conservation measures identified in Sec. 17.8.3. ~~The~~During a Level 3 Water Shortage Alert Condition the District ~~will~~may implement drought rates as specified in 17.8.7, and ~~may~~ suspend consideration of annexations to its service area, and any service outside District boundaries.

4. WATER SHORTAGE RESPONSE LEVEL ~~3~~4 – WATER SHORTAGE ~~CRITICAL~~WARNING CONDITION. This level applies when ~~the San Diego County Water Authority notifies its member agencies~~local supply conditions, and/or the District's wholesale water agency notifies the District that due to increasing cutbacks caused by water shortages or other reduction of supplies, a consumer demand reduction of up to forty (40-%) percent is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors ~~shall~~may declare the existence of a Water Shortage Response Level ~~3~~4 condition ~~and. In such an event, the Board of Directors shall~~ implement the Level ~~3~~4 conservation measures identified in Sec. 17.8.4. ~~The~~During a Level 4 Water Shortage Warning Condition the District ~~will~~may implement drought rates as specified in 17.8.7, and ~~may~~ suspend consideration of annexations to its service

area, and ~~no new potable water service shall be provided and no statements of immediate ability to serve or provide potable water service shall be issued~~any service outside District boundaries.

5. WATER SHORTAGE RESPONSE LEVEL 5 – CRITICAL CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency notifies the District that due to increasing cutbacks caused by water shortages or other reduction of supplies, a consumer demand reduction of up to fifty percent (50%) is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 5 condition. In such an event, the Board of Directors shall implement the Level 5 conservation measures identified in Sec. 17.8.5. During a Level 5 Critical Condition, the District may implement drought rates as specified in 17.8.7 and may suspend consideration of annexations to its service area, and any service outside District boundaries.
6. WATER SHORTAGE RESPONSE LEVEL 46 – ~~DROUGHT~~ EMERGENCY CONDITION. This level applies when ~~the San Diego County Water Authority Board of Directors~~local supply conditions, and/or the District’s wholesale water agency declares a water shortage emergency pursuant to California Water Code Section 350 ~~and notifies its member agencies that Level 4.~~ A Level 6 Emergency Condition requires a demand reduction of ~~more~~greater than ~~40~~fifty percent (>50%) in order for the District to have maximum supplies available to meet anticipated demands. The ~~District shall~~Board of Directors may declare ~~the existence of~~ a Water Shortage ~~Emergency in the manner and on the grounds provided in California Water Code Section 350.~~Response Level 6 condition. In such an event, the Board of Directors shall implement the Level 6 conservation measures identified in 17.8.6. During a Level 6 Emergency Condition the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

The General Manager is authorized to require submission of water use curtailment plans from those users having the largest effect on overall District consumption in order to protect the minimum supplies necessary to provide for public health, sanitation, and fire protection. Failure to provide curtailment plans in a timely manner or plans that do not meet the required cutbacks shall authorize the District to install flow restrictors at the meter or termination of service.

Sec. 17.5 Implementation of ~~Emergency~~—Water ~~Management~~ Program
Shortage Condition Declarations.

California Water Code Sections 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity.

~~At such time when the Board of Directors of the District finds and determines that by reason of an anticipated general water supply shortage, inadequate San Diego County Water Authority distribution facilities, or the prospect of a major failure of the supply and distribution facilities of the Metropolitan Water District of Southern California exists, the Board may adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity. Upon adoption of a water conservation program, the district shall provide notice to customers within (14) days of the Board’s declaration of a water shortage. In~~

~~addition, the Board may also find and determine that the conditions prevailing in the coastal San Diego county area require that the water resources available be put to maximum beneficial use to the extent to which they are capable, and that the waste or unreasonable use, or unreasonable method of use, of water be prevented and that the conservation of such water encouraged with a view to the maximum reasonable and beneficial use thereof in the interests of the people within the Fallbrook Public Utility District service area and for the public welfare.~~

The declaration of any level beyond Normal Conditions shall be made by the Board of Directors, and public announcement shall be made to the District's rate payers through direct communication (mail and/or phone notification), physical posting in the District lobby, on the District website and by publication in a newspaper of general circulation and shall become effective immediately upon announcement. Upon adoption of a water shortage condition, the District shall provide notice to customers within (14) days of the Board's declaration.

~~The General Manager shall determine the extent of the emergency conservation required in order for the District to prudently plan for and supply water to its customers. Thereafter, the General Manager may order that the Emergency Water Management Program be implemented or terminated in accordance with the applicable provisions of this Article of the Administrative Code. The declaration of a water emergency shall be made by public announcement and notice shall be published a minimum of three (3) consecutive times in a newspaper of general circulation and shall become effective immediately upon announcement.~~

The declaration shall be reported to by the Board of Directors ~~at its next regular meeting~~. The Board of Directors shall ~~thereupon ratify the declaration or~~ rescind the declaration, and may adopt such additional rules and regulations to limit water use during the emergency as it deems appropriate.

Sec. 17.6 Duration of Declaration.

As soon as a particular condition is declared to exist, the water conservation measures provided for herein for that condition shall apply to all District water service until a different condition is declared.

Sec. 17.7 Mandatory and Discretionary Use of Recycled Water.

Nothing in this Administrative Code shall prohibit or limit the use of recycled water for any purposes listed herein. No customer of the District shall make, cause, use or permit the use of potable water supplied by the District for construction grading on major subdivisions, paved surface cleaning, or greenbelt uses, including, but not limited to, cemeteries, playing fields, parks, and highway landscaped areas, when, following notice and a hearing, the District finds that recycled water is available under the following conditions:

1. The recycled water is of adequate quality and is available for use.
2. The recycled water may be furnished to such areas at a reasonable cost, equal to or less than the cost of supplying potable domestic water.
3. The State Department of Health Services has determined that such use would not be detrimental to public health.
4. The use of recycled water will not adversely affect downstream water rights, and will not degrade water quality.

Sec. 17.8 Water Conservation Stages.

Sec. ~~17.8.1~~17.8.0 NORMAL CONDITIONS.

During a Normal ~~Conditions~~Condition, customers are ~~asked~~required to use water wisely and to practice water conservation measures so that water is not wasted.

~~No water furnished by the District will be wasted.~~ All water withdrawn from District facilities shall be put to reasonable beneficial use. District water users shall comply with the following water use prohibitions and conservation measures at all times:

1. Do not wash down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.
2. Eliminate water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.
3. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only, unless using drip irrigation.
4. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.
5. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time.
6. Use re-circulated water to operate ornamental fountains.
7. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation.
8. The irrigation with potable water of ornamental turf on public street medians is prohibited.
9. The application of potable water to outdoor landscapes during or within 48 hours of measurable rainfall is prohibited

10. The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the County of San Diego's Landscape Ordinance.
11. Serve and refill water in restaurants and other food service establishments only upon request.
12. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
13. Repair all water leaks within five (5) days of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.
14. Use recycled or non-potable water for construction purposes when available.

During a Water Shortage Response Levels 1-6 condition, the water conservation measures and water use restrictions established by this Article 17 are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies as specified in this Article.

Sec. ~~17.8.2~~17.8.1 WATER SHORTAGE RESPONSE LEVEL 1 – WATER SHORTAGE ~~WATCH~~NOTICE CONDITION.

During a Level 1 Water Shortage ~~Watch~~Notice condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and increase enforcement of prohibitions of end use to promote a consumer demand reduction of up to ten percent (10%).

All persons using District water shall comply with Normal Conditions water conservation practices during a Level 1 Water Shortage Watch, as identified in Sec. ~~17.8.1~~17.8.0.

Sec. 17.8.2 WATER SHORTAGE RESPONSE LEVEL 2 – WATER SHORTAGE WATCH CONDITION.

During a Level 2 Water Shortage Watch condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to twenty percent (20%).

~~Upon~~All persons using District water shall comply with Normal Conditions and Level 1 Water Shortage Notice water conservation practices during a Level 2 Water Shortage Watch, as identified in Sec. 17.8.0 and 17.8.1. Additionally, upon declaration of a Level ~~1~~2 Water Shortage Watch condition, the District will suspend consideration of annexations to its service area except under the following circumstances:

1. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of Fallbrook Public Utility District.

Sec. 17.8.3 WATER SHORTAGE RESPONSE LEVEL 23 – WATER SHORTAGE ALERT CONDITION.

During a Level 23 Water Shortage Alert condition, ~~at~~the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to thirty percent (30%).

All persons using District water shall comply with Normal ~~and~~Conditions, Level 1 Water Shortage Notice and Level 2 Water Shortage Watch water conservation practices during a Level 23 Water Shortage Alert, as identified in Sec. 17.8.0, 17.8.1 and 17.8.2, and shall also comply with the following additional conservation measures:

1. During the months of June through October, limit residential and commercial landscape irrigation to no more than two (2) days per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. During the months of November through May, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. During extreme Santa Ana conditions (temperature > 80 and easterly winds > 20 mph), one additional day per week of watering is allowed. This section shall not apply to commercial growers or nurseries. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.
2. Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per assigned day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.
3. ~~Water~~ landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by ~~section 5 (b)~~Section 17.8.3 (1), on the same schedule set forth in ~~section 5 (b)~~Section 17.8.3 (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation.
4. Repair all leaks within seventy-two (72) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

For Levels 23 and above, the District may establish a water allocation for property served by the Fallbrook Public Utility District using a method that does not penalize persons for the implementation of conservation methods or the installation of water saving devices and allows for the banking and subsequent use of unused allocations.

If the District establishes a water allocation it shall provide notice of the allocation within (14) days of its establishment by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for ongoing water service. The following customer classes are subject to allocations: Commercial Agriculture (CA), Commercial Agriculture Domestic (CB), Commercial (C), Government (G), and Irrigation (I). Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty in the amount of 1.5 times the Base Rate, for each unit of usage greater than the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this ~~ordinance~~[Article](#).

~~This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted for a period of one year or less.~~

Sec. 17.8.4 WATER SHORTAGE RESPONSE LEVEL ~~34~~ – WATER SHORTAGE ~~CRITICAL~~WARNING CONDITION.

During a Level 4 Water Shortage Warning condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to forty percent (40%).

~~During a Level 3 Water Shortage Critical condition, all~~All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage ~~Watch and Notice~~, Level 2 Water Shortage ~~Alert water conservation practices during a Watch and~~ Level 3 Water Shortage ~~Critical~~Alert water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2 and 17.8.3 during a Level 4 Water Shortage Warning condition and shall also comply with the following additional mandatory conservation measures:

- ~~1-~~ ~~During the months of June through October, limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. This section shall not apply to commercial growers or nurseries.~~
- ~~21.~~ Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by section 6 (b) (1), on the same schedule set forth in section 6 (b) (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low volume non-spray irrigation, in accordance with Section 17.8.3.
- ~~32.~~ Stop filling or re-filling ornamental lakes or ponds, except to the extend needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a drought response level under this ~~ordinance~~[Article](#).
- ~~43.~~ Stop washing vehicles except at commercial carwashes that recirculate water, or by high pressure/low volume wash systems.

54. Repair all leaks within forty-eight (48) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

Sec. 17.8.5 WATER SHORTAGE RESPONSE LEVEL 45 – WATER SHORTAGE ~~EMERGENCY~~ CRITICAL CONDITION.

During a Level 5 Water Shortage Critical condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to fifty percent (50%).

~~During a Level 4 Water Shortage Emergency condition, all~~ All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage ~~Watch~~ Notice, Level 2 Water Shortage ~~Alert, and Watch~~, Level 3 Water Shortage ~~Critical water conservation practices during a~~ Alert and Level 4 Water Shortage ~~Emergency~~ Warning water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2, 17.8.3 and 17.8.4 during a Level 5 Water Shortage Critical Condition, and shall also comply with the following additional mandatory conservation measures:

1. Stop all automated landscape irrigation, except crops and landscape products of commercial growers and nurseries. This restriction shall not apply to the following categories of use unless the Fallbrook Public Utility District has determined that recycled water is available and may be lawfully applied to the use.
 - A. Maintenance of trees and shrubs that are watered on the same schedule set forth in ~~section 6 (b) (1)~~ Section 17.8.3 by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation;
 - B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection Fallbrook Public Utility District having jurisdiction over the property to be irrigated;
 - C. Maintenance of existing landscaping for erosion control;
 - D. Maintenance of plant materials identified to be rare or essential to the ~~well~~ being wellbeing of rare animals;
 - E. Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under ~~section 6 (b) (1)~~ Section 17.8.3;
 - F. Watering of livestock; and

- G. Public works projects and actively irrigated environmental mitigation projects.
2. Repair all water leaks within twenty-four (24) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

The District may establish a water allocation for property served by the District. If the District establishes a water allocation it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for ongoing water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty in the amount 1.5 times the Base Rate, for each unit of usage greater than the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this ~~ordinance~~[Article](#).

3. (PSAWR) customers ~~as defined~~[participating](#) in the San Diego County Water Authority (SDCWA) ~~Administrative Code~~[PSAWR Program](#) must abide by any PSAWR restrictions that may be in place.

Water consumed during each billing period will be compared to the assigned target. Any use below the target will be accumulated and carried forward. The customer's cumulative use will be compared with the cumulative target, and any total usage above the target will be billed at the "above target" rates. This cumulative comparison will continue for the duration of the fiscal year. Below target usage "credits" will be carried forward until the cumulative target is exceeded, at which time, all cumulative "over target" use will be billed at the "above target" rates and the cumulative comparison process will start over in the next fiscal year.

Sec. 17.8.6 WATER SHORTAGE RESPONSE LEVEL 6 – EMERGENCY CONDITION.

During a Level 6 Emergency Condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of greater than fifty percent (>50%).

All person using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch, Level 3 Water Shortage Alert, Level 4 Water Shortage Warning, and Level 5 Water Shortage Critical water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2, 17.8.3, 17.8.4 and 17.8.5, and shall also comply with the following additional mandatory conservation measures:

The General Manager is authorized to require submission of water use curtailment plans from those users having the largest effect on overall District consumption in order to protect the minimum supplies necessary to provide for public health, sanitation, and fire

protection. Failure to provide curtailment plans in a timely manner or plans that do not meet the required cutbacks shall authorize the District to install flow restrictors at the meter or termination of service.

Sec. ~~17.8.6~~17.8.7 Drought Rates

Drought Rates ~~would~~may be implemented during declaration of Levels 1, 2, 3~~and~~, 4, 5 and 6 described above. Drought Rates would only be in effect during declared drought Levels 1-4~~6~~. The ~~effective January 1, 2018, the~~escalation factors that would be used to calculate “Drought Rates ~~during drought Levels 1-4~~” relative to a given year’s normal rates are set forth in the tables below:

2018 Monthly Drought Rates by Drought Levels (\$/kgal)			
Customer Class (See Article 12 for class definitions)	Level 1 (10% Reduction)	Level Level 2 and 3 (20% and 30% Reduction)	Level Level 3 and Levels 4, 5 and 6 (40%, 50% and >50% Reduction)
Residential (D, LD, M) Drought rates (actual class and tier rates will be calculated and adjusted based upon a given year’s approved rates and the drought level in place)	104.98% of Normal Rates	109.61% of Normal Rates	123.03% of Normal Rates
Tier 1	\$5.91	\$6.16	\$6.92
Tier 2	\$6.00	\$6.26	\$7.03
Tier 3	\$7.30	\$7.62	\$8.56
Ag. Domestic (AT)			
Tier 1	\$5.91	\$6.16	\$6.92
Tier 2*	\$4.83	\$4.83	\$4.83
Tier 3*	\$4.17	\$4.17	\$4.17
Commercial Domestic Ag. (CB)			
Tier 1	\$5.91	\$6.16	\$6.92
Tier 2	\$5.08	\$5.30	\$5.95
Agriculture TSAWR (AS)*	\$4.17	\$4.17	\$4.17
Commercial Ag (CB)	\$5.08	\$5.30	\$5.95
Commercial (C)	\$6.08	\$6.35	\$7.13
Irrigation Only (I)	\$6.07	\$6.34	\$7.12
Government (G)	\$5.99	\$6.25	\$7.02

*TSAWR customers are not subject to these drought rates, though they must implement cuts to water use as implemented during specific drought restrictions or face penalties. ~~Program compliance is~~ as discussed above in Section 17.1.2.

~~Sec. Section~~ 17.9 Implementation of Conservation Levels Water Shortage Emergencies Pursuant to Water Code Section 350 et seq.

~~The General Manager shall monitor the projected supply and demand for water by its customers on a daily basis. The General Manager shall determine the extent of the conservation required through the implementation and/or termination of particular conservation stages in order for the District to prudently plan for and supply water to its customers. Thereafter, the General Manager may order or recommend to the Board of Directors that the appropriate level of water conservation be implemented or terminated in accordance with the applicable provision of this Administrative Code. The declaration of any level beyond Water Shortage Response Level 1 shall be made by public announcement and notice shall be published a minimum of three (3) consecutive times in a newspaper of general circulation. The level designated shall become effective immediately upon announcement. The declaration of any level beyond Water Shortage Response Level 1 shall be by action of the Board of Directors.~~

In addition to the declaration by the Board of a water shortage condition under this Article 17, the restrictions in this subsection shall apply if the Board of Directors adopts finding supporting a Water Shortage Emergency and does declare a Water Shortage Emergency in the manner and on the grounds provided in Water Code Section 350 et seq. "Water Shortage Emergency" means a condition existing within the District in which the ordinary water demands and requirements of the persons within the District cannot be satisfied without depleting the District's water supply to the extent that there would be insufficient water for human consumption, sanitation and fire protection. A water shortage emergency includes a threatened water shortage, in which the District determines that its supply cannot meet an increased future demand.

The District may determine no new potable water service will be provided, no new temporary meters will be provided and those in use will be terminated and collected, no permanent meters will be installed, no additional capacity will be sold, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) will be issued, as authorized by Water Code Sections 350 and 356. Exceptions to these restrictions may be allowed under the following circumstances:

1. A valid, unexpired building permit has been issued for the project, all grading has been completed, and the construction of structures has begun; or
2. The project is necessary to protect the public's health, safety, and welfare; or
3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset to the satisfaction of the District.

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted for a period of one year or less.

Sec. 17.10 Variances.

If, due to unique circumstances, a specific requirement of this Article of the Administrative Code would result in undue hardship to a person using District water or to property upon which the District water is used, that is disproportionate to the impacts to the District water users generally or to similar property or classes of water uses, then the person may apply for a variance to the requirements as provided in this section.

The variance may be granted or conditionally granted, only upon a written finding of the existence of facts demonstrating an undue hardship to a person using District water or to property upon with the District water is used, that is disproportionate to the impacts to the District water users generally or to similar property or classes of water use due to specific and unique circumstances of the user or the user's property.

A completed appeal shall describe the specific reason(s) the allocation is causing undue hardship, including the following:

1. Commercial buildings that were empty or partially occupied during base period but are now occupied to a greater degree and require more water.
2. A grove with new trees planted a year before the base period began that, in the third year of growth, would need additional water.
3. Agricultural land used for annual crops that had abnormally low irrigation application during the base year.
4. An unexpected emergency line break, or equipment malfunction that has since been fixed.
5. Loss or reduction of an alternative water source, such as a well or pond.
6. Other, with a detailed description.

Sec. 17.10.1 Application.

Application for a variance shall be a form prescribed by Fallbrook Public Utility District.

Sec. 17.10.2 Supporting Documentation.

The application shall be accompanied by photographs, maps, drawings, and other information, including a written statement of the applicant.

Sec. 17.10.3 Required Findings for Variance.

An application for a variance shall be denied unless the approving authority finds, based on the information provided in the application, supporting documents, or such additional information as may be requested, and on water use information for the property as shown by the records of the Fallbrook Public Utility District, all of the following:

- A. That the variance does not constitute a grant of special privilege inconsistent with the limitations upon other Fallbrook Public Utility District customers.
- B. That because of special circumstances applicable to the property or its use, the strict application of this ~~ordinance~~Article would have a disproportionate impact on the property or use that exceeds the impacts to customers generally.

- C. That the authorizing of such variance will not be of substantial detriment to adjacent properties, and will not materially affect the ability of the Fallbrook Public Utility District to effectuate the purpose of this chapter and will not be detrimental to the public interest.
- D. That the condition or situation of the subject property or the intended use of the property for which the variance is sought is not common, recurrent or general in nature.

Sec. 17.10.4. Approval Authority.

The General Manager or his/her designee shall exercise approval authority and act upon any completed application no later than 20 days after submittal and may approve, conditionally approve, or deny the variance. The applicant requesting the variance shall be promptly notified in writing of any action taken. Unless specified otherwise at the time a variance is approved, the variance applies to the subject property during the term of the mandatory drought response.

Sec. 17.10.5 Appeals to Fallbrook Public Utility District Board of Directors.

An applicant may appeal a decision or condition of the General Manager on a variance application to the Fallbrook Public Utility District Board of Directors within 10 days of the written decision upon written request for a hearing. The request shall state the grounds for the appeal. Any determination not appealed within ten (10) days is final. At a public meeting, the Fallbrook Public Utility District Board of Directors shall act as the approval authority and review the appeal de novo by following the regular variance procedure. The decision of the Fallbrook Public Utility District Board of Directors is final.

ARTICLE 26 (Renumbered as Article
17 by Resolution 5006)

Sec. 26.6 – Rev. 7/97

Sec. 26.4, Sec. 26.5, Sec. 26.8.2 –
Rev. 10/07

Article 26 revised in its entirety –
6/08

Sec. 26.8.3, 26.9, 26.10 , 26.10.1,
26.10.2, 26.10.3, 26.10.4, 26.10.5,
and addition of Domestic Class
and Multi-Unit Class rates– Rev.
6/09

Sec. 26.8.3 –Rev. 10/09

Sec. 26.8.3 – Rev. 5/11

Sec. 26.8.3 – Rev. 8/14

Sec. 26.11 – Rev 6/15

Secs. 26.1.1, 26.1.2, 26.4, 26.5,
26.8.3, 26.8.5, 26.10, 26.10.1,
26.10.4, 26.10.5, 26.11 – Rev.
3/16

Secs. 26.8.1, 26.8.3 – Rev. 6/16

Secs. 26.8.2, 26.8.3, 26.8.6 – Rev.
12/17

Secs. 26.1.1, 26.1.2, 26.8.5 – Rev.
12/20

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Embedded Excel	0
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Total Changes:	374

RESOLUTION 5015

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT ADOPTING AN ADDENDUM TO THE 2015 URBAN WATER MANAGEMENT PLAN

* * * * *

WHEREAS, The California Urban Water Management Planning Act, (Wat. Code §10610, et seq. (the Act)), mandates that every urban supplier of water providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare an Urban Water Management Plan (Plan); and

WHEREAS, the Act generally requires that said Plan be updated and adopted at least once every five years on or before July 1, in years ending in six and one; and

WHEREAS, pursuant to the Sacramento-San Joaquin Delta Reform Act of 2009 (Wat. Code § 85000, et seq.), the Delta Plan, and Water Code section 85021, which declares that the State's policy is to "reduce reliance on the Delta in meeting California's future water needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency," urban water suppliers are encouraged by the California Department of Resources (DWR) and the Delta Stewardship Council (DSC) to consider adopting an Addendum to their 2015 Plans to demonstrate consistency with the Delta Plan Policy WR P1 to Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance (Cal. Code Regs. tit. 23, § 5003); and

WHEREAS, Fallbrook Public Utility District (FPUD) meets the definition of an urban retail water supplier for purposes of the Act; and

WHEREAS, FPUD has prepared an Addendum to its 2015 Urban Water Management Plan (Addendum to the 2015 Plan) in accordance with Delta Plan Policy WR P1, and in accordance with applicable legal requirements, has undertaken certain coordination, notice, public involvement, public comment, and other procedures in relation to its Addendum; and

WHEREAS, in accordance with the Act and Delta Plan Policy WR P1, FPUD has prepared its Addendum to the 2015 Plan with its own staff, with the assistance of consulting professionals, and in cooperation with other governmental agencies, and has utilized and relied upon industry standards and the expertise of industry professionals in preparing its Addendum to its 2015 Plan, and has also utilized DWR's Urban Water Management Plan Guidebook 2020, including its related appendices, in preparing its Addendum to the 2015 Plan; and

WHEREAS, in accordance with applicable law, including Water Code section 10642, and Government Code section 6066, a Notice of a Public Hearing regarding FPUD's Addendum to the 2015 Plan was published within the jurisdiction of FPUD on June 10th and June 17th; and

WHEREAS, in accordance with applicable law, including but not limited to Water Code section 10642, a public hearing was held by Webconference/Teleconference (via Zoom), on June 28th 2021 at 4 PM, or soon thereafter, in order to provide members of the public and other interested entities with the opportunity to be heard in connection with proposed adoption of the Addendum to the 2015 Plan and issues related thereto; and

WHEREAS, pursuant to said public hearing on FPUD's Addendum to the 2015 Plan, FPUD, among other things, encouraged the active involvement of diverse social, cultural, and economic members of the community within FPUD's service area with regard to the Addendum to the 2015 Plan and encouraged community input regarding FPUD's Addendum to the 2015 Plan; and

WHEREAS, the FPUD Board of Directors has reviewed and considered the purposes and requirements of the Act and Delta Plan Policy WR P1, the contents of the Addendum to the 2015 Plan, and the documentation contained in the administrative record in support of the Addendum to the 2015 Plan, and has determined that the factual analyses and conclusions set forth in the Addendum to the 2015 Plan are legally sufficient; and

WHEREAS, the FPUD Board of Directors desires to adopt the Addendum to the 2015 Plan in order to comply with Delta Plan Policy WR P1.

WHEREAS, Section 10652 of the California Water Code provides that the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) (CEQA) does not apply to the preparation and adoption, including addenda thereto, of urban water management plans.

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

1. All of the above recitals are true.
2. The Addendum to FPUD's 2015 Urban Water Management Plan (Addendum to the 2015 Plan) to demonstrate consistency with the Delta Plan Policy to Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance, attached hereto as Exhibit "A," is hereby adopted as amended by changes incorporated by the FPUD Board of Directors as a result of input received (if any) at the public hearing and ordered filed with the Secretary of the FPUD Board of Directors.
3. The General Manager is hereby authorized and directed to include a copy of this Resolution in FPUD's Addendum to the 2015 Plan.
4. The General Manager is hereby authorized and directed, in accordance with Water Code sections 10621(d) and 10644(a)(1)-(2), to electronically submit a copy of the Addendum to the 2015 Plan to DWR no later than July 1, 2021.

5. The General Manager is hereby authorized and directed, in accordance with Water Code section 10644(a), to submit a copy of the Addendum to the 2015 Plan to the California State Library, and to any city or county within which FPUD provides water supplies no later than thirty (30) days after this adoption date;.
6. The General Manager is hereby authorized and directed, in accordance with Water Code section 10645, to make the Addendum to the 2015 Plan available for public review at FPUD's offices during normal business hours and on its website at www.fpud.com no later than thirty (30) days after filing a copy of the Addendum to the 2015 Plan with DWR.
7. The FPUD Board of Directors finds and determines that this resolution is not subject to CEQA pursuant to Water Code Section 10652 because CEQA does not apply to the preparation and adoption, including addenda thereto, of an urban water management plan or to the implementation of the actions taken pursuant to such plans. Because this resolution comprises the FPUD Board of Directors' adoption of FPUD's Addendum to the 2015 Plan and involves its implementation, no CEQA review is required.
8. Pursuant to CEQA, the FPUD Board of Directors directs staff to file a Notice of Exemption with the County Clerk's office within five (5) working days of adoption of this resolution.
9. The document and materials that constitute the record of proceedings on which this resolution and the above findings have been based are located at 990 East Mission Rd, Fallbrook CA 92028. The custodian for these records is the Acting Secretary, Board of Directors, Mavis Canpinar.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
 NOES:
 ABSTAIN:
 ABSENT:

 President, Board of Directors

ATTEST:

 Secretary, Board of Directors

EXHIBIT "A"

**FALLBROOK PUBLIC UTILITY DISTRICT
ADDENDUM TO FPUD'S 2015 URBAN WATER MANAGEMENT PLAN**

APPENDIX E
REPORTING ON REDUCED DELTA RELIANCE
(ADDENDUM, JUNE 28TH 2021)

APPENDIX A: REPORTING ON REDUCED DELTA RELIANCE

BACKGROUND

An urban water supplier that anticipates participating in or receiving water from a proposed project, such as a multiyear water transfer, conveyance facility, or new diversion that involves transferring water through, exporting water from, or using water in the Sacramento-San Joaquin Delta (Delta), should provide information in their 2015 and 2020 UWMPs that can then be used in the certification of consistency process to demonstrate consistency with Delta Plan Policy WR P1, Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance (California Code Regulations, Title 23, §5003).¹

Delta Plan Policy WR P1 is one of fourteen regulatory policies in the Delta Plan. The Delta Plan is a comprehensive, long-term, legally enforceable plan guiding how federal, state, and local agencies manage the Delta's water and environmental resources. The Delta Plan was adopted in 2013 by the Delta Stewardship Council (DSC). Delta Plan Policy WR P1 identifies urban water management plans (UWMP) as the tool to demonstrate consistency with the state policy that suppliers that carry out or take part in covered actions must reduce their reliance on the Delta. ² The California Code of Regulations, Title 23, § 5003(c)(1), states that commencing in 2015, water suppliers that have done all of the following are contributing to reduced reliance on the Delta and improving regional self-reliance and are therefore consistent with Delta Plan Policy WR P1:

(A) Completed a current Urban or Agricultural Water Management Plan (Plan) which has been reviewed by the California Department of Water Resources for compliance with the applicable requirements of Water Code Division 6, Parts 2.55, 2.6, and 2.8;

(B) Identified, evaluated, and commenced implementation, consistent with the implementation schedule set forth in the Plan, of all programs and projects included in the Plan that are locally cost effective and technically feasible which reduce reliance on the Delta; and

(C) Included in the Plan, commencing in 2015, the expected outcome for measurable reduction in Delta reliance and improvement in regional self-reliance. The expected outcome for measurable reduction in Delta reliance and improvement in regional self-reliance shall be reported in the Plan as the reduction in the amount of water used, or in the percentage of water used, from the Delta watershed. For the purposes of reporting, water efficiency is considered a new source of water supply, consistent with Water Code section 1011(a).

FPUD COMPLIANCE WITH WR P1

PROCESS TO DEMONSTRATE REDUCED RELIANCE ON DELTA

Over the last 10 years FPUD has significantly reduced its reliance on supplies originating from the Delta through unprecedented reductions in water use mainly attributable to the diminishment of the commercial agricultural sector resulting from the impacts of two extended and severe droughts coupled with major increases in the cost of wholesale imported water. By 2015 FPUD reduced its projected normal year potable demand gpcd consumption rate by 19% from the 2010 baseline and by over 50% by 2020. Although water use efficiency savings were the predominant means of reduced reliance over the last ten years FPUD will bring a new source of reliable local supply that will serve over 40% of FPUD's potable demand. The Santa Margarita River Conjunctive Use Project (SMR CUP) is under construction and will come online in 2022 and further contribute to regional self-reliance and reduce reliance on the Delta for FPUD.

As FPUD received almost all of its potable supplies from the Water Authority in both 2015 and 2020 it has conducted its analysis of reduced reliance on the Delta and consistency with WR P1 based on the Water Authority's 2020 UWMP which in turn uses Metropolitan's 2020 UWMP to demonstrate a percent reduction in State Water Project supplies. Consistent with Appendix C in the California Department of Water Resource's Draft UWMP Guidebook 20203 (DWR Guidebook), the Water Authority's analysis followed Steps 2 through 4 in the DWR Guidebook to document consistency with WR P1 and produce data and information covering the Water Authority's 2015 and 2020 UWMPs. FPUD analysis will also cover both its 2015 and 2020 UWMPs. For more detailed information on the Water Authority's consistency analysis see SDCWA 2020 UWMP Appendix J.

Table 1 – Source of Water Supply Data

Analysis Year	Data Source	
2010 (Baseline)	2005 UWMP	Page 8, Table 4, Table 26
2015	2010 UWMP	Page 21, Table 15
2020	2015 UWMP	Page 37 Table 6-9
2025, 2030, 2035, 2040, 2045	2020 UWMP	Page 52, Table 6-9

QUANTIFICATION OF TOTAL WATER SUPPLIES

FPUD Contributions To Regional Self Reliance

To demonstrate reduced reliance on the Delta, FPUD compared its projected Delta water use against a baseline. The baseline, shown in Table 2, was calculated by

taking the projected 2010 normal year water demand and adding projected water efficiency savings for 2010 (non-potable demand was the only water use efficiency that FPU quantified in its 2005 UWMP) . Consistent with DWR’s Guidebook, normal year water demands were used as a surrogate for normal year water supplies to help alleviate issues associated with instances where available water supplies exceed normal year water demands. In addition, consistent with the DWR Guidebook, actual water use was not used for the current year due to the influence of weather and other variables on water use. Rather, UWMP normal year potable water demand projections were used to represent current and future water use. As explained in the Guidebook Appendix C, water use efficiency savings must be added back to the normal year demands to represent demands without water use efficiency savings accounted for; otherwise the effect of water use efficiency savings on regional self-reliance would be overestimated. Table C-1 shows the results of this adjustment for FPU. Supporting narratives and data are provided in Sections 4 and 6 of this UWMP and noted in Table 1 above. Tables C-2 and C-3 provide the basis for calculating FPU’s supplies that contribute to regional self-reliance.

Table C-1: Data Table for Determining WUE Supply

Service Area WUE Demands (AF)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Demands without WUE	23,249	20,266	10,934	9,206	9,574	10,199	10,474	10,589
Non-Potable Demands	480	611	1100	830	830	830	830	830
Demands without WUE	23,729	20,877	12,034	10,036	10,404	11,029	11,304	11,419
Service Area Population	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
	34,894	37,476	35,237	34,143	35,323	37,110	38,190	38,943
WUE Since Baseline (AF)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Per Capita Water Use	640	520	298	259	261	264	264	261
Change in Per Capita Water Use from Baseline		120	342	381	379	376	376	379
Estimated WUE Since Baseline		4,676	12,532	13,527	13,921	14,510	14,932	15,348

Table C-2: Calculation of Total Water Supplies

Total Service Area Water Demands (AF)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Demands with WUE	23729	20,877	12,034	10,036	10,404	11,029	11,304	11,419
WUE	0	4,676	12,532	13,527	13,921	14,510	14,932	15,348
Demands without WUE	23,279	25,553	24,566	23,563	24,325	25,539	26,236	26,767

Table C-3: Supplier Contribution to Regional Self-Reliance

Water Supplies Contributing to Regional Self-Reliance	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
WUE		4,676	12,532	13,527	13,921	14,510	14,932	15,348
Water Recycling	480	594	517	830	830	830	830	830
Stormwater Capture and Use	0	0	0	0	0	0	0	0
Advanced Water Technologies	0	0	0	4200	4200	4200	4200	4200
Conjunctive Use	0	0	0	0	0	0	0	0
Local and Regional Water Supply and Storage	100	400	400	400	400	400	400	400
Other Programs and Projects	0	0	0	0	0	0	0	0
Water Supplies Contributing to Regional Self-Reliance	580	5,670	13,449	18,957	19,351	19,940	20,362	20,778
Service Area Water Demands w/o WUE	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Demands without WUE	23,279	25,553	24,566	23,563	24,325	25,539	26,236	26,767
Change in Regional Self Reliance	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Supplies Contributing to Regional Self-Reliance	580	5,670	13,449	18,957	19,351	19,940	20,362	20,778
Change in Water Supplies Contributing to Regional Self-Reliance		5,090	12,869	18,377	18,771	19,360	19,782	20,198
% Change in Regional Self-Reliance (As a Percent of Water Demand w/out WUE)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Supplies Contributing to Regional Self-Reliance	0.0%	46%	112%	200%	198%	192%	192%	194%
Change in Water Supplies Contributing to Regional Self-Reliance		46%	112%	200%	198%	192%	192%	194%

DEMONSTRATION OF REDUCED RELIANCE ON WATER SUPPLIES FROM THE DELTA WATERSHED

In its 2020 UWMP the Water Authority uses Metropolitan’s analysis of reduced reliance on Delta supplies to meet the requirements of Delta Plan, WR P1 subsection (c)(1)(C) which requires that water suppliers report the expected outcomes for measurable reductions in supplies from the Delta watershed either as an amount or as a percentage. Based on the methodology described in Guidebook Appendix C,

and consistent with the approach of this analysis in not including projects under development, this accounting does not include any supplies from potential future covered actions. Table C-4 shows the expected outcomes for reliance on supplies from the Delta watershed for Metropolitan’s service area which include the Water Authority.

Table C-4: Calculation of Reliance on Water Supplies from Delta Watershed

Water Supplies from the Delta Watershed	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
CVP/SWP Contract Supplies	1,472,000	1,029,000	984,000	1,108,670	1,108,670	1,108,670	993,980	993,980
Delta/Delta Tributary Diversions								
Other Water Supplies from the Delta Watershed	20,000	44,000	91,000	8,000	8,000	8,000	8,000	8,000
Total Water Supplies from the Delta Watershed	1,492,000	1,073,000	1,075,000	1,116,670	1,116,670	1,116,670	1,001,980	1,001,980
Service Area Water Demands w/o WUE	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Service Area Water Demands w/o WUE	5,493,000	5,499,000	5,219,000	4,598,000	4,737,000	4,877,000	4,981,000	5,100,000
Change in Supplies from the Delta Watershed	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Supplies from the Delta Watershed	1,492,000	1,073,000	1,075,000	1,116,670	1,116,670	1,116,670	1,001,980	1,001,980
Change in Water Supplies from the Delta Watershed		(419,000)	(417,000)	(375,330)	(375,330)	(375,330)	(490,020)	(490,020)
% Change in Supplies from the Delta Watershed (As a Percent of Water Demand w/out WUE)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
% of Water Supplies from the Delta Watershed	27.2%	19.5%	20.6%	24.3%	23.6%	22.9%	20.1%	19.6%
Change in % of Water Supplies from the Delta Watershed		-7.6%	-6.6%	-2.9%	-3.6%	-4.3%	-7.0%	-7.5%

The results shown in Table C-4 demonstrate that Metropolitan’s service area is measurably reducing its Delta reliance. In the near-term (2025), the expected outcome for normal water year reliance on supplies from the Delta watershed decreased 3 percent from the 2010 baseline of 2025 normal water year retail demands; In the long-term (2045), normal water year reliance on supplies from the Delta

watershed decreased by just over 5. percent of 2045 normal water year retail demands. (MWD 2020 RUWMP Appendix 11 Table 11-2)

RESOLUTION 5016

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT ADOPTING THE 2020 URBAN WATER MANAGEMENT PLAN

* * * * *

WHEREAS, The California Urban Water Management Planning Act, (Wat. Code § 10610, et seq. (the Act)), mandates that every urban supplier of water providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare, and adopt an Urban Water Management Plan (Plan); and

WHEREAS, the Act generally requires that said Plan be updated and adopted at least once every five years on or before July 1, in years ending in six and one; and

WHEREAS, pursuant to recent amendments to the Act, urban water suppliers are required to update and electronically submit their 2020 Plans to the California Department of Water Resources (DWR) by July 1, 2021; and

WHEREAS, pursuant to Water Conservation Act of 2009, also referred to as SB X7-7 (Wat. Code § 10608 et seq.), an “urban retail water supplier” is defined as a water supplier that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre feet of potable water annually at retail for municipal purposes, and an “urban wholesale water supplier” is defined as a water supplier that provides more than 3,000 acre feet of water annually at wholesale for potable municipal purposes; and

WHEREAS, Fallbrook Public Utility District (FPUD) meets the definition of an urban retail water supplier for purposes of the Act and SB X7-7; and

WHEREAS, FPUD has prepared a 2020 Urban Water Management Plan (2020 Plan) in accordance with the Act and SB X7-7, and in accordance with applicable legal requirements, has undertaken certain coordination, notice, public involvement, public comment, and other procedures in relation to its 2020 Plan; and

WHEREAS, in accordance with the Act and SB X7-7, FPUD has prepared its 2020 Plan with its own staff, with the assistance of consulting professionals, and in cooperation with other governmental agencies, and has utilized and relied upon industry standards and the expertise of industry professionals in preparing its 2020 Plan, and has also utilized DWR’s Urban Water Management Plan Guidebook 2020, including its related appendices, in preparing its 2020 Plan; and

WHEREAS, in accordance with applicable law, including Water Code sections 10608.26 and 10642, and Government Code section 6066, a Notice of a Public Hearing regarding FPUD’s 2020 Plan was published within the jurisdiction of FPUD on June 10th and June 17th; and

WHEREAS, in accordance with applicable law, including but not limited to Water Code sections 10608.26 and 10642, a public hearing was held by Webconference/Teleconference (via Zoom), on June 28th 2021 at 4 PM, or soon thereafter, in order to provide members of the public and other interested entities with the opportunity to be heard in connection with proposed adoption of the 2020 Plan and issues related thereto; and

WHEREAS, pursuant to said public hearing on FPUD's 2020 Plan, FPUD, among other things, encouraged the active involvement of diverse social, cultural, and economic members of the community within FPUD's service area with regard to the 2020 Plan and encouraged community input regarding FPUD's 2020 Plan; and

WHEREAS, the FPUD Board of Directors has reviewed and considered the purposes and requirements of the Act and SB X7-7, the contents of the 2020 Plan, and the documentation contained in the administrative record in support of the 2020 Plan, and has determined that the factual analyses and conclusions set forth in the 2020 Plan are legally sufficient; and

WHEREAS, the FPUD Board of Directors desires to adopt the 2020 Plan prior to July 1, 2021 in order to comply with the Act and SB X7-7; and

WHEREAS, Section 10652 of the California Water Code provides that the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) (CEQA) does not apply to the preparation and adoption of the 2020 Plan.

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

1. All of the above recitals are true.
2. The FPUD 2020 Urban Water Management Plan (2020 Plan), attached hereto as Exhibit "A," is hereby adopted as amended by changes incorporated by the FPUD as a result of input received (if any) at the public hearing and ordered filed with the Secretary of the FPUD Board of Directors.
3. The General Manager is hereby authorized and directed to include a copy of this Resolution in FPUD's 2020 Plan.
4. The General Manager is hereby authorized and directed, in accordance with Water Code sections 10621(d) and 10644(a)(1)-(2), to electronically submit a copy of the 2020 Plan to the DWR no later than July 1, 2021.

5. The General Manager is hereby authorized and directed, in accordance with Water Code section 10644(a), to submit a copy of the 2020 Plan to the California State Library, and any city or county within which FPUD provides water supplies no later than thirty (30) days after this adoption date.
6. The General Manager is hereby authorized and directed, in accordance with Water Code section 10645, to make the 2020 Plan available for public review at the FPUD's offices during normal business hours or on the FPUD's website at www.fpud.com no later than thirty (30) days after filing a copy of the Plan with DWR.
7. The General Manager is hereby authorized and directed, in accordance with Water Code Section 10635(c), to provide that portion of the 2020 Plan prepared pursuant to Water Code Section 10635(a)-(b) to any city or county within which FPUD provides water supplies no later than sixty (60) days after submitting a copy of the Plan with DWR.
8. The General Manager is hereby authorized and directed to implement the 2020 Plan in accordance with the Act and SB X7-7 and to provide recommendations to the FPUD Board of Directors regarding the necessary budgets, procedures, rules, regulations, or further actions to carry out the effective and equitable implementation of the 2020 Plan.
9. The FPUD Board of Directors finds and determines that this resolution is not subject to CEQA pursuant to Water Code Section 10652 because CEQA does not apply to the preparation and adoption, including addenda thereto, of an urban water management plan or to the implementation of the actions taken pursuant to such plans. Because this resolution comprises the Board of Director's adoption of FPUD's 2020 Plan and involves its implementation, no CEQA review is required.
10. Pursuant to CEQA, the FPUD Board of Directors directs staff to file a Notice of Exemption with the County Clerk's office within five (5) working days of adoption of this resolution.

11. The document and materials that constitute the record of proceedings on which this resolution and the above findings have been based are located at 990 East Mission Rd, Fallbrook CA 92028. The custodian for these records is the Acting Secretary, Board of Directors, Mavis Canpinar.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT "A"

**FALLBROOK PUBLIC UTILITY DISTRICT
2020 URBAN WATER MANAGEMENT PLAN**



Fallbrook Public Utility District
2020 Urban Water Management Plan

Prepared by:

Fallbrook Public Utility District Staff

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Section 1 – Introduction and Lay Description

1.1 CALIFORNIA URBAN WATER MANAGEMENT PLANNING ACT

The California Water Code (CWC) requires all urban water suppliers within the state to prepare Urban Water Management Plans (UWMP) and update them every five years. These plans satisfy the requirements of the Urban Water Management Planning Act (Act) of 1983, including amendments that have been made to the Act. Sections 10610 through 10657 of the CWC detail the information that must be included in these plans, as well as who must prepare and submit them.

Prior water conservation plans, as well as urban and agricultural water management plans, have been developed and adopted by the Fallbrook Public Utility District's (FPUD or District) board of directors in 1981, 1985, 1991, 1995, 2000, 2005, 2010 and 2015.

This is the District's 2020 Urban Water Management Plan. It is an update to the District's 2015 Urban Water Management Plan, and it includes a description of the District's projected water resources that are necessary to provide water to its service area through the year 2045.

1.2 LAY DESCRIPTION

The District is a public water and wastewater utility that serves portions of the unincorporated community of Fallbrook, CA in northern San Diego County. Originally incorporated in 1922, over the years the District consolidated several small irrigation districts and eventually absorbed the Fallbrook Sanitary District (wastewater) in 1994. Today the District's water service area is 28,000 acres, encompassing a small downtown area (approximately 400 acres) and a mostly rural community. Historically, agriculture has been a defining characteristic of the community. In the early and mid-20th century, olives and citrus were prominent crops, while the late 20th century saw a proliferation of avocado production. Common crops in recent decades have shifted to include plant nurseries, cut flowers, wine grapes, and specialty fruit. Residential growth in the area has not expanded at the same pace as other San Diego and southern Riverside County communities due to limited larger vacant parcels for development and County general plan zoning.

1.2 SUMMARY OF WATER SOURCES

FPUD is a water retailer and has historically purchased the majority of its water supplies from our two wholesalers, the San Diego County Water Authority (SDCWA or Water Authority), which is a member agency of the Metropolitan Water District of Southern California (Metropolitan). These wholesalers have addressed regional issues concerning San Diego County and Southern California water supplies in their own 2020 UWMPs. More information on their regional plans can

be found in their 2020 UWMPs. Starting in 2022 FPUD will bring online a new local supply project that will provide a substantial amount of local water and diminish the District's reliance on our wholesale suppliers. The wholesale water supplies received by FPUD are delivered to FPUD by the Water Authority and primarily consist of Colorado River and State Project Water Supplies. Although the Water Authority also has desalinated water as part of its diversification, this water is not delivered to FPUD due to our location at the very North end of their service area. These supplies are discussed in detail in their respective UWMPs.

1.3 OTHER PROJECTS TO MAXIMIZE RESOURCES AND MINIMIZE IMPORTED WATER

Projects the District is either using or pursuing to maximize local resources and minimize the need to import water include four projects: (1) the Santa Margarita Conjunctive-Use Project, (2) a cooperative agreement with Metropolitan to store surface water runoff in Lake Skinner in Temecula, (3) a potential collaborative effort with Camp Pendleton to develop indirect potable recharge within the lower Santa Margarita watershed, and (4) expanding the use of recycled water within the District's service area.

The Santa Margarita Conjunctive-Use Project will come online in 2022 and will provide approximately 4,200 acre feet per year (AFY) of new local water to FPUD. The project expands existing facilities at Camp Pendleton that store water in the groundwater aquifers beneath Camp Pendleton. The project is part of the settlement of water rights litigation between the United States and FPUD, and it will provide a reliable water supply, enabling the District to become more self-sustaining, with its own water sources, rather than relying exclusively on imported water for potable purposes. More information on this project can be found in Section 6.

The Lake Skinner agreement solves a decades-old water-rights problem for the District. FPUD has rights to collect water in the Santa Margarita River, but no has place to store it. Lake Skinner has the storage space, but no rights to the local water. The agreement enables FPUD to store run-off in Lake Skinner, and then the water is later delivered to FPUD, increasing FPUD's overall supply. Metropolitan benefits by collecting a "wheeling charge." FPUD expects to collect, on average, 300 acre-feet of "new" water per year from the river, with the majority available in wet years.

The District is also currently completing a feasibility study to evaluate increasing the yield of the project by using recycled water available on both Camp Pendleton and FPUD. It is anticipated that a project will eventually move forward using supplies available on Camp Pendleton and will provide roughly 1,700 AFY of additional supplies for FPUD.

Finally, the District recently completed a \$25 million rehabilitation of its Fallbrook Water Reclamation Plant and a \$2 million recycled water pipeline extension. The

pipeline extension expanded FPUD’s recycled water deliveries. The primary customers for the expansion were four local plant nursery operations. More information on efforts to expand the local use of recycled water can be found in Section 6.

1.4 DEMONSTRATION OF CONSISTENCY WITH THE DELTA PLAN FOR PARTICIPANTS IN COVERED ACTIONS

Those suppliers that anticipate participating in, or receiving water from, a proposed project (covered action) that involves transferring water through, exporting water from, or using water in the Delta, per California Code of Regulations, title. 23, Section 5003 can demonstrate consistency with the state’s Delta Plan’s policy to reduce reliance on the Sacramento-San Joaquin Delta (Delta). As an urban water supplier relying in part on the State Water Project, FPUD has demonstrated its reduced reliance on the Delta in its 2015 and 2020 UWMPs through adoption of Appendix A.

1.5 DEMAND MANAGEMENT OR WATER CONSERVATION MEASURES

The District provides educational and programmatic resources to help water users in their efforts to understand and reduce water use. Operational practices and common sense prohibitions of water waste are also enforced, as mandated by state law. Public information efforts include communication efforts through a revamped District website, public relations materials and community events. A detailed discussion of the District’s efforts towards water conservation can be found in Section 9 of this UWMP.

1.6 NEW REQUIREMENTS

Five Consecutive Dry-Year Water Reliability Assessment –This is addressed in Chapters 4, 6, and 7.

Drought Risk Assessment (DRA) –Chapter 7 describes the FPUD DRA.

Seismic Risk –This is addressed in Chapter 8.

Water Shortage Contingency Plan (WSCP) –The WSCP is addressed in Chapter 8.

Groundwater Supplies Coordination –The Santa Margarita Conjunctive Use Project (SMRCUP) is described in Section 6.

Lay Description – Included in this Section.

Section 2 – Plan Preparation

2.1 BASIS FOR PREPARING A PLAN

The California Water Code (CWC) requires all urban water suppliers within the state to prepare Urban Water Management Plans (UWMP) and update them every five years. These plans satisfy the requirements of the Urban Water Management Planning Act (Act) of 1983, including amendments that have been made to the Act. Subsequent assembly bills have amended the Act, particularly the significant SB X7-7 update, also known as the Water Conservation Act of 2009 or “20 x 2020,” which added the requirement that agencies establish water use targets for 2015 and 2020 that would result in statewide savings of 20 percent by the year 2020. This plan also incorporates expected impacts of additional conservation legislation (SB 606 and AB 1668).

The UWMP Act states that water suppliers must provide a brief discussion of the applicability of Section 10617 of the California Water Code as it relates to their agency. That section defines an urban water supplier as an agency that provides water for more than 3,000 customers or supplies more than 3,000 acre-feet of water annually. By this definition, Fallbrook Public Utility District (FPUD or District) is an urban water supplier operating a Public Water System (PWS) and therefore is required to update and adopt a 2020 UWMP for submittal to the California Department of Water Resources.

The table below shows FPUD’s total number of municipal connections and volume of potable water supplied in Calendar Year 2020.

Table 2-1 Retail Only: Public Water Systems			
Public Water System Number	Public Water System Name	Number of Municipal Connections 2020	Volume of Water Supplied 2020
3710008	Fallbrook Public Utility District	9,270	8,403
TOTAL		9,270	8,403

FPUD has updated its UWMP to satisfy the year 2020 requirements of the UWMP Act, including addressing the requirements of the Water Conservation Act of 2009. This 2020 UWMP describes the availability of water for normal, dry, and five consecutive dry-year scenarios. The UWMP also contains a Drought Risk Assessment (see Section 7). It also discusses water use, reclamation, and water-conservation activities. This UWMP concludes that the water supplies available to FPUD’s customers are adequate over the next 25-year planning period.

2.2 REGIONAL PLANNING

FPUD relies on imported water supplied by the regional wholesaler, the San Diego County Water Authority (SDCWA or Water Authority), which in turn relies, to some extent, on Metropolitan Water District of Southern California (Metropolitan). While in the past the majority of FPUD’s potable water has been supplied by the aforementioned two agencies, starting in 2022, FPUD will begin production of its own local water supply. This new supply will help FPUD transition from being largely dependent on imported water purchases to having a significant portion of its potable water demand met through its own local water supply source, contributing to regional self-reliance. The District will continue to receive imported water to meet part of its supply needs. For more information on wholesale agencies water supply plans for FPUD, please reference the 2020 Urban Water Management Plans for the Water Authority and Metropolitan.

To better match the needs and priorities of its customers FPUD is also pursuing a governmental reorganization through the San Diego Local Agency Formation Commission (LAFCO) that, if approved, will allow FPUD to change its wholesale water provider from SDCWA to Eastern Municipal Water District (EMWD). As part of that process EMWD completed a [supply reliability assessment](#) to demonstrate it can reliably meet FPUD’s water demands during dry years when Metropolitan has initiated its Water Shortage Allocation Plan through its access to MWD supplies. This process will take several years to complete and if successful it will be included in the District’s 2025 UWMP. Because it is possible this process will not complete by 2025, the planning projections in this 2020 UWMP assume that Water Authority will continue to be the District’s primary wholesale supplier.

2.3 INDIVIDUAL OR REGIONAL PLANNING AND COMPLIANCE

FPUD’s 2020 UWMP is based solely on the District’s service area. Please refer to Table 2-2, below. However, the District has coordinated with appropriate regional agencies and constituents, including providing appropriate notifications as required.

The table below shows FPUD’s Plan type.

Table 2-2 Retail Only: Plan Identification (Select One)	
X	Individual UWMP
	Regional UWMP (RUWMP)

2.4 FISCAL OR CALENDAR YEAR AND UNITS OF MEASURE

FPUD's 2020 UWMP reports information on a calendar year, beginning with Calendar Year 2020. The District also uses acre-feet (AF) increments to report water usage throughout the Plan. Please refer to Table 2-3.

The table below identifies the type of agency.

Table 2-3 Agency Identification	
	Agency is a wholesaler
X	Agency is a retailer
Fiscal or Calendar Year (select one)	
X	UWMP Tables Are in Calendar Years
	UWMP Tables Are in Fiscal Years
If Using Fiscal Years Provide Month and Day that the Fiscal Year Begins (dd/mm)	
Units of Measure Used in UWMP	
Unit	Acre Feet (AF)

2.5 COORDINATION AND OUTREACH

The UWMP Act requires that when a water supplier relies on a wholesale agency for a water supply, both suppliers are required to provide each other with information regarding projected water supply and demand.

The table below lists the wholesale suppliers with which the District has coordinated.

Table 2-4 Retail: Water Supplier Information Exchange
The retail supplier has informed the following wholesale supplier(s) of projected water use in accordance with CWC 10631.
Wholesale Water Supplier Name (Add additional rows as needed)
San Diego County Water Authority*

*The District is in a governmental reorganization process that if approved will result in FPUD purchasing wholesale water from Eastern Municipal Water District. Any changes in wholesale agencies will be reflected in the 2025 update to FPUD's UWMP.

The UWMP Act requires the District, to the extent practicable, to coordinate the preparation of its Plan with other appropriate agencies.

COORDINATION WITH APPROPRIATE AGENCIES

CWC §10620(d)(3)

Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the areas, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

While preparing the 2020 UWMP, the District coordinated its efforts with the Water Authority, EMWD, the nearby Rainbow Municipal Water District, the local chamber of commerce and library, San Diego County Department of Planning and Development, the San LAFCO, San Diego Association of Governments (SANDAG), the Santa Margarita River Watermaster, County Supervisor Jim Desmond's office, the Fallbrook Planning Group, the Marine Corps Base Camp Pendleton, and Mission Resource Conservation District (a watershed group). A copy of the notice that was sent out to the organizations listed above can be referenced in Appendix B. See Section 10 for more information. FPUD notified these entities at least 60 days in advance of the public hearing on the Plan, as required. Per California Water Code section 10642 FPUD has provided notice of the time and place of a hearing to any city or county within which the supplier provides water supplies.

COORDINATION WITHIN THE DISTRICT

District staff members met and coordinated the development of this 2020 UWMP. Those members included Noelle Denke, Public Affairs Specialist; Aaron Cook, Engineering Manager; Mick Cothran, Engineering Technician; and Jack Bebee, General Manager.

As a member agency of the Water Authority, District staff and board members receive updates from the Water Authority's staff and board on Water Authority Planning efforts. The District's general manager is a member of the Water Authority Board.

PUBLIC NOTICE AND HEARING CWC §10642

Each urban water supplier shall encourage the active involvement of diverse social, cultural and economic elements of the population within the service area prior to and during the preparation of the plan. Prior to adopting a plan, the urban water supplier shall make the plan available for public inspection and hold a public hearing thereon. Prior to the hearing, notice of the time and place of the hearing shall be published... after the hearing the plan shall be adopted as prepared or as modified after the hearing.

PUBLIC PARTICIPATION

FPUD has encouraged community participation in its 2020 urban water management planning efforts through its board of directors. The board, which is made up of elected community representatives, has been actively involved since the first plan was developed in 1985. Additionally, public monthly meetings are held on the fourth Monday of each month at 4 p.m., giving the community an opportunity to provide input and participation in the urban water management planning effort.

Notices of public meetings are posted outside the district office and on the website. Copies of this plan are available at the local library, the district office and on the district's website at www.fpud.com.

PLAN ADOPTION

District staff prepared this update during the first and second quarters of 2021. The updated plan was adopted by the board of directors on June 28, 2021 and submitted to the California Department of Water Resources within 30 days of the board's approval and by July 1, 2021. This UWMP includes all information necessary to meet the requirements of the CWC.

A draft of this UWMP was presented to the Board of Directors at its regular monthly meeting on May 24th, 2021, and a final version was presented at the regular monthly meeting on June 28th, at which time the board held a public hearing on the Plan. The Plan was made available for public review prior to final acceptance.

Section 3 – System Description

3.1 GENERAL DESCRIPTION AND LAND USES WITHIN SERVICE AREA

FPUD is a public entity, and its mission is to provide a safe and reliable supply of water to residents and customers in the Fallbrook area. The FPUD service area is rural and semirural in character with a historic agricultural identity. FPUD is unique from almost all of the other more urbanized Water Authority member agencies which have experienced rapid growth and economic development over the last 20-30 years. Many of FPUD's commercial agricultural customers have faced price increases in imported water supplies and have in many instances abandoned orchards or converted to less water-intensive land uses. In comparison to the more urbanized portions of San Diego County FPUD has a much less dense housing stock and smaller population with less household income than many of the urbanized portions of San Diego County, while serving a geographically large service area. Despite these challenges, FPUD has made cost effective and affordable investments in local supplies and water conservation that have improved its reliability and contributed to overall regional self-reliance.

General plan for land use

Fallbrook is an unincorporated community of San Diego County. As such, area land use is subject to regulation by the County Board of Supervisors. This is accomplished through the use of the County General Plan. As part of the General Plan, community plans were developed for each of the major unincorporated communities in the County. Each plan is designed to meet the specific needs of a community. The Fallbrook Community Plan (FCP), which is part of the County of San Diego General Plan, was originally adopted on Dec. 31, 1974 by the Board of Supervisors, adopted on Aug. 3 2011, and most recently amended in May of 2016. The FCP did not project land use for intermediate future years but rather produced an ultimate land-use plan. While the Community Plan specifies land use, it does not constitute zoning. All future zoning is legally required to be consistent with the adopted community goals and objectives presented in the FCP.

The following general goal has been adopted in the FCP: "Perpetuate the existing rural charm and village atmosphere while accommodating growth in such a manner that it will complement and not sacrifice the environment of our rustic, agriculturally oriented community."

The FCP attempts to fulfill this goal by limiting future multiple-use and high-density development to the designated town center and is referred to in the County General Plan as a "Country Town." Land outside the designated town center, extending to the community's boundaries, is intended for agricultural uses and rural, residential development and has parcel size limits of 1, 2, 4, or 8 acres, depending on topography and steepness of the land. Most population increase is occurring within the Country Town as land is developed into subdivisions and apartment units. Outside the Country Town, land subdivision has been occurring

gradually as 40- and 80-acre parcels are split up over many years down to the permissible minimum size of 2 or 4 acres. Based on the updated General Plan, larger parcels further from roads and utilities may be limited to minimum lot sizes, much larger than 2 to 4 acres. Agricultural land use has been undergoing a gradual shift from primarily avocados and citrus to a mixture of crops including other subtropical fruit and nut orchards such as macadamias, persimmons, kiwis, cherimoyas, grapes, dragon fruit, etc. In addition, ornamental flowers and commercial nurseries are increasing in prominence and will tend to preserve the agricultural orientation of the community. Decreases in agriculture, due to increasing water cost as well as development, are expected to slow and not decrease at the same rate they have over the last decade.

Conversion of land uses from purely agricultural use to rural residential is a function of agricultural economics, high water costs, and increasing land values, which are likely to continue to push some loss of agricultural properties in the District. As noted previously, a sizeable amount of agricultural acreage has been abandoned due to imported water price sensitivity and taken out of production with no foreseeable conversion plans.

For water planning purposes land use within FPUD's service area have been categorized as follows

- Single Family Residential
- Multi-Family Residential
- Commercial
- Institutional & Government
- Landscape
- Agriculture

These categorizations match the land use types tracked and forecasted by the San Diego Association of Governments (SANDAG). County of San Diego General Plan information and current data and land use projections from SANDAG were used in the development of FPUD's long range demand forecast and in characterizing and quantifying current water use and projecting future water use by land use category. The same data is used by the Water Authority in its water planning activities for its service area and by FPUD. FPUD coordinated with SANDAG and the Water Authority to provide current and projected land use data in this UWMP.

History and description of the District's service area

The first permanent recorded settlement in Fallbrook was in 1869, in the east area of the District, which later became Live Oak County Park. Agriculture has always been a major industry in the area. The first plantings were olives and citrus, which were replaced in the 1920s by avocados. Fallbrook is generally recognized as the "Avocado Capital of the World."

FPUD, originally consisting of about 500 acres, was incorporated on June 5, 1922. In 1927, the Fallbrook Irrigation District voted to dissolve and a portion of the former Irrigation District became part of FPUD, increasing the size of the District to 5,000 acres. Subsequently, a plan to develop water from the Bonsall basin of the San Luis Rey River was started and by 1946 three 1,000 gallon-per-minute wells were in operation. The District also obtained additional water from rights on the Santa Margarita River. Wells were added over the years until 1953 when, due to the generally over-drafted condition of the San Luis Rey River, the District was restricted from extracting water after April 1, 1954, when the average static water level in the Basin was greater than 18 feet below the surface of the ground.

The District became a founding member of Water Authority at its formation on June 9, 1944, and thus was eligible to receive a portion of the Colorado River water diverted by the Metropolitan. When Colorado River water became available in 1948, consumption within the District gradually increased to approximately 10,000 acre-feet per year by 1959. In 1978, Metropolitan augmented its supply system with water from the California State Water Project and began delivering both waters to San Diego County.

Use of Santa Margarita River water continued until 1969 when floods destroyed the District's diversion works. These facilities were not replaced because in 1968 a Memorandum of Understanding & Agreement was signed with the Federal Government to develop a two-dam and reservoir project on the river for the benefit of this District and the U.S. Marine Corps Base Camp Pendleton. This agreement was the culmination of 17 years of water rights litigation in the *U.S. vs. Fallbrook* case and the federally sponsored project was known as the Santa Margarita Project. Further discussion of this project can be found in Section 6 of this UWMP.

Annexations of the District

Significant expansions of the District service area took place in 1950 when it annexed the last remaining portion of the Fallbrook Irrigation District and in 1958 when the area to the north of the town on both sides of the Santa Margarita River annexed to the District. In May 1990, the registered voters of the De Luz Heights Municipal Water District, whose service area joins Fallbrook to the northwest, decided to dissolve their 17-year-old district and annex into FPUD's. This annexation added 11,789 acres (42% increase) to Fallbrook's service area; it increased water use by 25% as well as the number of service connections. The De Luz Heights Municipal Water District was a member agency of the Water Authority and Metropolitan, and relied on the same source of imported water except for three small wells, which had produced approximately 100 AF per year.

Currently, the District serves an area of 28,000 acres. Approximately 30% percent of the annual water deliveries are for agricultural use. This number is significantly lower than in prior years. The remainder is for municipal, residential, and industrial uses. Total growth in population over the past 20 years has been about 24%, or about 1.6% annually. It increased from a population of 28,200 in 1995 to a

population of 35,237 in 2020. Annual water consumption increased to a high of 19,597 acre-feet/year in 2007, then decreased to 8,403 in 2020. This decrease in water consumption was due to the drought and the watering restrictions placed on customers, as well as the increased cost of water.

District's Governance

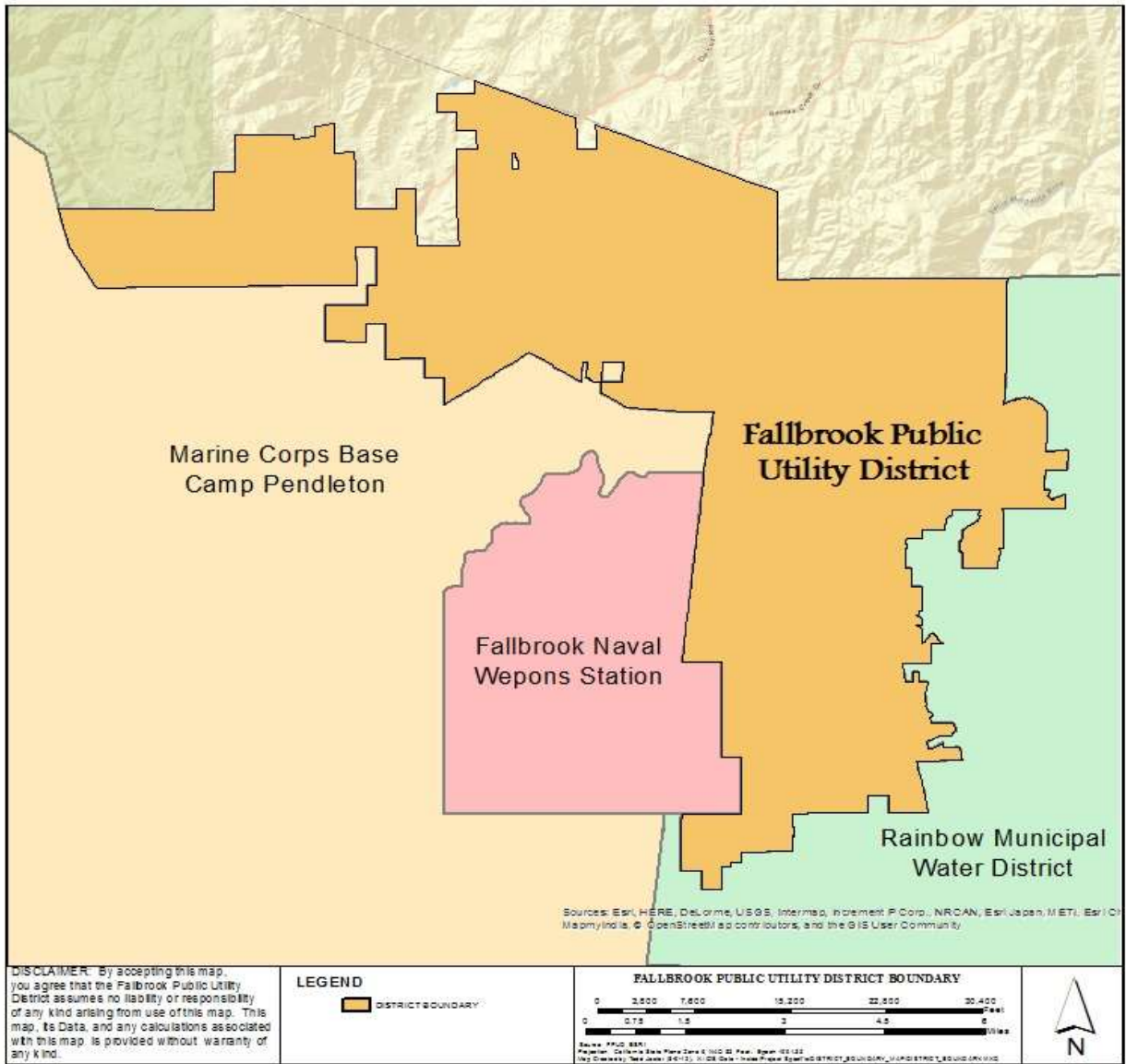
The FPUD board of directors is made up of five community members, elected by specific divisions within the District's service area. In March 2016, the board unanimously approved a resolution to change the method of election to territorial units and approved a map identifying those five territorial units. To run for office, a candidate must live in the area they are running to represent.

3.2 SERVICE AREA BOUNDARY MAPS

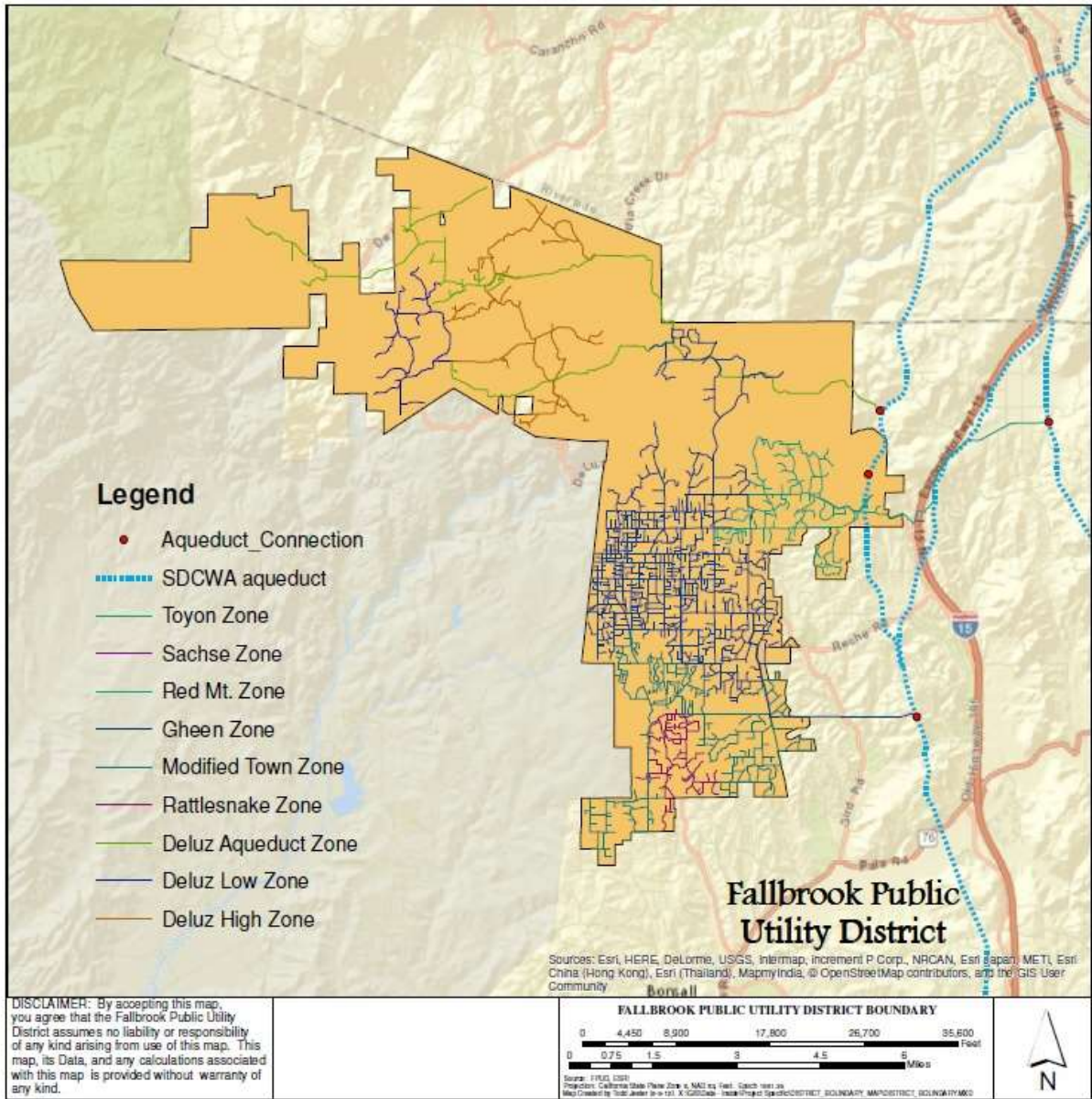
DESCRIPTION

Currently FPUD imports almost all of its potable water from the Water Authority, which takes delivery of most of its supplies from Metropolitan. Water Authority deliveries from Metropolitan include its own Colorado River supplies (discussed further in Section 6 of this UWMP) and purchases of Metropolitan supplies which are made up of a blend of State Water Project and Colorado River water. FPUD has four connections to the imported water system. Three of these connections are to pipelines owned by Metropolitan, and one connection is to a pipeline owned by Water Authority. The Water Authority currently purchases treated water from MWD that is treated at the Skinner Water Treatment Plant (WTP) and delivered to FPUD's aqueduct connections. Other current District water supplies include the Capra well (potable) and locally produced recycled water (non-potable). These sources are discussed in greater detail in Section 6 of this UWMP. FPUD's retail 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 operates the system, and conducts all system maintenance and repairs. FPUD is at over 90% completion of an Advanced Metering Infrastructure (AMI) system upgrade that will enable real-time meter reading and provide customers with real-time water use in an effort to increase water use efficiency. If FPUDs requested Reorganization, which is not yet assumed for water supply planning purposes for this 2020 UWMP, is approved by LAFCO there will not be any changes to retail water distribution in FPUD's service area.

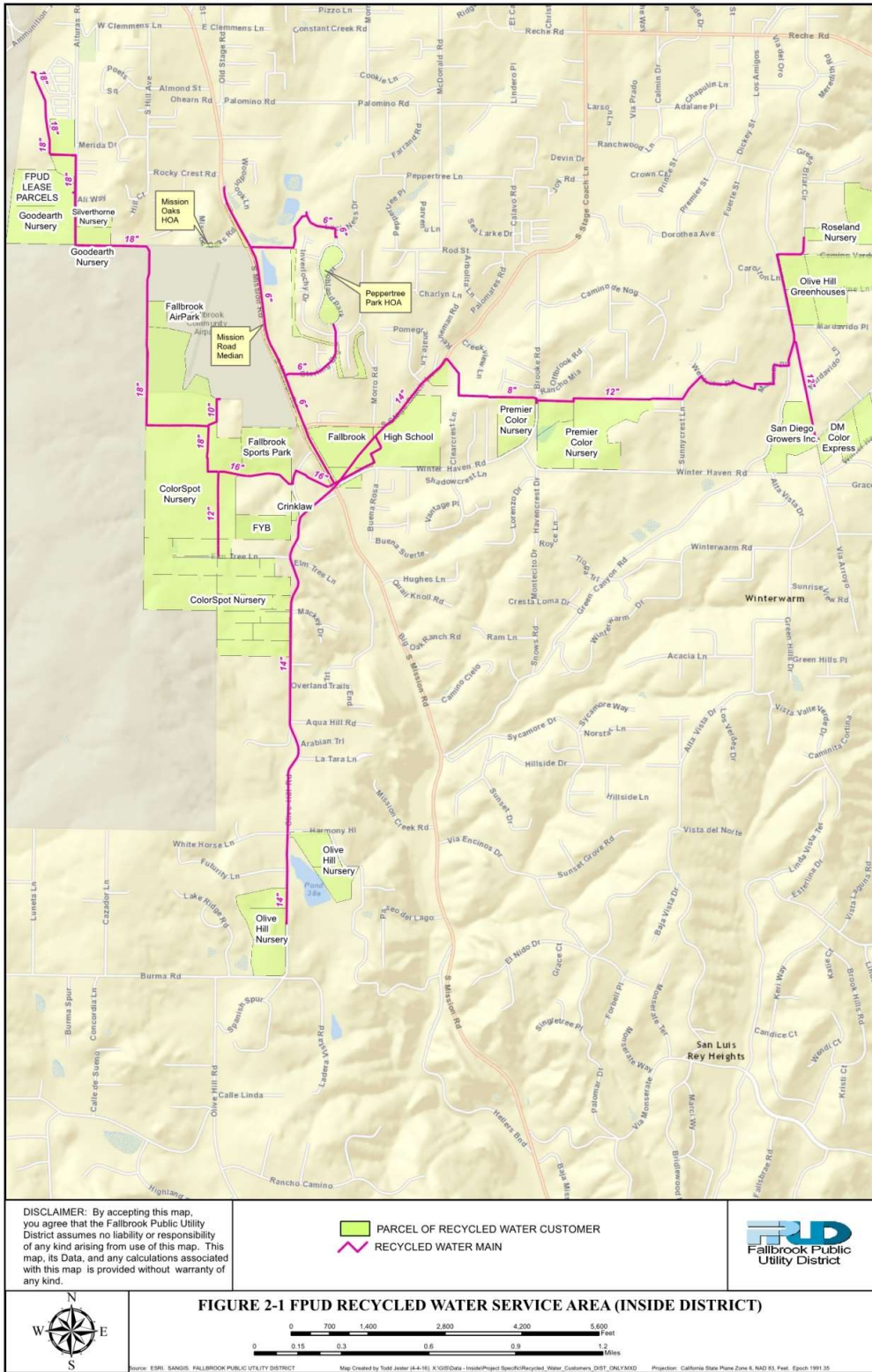
The map below shows FPUD's potable water service area boundaries with reference to Camp Pendleton and Rainbow Municipal Water District.



The map below shows FPUD's distribution system.

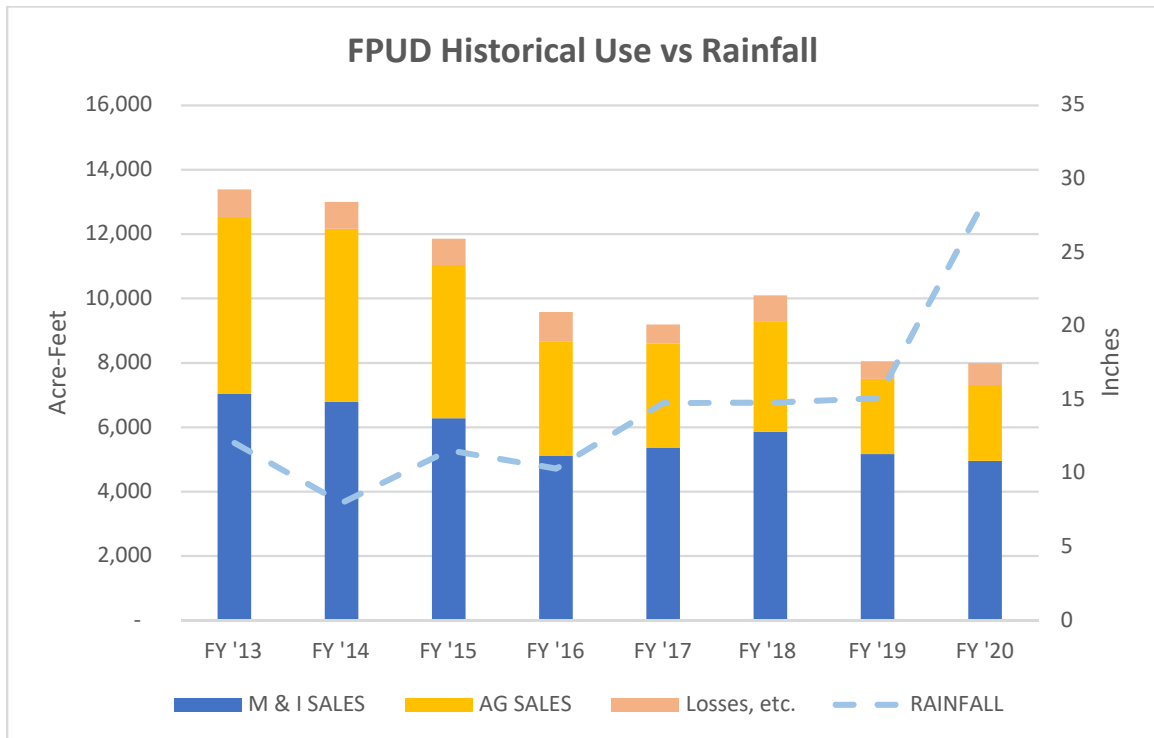


The map below shows FPUD's recycled water system.



3.3 SERVICE AREA CLIMATE

The climatic conditions within FPUD’s service area are characteristically mild Mediterranean with an average year-round temperature of 64 degrees. The average high temperature in Fallbrook is 76 degrees with the warmest summer temperature rarely higher than 100 degrees. Average winter nighttime temperature is 42 degrees and mostly frost-free.



Climate Change

Climate change, and its potential impacts on water demand and supply reliability is an important consideration for water utilities large and small. Because the District’s imported supplies from the Colorado River and State Water Project are subject to climate change induced challenges to precipitation and snow melt patterns, the District’s efforts to diversify its supply and the achievement of significant reduction in demand has made it more resilient to climate change. In recent years, the District has made considerable efforts to diversify water supplies, including the development of local groundwater from the Santa Margarita Conjunctive Use Project, and participation in the development of a local indirect potable recharge project in conjunction with Camp Pendleton. These projects are discussed in greater detail in Section 6 of this plan. Demand management measures, or water conservation, is also an important consideration for the District, and more information on conservation practices can be found in Section 9 of this plan. Because the primary vulnerability to climate change are the District’s

imported water sources, in-depth scientific analysis was conducted by Metropolitan and the Water Authority in their respective 2020 UWMPs.

Metropolitan discusses the effects of Climate Change on its primary supplies, the Colorado River and State Water Project along with its climate related management activities in Section 2 of its 2020 Urban Water Management Plan. Metropolitan identifies the following risks associated with its supplies:

- Reduction in Sierra Nevada snowpack;
- Increased intensity and frequency of extreme weather events;
- Prolonged drought periods;
- Water quality issues associated with increase in wildfires;
- Changes in runoff pattern and amount; and
- Rising sea levels resulting in
 - o Impacts to coastal groundwater basins due to seawater intrusion;
 - o Increased risk of damage from storms, high-tide events, and the erosion of levees; and
 - o Potential pumping cutbacks on the SWP and Central Valley Project (CVP)

Metropolitan continues to incorporate current climate change science into its planning efforts, and evaluate a wide range of water management strategies. Mitigating the risks that climate change presents to water supply reliability has led Metropolitan to develop intensive technical and administrative review processes that results in adaptive plans that respond to uncertain future conditions. The foundation of Metropolitan’s adaptation to climate change is through its use of expansive storage programs and its strong dedication to water use efficiency. Metropolitan’s planning activities support its Board’s principles of:

- Supporting reasonable, economically viable, and technologically feasible management,
- Strategies for reducing impacts on water supply,
- Supporting flexible “no regret” solutions that provide water supply and quality benefits while increasing the ability to manage future climate change impacts, and
- Evaluating staff recommendations regarding climate change and water resources under the California Environmental Quality Act (CEQA) to avoid adverse effects on the environment.

The Water Authority addressed the effects of Climate Change in its 2020 Urban Water Management Plan as it effects demand (Section 2.4.4) and the regions’ sources of supply (Section 6.2.2). While the Water Authority’s plan recognizes that “definitive projections on the timing and magnitude of climate change-initiated variations to local temperature and precipitation patterns are still forthcoming,” references to bodies of research such as general circulation models (GCMs),

representative concentration pathways (RCPs), and Localized Constructed Analog (LOCA) climate projections discuss specific climate data, such as annual precipitation and temperature changes. The main focus of the Water Authority's analysis was the effect climate change can have on water demands. The Water Authority has adopted a qualitative evaluation approach that uses a manageable number of climate change scenarios to develop a range of potential demands.

The development of demand forecasts based on alternative climate scenarios for the Water Authority's service area began by selecting LOCA scenarios (combination of GCM and RCP) reflecting central tendencies and extremes of climate projections, specifically:

1. Relatively large increases in both average temperatures and precipitation (Warm/Wet)
2. Relatively large increases in average temperature and relatively large decreases in average precipitation (Warm/Dry)
3. Relatively small increases in average temperature and relatively large increases in precipitation (Cool/Wet)
4. Relatively small increases in average temperature and relatively large decreases in precipitation (Cool/Dry)
5. Moderate increases in average temperature and moderate changes in precipitation (Moderate)

The Water Authority analysis of the five climate scenarios concluded that there were no dramatic shifts in seasonal patterns of precipitation and average maximum daily temperature for the San Diego region were observed under any of the scenarios it analyzed. However, on average, annual amounts of precipitation tend to be more concentrated in the winter, with lesser proportions of total annual precipitation occurring in the spring and fall. Although rising temperatures and less precipitation will impact demand the results of the Water Authority's analysis suggest that more significant water demand impacts associated with the forecasted trend toward warmer and drier climate conditions may occur on a time-step beyond the 2020 UWMP planning horizon.

3.4 SERVICE AREA POPULATION AND DEMOGRAPHICS

SERVICE AREA POPULATION

Forecasted population for the FPUD service area is provided by the San Diego Association of Governments (SANDAG). The latest forecast conducted by SANDAG is its Series 14 forecast and is based on General Plan land use information and economic and demographic forecasting models. Table 3-1 below reflects SANDAG Series 14 population forecast for FPUD.

The table below shows population data.

Table 3-1 Retail: Population - Current and Projected						
Population Served	2020	2025	2030	2035	2040	2045(opt)
	35,237	34,143	35,323	37,110	38,190	38,943

DEMOGRAPHIC FACTORS AFFECTING WATER MANAGEMENT

Water usage has been steadily declining in FPUD’s service area since its peak in 2007. Over the years, many large agricultural areas (especially in remote areas of the District’s service area) have been left fallow, while some parcels that were previously agricultural have been converted to smaller residential properties. The conversion of agricultural properties to residential properties has not advanced at a pace to maintain water demands at historic levels. The cost of water has been an important driver in the dynamic of contracting water sales, affecting agricultural and residential water users alike.

Demographics

Based on the 2019 census (American Community Survey) the Fallbrook Census Designated Place (CDP) median household income was \$63,244 in 2019. This is roughly 15% less than the median income in the state of \$75,235 and 20% less than the median household income for San Diego County. The percent of person in poverty was 12.8% compared to 11.8% statewide and 10.1% for San Diego County. The lower income levels and higher poverty levels in the community make water affordability an ongoing challenge with the increasing cost of water and infrastructure replacement needs in the community.

The age distribution is summarized below

- Under five years: 7.4%
- Under 18 years: 23.8%
- 65 years and older: 17.8%

The 65 and older population is slightly higher than the statewide average of 14.8% and 14.5% for San Diego County which presents further challenges in increasing water costs with an older population on fixed incomes.

The community is 47.8% Hispanic or Latino and 45.6% White alone, not Hispanic or Latino, which are both higher percentages than California as a whole and San Diego county percentages of 34.1% and 45% respectively.

Agricultural water discount

Agricultural customers have the option of enrolling in a discount water program. The Permanent Special Agricultural Water Rate, or PSAWR, is offered through the Water Authority. The “Permanent” in PSAWR describes the Water Authority Board’s decision to replace a similar program that ended in 2020 (Transitional Special Agricultural Water Rate). In order to qualify for the discount, agricultural customers must certify that the use of the water they purchase meets the following definition:

“the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade or industry, or 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.”

In addition, PSAWR participants must be enrolled in one of four regional agricultural programs; Grower’s List (pesticide use), Active Certified Producer (farmer’s market certificate), Organic Producer (CFDA/USDA) or the San Diego Regional Water Quality Control Board General Agricultural Order Enrollment Program (Ag Order). By participating in the PSAWR program, Ag customers receive a discount off the price of water. In exchange for the discount, the customer signs an agreement that in the event of a drought or emergency, service may be interrupted and mandatory reductions in water could occur. Further, if Metropolitan reduces deliveries to the Water Authority by a specific percentage, the PSAWR customer would be required to reduce their usage by that same percentage.

The PSAWR discount is derived from two things: first, participants do not pay the full cost of San Diego County’s emergency storage program, and second, participants do not pay any of the costs associated with the supplemental water supplies developed by the Water Authority. These supplemental supplies, such as the Bud Lewis Carlsbad Seawater Desalination Plant and the Imperial Irrigation District Transfer are more expensive. The PSAWR program is a discretionary program of the Water Authority and there are no guarantees that the Water Authority Board of Directors will continue the program indefinitely. Any cessation of PSAWR by the Water Authority would be expected to reduce agricultural water use.

FPUD also offers a locally administered agricultural water program called the Commercial Agricultural Water Program. Participation requirements include documentation of an agricultural operation’s commercial sales and the cultivation

of at least one acre of agricultural area. Similar to PSAWR, participants agree to potential interruption if/when supply issues occur.

Detailed information about agricultural programs offered to FPUD ratepayers is available on the District's website at: <https://www.fpud.com/agriculture-programs>

Section 4 – Water Use Characterization

4.0 WATER USE CHARACTERIZATION AND LAY DESCRIPTION

This section will analyze factors that affect water demands within the District's service area. The late 20th Century and early 21st Century saw steady increases in water use in the Fallbrook area, particularly in the agricultural sector. By the late aughts, however, water demand trends began to shift. Drought, economic challenges associated with farming, and increasing water costs have collectively depressed agricultural water demands. The cost of water has also driven a decline in irrigation use by domestic and commercial properties, whether for landscaping, turf irrigation, or small scale fruit and vegetable production (often referred to as "home fruit"). On the whole, overall water demands within FPUD's service area in 2020 were less than 50% of historic highs.

Growth of new residential and other non-agricultural water demands in the FPUD service area is not expanding at the pace being seen in other urbanized portions of San Diego and Southern Riverside County communities. Considering the location of the District's service area is important to understanding the slow pace of development. Because Fallbrook is located some distance from major freeways, transportation lines or substantial commerce/job markets, there are inherent challenges to residential and commercial expansion. These unique land use and water use trends specific to FPUD's service area were incorporated in this plan's demand forecasting.

While traditional tree crop farming, such as avocados, may be on the decline due to price sensitivity and market conditions, the farming community in Fallbrook has demonstrated resilience by adjusting to new lower water use and higher value crops such as plant nurseries, wine grapes, specialty fruit, and cut flowers. These crops require less water than citrus and avocados. In addition, several plant nurseries have invested in diversifying their irrigation supplies by tying into FPUD's ever-expanding recycled water distribution system. Crop conversions are not expected to result in increased or stable agricultural water use, rather they are likely to further contribute to the current trend of reduced overall water use by agricultural water users.

Many water users have adapted to steadily increasing water costs by investing time and money in water management strategies. To assist with these needs, the District has implemented several programs such as irrigation audits and an automated meter system that can help catch water leaks early, and that allows rate payers to track their water use online. These programs and others will be discussed in further detail in Section 9, "Demand Management Measures."

4.1 RECYCLED VERSUS POTABLE AND RAW WATER DEMAND

The District provides water and sewer services for portions of the rural town of Fallbrook. Sewer service is provided to approximately 5,000 sewer connections in an unincorporated area of about 6.6 miles. The remainder of customers in FPUD's service area are on septic systems. The District's Water Reclamation Plant treats an annual average of 1.6 million gallons per day (MGD) and has a capacity of 3.1MGD. The District recycles wastewater for irrigation.

In December 2015, the District completed a \$25 million rehabilitation of its Water Reclamation Plant, including a \$2 million recycled water pipeline extension and the construction of a small storage facility to normalize recycled water distribution. Although these improvements more than doubled recycled water production capacity from 600 acre-feet per year (AFY) to more than 1,700 AFY, actual recycled water demands have decreased as agricultural water users have switched to crops with lower water demands. In addition, in 2019 the District lost one of its largest recycled water users, CALTRANS. For nearly thirty years, FPUD recycled water was used to irrigate landscaping along highways 76 and I-5. The implementation of the Santa Margarita River Conjunctive Use Project (SMRCUP) will necessitate the use of the District's ocean outfall line for brine effluent from the SMRCUP water treatment plant along with excess recycled water produced at the Water Reclamation Plant. This brine/tertiary recycled water mixture will not be suitable for irrigation.

To maximize the local reuse of recycled water, the District is completing a feasibility study to evaluate increasing the yield of the SMRCUP by using recycled water available from both Camp Pendleton and FPUD for indirect potable recharge. If successful, this conceptual project will eventually move forward using supplies available on Camp Pendleton and will provide roughly 1,700 AFY of additional potable water supplies for FPUD.

In 2020, 99% of the potable water that entered the District's distribution system was purchased from the Water Authority as treated imported water. The Water Authority has its own Colorado River supplies and is a member agency and purchases wholesale water from Metropolitan. Metropolitan' sources include the State Water Project and the Colorado River. Starting in 2022, the District will begin local water production from the SMRCUP. The implementation of this project will signal a shift towards reduced reliance on imported water to satisfy the District's water demands. Instead, when combined with the District's water recycling program, a large portion of local demands will be satisfied by locally produced water.

FPUD does not currently purchase raw water.

4.2 PAST, CURRENT, AND PROJECTED WATER USES BY SECTOR

4.2.1 Past Water Use

Prior to 2010 FPUD'S water use was characterized by a very large commercial agricultural sector that accounted for nearly 50% of the District's water use. Residential water use was characterized by large lot single family residences, commonly featuring home fruit orchards, and verdant landscapes that often had substantial irrigation requirements. The drought of 2008 and the concurrent increase in imported water prices saw the beginning of a major decline in agricultural and residential irrigation within the District. By the early 2010s, for many residential properties, the cost of water drove many water users to reduce consumption. While some took advantage of conservation programs such as rebates for turf removal or adopted drought tolerant landscaping practices (turf reduction, low water use plant material, high efficiency irrigation equipment), many water users simply eliminated irrigated areas, removed groves of tree crops and shut irrigation systems off. These factors were compounded with the drought of 2013-2016 which accelerated the reduction of the agricultural sector as well as greater water use efficiency by both remaining agricultural and existing residential customers served by FPUD. The reduction in agricultural water and the conservation savings realized by District residential customers allowed FPUD to more than meet its requirements under the 2014 and 2015 SWRCB Emergency Urban Water Conservation Regulation during this most recent drought and continue those savings to the current time.

Water use for the period of 2016-2020 has continued to see the stabilization of conservation gains made by Municipal & Industrial (M&I) customers and the continued decline in agricultural water use. This is evidenced by the continued decline in the District's gallons per capita per day (GPCD) water use between 2015 and 2020, when compared to its 20 by 2020 Baseline (see Section 5 of this UWMP). Water use factors, normalized for weather, were developed based on this period of time due to the stability of water use across all sectors as a predictor of future water use.

4.2.2 Current Water Use

All of FPUD's deliveries are metered, and their categorization by sector are consistent with DWR guidelines.

The table below shows actual demands for potable water in 2020

Table 4-1 Retail: Demands for Potable and Raw Water - Actual			
Use Type <i>(Add additional rows as needed)</i>	2020 Actual		
<i>Use Drop down list May select each use multiple times These are the only Use Types that will be recognized by the WUEdata online submittal tool</i>	Additional Description <i>(as needed)</i>	Level of Treatment When Delivered <i>Drop down list</i>	Volume
Single Family		Drinking Water	4052
Multi-Family		Drinking Water	612
Commercial	Includes Industrial	Drinking Water	453
Institutional/Governmental		Drinking Water	96
Landscape		Drinking Water	25
Agricultural irrigation		Drinking Water	2,319
Losses		Drinking Water	846
TOTAL			8,403

FPUD does not have transfers, exchanges, sales to other agencies, surface water augmentation, wetlands or wildlife habitat, or other water uses. Losses in table 4.1 include all forms of non-revenue water. More detailed information regarding water loss is available in greater detail in the Fiscal Year 2020 AWWA Water Loss Audit, included in this plan as Appendix C.

4.2.2 Projected Water Use

Forecasting Methodology for Potable Water

FPUD has forecasted its water demand on a weather normalized basis using a land use based methodology consistent with DWR’s Guidebook Appendix K recommendation that,

“...a water supplier separate each of the six customer categories described in Water Code Section 10631(d)(1) into “existing” and “future” customers.”

Develop Water Use Factors: The first step in this process is to develop a water use factor by land use category. That water use factor was developed based on FPUD’s comprehensive customer meter database “Water History.” This database contains all sectoral meter data by customer class for each month of the year. Using 100% of customer water use data for the period of Calendar Year 2016 through Calendar Year 2020 average annual water use factors were developed for

each sector that had meter data. There were no emergency water use restrictions in place, and no recessionary economic effects during this 5 year period.

Weather Normalize 5 year Average Water Use: During that five year period (2016-2020) FPUD's service area experienced three average rainfall years, one year slightly below average rainfall, and one year very below average rainfall. The two below average rainfall years were weather normalized by increasing their average annual water use factor for each sector by 7%. This factor was used by the Water Authority to adjust wet years to normal weather as provided in an email from Water Authority to Jack Bebee 12/16/20 and consistent with demand index developed by the Water Authority to adjust normal weather year to dry weather years. (SDCWA 2020 UWMP)

Incorporating Future Land Use Development: SANDAG Series 14 Demographic data was used to forecast the number of Single Family Residential (SFR) and Multi Family Residential (MFR) Dwelling Units (DUs) to be developed within FPUD's service area during the forecast period. SANDAG demographic data was also used to identify current Commercial, Institutional, and Governmental acreages. Due to the lack of information and resolution of SANDAG employment data on future Commercial or Institutional development within FPUD's service area that contained in the Fallbrook Community Planning area, the District based projections on overall anticipated trends within the commercial center of the District's service area. The FPUD commercial area is largely built-out, and new commercial development is anticipated to occur along the I-15 and SR-76 corridors outside the District service area. For this reason, those acreages were held constant for the forecast period.

SANDAG data on Agricultural acreage was used to quantify existing and future acreage and to incorporate reductions in future agricultural acreage.

Projecting Future Conservation: Estimates of both active and passive future savings have been incorporated into water use projections. In its 2020 UWMP the Water Authority projects demand for its member agencies including FPUD. The Water Authority applied the Alliance for Water Efficiency's Conservation Tracking Tool to derive both active and passive savings resulting from demand management programs. The Alliance for Water Efficiency Water Conservation Tracking Tool (AWE Tool) is listed in the DWR 2020 UWMP Guidebook as an application to assist water purveyors in developing savings estimates (DWR 2020). This industry standard planning tool was used to provides granular estimates of existing and future "passive" or code-based water savings and "active" savings resulting from the implementation of demand management programs. Key water savings assumptions by the Water Authority are derived based on historical program efficiencies, current regional water savings assumptions that serve as the basis for regional incentives, and efficiency estimates by activity type that are contained in the AWE Tool library.

The Water Authority’s projection estimates future active and passive conservation measures and deducts the amount from the Baseline forecast for each of its member agencies. (Refer SDCWA 2020 UWMP Section 2.4.2 for a detailed description of how savings were calculated). The Water Authority prepared an estimate of FPUD’s future Active and Passive Conservation. FPUD used the percentage savings from the Water Authority estimate for Active and Passive conservation and subtracted those amounts from FPUD’s land use based sectoral forecast. The Water Authority data provided FPUD with the basis for determining the percent Active and Passive conservation over the forecast period using the AWE Tool.

FPUD Conservation Percentages From SDCWA UWMP					
	2025	2030	2035	2040	2045
Percent Active Savings to Total Baseline Demand	3.72%	3.16%	2.94%	2.88%	2.42%
Percent Passive Savings to Total Baseline Demand	2.92%	3.72%	3.94%	4.46%	4.99%
Percent All Savings to Total Baseline Demand	6.63%	6.88%	6.87%	7.34%	7.42%

FPUD then applied the percent savings to its land use based demand forecast to derive its projection of demand with conservation

FPUD Potable Water Demand After Conservation					
	2025	2030	2035	2040	2045
Total Retail Demand	9,206	9,574	10,199	10,474	10,589
Active Savings	314	279	277	280	238
Passive Savings	246	328	372	433	490
Total Savings	560	607	649	713	728
Demand After Conservation	8,646	8,967	9,550	9,761	9,861

The percentage for future conservation was also applied to agricultural water use since the combination of extreme price sensitivity and access to water use efficiency programs has shown a similar to even larger decrease in agricultural demand as to what has been seen in FPUD’s M&I customers. In fact there has been significant acreage of agricultural land taken out of production over the last several years within FPUD’s service area directly related to price sensitivity. Agricultural customer sensitivity to the cost of water is not expected to change in the future, and remaining commercial agricultural acreage will have an economic incentive to be as water-efficient as possible. Even though the rate of reduction in agricultural water demand is expected to be less than what has been experienced over the last 10 years it is anticipated that water sales in this sector will continue to retract.

Effects of Climate Change on Demand: SDCWA’s [2020 UWMP](#) Section 2.4.4 details the analysis it conducted to assess climate change impacts to the demand

of its member agencies. Conclusions from SDCWA’s analysis were that there were no dramatic shifts in seasonal precipitation patterns or average daily maximum temperatures resulting from the 5 different climate change scenarios that were run. SDCWA’s analysis also noted that results of the scenarios indicated that effects on demand forecasts from climate change were likely occurring beyond the forecast period for the 2020 UWMP. Based on the results of the analysis conducted by SDCWA there was not a need to adjust the Baseline Water Use factors to reflect climate change in this UWMP.

Table 4-2 below shows water demands by sector through 2045

Table 4-2 Retail: Use for Potable & Non Potable Water - Projected						
Use Type	Additional Description (as needed)	Projected Water Use*				
<u>Drop down list</u> May select each use multiple times These are the only Use Types that will be recognized by the WUEdata online submittal tool		<i>Report To the Extent that Records are Available</i>				
		2025	2030	2035	2040	2045 (opt)
Add additional rows as needed						
Single Family		4,375	4,647	5,216	5,443	5,550
Multi-Family		653	719	740	742	741
Commercial	Includes Industrial	483	482	482	479	479
Institutional/Governmental		117	117	117	116	116
Landscape		25	25	25	25	25
Agricultural irrigation		2,233	2,220	2,212	2,196	2,190
Losses		759	759	759	759	759
TOTAL		8,645	8,969	9,551	9,760	9,860
* Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.						

Table 4-3 below shows total projected water demands for recycled & potable water through 2045

Table 4-3: Total Gross Water Use (Potable and Non-Potable)

	2020	2025	2030	2035	2040	2045
Potable Water, Raw, Other Non-Potable <i>from Tables 4-1 and 4-2</i>	8,403	8,645	8,969	9,551	9,760	9,860
Recycled Water Demand <i>from Table 6-4</i>	517	830	830	830	830	830
Optional Deduction of Recycled Water Put Into Long-Term Storage¹	0	0	0	0	0	0
TOTAL WATER USE	8,920	9,475	9,799	10,381	10,590	10,690
¹ Long-term storage means water that is placed into groundwater or surface storage that is not removed from storage in the same year. Supplier may deduct recycled water placed in long-term storage from their reported demand.						

4.3 DISTRIBUTION SYSTEM WATER LOSSES

Since 2015, the District has participated in the AWWA-assisted Water Loss Audit program, completing and submitting an annual “Water Loss Audit” to the Department of Water Resources using AWWA software and protocols laid out in the AWWA Manual 36; “*Water Loss Audits and Loss Control Programs.*” As part of this exercise, the District worked with an AWWA consultant to develop strategies to improve their water loss auditing procedures. In addition, the District has staff certified as a “Water Loss Audit Validator” who performs an annual peer review water audit validation (as required by State standards) with a neighboring water retailer. More detailed information regarding water loss is available in greater detail in the Fiscal Year 2020 AWWA Water Loss Audit, included in this plan as Appendix C.

The table below shows data from Water Loss Audits from the last five years:

Submittal Table 4-4 Retail: Last Five Years of Water Loss Audit Reporting	
Reporting Period Start Date (mm/yyyy)	Volume of Water Loss ^{1,2}
07/2015	752.5
07/2016	1032.3
07/2017	793.9
07/2018	599.1
07/2019	616.3
¹ Taken from the field "Water Losses" (a combination of apparent losses and real losses) from the AWWA worksheet. ² Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.	
NOTES:	

4.4 WATER USE FOR LOWER INCOME HOUSEHOLDS

Retail water agencies are required to include the projected water use for lower income households in projected water demands. Table 4-5 illustrates that the projected water demands include low-income housing for single-family and multi-family residents. Data was derived from the Water Authority Preliminary Member Agency 2045 Demand Forecast.

The District included all projected future development including any projected lower income and multi-family developments in the projected water demands.

The table below shows low-income housing inclusion in water-use projections

Table 4-5 Retail Only: Inclusion in Water Use Projections	
Are Future Water Savings Included in Projections? (Refer to Appendix K of UWMP Guidebook) <i>Drop down list (y/n)</i>	Yes
If "Yes" to above, state the section or page number, in the cell to the right, where citations of the codes, ordinances, etc... utilized in demand projections are found.	See Section 4.4, page 18
Are Lower Income Residential Demands Included In Projections? <i>Drop down list (y/n)</i>	Yes

Section 5 – SB X7-7 Baselines, Targets, and 2020 Compliance

In 2009, the Water Conservation Act of 2009 adopted a novel demand management approach that set a conservation target for water agencies to achieve a 20% reduction in gallons per capita per day (GPCD) water use by the year 2020. This mandate is often referred to as “SBX7-7” or “20 by 2020.” The target required a baseline GPCD to be calculated from one of several pre-established methodologies and time periods. This baseline GPCD would be used to calculate an interim target for 2015, and a 2020 target GPCD. Initial targets were included in water suppliers’ 2010 Urban Water Management Plans. As part of the 2015 UWMP process, water suppliers calculated and reported an interim target GPCD reduction and were given the option to update or change the methodology used to calculate their final “SBX7-7” objective. FPUD met its interim target and chose to retain the original methodology used in the 2010 UWMP to calculate its 20 by 2020 target. Detailed information on mandates and calculations associated with reducing per capita water use can be found in the California Department of Water Resources’ (DWR) [Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use \(Methodologies\)](#). As this section will describe, water users in FPUD’s service area have achieved a twenty percent reduction in per capita water use, and the District has complied with the Water Conservation Act of 2009.

5.1 SERVICE AREA POPULATION

Population data for all of FPUD’s SBX7-7 compliance calculations has been provided by the San Diego Association of Governments (SANDAG), which was pre-approved by the Department of Water Resources.

5.2 GROSS WATER USE

“Gross Water Use” includes water entering FPUD’s distribution and excludes “Recycled Water” and “Net Storage.” “Agricultural Water” is included in gross water-use volumes, pursuant to subdivision (f), Section 10608.24, of the CWC. Calendar year totals were drawn from FPUD records, and used to calculate 20 by 2020 targets.

5.3 BASELINE DAILY PER CAPITA WATER USE AND 2020 TARGET

Utilizing “Method 1,” SANDAG population data, and a 10-year baseline period starting in 1999, FPUD’s baseline per capita per day water use was calculated as 467. The confirmed 2020 target was 374 gallons per capita per day.

The table below shows the baseline target summary.

Table 5-1 Baselines and Targets Summary					
<i>Retail Agency or Regional Alliance Only</i>					
Baseline Period	Start Year	End Year	Average Baseline GPCD*	2015 Interim Target *	Confirmed 2020 Target*
10-15 year	1999	2008	467	421	374
5 Year	2003	2007	486		
*All values are in Gallons per Capita per Day (GPCD)					

5.4 2020 COMPLIANCE DAILY PER CAPITA WATER USE

FPUD is in compliance with its 2020 target of 374 GPCD, with an actual calculated 2020 gallons per capita per day water use of 213.

The table below shows the District’s compliance.

Submittal Table 5-2: 2020 Compliance				
From SB X7-7 2020 Compliance Form				
<i>Retail Supplier or Regional Alliance Only</i>				
2020 GPCD			2020 Confirmed Target GPCD*	Did Supplier Achieve Targeted Reduction for 2020? Y/N
Actual 2020 GPCD*	2020 TOTAL Adjustments*	Adjusted 2020 GPCD* (Adjusted if applicable)		
213	0		374	YES
*All cells in this table should be populated manually from the supplier's SBX7-7 2020 Compliance Form and reported in Gallons per Capita per Day (GPCD)				
NOTES:				

For additional information regarding FPUD’s compliance with the Water Conservation Act of 2009, please reference the FPUD “SBX7-7 2020 Compliance Form” (Appendix D).

Section 6 – Water Supply Characterization

6.0 INTRODUCTION

This section will discuss the District’s water supply portfolio, including locally produced groundwater and surface water sources, as well as imported water purchased from regional wholesale purveyors. This analysis informs the District’s reliability analysis and risk assessments in Section 7. At the time of drafting this plan (spring 2021), the District is in the process of constructing facilities for the Santa Margarita River Conjunctive Use Project (SMRCUP), projected to be operational beginning in 2022 and which will yield approximately 4,200 acre feet per year (AFY) of raw brackish water from an underground aquifer on Camp Pendleton military base to the edge of the Pendleton/District boundary. This project will significantly reduce the District’s reliance on imported water from State Water Project and Colorado River sources, by approximately 40% on average. To augment locally produced water supplies, the District will rely on regional wholesalers for additional water supplies.

6.1 PURCHASED OR IMPORTED WATER

The District currently purchases wholesale water from the Water Authority as treated, potable water. Since 1991 the Water Authority has significantly diversified its water sources from its complete dependence on Metropolitan for imported water to multiple sources of imported and local supply. The Water Authority, is a party to the 2003 Colorado River Quantification Settlement Agreement (QSA) which incorporates the SDCWA-IID Water Transfer Agreement and conserved Colorado River water from the relining of the All American and Coachella Canals. These Colorado River supplies are delivered to the Water Authority by Metropolitan under an Exchange Agreement through Metropolitan’s Colorado River Aqueduct (CRA) and Metropolitan’s Skinner Service Area distribution and treatment facilities. In 2015 the Water Authority included its first local supply source through its water purchases from the Carlsbad Desalination Project.

A summary of projected normal years Water Authority supplies (AFY) that make up the balance of supplies from Section 4 of the SDCWA UWMP are included below:

Supply	2025	2030	2035	2040	2045
IID Transfer	200,000	200,000	200,000	200,000	200,000
Canal Lining	78,700	78,700	78,700	78,700	78,700
Carlsbad Desalination Plant	50,000	50,000	50,000	50,000	50,000
Total	328,700	328,700	328,700	328,700	328,700

Imported supplies from Metropolitan complete the Water Authority's supply portfolio. Because of the static amounts of the Water Authority's Colorado River and desalination core supplies, future growth in demand projected by the Water Authority will be met through purchased water from Metropolitan. As noted in the Water Authority's 2020 UWMP Metropolitan supply purchases are expected to account for approximately 15% of Water Authority normal year supplies in 2025 increasing to 22% in 2040 and 25% in 2045 (see SDCWA 2020 UWMP Table 9-1).

Metropolitan obtains its water from two sources: the Colorado River Aqueduct, which it owns and operates, and the State Water Project, with which Metropolitan has a water supply contract through the State of California. The wholesale water supplies received by FPU are Colorado River and State Project Water Supplies that are part of Metropolitan and the Water Authority's supply mix and are discussed in detail in their UWMPs.

Colorado River supplies are governed by a complex series of laws and water rights between the seven states and the Republic of Mexico that make up the Upper and Lower basins. Per the *1931 Seven Party Agreement*, Metropolitan's annual Colorado River supply is 550,000 AF from its fourth priority within California's basic apportionment of 4.4 million AF. The primary challenges faced on the Colorado River are related to the allocation of water between the states and the impact of a changing climate on supply availability. Metropolitan has developed several programs to maintain the reliability of its Colorado River supplies and to maximize available capacity in the CRA. Metropolitan has relied on its land fallowing, storage, and exchange programs to increase its Colorado River supplies. Major programs include Metropolitan's Intentionally Created Surplus account in Lake Mead, interstate exchange program with the Southern Nevada Water Authority, Palo Verde Irrigation District Land Fallowing Program, and Imperial Irrigation District/Metropolitan Conservation Program. More detail on these Colorado River programs is found in Metropolitan's 2020 UWMP.

The reliability of Metropolitan's other major source of supply, the State Water Project (SWP), is limited by the level of State Water Project supply development, pumping restrictions due to state and federal environmental regulations, the effects of climate change, and hydrology. Since 2009, when the State of California passed SB X7-1, the Delta Reform Act the state has been focused on dual conveyance as the means to enhance reliability and predictability of SWP deliveries and achieve the legislatively mandated co-equal goals of water supply reliability and Delta ecosystem restoration. The current planned Delta Conveyance Project would work as a dual system with the existing waterway but would contain a single tunnel with two new intakes capable of conveying 6,000 cfs. DWR is preparing a draft Environmental Impact Report (EIR) to circulate to the public with a plan to finalize the EIR in 2023. Project permitting is expected to be completed in 2024.

To address SWP supply needs under dry, below-normal conditions caused by dry hydrologic conditions and regulatory restrictions, Metropolitan developed additional supplies from Central Valley storage and transfer programs. These programs along with in-region surface and groundwater storage allow Metropolitan to manage the variation in supplies due to hydrology. Metropolitan manages its storage portfolio by storing water during excess supply years to meet the region's needs when Metropolitan's imported water supplies are insufficient to meet annual needs, or if imported water facilities are damaged during a seismic event or other emergency

A summary of the projected available supplies for Metropolitan under normal weather year (AFY) from Metropolitan's UWMP Table 2-6 are included below:

Program	2025	2030	2035	2040	2045
In-Region Supplies and Programs	878,000	880,000	878,000	876,000	875,000
California Aqueduct	1,838,000	1,832,000	1,832,000	1,831,000	1,831,000
Colorado River Aqueduct	1,216,000	1,342,000	1,342,000	891,000	916,000
Capability of Current Programs	3,932,000	3,962,000	3,960,000	3,598,000	3,622,000

NOTE: Available supplies are in excess of demand on Metropolitan in each of the 5 year increments

Due to its unique rural setting, demographics, and agricultural customer profile FPUD differs greatly when compared to the rest of the Water Authority's predominantly urbanized service area. As an unincorporated mostly rural area under the land use jurisdiction of the County General Plan, the District has a much higher percentage of agricultural water use and lower population and housing density that create unique challenges for the District associated with the cost of water. To better match its service area and customer profile to its wholesale agency FPUD has initiated a legal process with the San Diego Local Agency Formation Commission (LAFCO) to switch wholesale water providers from the Water Authority to Eastern Municipal Water District (EMWD). The outcome of this process is uncertain so at this point the UWMP analysis is based on SDCWA as our current wholesale provider. EMWD has however completed a supply reliability assessment to demonstrate it can meet FPUD's wholesale water needs through available MWD supplies (see [EMWD Supply and System Reliability Technical Memorandum](#) February 12, 2020). It is anticipated that the legal process through LAFCO will take several years to complete, and if successful it will be included in the District's 2025 UWMP. Operationally, the configuration of water imported through Metropolitan aqueduct connections would not change from current configurations (the same meters would measure imported potable water from Metropolitan's treatment facility at Lake Skinner) and the reorganization as part of

EMWD will have no effect on FPU's retail operations or its water supply planning or water use efficiency activities.

For more information on the Water Authority's, EMWD's, and Metropolitan's water supply plans, please reference their respective 2020 Urban Water Management Plans.

6.2 GROUNDWATER

WATER CODE SECTION 10631(B)(4)

If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information:

(A) The current version of any groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720), any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management for basins underlying the urban water supplier's service area.

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For a basin that has not been adjudicated, information as to whether the department has identified the basin as a high- or medium-priority basin in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to coordinate with groundwater sustainability agencies or groundwater management agencies listed in subdivision (c) of Section 10723 to maintain or achieve sustainable groundwater conditions in accordance with a groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720).

(C) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(D) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

6.2.1 CURRENT GROUNDWATER USE - CAPRA WELL

The source of groundwater for the Capra Well is a small fractured-rock aquifer on District property in a localized watershed of Red Mountain below the District's Red Mountain Reservoir. Because this well is not located within a DWR, Bulletin 118 basin, it is not subject to the requirements of the Sustainable Groundwater

In a move to settle the unresolved litigation from 1951, FPUD and Camp Pendleton are moving forward with the Santa Margarita River Conjunctive-Use Project. The project involves capturing surface water during storms and storing the surplus in an aquifer on Camp Pendleton. FPUD anticipates a reliable local water supply from this project of an average of 4,200 AF per year. At the time of drafting this plan (spring 2021) Pendleton had completed facilities to pump raw water from base/District boundary, and FPUD is currently constructing an advanced water treatment plant to desalinate the blended brackish groundwater extracted from the basin and distribution infrastructure to deliver this water to the Fallbrook community. Facilities are now in the final construction phase and the project will be operational in early 2022.

The map below illustrates the basin and facilities for the Santa Margarita River Conjunctive Use Project.

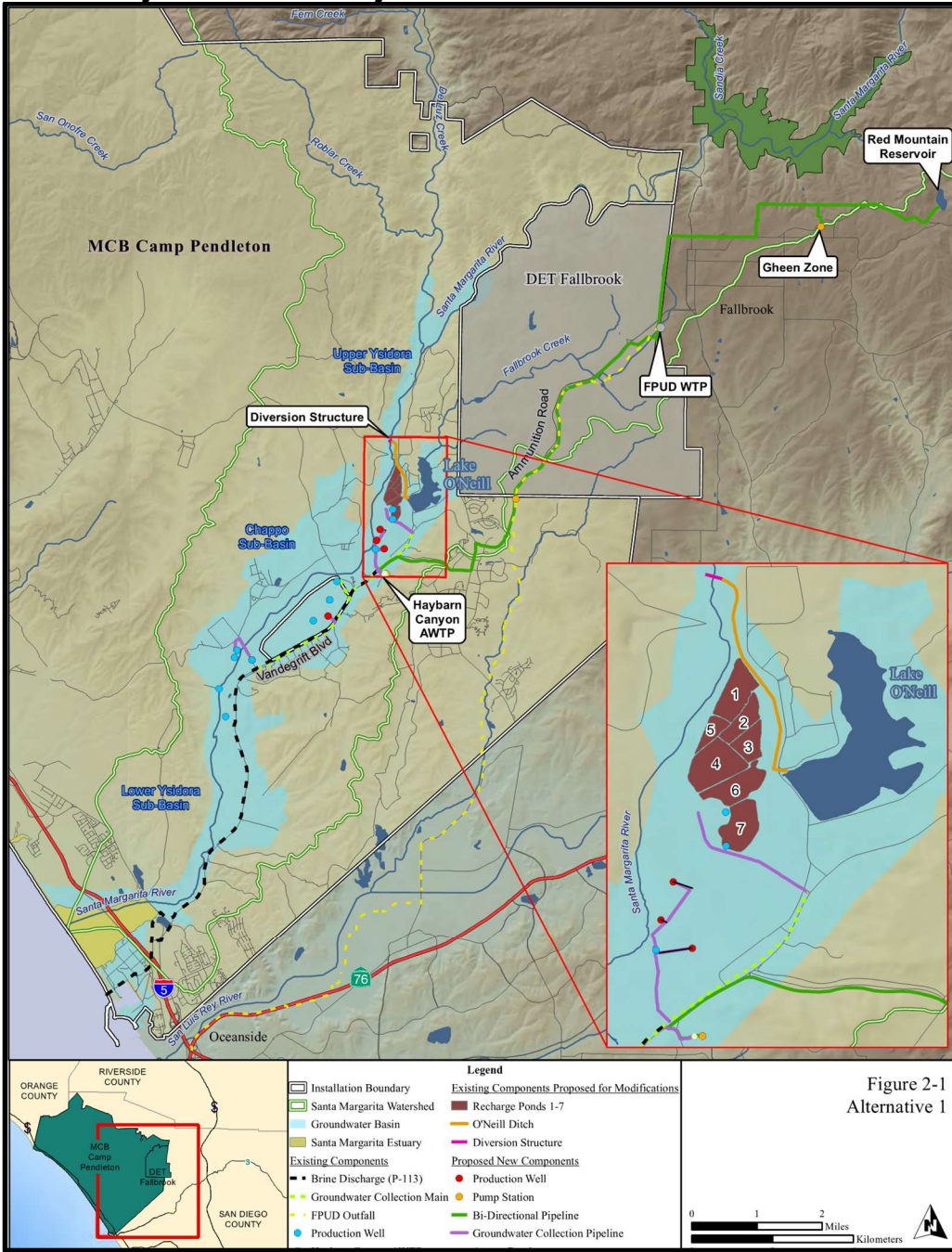


Figure 2-1
Alternative 1

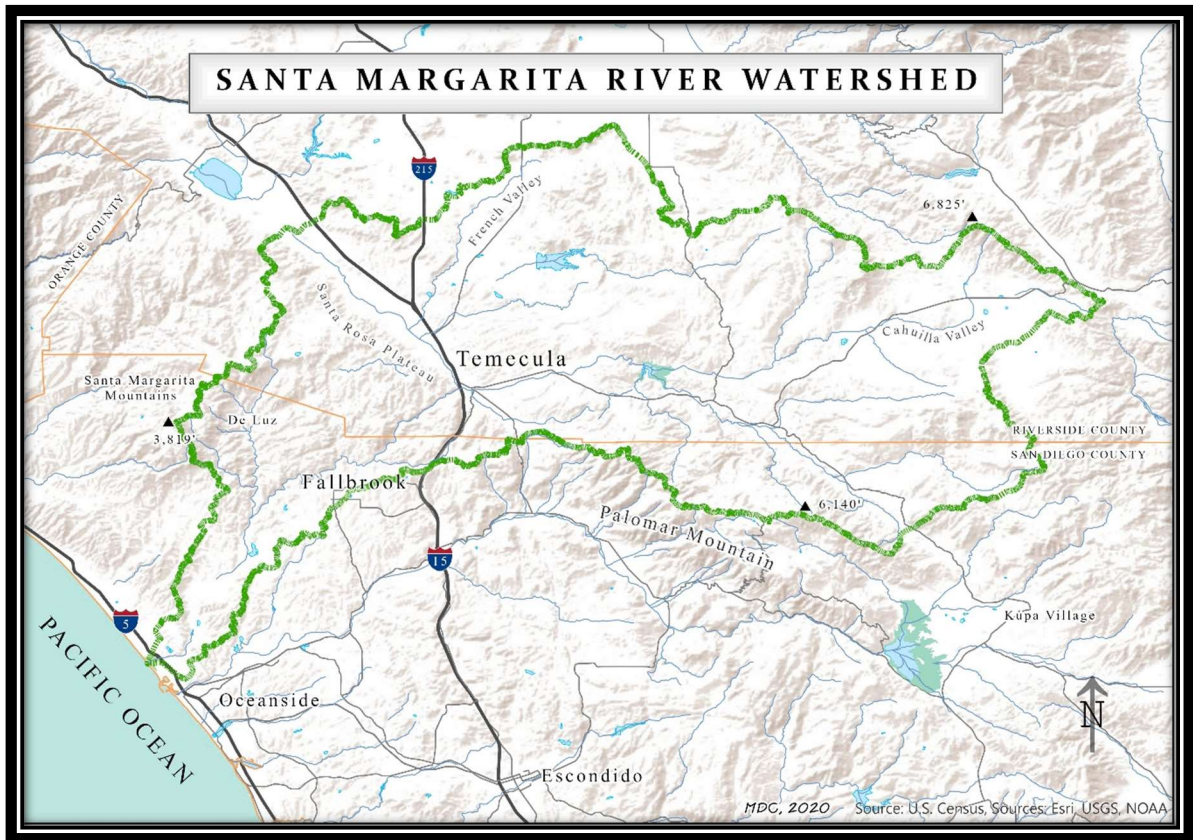
Since this is a future project, the District does not have any historical usage data it can report or provide on groundwater pumped from the Santa Margarita River Conjunctive Use project. However, extensive groundwater modeling was conducted during the preparation of environmental documentation for the project by Stetson Engineers. That analysis indicated that FPUD could expect higher than the average yield under certain hydrologic conditions. For conservative projection purposes, FPUD is using the expected average yield under dry

weather conditions using groundwater modeling results for the 2011-2014 hydrology which included a record low 5% State Water Project Table A allocation as the safe yield number for planning purposes in this update to the UWMP. The projected yield from this source is set forth in Table 6-9 below.

BASIN DESCRIPTION

Camp Pendleton is the designated monitoring entity for the Lower Santa Margarita Valley Groundwater Basin, which can be identified by name and sub-basin number, DWR Basin 9-04. Camp Pendleton collects and reports on groundwater levels in the basin. Camp Pendleton also has a Water Resources Plan that was prepared in 2011 that discusses aquifer protection and management.

Basin 9-04 was designated as a medium-priority basin, not subject to critical conditions of overdraft. In addition, the basin is adjudicated and overseen by a federally appointed watermaster, so an additional groundwater management plan does not need to be prepared pursuant to CWC section 10720.8(a)(17).



COURT ADJUDICATION

The Santa Margarita River Watershed, including the Santa Margarita Valley Groundwater Basin, is adjudicated in that the rights are established, but the amount of water is not quantified. The court retains continuing jurisdiction over the adjudication. There are three Interlocutory Judgments related to Fallbrook’s rights and the Santa Margarita River. The Interlocutory Judgments include: Interlocutory

Judgment 37 (IJ 37), Interlocutory Judgment 23 (IJ 23), and Interlocutory Judgment 24 (IJ 24). They can be referenced on the website for the United States District Court, Southern District of California at this location: <https://www.casd.uscourts.gov/SitePages/Fallbrook.aspx>.

The Interlocutory Judgments can also be viewed in person at the FPUD office. The three Water Rights Permits, numbers 8511, 11357 and 15000B that pertain to the conjunctive-use project can be viewed by entering the permit numbers on the State Water Resources Control Board website at: <https://ciwqs.waterboards.ca.gov/ciwqs/ewrims/EWPublicTerms.jsp>.

6.3 SURFACE WATER

In 2005, the District relocated a surface water rights permit from the District property on the Santa Margarita River to a tributary of the River named Tualota Creek, located in the upper Santa Margarita River Watershed. Tualota creek drains directly into Lake Skinner. The District had a water rights permit but no mechanism for storage and diversion, and MWD had a mechanism for storage and diversion, but no water rights permit. By relocating the permit, the District could store and deliver imported water from Lake Skinner. In 2005, when the District finalized all the required approvals to receive local runoff water from Lake Skinner it was estimated that every ten years a large wet year would produce up to 10,000 AF of runoff so the average amount of water would be 1,000 AFY. Not all of the runoff into the lake is available to the District. There is an amount that must be released to protect downstream water rights and an amount that must be released based on environmental requirements. As a result, based on actual deliveries from MWD to the District from Lake Skinner, the amount of water available has been much less than projected. For conservative planning purposes, projected yield listed in this UWMP is 300 AFY, which is a figure based on a substantial wet-year yield, smoothed into an annual average.

6.4 STORMWATER

The District does not use storm water as a source of potable or irrigation water.

6.5 WASTEWATER AND RECYCLED WATER

WATER CODE SECTION – 10633

The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area.

RECYCLED WATER COORDINATION

FPUD provides water and sewer services for portions of Fallbrook. The District has approximately 5,000 sewer connections in an unincorporated area of about 6.6 square miles. The remainder of customers in the District's service area is on a septic system. Currently the wastewater treatment plant treats an average of 1.6 million gallons per day (MGD) and has a rated "design wet weather" capacity of 3.1 MGD.

WASTEWATER COLLECTION, TREATMENT AND DISPOSAL

The District's collection system consists of 65 miles of sewer lines, 5 pumping stations and an 18-mile land-line to the ocean outfall in Oceanside. The wastewater treatment plant currently treats an average of 1.7 MGD and has a rated potential to treat 3.1 MGD. In 2020, the total wastewater collected and treated was 1,741 AF. The treatment plant treats all wastewater to the tertiary level, meeting recycled water standards; it is all, therefore, available for use in a recycled water project. In 2020, 1,186 AF of treated water was discharged to the Oceanside outfall. The wastewater collection and treatment system's unit processes include preliminary treatment, grit removal, primary treatment, secondary treatment by activated sludge process, tertiary treatment and disinfection.

The wastewater treatment plant underwent a three-year rehabilitation and upgrade of the system, which was completed in 2016. The rehabilitation replaced all major mechanical equipment and ensured there were no single points of failure for the plant. This required constructing an additional secondary clarifier, new filters, new blowers, replacing the existing clarifier mechanism, a new aeration system and controls, improvements to the solids handling system, a complete rehabilitation of the electrical system, and a new SCADA system.

wastewater plant and recycled distribution which included the addition of recycled water storage the system could feasibly supply an increased demand for local water. The increase in beneficial use is limited by the available peak season wastewater supply and available and interested customers. In its 2020 Master Plan FPUD identified 430 acre feet per year of recycled water supply that would be available for expanded beneficial reuse. Potential customers have been identified that can be served by the additional supply and facility alternatives for distribution system expansion have been identified and are being evaluated for cost effectiveness. It should be noted that actual recycled usage in recent years has been lower than originally estimated in previous UWMPs, as shown in Table 6-5. This trend is a result of multiple factors, including the general decline in agricultural water use in the District's service area, the fiscal/geographic challenges associated with expanding a recycled water distribution system in a small, spread out rural community and the recent loss in 2019 of one of the District's largest recycled water users, CALTRANS (discussed in Section 4 of this plan). As a result, this report presents projected recycled water demands that have been adjusted down to a more conservative figure of 830 AFY.

FPUD's updated 2020 Master Plan provides more detailed information on recycled water use and expansion efforts within the District's service area, including discussion of projects such as specific recycled water distribution system expansions, and potential potable reuse projects. The Lower Santa Margarita Indirect Potable Recharge Pilot Project is currently in the conceptual phase, with a total budget of \$1.4 million, with \$687,500 of support from the San Diego Region Integrated Regional Water Management (IRWM). Further detail can be referenced in Chapter 2 of the 2020 Master Plan, "Reclaimed Water" (<https://www.fpud.com/fpud-facilities-master-plan>).

RECYCLED WATER BENEFICIAL USES

Every gallon of recycled water used within the service area reduces the need to purchase or develop other water supplies. Recycled water is also approximately 15% less expensive than potable water for the FPUD customer to buy. The District currently produces and sells recycled water for agricultural irrigation, primarily nurseries. FPUD also produces recycled water for landscape irrigation, including home-owners associations, sports fields, roadways and natural areas. All the recycled water is treated to the tertiary level.

In 2020, FPUD sold 517 AF of recycled water for agricultural irrigation and projects that amount is anticipated to increase to 830 AF by 2025 and thereafter. In 2020, the District sold 143 AF of recycled water for landscape irrigation and projects that amount to increase to 232 and thereafter. In 2020, the District sold 374 AF of recycled water for agricultural irrigation and projects that amount to increase to 598 AF in 2025 and thereafter.

Table 6-4 below shows current and projected recycled water

Submittal Table 6-4 Retail: Recycled Water Direct Beneficial Uses Within Service Area											
<input type="checkbox"/> Recycled water is not used and is not planned for use within the service area of the supplier. The supplier will not complete the table below.											
Name of Supplier Producing (Treating) the Recycled Water:											
Name of Supplier Operating the Recycled Water Distribution System:											
Supplemental Water Added in 2020 (volume) <i>Include units</i>											
Source of 2020 Supplemental Water											
Beneficial Use Type <i>Insert additional rows if needed.</i>	Potential Beneficial Uses of Recycled Water (Describe)	Amount of Potential Uses of Recycled Water (Quantity) <i>Include volume units¹</i>	General Description of 2020 Uses	Level of Treatment <i>Drop down list</i>	2020 ¹	2025 ¹	2030 ¹	2035 ¹	2040 ¹	2045 ¹ (opt)	
Agricultural irrigation	Plant nurseries, etc	126 AF	Ag irrigation	Tertiary	374	598	598	598	598	598	
Landscape irrigation (exc golf courses)	HOA common areas, roadway landscaping, etc	187 AF	Landscape irrigation	Tertiary	143	232	232	232	232	232	
Golf course irrigation											
Commercial use											
Industrial use											
Geothermal and other energy production											
Seawater intrusion barrier											
Recreational impoundment											
Wetlands or wildlife habitat											
Groundwater recharge (IPR)											
Reservoir water augmentation (IPR)											
Direct potable reuse											
Other (Description Required)											
Total:					517	830	830	830	830	830	
2020 Internal Reuse											
¹ Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.											
NOTES:											

Table 6-5 below shows projected vs. actual recycled water use

Submittal Table 6-5 Retail: 2015 UWMP Recycled Water Use Projection Compared to		
☐	Recycled water was not used in 2015 nor projected for use in 2020. The supplier will not complete the table below. If recycled water was not used in 2020, and was not predicted to be in 2015, then check the box and do not complete the table.	
Beneficial Use Type	2015 Projection for 2020 ¹	2020 Actual Use ¹
<i>Insert additional rows as needed.</i>		
Agricultural irrigation	770	374
Landscape irrigation (exc golf courses)	330	143
Golf course irrigation		
Commercial use		
Industrial use		
Geothermal and other energy production		
Seawater intrusion barrier		
Recreational impoundment		
Wetlands or wildlife habitat		
Groundwater recharge (IPR)		
Reservoir water augmentation (IPR)		
Direct potable reuse		
Other (Description Required)		
Total	1,100	517
¹ Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.		
NOTE:		

ACTIONS TO ENCOURAGE AND OPTIMIZE FUTURE RECYCLED WATER USE

FPUD has made recycled water available and its use is mandatory through a Recycled Water Ordinance adopted by the FPUD Board of Directors. A major component of the commitment to recycle was enacting an ordinance requiring recycled water be used where technically and financially feasible.

FPUD’s Recycled Water Ordinance Article 19 details the requirements for the use of recycled water whenever feasible. Article 19 is attached in Appendix E.

The District is committed to the expansion of local recycled water use, and as discussed above is exploring projects such as expansions of the recycled water distribution system, and potential potable reuse projects. Similar to the 2016 expansion and upgrade of the water reclamation plant and the recent Lower Santa Margarita IPR Pilot Project, the District will make every effort to leverage grant funding to offset the costs associated with expanding recycled water use.

The District will also continue to take an innovative approach of providing assistance with recycled water permits to help new customers navigate through the complex permitting process and offset some of the initial retrofit costs. District staff will work with prospective and new recycled water users to make the planning implementation of new recycled water sites more efficient and cost effective.

Table 6-6 below shows methods for expanding recycled use

Submittal Table 6-6 Retail: Methods to Expand Future Recycled Water Use			
☐		Supplier does not plan to expand recycled water use in the future. Supplier will not complete the table below but will provide narrative explanation.	
		Provide page location of narrative in UWMP	
Name of Action	Description	Planned Implementation Year	Expected Increase in Recycled Water Use *
<i>Add additional rows as needed</i>			
Distribution System Expansion	New extensions of recycled water mainlines	Ongoing	200
New customer outreach	Outreach, trainings, site compliance assistance	Ongoing	100
Requirements for future development	Require new development to utilize recycled water for irrigation where applicable	Ongoing	13
Total			313
<i>*Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.</i>			
NOTES:			

6.6 DESALINATED WATER OPPORTUNITIES

FPUD does not have any desalinated water opportunities. The Water Authority began operating a 50-million gallon per day seawater desalination plant that began producing potable water in December 2015. The desalination plant reduces SDCWA requirements for imported water from MWD. The projected supplies from the facility are included in SDCWA’s supply projections. Although this desalination plant produces local, renewable water, none of this water actually reaches the FPUD distribution system because FPUD’s connections to the Water Authority are north of the where the desalinated water supply enters into the Water Authority’s regional conveyance system so the water supply benefit to FPUD is limited to the reduction by SDCWA in overall MWD imported water needs and regionally to Metropolitan as it offsets an overall demand on it for imported supplies including during dry weather periods when supply availability is constrained .

For more information on this project, please refer to the Water Authority’s 2020 Urban Water Management Plan.

6.7 EXCHANGES OR TRANSFERS

WATER CODE SECTION 10631

(c) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

For the purpose of emergency supply in the event of leaks or maintenance, FPUD entered into an emergency exchange agreement with Rainbow Municipal Water District in 1986. Both agencies own and operate water pipeline systems connected to the Water Authority aqueduct and along a common boundary. Interconnections were constructed linking both agencies' systems for this emergency exchange purpose.

6.8 FUTURE PROJECTS

In addition to the Santa Margarita River Conjunctive Use Project, which is in the construction phase and is included in the long term water supply projection (described in detail in Section 6.2.2, "Future Groundwater Use"), another conceptual future water supply project for FPUD is the Lower Santa Margarita Water Supply Reliability Project. This is a joint project with Camp Pendleton to use recycled water supplies to increase the available supply in the Lower Santa Margarita Groundwater Basin. There is currently a feasibility and pilot study underway. The first phase is focused on developing an Indirect Potable Reuse Project using recycled supplies on Camp Pendleton. The first phase is projected to produce approximately 1,700 AFY of new supplies. Because of the conceptual nature of the Lower Santa Margarita Water Supply Reliability Project and the fact that it has not undergone environmental analysis under CEQA, the District is not including the potential annual production in its projection of future supplies. The next update of the UWMP in 2025 will reflect whether that project is considered to be feasible and cost effective for inclusion.

The table below shows expected future water supply projects

Submittal Table 6-7 Retail: Expected Future Water Supply Projects or Programs						
<input type="checkbox"/>	No expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Supplier will not complete the table below.					
<input type="checkbox"/>	Some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format.					
	Provide page location of narrative in the UWMP					
Name of Future Projects or Programs	Joint Project with other suppliers?		Description (if needed)	Planned Implementation Year	Planned for Use in Year Type <i>Drop Down List</i>	Expected Increase in Water Supply to Supplier* <i>This may be a range</i>
	<i>Drop Down List (y/n)</i>	<i>If Yes, Supplier Name</i>				
<i>Add additional rows as needed</i>						
Lower Santa Margarita Supply Reliability Project - Phase 1	Yes	Marine Corps Base Camp Pendleton	Indirect Potable Reuse	2025	Average Year	1,700
*Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.						
NOTES: This is a pilot project that is currently in the conceptual phase						

6.9 SUMMARY OF EXISTING AND PLANNED SOURCES OF WATER

In summary, FPUD’s existing and future sources of water are a combination of purchased water from its water wholesalers; groundwater from the Capra Well; surface water from diversions into Lake Skinner; and recycled water produced by the District. Actual supplies for 2020 were 8,920 AF.

The table below shows actual supplies for 2020

Table 6-8 Retail: Water Supplies — Actual				
Water Supply	Additional Detail on Water Supply	2020		
<i>Drop down list</i> <i>May use each category multiple times.</i> <i>These are the only water supply categories that will be recognized by the WUEdata online submittal tool</i>		Actual Volume	Water Quality <i>Drop Down List</i>	Total Right or Safe Yield <i>(optional)</i>
<i>Add additional rows as needed</i>				
Purchased or Imported Water	San Diego County Water Authority	8,303	Drinking Water	
Groundwater	Capra Well	100	Drinking Water	
Groundwater	Santa Margarita Conjunctive Use Project	0	Drinking Water	
Surface water	Lake Skinner surface diversions	0	Drinking Water	
Recycled Water		517	Recycled Water	
Total		8,920		0

FPUD’s planned – or projected – sources of water through 2045 include; water purchased from its water wholesalers, groundwater from two local supply sources (the Capra Well and the Santa Margarita River Conjunctive-Use Project (2022)), indirect potable recharge from the Lower Santa Margarita Supply Reliability Project (currently in the planning phase, so not listed in tabling below), surface water diversions into Lake Skinner, and recycled water produced by the District. In times when locally produced water is less available, the District will rely on wholesale agencies to supply imported water. For more detailed information on the District’s projected supply portfolio, please reference Table 6-9 below.

Table 6-9 below shows projected supplies through 2045

Submittal Table 6-9 Retail: Water Supplies — Projected											
Water Supply <small>Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool</small>	Additional Detail on Water Supply	Projected Water Supply * Report To the Extent Practicable									
		2025		2030		2035		2040		2045 (opt)	
		Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)
Add additional rows as needed											
Purchased or Imported Water	Purchase from wholesale agency	4,045		4,369		4,951		5,160		5,260	
Groundwater (not desalinated)	Santa Margarita Conjunctive Use Project	4,200		4,200		4,200		4,200		4,200	
Groundwater (not desalinated)		100		100		100		100		100	
Surface water (not desalinated)	Lake Skinner Diversion	300		300		300		300		300	
Recycled Water		830		830		830		830		830	
Total		9,475	0	9,799	0	10,381	0	10,590	0	10,690	0
<small>*Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.</small>											
<small>NOTES: "Purchase or Imported Water" projected availability figures per SDCWA "Fallbrook PUD - Updated Draft Forecast of Demand on the Water Authority (AF)"; "Groundwater" sum of 100 AFY yield from Capra Well and 4,200 AFY projected average yield of the Santa Margarita Conjunctive Use Project; "Surface Water" 300 AFY projected potential yield from Tualota Creek surface water availability; "Recycled Water" 830 AFY average annual recycled water availability per FPUD recycled water projected demands</small>											

6.9 ENERGY INTENSITY

As mandated by Water Code 10631.2. (a), please reference the tables below for information on the District's energy use profile.

Table O-1B calculates energy intensity associated with potable water operations

Urban Water Supplier: <u>Fallbrook Public Utility District</u>	
Water Delivery Product (If delivering more than one type of product use Table O-1C) <u>Retail Potable Deliveries</u>	
Table O-1B: Recommended Energy Reporting - Total Utility Approach	
Enter Start Date for Reporting Period	1/1/2020
End Date	12/30/2020
<input type="checkbox"/> Is upstream embedded in the values reported?	Urban Water Supplier Operational Control
	Sum of All Water Management Processes
	Non-Consequential Hydropower
<i>Water Volume Units Used</i>	AF
<i>Volume of Water Entering Process (volume unit)</i>	8403
<i>Energy Consumed (kWh)</i>	658949
<i>Energy Intensity (kWh/volume)</i>	78.4
	Total Utility
	Hydropower
	Net Utility
	0
	0
	78.4
Quantity of Self-Generated Renewable Energy	
	kWh
Data Quality (<i>Estimate, Metered Data, Combination of Estimates and Metered Data</i>) <i>dropdown menu</i>	
Data Quality Narrative:	
Source: San Diego Gas & Electric Invoices, usage sorted by facility type (Water, pumping, etc.)	
Narrative:	
Uses include but are not limited to; water disinfection, pumping, SCADA/telemetry, etc.	

Table O-2 calculates energy intensity associated with recycled water operations as well as renewable solar energy produced by FPUD

Urban Water Supplier:		<u>Fallbrook Public Utility District</u>			
Table O-2: Recommended Energy Reporting - Wastewater & Recycled Water					
Enter Start Date for Reporting Period		1/1/2020		Urban Water Supplier Operational Control	
End Date		12/30/2020			
Water Management Process					
Is upstream embedded in the values reported? <input type="checkbox"/>		Collection / Conveyance	Treatment	Discharge / Distribution	Total
Volume of Water Units Used					
Volume of Wastewater Entering Process (volume units selected above)		1741	1741	1186	1741
Wastewater Energy Consumed (kWh)		283454	2738611	0	3022065
Wastewater Energy Intensity (kWh/volume)		162.8	1573.0	0.0	1735.8
Volume of Recycled Water Entering Process (volume units selected above)		0	0	517	517
Recycled Water Energy Consumed (kWh)		0	0	185	185
Recycled Water Energy Intensity (kWh/volume)		0.0	0.0	0.4	0.4
Quantity of Self-Generated Renewable Energy related to recycled water and wastewater operations					
1,967,868 kWh					
Data Quality (Estimate, Metered Data, Combination of Estimates and Metered Data)					
Metered Data					
Data Quality Narrative:					
Source: FPUD operational records					
Narrative:					
FPUD owns two solar installations; atop shade structures at the District offices and an 8 acre solar installation at the WTP					

Section 7 – Water Supply Reliability Assessment and Drought Risk Assessment

7.1 INTRODUCTION

This section will discuss the Fallbrook Public Utility District’s planning efforts as they pertain to water supply reliability and mitigating the risks posed to water resources by drought conditions. Having reliable sources of water to meet customer demands during a variety of conditions is one of the principal responsibilities of an urban water supplier. The discussions laid out in the subsequent pages will analyze water supply reliability and drought risk, and demonstrate the District’s ability to supply the water demands of its customers.

7.2 WATER SERVICE RELIABILITY ASSESSMENT

WATER CODE SECTION 10635(a)

Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

7.2.1 CONSTRAINTS ON WATER SOURCES

WATER CODE SECTION 10631

(b)(1) A detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the drought risk assessment. For each source of water supply, consider any information pertinent to the reliability analysis conducted pursuant to Section 10635, including changes in supply due to climate change.

WATER CODE SECTION 10634

The plan shall include information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments as described in subdivision (a) of Section 10631, and the manner in which water quality affects water management strategies and supply reliability.

Currently, FPUD relies on the San Diego County Water Authority (Water Authority) to source virtually 100% of its potable water. Under normal water year conditions, FPUD anticipates sourcing potable water from a combination of local groundwater,

local surface water, and purchases from the Water Authority. The Water Authority anticipates sufficient supplies for its member agencies during normal water year, single dry year, and five year consecutive drought conditions through 2045.

With the implementation of the Santa Margarita River Conjunctive Use Project (SMRCUP) FPUD will increase its resilience during single dry year and multiple dry year events. Historically, during these dry weather events the District relied on the Water Authority for 100% of its potable water supplies. SMRCUP will reduce FPUD's reliance on the Water Authority during single and multiple dry years and contribute to regional self-reliance. Under existing governmental organizational conditions as a member agency of the Water Authority, FPUD will obtain its supplemental potable supplies from the Water Authority to augment its local supplies during single and multiple dry years. The Water Authority has developed a diverse portfolio of imported and local supplies, storage, and supply management practices and as demonstrated in its 2020 UWMP, can provide a secure and consistent supply of water for its member agencies under all hydrologic conditions. Under the multiple dry-year scenario conducted by the Water Authority, seawater desalination and San Luis Rey water transfer supplies are based on contractual levels; recycled, brackish groundwater, and potable reuse yields are based on Water Authority member agency projected growth in these verifiable supplies; and surface and groundwater yields that are hydrologically influenced are based on 2011-2015 water use levels. As for its Colorado River supplies under the QSA the Water Authority's 2020 UWMP states that during dry years, when water availability is low, conserved water will be transferred under IID's Colorado River rights, which are among the most senior in the Lower Colorado River Basin. Without the protection of these rights, the Water Authority would suffer greater delivery cutbacks when supplies are limited from Metropolitan. Conserved water from the All American and Coachella Canals are guaranteed by Agreement for 77,700 AFY is to be available to the Water Authority each year. (For an analysis of the constraints regarding SDCWA supplies See SDCWA 2020 UWMP Section 9 Water Supply Reliability).

In the event the current application for Reorganization under review by the San Diego Local Agency Formation Commission (LAFCO) is approved and FPUD becomes a member agency of Eastern Municipal Water District (Eastern), FPUD will reevaluate its reliability in the 2025 UWMP update. FPUD's current supply reliability is dependent on the reliability of the amount of Metropolitan supplies purchased by the Water Authority and under the proposed Reorganization, FPUD's supplemental supplies will be more dependent on Metropolitan Water District of Southern California's (Metropolitan) supply reliability. Under both current organizational conditions and under the proposed Reorganization it is important to assess the reliability of Metropolitan's sources of supply, the State Water Project and the Colorado River, and their water management programs. Both of Metropolitan's core supply sources face regulatory, environmental, and climate change caused challenges.

The most significant challenges to the State Water Project supply are being addressed by attaining the state mandated co-equal goals of water supply reliability and ecosystem restoration in the Bay Delta through the DWR-led Delta Conveyance Project and EcoRestore, formerly known as the Bay Delta Conservation Plan. Consistent with Executive Order N-10-19, in early 2019, the state announced a new single tunnel project, which proposed a set of new diversion intakes along Sacramento River in the north Delta for SWP. In 2019 the California Department of Water Resources (DWR) initiated planning and environmental review for a single tunnel Delta Conveyance Project (DCP) to protect the reliability of State Water Project (SWP) supplies from the effects of climate change and seismic events, among other risks. DWR's current schedule for the DCP environmental planning and permitting extends through the end of 2024. DCP will potentially be operational in 2040 following extensive planning, permitting and construction. DWR estimates of SWP supply reliability in its 2019 Delivery Capability Report are based on existing facilities, and so do not include the proposed conveyance facilities that are part of the DCP. Since this UWMP uses DWR's 2019 Delivery Capability Report to estimate SWP supplies at 2040, any changes in SWP supply reliability that would result from the proposed DCP are not included in this UWMP. Metropolitan has also successfully incorporated south of Delta groundwater banking programs and surface storage to enhance its supplies when SWP allocations are low due to hydrologic and regulatory constraints.

Metropolitan's Colorado River supply has faced years of drought and challenges facing supply, especially during dry hydrologies relative to the available water for the seven Upper and Lower Basin states and the Republic of Mexico. Metropolitan has implemented specific Colorado River Programs that include conservation, land fallowing, transfer, and storage projects. The Water Authority's Colorado River water through its QSA supplies (see Section 6) contributes to the availability of Colorado River supply and regional self-reliance. In addition to the Water Authority's QSA supplies Metropolitan has implemented a number of Colorado River Management programs the more significant programs include:

Imperial Irrigation District/Metropolitan Water District Conservation Program

Under agreements executed in 1988 and 1989, Metropolitan has funded water efficiency improvements within IID's service area in return for the right to divert the water conserved by those investments. Through this program, IID has conserved an additional 105 TAF per year on average upon completion of program implementation.

Palo Verde Land Management, Crop Rotation, and Water Supply Program

In May 2004, Metropolitan's Board authorized a 35-year land management, crop rotation, and water supply program with PVID. Under the program, participating

farmers in PVID are paid to reduce their water use by not irrigating a portion of their land. This program provides up to 133 TAF of water to be available to Metropolitan in certain years.

Bard Seasonal Following Program

In December 2019, Metropolitan’s Board authorized a seven-year seasonal following program with the Bard Water District. Under the program, participating farmers in Bard are paid to reduce their water use by not irrigating their land between the late spring and summer months. This program provides up to 6 TAF of water to be available to Metropolitan in certain years.

Lower Colorado River Supply Contract

In March 2007, Metropolitan, the City of Needles, and the United States Bureau of Reclamation (USBR) executed a Lower Colorado Water Supply Project contract. Under the contract, Metropolitan receives, on an annual basis, project water left unused by the project contractors along the River. Metropolitan received 9.5 TAF from this project in 2019 and will receive an estimated 8.8 TAF in 2020 based on the amount of water pumped and used by other project water users.

Lake Mead Storage Program

In May 2006, Metropolitan and the USBR executed an agreement for a demonstration program that allowed Metropolitan to leave conserved water in Lake Mead, for exclusive use by Metropolitan in later years, that Metropolitan would otherwise have used in 2006 and 2007. In December 2007, Metropolitan entered into agreements to set forth the rules under which “Intentionally Created Surplus” (ICS) water is developed, stored in, and delivered from Lake Mead. As of January 1, 2020, Metropolitan had a total of 866 TAF of Extraordinary Conservation ICS water in Lake Mead.

For a more detailed description of Metropolitan’s Colorado River Management programs see Section 3.1 of its 2020 UWMP.

In its 2020 UWMP, Metropolitan is projecting that it will have potential surplus water available under the varying hydrologic conditions of single and multiple dry year conditions and will be able to meet the needs of its member agencies for imported water. Metropolitan has numerous dry-year supply options that may be exercised to provide adequate amounts of water over each year of the five-year drought period. Metropolitan’s analysis shows that the region can provide reliable water supplies under both the single driest year and a drought period lasting five consecutive water years. In addition to those programs described above under Colorado River Water Management (including the Water Authority’s QSA supplies) these dry year supplies include Metropolitan’s Central Valley transfer and groundwater storage programs as well as its In-Region supply programs that

include surface water storage and groundwater storage within its service area. Metropolitan's supply program capability and availability result in an excess of supplies relative to projected demand, Metropolitan's 2020 UWMP shows that surpluses during the 5 consecutive dry year hydrology range from approximately 532 TAF in 2025 to 648 TAF in 2045 with a surplus high of 691 TAF in 2040. More detail on Metropolitan supplies and reliability can be found in its 2020 UWMP (<http://mwdh2o.com/aboutyourwater/Planning-Documents>).

7.2.2 RELIABILITY BY TYPE OF YEAR

This reliability assessments discusses normal or average year conditions, single dry year conditions, and conditions in a five-year consecutive drought. Over the past 25 years, Fallbrook, the greater San Diego area, and urban southern California as a whole have experienced multiple periods of extended drought. Adapting policies and procedures to manage supplies and demand during these periods of scarcity has led local water agencies to understand the importance of diversifying the region's water supplies and improving regional self-reliance. The Water Authority and its member agencies, including FPUD, have made significant investments in diversifying water supplies, implementing water use efficiency, and refining water management practices to mitigate the ways drought effects supply and demand. To provide a more comprehensive shortage analysis, the dry-year demands in the following sections do not incorporate savings from extraordinary conservation during drought conditions.

Table 7-1 demonstrates increased available supplies during single dry-year, and multiple dry-year events.

Table 7-1 Retail: Basis of Water Year Data (Water Service Reliability Assessment)

Year Type	Base Year	Available Supplies if Year Type Repeats	
			Quantification of available supplies is not compatible with this table and is provided elsewhere in the UWMP
			Quantification of available supplies is provided in this table as either volume only, or percent only, or both.
		Volume Available	% of Average Supply
Average Year (T 7-2, 2025)	1986 - 2018	9,476	100%
Single Dry Year (SDY) (T 7-3, 2025)	2015	10,139	107%
Consecutive Dry Years 1st Year (1) 2026	2011 – 2015	10,240	108%
Consecutive Dry Years 2nd Year 2027	2011 – 2015	10,343	109%
Consecutive Dry Years 3rd Year 2028	2011 – 2015	10,447	110%
Consecutive Dry Years 4th Year 2029	2011 – 2015	10,551	111%
Consecutive Dry Years 5th Year 2030	2011 – 2015	10,656	112%
(1) Table 7-4, 2020			

* NOTES: Volume available is the maximum supply needed between 2025 and 2045, as shown in tables 7-2 through 7-4, below.

7.2.3 SUPPLY AND DEMAND COMPARISON

WATER CODE SECTION §10635

(a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

Projecting supply and demand has many variables for FPUD and the Water Authority.

SDCWA Forecast

The Water Authority forecasts regional Municipal & Industrial demand within its service area using an econometric model first developed by the Army Corps of Engineers in the 1980s. The Municipal and Industrial Needs (MAIN) Model has been modified and refined by the Water Authority to meet its forecasting needs and to comply with a 1992 Memorandum between the Water Authority and the San Diego Association of Governments (SANDAG) to incorporate SANDAG demographic data into the model. The SDCWA Main model uses drivers such as household and employment projection along with historic water use provided by its member agencies and historic weather patterns to forecast demand. SDCWA MAIN also includes water pricing sensitivity data and conservation estimates that result in adjustments to long term water use trends. The Water Authority projects agricultural demand separately using current agricultural acreage and evapotranspiration based water use factors.

FPUD Demand Forecast

As described in Section 4, FPUD developed its own land use based demand forecast using the DWR 2020 UWMP Guidebook Appendix K as a guide and SANDAG demographic projections and data. FPUD's demand forecast is less than the projection the Water Authority developed for FPUD. FPUD coordinated its demand forecast with the Water Authority, but its locally-specific forecast better represents current and future trends for water use within the District's service area and differs with the Water Authority on the projections.

During normal water years, FPUD projects a diversified supply portfolio that includes purchases from the Water Authority, local water from the Santa Margarita Conjunctive Use Project (SMRCUP), local surface runoff at Lake Skinner, and locally produced recycled water.

During single-year and multiple-year drought events, demands increase, while some surface and groundwater supplies diminish. During dry year events, FPUD will likely rely on the Water Authority to meet potable water demands that cannot be met by its less reliable and hydrologically dependent supplies such as Lake Skinner surface water, groundwater pumped from the Capra Well, and amounts above the safe yield amount from the SMRCUP. While SDCWA and Metropolitan have water shortage allocation plans and methodologies, neither wholesaler is showing the need to implement those plans under the 5 consecutive drought year or single dry year conditions analyzed in their UWMPs. Both Metropolitan's and the Water Authority's respective 2020 UWMPs show no shortage conditions under dry year and multiple dry year conditions. The Water Authority's dry year supply projections include conservative assumptions regarding limited Metropolitan supplies and that the Water Authority will receive its preferential right based on Metropolitan's current method of calculating such rights through its Water Supply

Allocation Plan. FPUD incorporates Water Authority’s and Metropolitan’s supply projections to show no anticipated shortages within FPUD during normal, single-dry, and five-year consecutive drought years.

Table 7-2 shows FPUD’s projected supplies and demands during normal conditions, in five-year increments through 2045. These projections include local potable and non-potable water supplies from groundwater and surface water projects, to be supplemented by purchases from the Water Authority. If there are any potential shortages in available supply they will be addressed through customer conservation actions as provided in FPUD’s Water Shortage Contingency Plan.

Table 7-2 provides the normal water year supply and demand assessment

Table 7-2 Retail: Normal Year Supply and Demand Comparison					
	2025	2030	2035	2040	2045 (Opt)
Supply totals (autofill from Table 6-9)	9,475	9,799	10,381	10,590	10,690
Demand totals (autofill from Table 4-3)	9,475	9,799	10,381	10,590	10,690
Difference	0	0	0	0	0
NOTES: Remaining Potential Surplus will be handled through Management Actions.					

Table 7-3 shows FPUD’s projected supplies and demands during single dry-year events in five-year increments through 2045. Dry year demand was increased by 7% based on the Water Authority’s adjustment used in its 2020 UWMP (see SDCWA 2020 UWMP Section 9.4.3). Local surface and groundwater supplies are reduced during dry-year events and are not included in supply totals during dry-year projections. As noted in the Water Authority’s 2020 UWMP, no shortages are anticipated within the Water Authority’s service area in a single dry-year through 2045.

The table below shows single dry year supply and demand

Table 7-3 Retail: Single Dry Year Supply and Demand Comparison					
	2025	2030	2035	2040	2045 (Opt)
Supply totals	10,139	10,140	11,117	11,332	11,439
Demand totals	10,139	10,140	11,117	11,332	11,439
Difference	0	0	0	0	0

Table 7-4 shows FPUD's projected supplies and demands during five consecutive drought year events in five-year increments through 2045. Demand has been adjusted based on the Water Authority's factors for increasing demand during multiple dry years (SDCWA 2020 UWMP Section 9.4.2). That adjustment takes into account retail level extraordinary conservation and water management actions after the first year of the dry year period and increases demand by 1% in the each of the subsequent four consecutive years. Local surface and groundwater from the Capra Well are reduced during dry-year events, and are not included in supply totals during dry-year projections. As noted previously those supplies and amounts above the SMRCUP safe yield will be supplemented by the Water Authority. According to the Water Authority's 2020 UWMP, no shortages are shown during the five consecutive dry year analysis. If there were shortages, FPUD could mitigate those shortages through extraordinary water conservation actions and other supply management practices, consistent with its Water Shortage and Drought Contingency Plan (See Section 8)

The table below shows multiple dry year supply and demand

Table 7-4 Retail: Multiple Dry Years Supply and Demand Comparison						
		2025	2030	2035	2040	2045 (Opt)
First year	Supply totals	10,139	10,140	11,117	11,332	11,439
	Demand totals	10,139	10,140	11,117	11,332	11,439
	Difference	0	0	0	0	0
Second year	Supply totals	10,241	10,242	11,228	11,446	11,554
	Demand totals	10,241	10,242	11,228	11,446	11,554
	Difference	0	0	0	0	0
Third year	Supply totals	10,343	10,344	11,341	11,560	11,669
	Demand totals	10,343	10,344	11,341	11,560	11,669
	Difference	0	0	0	0	0
Fourth year <i>(optional)</i>	Supply totals	10,447	10,448	11,454	11,676	11,786
	Demand totals	10,447	10,448	11,454	11,676	11,786
	Difference	0	0	0	0	0
Fifth year <i>(optional)</i>	Supply totals	10,551	10,552	11,569	11,793	11,904
	Demand totals	10,551	10,552	11,569	11,793	11,904
	Difference	0	0	0	0	0
Sixth year <i>(optional)</i>	Supply totals					
	Demand totals					
	Difference	0	0	0	0	0

7.2.4 MANAGEMENT TOOLS AND OPTIONS

WATER CODE SECTION 10620

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

Developing reliable local supplies of water is an integral aspect of FPUD's planning and management strategies. With the completion of the Santa Margarita River Conjunctive Use Project (SMRCUP) (see Section 6), the District plans to develop a local supply with a projected average annual yield of 4,200 Acre Feet per year. In addition, with Lake Skinner surface water (see Section 6), FPUD plans to capture an average of 300 Acre Feet per year of local water. Finally, plans to expand the recycled water service area and connect new services will further reduce the district's reliance on imported water (see Section 6).

Continuing efforts to promote education in water conservation within the District will reduce the waste of water, reduce the per capita consumption, and lessen FPUD's reliance on imported water. Further discussion of conservation measures can be found in Section 9 of this plan.

7.5 DROUGHT RISK ASSESSMENT

Water Code Section 10635(b):

Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment for its water service to its customers as part of information considered in developing the demand management measures and water supply projects and programs to be included in the urban water management plan. The urban water supplier may conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. The drought risk assessment shall include each of the following:

- (1) A description of the data, methodology, and basis for one or more supply shortage conditions that are necessary to conduct a drought risk assessment for a drought period that lasts five consecutive water years, starting from the year following when the assessment is conducted.*
- (2) A determination of the reliability of each source of supply under a variety of water shortage conditions. This may include a determination that a particular source of water supply is fully reliable under most, if not all, conditions.*
- (3) A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period.*
- (4) Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.*

Water Code Section 10635(b) directs suppliers to prepare a Drought Risk Assessment (DRA) in their 2020 UWMP. In accordance with Water Code Section 10612, the DRA evaluation is based on the five driest consecutive years on record.

7.5.1 DATA, METHODS, AND BASIS FOR WATER SHORTAGE CONDITION

The District's primary potable water supplier is the Water Authority, particularly during dry year conditions. Thus, FPUD has based its DRA on the analysis conducted by the Water Authority in Section 9.6 of its 2020 UWMP. The Water Authority selected 2014 – 2018 as the historical period representing the driest consecutive years experienced in their service area. Those years represent the five-year period with the lowest local water supply production from surface and groundwater, the two local water supplies that are most susceptible to variation due to weather. Over that period, the combined annual production from those two sources ranged from a low of 21,245 AF to a high of 67,374 AF for the Water Authority's service area. It also represents low periods of availability of FPUD's local surface water and groundwater supplies.

The data used to calculate the SDCWA's supply capabilities under the scenario of five consecutive dry years is shown in Table 9-8 of the SDCWA 2020 UWMP. For each year, a comparison was made between available water supplies and water demands. For the SDCWA supplies which consist of QSA supplies and Carlsbad Desalination, no reduction in the availability over the five-year period is assumed due to the drought resilience of these supplies. Water Authority Colorado River supplies are assumed to be available at their contracted amounts and subject to superior Colorado River water rights that would not be impacted by shortage allocation. Carlsbad desalinated seawater supply is independent of the driest hydrology analyzed by the Water Authority and member agency supplies for recycling and brackish groundwater are not impacted by the dry weather analyzed as sufficient wastewater and groundwater levels are available to maintain the projected yields. More information on these supplies is provided in Section 4 of the SDCWA 2020 UWMP. For the SDCWA member agency supplies, imported surface water and groundwater are considered to be susceptible to variations in weather because both sources are dependent on annual rainfall and the hydrologic record provides a strong correlation to reduced run-off and recharge and surface water and groundwater yield during dry years. The volume of those supplies regionally varies over the five-year period from a low of 6,000 AFY to 51,000 AFY for surface water yield to a low of 13,000 AFY for groundwater yield to a high of 15,000 AFY based on actual production from 2014 – 2018. FPUD's surface water and groundwater supplies from the Capra Well are assumed to not be available. Additional information on SDCWA member agency supplies can be found in the SDCWA 2020 UWMP Section 5. For Metropolitan supplies, the Water Authority has projected surplus available supplies in connection with a "Preferential Right" to Metropolitan water under Section 135 of the Metropolitan Water District Act (MWD Act). The Preferential Right entitles member agencies to purchase an amount of Metropolitan water

that is determined based on payments the agency has made to Metropolitan in the past, which the agency can use for domestic and municipal purposes (actual demand) within the agency. FPUD's projections reflect that its demands for water can be met by available supplies in normal, single-dry, and five-year consecutive drought conditions; they do not show surplus conditions.

In terms of Metropolitan's supply, its DRA analysis identified 1988-1992 as the 5 driest years to analyze supply availability. For Metropolitan's DRA, these supply capabilities are further refined and presented annually for the years 2021 to 2025 by assuming a repeat of historic conditions from 1988 to 1992. This historic five-year sequence represents the lowest water supply available for SWP supplies to Metropolitan. Also, as part of Metropolitan's DRA, the expected quantity of each water supply source for each year of the five-year drought was evaluated and included within the tabulated capability of each supply category. Metropolitan's near-term assessment reveals that its supply capabilities are expected to exceed its projected water use for years 2022, 2024, and 2025. However, estimates of projected water supply and use reveals that there could be a possible shortfall of core supplies in 2021 and 2023. This shortfall is largely triggered by the assumed repeat of the historical 1988 and 1990 low supply conditions from the SWP to predict supply availability for 2021 and 2023. Actual supply conditions for 2021 and 2023 may prove different from historic supply conditions. Metropolitan has in place a robust Water Shortage Contingency Plan and comprehensive shortage response planning that includes demand reduction measures and supply augmentation actions. For 2021 and 2023, the estimated shortage levels of 130 TAF and 157 TAF, respectively, are within 10% of water use for both years corresponding to Level 1 Shortage. Metropolitan's supply sources under the Colorado River, SWP, and what Metropolitan terms as In-Region supply categories are individually listed and discussed in detail in Metropolitan's 2020 UWMP Section 3. Future supply capabilities for each of these supply sources are also individually tabulated in Appendix 3, of Metropolitan's 2020 UWMP with consideration for plausible changes on projected supplies under climate change conditions, anticipated regulatory changes, and other factors as explained in Section 2.6 of Metropolitan's 2020 UWMP.

In calculating FPUD's local supplies during the same period analyzed by the Water Authority in its DRA, it was conservatively assumed that neither surface water for the Lake Skinner supply or groundwater from the Capra fractured rock well would be available. This is consistent with availability of these sources during the historic five dry year period. Projected dry year yield from the SMRCUP, scheduled to be operational in 2022, is based on extensive groundwater modeling conducted as part of the project's environmental review process, which identified estimated yield under the same five year dry hydrology analyzed by the Water Authority.

Once available supply was identified for the five driest year period, FPUD projected an increase in dry year water demand for that same period. As

described in Section 6, FPUD applied multipliers developed by SDCWA to conduct a dry year forecast for DRA purposes to stress test the reliability of FPUD’s supplies. This dry year projection for DRA purposes does not assume extraordinary conservation measure and thus constitutes a conservative assumption in estimating demand. Table 7-5 below provides the multipliers used through the extended dry period.

Table 7-5 2021 – 2025 Dry Year Demand Projection Multipliers

	2021	2022	2023	2024	2025
Multiplier	108%	112%	116%	120%	125%

7.5.2 DROUGHT RISK ASSESSMENT INDIVIDUAL WATER SOURCE RELIABILITY

Under the Water Authority’s DRA, it has supplies available to meet all the dry year demand needs of its member agencies. (See SDCWA 2020 UWMP Section 9.6 and Table 9-8). Metropolitan’s near-term assessment reveals that its supply capabilities are expected to exceed its projected water use for years 2022, 2024, and 2025, and no water service reliability constraint is anticipated, and no shortfall mitigation measures are expected to be exercised. However, estimates of projected water supply and use reveal that there could be a possible shortfall of core supplies in 2021 and 2023. This shortfall is largely triggered by the assumed repeat of the historical 1988 and 1990 low supply conditions from the SWP to predict supply availability for 2021 and 2023. Metropolitan has in place a robust Water Shortage Contingency Plan and comprehensive shortage response planning that includes demand reduction measures and supply augmentation actions. For 2021 and 2023, the estimated shortage levels of 130 TAF and 157 TAF, respectively, are within 10% of water use for both years corresponding to a Level 1 Shortage. Metropolitan’s Shortage Stage Level 1 response actions include takes from Storage, execution of Flexible Supplies, implementation of Voluntary Demand Reduction, and implementation of Metropolitan’s Water Supply Allocation Plan. More information is available in Metropolitan’s 2020 UWMP, Section 2.

Under the Water Authority’s assumption that it has access to its total Preferential Right under a potential Metropolitan shortage, there are no projected shortages that would prevent FPUD from meeting its demand during the five year DRA period, and implementation of the WSCP is not required. In the event that Metropolitan triggers its Level 1 shortage in 2021 and 2023, depending on actions taken by the Water Authority at that time, FPUD may initiate its public information program to request voluntary water use efficiency actions be taken by its customers to reduce water use. No other WSCP actions would be required. In the event FPUD’s application for Reorganization and transfer to Eastern Municipal Water District is approved during this period, the same limited WSCP actions would be contemplated under a Metropolitan Level 1 Shortage. For more information on how Eastern analyzed the effect of implementation of Metropolitan’s shortage allocation plan on FPUD see [Eastern Reliability Report](#).

Table 7-6 below provides the DRA total water supply and use comparison, assuming that the next five years are a five-year consecutive drought and determines no potential shortages.

Table 7-6 DRA Reliability Analysis

2021	Total
Total Water Use	9,972
Total Supplies	9,972
Surplus/Shortfall w/o WSCP Action	0
Planned WSCP Actions (use reduction and supply augmentation)	
WSCP – Supply Augmentation benefit	0
WSCP – use reduction savings benefit	0
Revised Surplus/ (shortfall)	0
Resulting % Use Reduction from WSCP Action	0

2022	Total
Total Water Use	10,341
Total Supplies	10,341
Surplus/Shortfall w/o WSCP Action	0
Planned WSCP Actions (use reduction and supply augmentation)	
WSCP – Supply Augmentation benefit	0
WSCP – use reduction savings benefit	0
Revised Surplus/ (shortfall)	0
Resulting % Use Reduction from WSCP Action	0

2023	Total
Total Water Use	10,710
Total Supplies	10,710
Surplus/Shortfall w/o WSCP Action	0
Planned WSCP Actions (use reduction and supply augmentation)	
WSCP – Supply Augmentation benefit	0
WSCP – use reduction savings benefit	0
Revised Surplus/ (shortfall)	0
Resulting % Use Reduction from WSCP Action	0

2024	Total
Total Water Use	11,080
Total Supplies	11,080
Surplus/Shortfall w/o WSCP Action	0
Planned WSCP Actions (use reduction and supply augmentation)	
WSCP – Supply Augmentation benefit	0
WSCP – use reduction savings benefit	0
Revised Surplus/ (shortfall)	0
Resulting % Use Reduction from WSCP Action	0
2025	Total
Total Water Use	11,541
Total Supplies	11,541
Surplus/Shortfall w/o WSCP Action	0
Planned WSCP Actions (use reduction and supply augmentation)	
WSCP – Supply Augmentation benefit	0
WSCP – use reduction savings benefit	0
Revised Surplus/ (shortfall)	0
Resulting % Use Reduction from WSCP Action	0

7.5.3 OPTIONAL PLANNING TOOL WORKBOOK

DWR recommends but does not require the use of the Optional Planning Tool in conducting the DRA reliability analysis. Because the Water Authority and Metropolitan utilize their storage and conveyance systems to account for monthly and seasonal variations in their supplies, FPUD conducted its analysis on an annual basis. Although FPUD’s SMRCUP operates on a seasonal basis and will experience below average yield during the dry years analyzed in the DRA, the fact that the Water Authority and Metropolitan manage their storage systems to meet actual member agency demand when it occurs does not require visibility at the monthly time step level. FPUD recently expanded its recycled water storage and with its available treatment capacity is able to meet the seasonal changes in recycled water demand. For this reason recycled water was also analyzed on an annual basis.

Section 8 – Water Shortage Contingency Plan (WSCP)

This document constitutes Fallbrook Public Utility District's (District or FPUD) Water Shortage Contingency Plan (WSCP), a detailed proposal for how the District intends to act in the case of an actual water shortage condition.

8.1 WATER SUPPLY RELIABILITY ANALYSIS

FPUD has reduced its per capita water use by 54% from its 20 X 2020 Baseline and is 43% under its official 2020 target GPCD. FPUD has a diverse and reliable supply portfolio that includes multiple local and imported sources of water. While FPUD is increasing its utilization of local water supplies, the District may rely to a greater extent on wholesale purveyors during dry periods when local supplies are less available. The most common issue for water supplies in Fallbrook, as is the case in much of the arid west, is drought.

The District's water wholesaler, the San Diego County Water Authority (Water Authority) and the Water Authority's wholesaler the Metropolitan Water District of Southern California (Metropolitan) have made substantial investments in supply reliability over many decades to ensure that the regions they serve have sufficient water supplies, even during periods when source waters are in shorter supply. The Water Authority and Metropolitan have reported regional information and methodologies in their 2020 Urban Water Management Plans, which contain comprehensive analysis regarding supply reliability. Strategies for the optimization of supply reliability include diverse portfolios of local and imported supplies, storage, and supply management practices. These water management strategies will enable the Water Authority and Metropolitan to adapt operational practices to meet water supply needs for their member agencies to ensure the reliable supply of water.

8.2 ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT PROCEDURES

Starting in 2022, each year FPUD will complete an "Annual Water Supply and Demand Assessment", which will be reported to the Department of Water Resources by July 1st. This review process will assess current conditions at that time, updating the District's supply profile (detailed in Section 6 of the District's UWMP) and demand projections (detailed in Section 4 of the District's UWMP).

Because FPUD's receives a significant portion of its potable supplies from the Water Authority, it will consider the Water Authority's Annual Assessment of its supply availability. The Water Authority first considers its core water supplies as part of the annual assessment. Included as part of consideration of the core supplies are the capabilities and constraints of the infrastructure used to deliver the core water supplies. Next, the Water Authority considers member agency projected water demands on the Water Authority to identify available supplies capable of meeting estimated demand. The Water Authority then evaluates its

storage assets to determine whether to supplement its core supplies with stored water. More detail on the Water Authority Assessment procedures is contained in Section 11.3.2 of its 2020 UWMP.

Because wholesale supplies purchased by the Water Authority from Metropolitan are an important element of the Annual Assessment, of note is Metropolitan's 2020 UWMP, Section 2.5, which outlines its procedures. In summary, Metropolitan's Annual Assessment determination will be based on considerations of available core water supplies, unconstrained water demand, planned water use, and infrastructure conditions. Metropolitan also considers the use of its in-region and out of-region stored water and other water management programs to supplement core water supplies. The difference between projected core water supplies and anticipated unconstrained demand will be used to determine what, if any, shortage stage is expected under Metropolitan's Water Shortage Contingency Plan framework.

Data and Methodology

FPUD will take into account the Water Authority's and Metropolitan's Assessment of available supplies and FPUD's own local supply estimates. FPUD will use its excel based Water Demand Forecasting Model under current local hydrologic conditions to estimate unconstrained demand. Availability of FPUD local surface water and groundwater supplies has a strong correlation to past availability under similar hydrologic conditions. Groundwater modeling and updated monthly yield projections for the Santa Margarita River Conjunctive Use Project, a joint groundwater project operated by Camp Pendleton and FPUD that will go live in 2022, will provide the District with an accurate method of forecasting yield from the project. FPUD will also assess the ability of its distribution system and SMRCUP infrastructure to deliver all available supplies to its customers. If there are infrastructure constraints, FPUD will develop a plan to address those physical constraints in as expeditious a manner as possible.

When combined with results of the Water Authority and Metropolitan's Annual Assessments, FPUD will be able to complete a comprehensive analysis of its supply and demand balance and identify any shortfalls. If a gap is identified, FPUD will be able to determine the most appropriate actions to take under the WSCP.

Decision-Making Process

FPUD will prepare the written Annual Water Supply Assessment per DWR requirements and present the results of the Assessment to its Board of Directors prior to submission to DWR. Depending on the results of the Assessment and then-current conditions, FPUD may request action from its Board consistent with its WSCP and in advance of submission of the Annual Assessment to DWR.

8.3 SIX STANDARD WATER SHORTAGE STAGES

In the event of declared water shortages, Article 17 of the Administrative Code will be implemented. A copy is included in Appendix F. This plan includes both voluntary and mandatory rationing during water supply shortages, including specific response actions that align with six standard water shortage levels based on water supply conditions and shortages resulting from catastrophic supply interruptions.

As soon as a particular condition is declared to exist, the water conservation measures provided for under that condition would apply to all FPUD water service until a different condition is declared. The chart below indicates the six shortage levels that could be enacted by FPUD in the event of a declared shortage. A narrative summary is beneath the table and the complete text is in Appendix F.

The table below shows the six stages of our shortage plan

Submittal Table 8-1		
Shortage Level	Percent Shortage Range	Shortage Response Actions (Narrative description)
1	Up to 10%	Water Shortage Notice
2	Up to 20%	Water Shortage Watch
3	Up to 30%	Water Shortage Alert
4	Up to 40%	Water Shortage Warning
5	Up to 50%	Water Shortage Critical Condition
6	>50%	Water Shortage Emergency Condition
NOTES:		

Level 1 “Water Shortage Notice” is enforced when local supply conditions and/or the District’s wholesalers notify the District that cutbacks are necessary, caused by water shortages or other reduction in supplies. During a “Water Shortage Notice”, reductions in consumer demands of up to 10% are required in order to have sufficient supplies available to meet anticipated demands.

Level 2 “Water Shortage Watch” is enforced when local supply conditions and/or the District’s wholesalers notify the District that cutbacks are necessary, caused by water shortages or other reduction in supplies. During a “Water Shortage Watch”, reductions in consumer demands of up to 20% are required in order to have sufficient supplies available to meet anticipated demands.

Level 3 “Water Shortage Alert” applies when local supply conditions and/or the District’s wholesalers notify the District that due to increasing cutbacks are necessary, caused by water shortages or other reduction of supplies. During a

“Water Shortage Alert”, reductions in consumer demands of up to 30% are required in order to have sufficient supplies available to meet anticipated demands.

Level 4 “Water Shortage Warning” applies when local supply conditions and/or the District’s wholesalers notify the District that due to increasing cutbacks are necessary, caused by serious water shortages or other reduction of supplies. During a “Water Shortage Warning”, reductions in consumer demands of up to 40% are required in order to have sufficient supplies available to meet anticipated demands.

Level 5 “Water Shortage Critical Condition” applies when local supply conditions and/or the District’s wholesalers notify the District that due to increasing cutbacks are necessary, caused by critical water shortages or other reduction of supplies. During a “Water Shortage Critical Condition”, reductions in consumer demands of up to 50% are required in order to have sufficient supplies available to meet anticipated demands.

Level 6 “Water Shortage Emergency Condition” applies when local supply conditions and/or the District’s wholesalers notify the District that is has declared a water shortage emergency and requires a demand reduction of more than 50% in order for the District to have maximum supplies available to meet anticipated demands.

8.4 WATER SHORTAGE RESPONSE ACTIONS

The following prohibitions apply to use of potable water and do not apply to reclaimed water or well water use. More detailed information is available in the complete text of Article 17 of the Administrative Code, in Appendix F.

The table below shows mandatory prohibitions

Table 8-2a Retail: Restrictions and Prohibitions on End Uses			
Stage	Restrictions and Prohibitions on End Users <i>Drop down list</i> <i>These are the only categories that will be accepted by the WUEdata online submittal tool</i>	Additional Explanation or Reference (optional)	Penalty, Charge or Other Enforcement?
<i>Add additional rows as needed</i>			
1	Landscape - Restrict or prohibit runoff from landscape irrigation		Yes
1	Other – Prohibit use of potable water for washing hard surfaces		Yes
1	Other – Require automatic shut-off hoses	No residential or commercial irrigation between 10am and 6pm	Yes
1	Water Features – Restrict water use for decorative water features, such as fountains, ponds, lakes and waterfalls	Must use re-circulated water	Yes
1	Other	Must use a positive shutoff nozzle to wash vehicles	Yes
1	CII – Lodging establishment must offer opt-out of linen service		Yes
1	CII – Restaurants may only serve water upon request		Yes
1	Other – Customers must repair leaks, breaks, and malfunctions in a timely manner	Within 120 hours	Yes
1	Other	Recycled or non-potable water use for construction when possible	Yes
1	Landscape – Limit landscape irrigation to specific times	Before 10am and after 6pm	Yes
2	Increased enforcement of conservation measures		Yes
3	Other – Customers must repair leaks, breaks, and malfunctions in a timely manner	Within 72 hours	Yes

CONTINUED -- Table 8-2a Retail: Restrictions and Prohibitions on End Uses			
Stage	Restrictions and Prohibitions on End Users <i>Drop down list</i> <i>These are the only categories that will be accepted by the WUEdata online submittal tool</i>	Additional Explanation or Reference (optional)	Penalty, Charge or Other Enforcement?
<i>Add additional rows as needed</i>			
3	Landscape – Lawn watering limited to ten minutes per station on assigned days		Yes
4	Landscape – Limit irrigation to one day per week		Yes
4	Other – Customers must repair leaks, breaks, and malfunctions in a timely manner	Within 48 hours	Yes
4	Other – Prohibit vehicle washing, except at facilities using recycled or recirculating water		Yes
5	Landscape – Prohibit all automatic landscape irrigation	*For exemptions, see FPUD’s Article 17, in Appendix F	Yes
5	Public parks, playing fields, school grounds irrigation limited to (2) days per week		Yes
5	Other – Customers must repair leaks, breaks, and malfunctions in a timely manner	Within 24 hours	Yes
6	Additional public communication and restrictions as required by emergency conditions		Yes

* Consumption reduction methods in lower stages apply at all higher levels.

8.4.1 SUPPLY AUGMENTATION

The District owns and operates the Red Mountain Reservoir, which has a storage capacity of 1,200AF. During normal conditions, reservoir levels are kept below capacity, as the reservoir is used as a storage facility near one of the District’s imported water aqueduct connections. In the event of an emergency supply shortage, FPUD could coordinate with Camp Pendleton (partner in the Santa Margarita Conjunctive Use Project) to increase the volume of stored water being pumped to augment local and imported supplies as needed. These modifications would likely be implemented in concert with appropriate demand reduction measures to provide sufficient water supply to meet the community’s demands.

The table below shows supply augmentation

Submittal Table 8-3: Supply Augmentation and Other Actions			
Shortage Level	Supply Augmentation Methods and Other Actions by Water Supplier <i>Drop down list</i> <i>These are the only categories that will be accepted by the WUEdata online submittal tool</i>	How much is this going to reduce the shortage gap? <i>Include units used (volume type or percentage)</i>	Additional Explanation or Reference <i>(optional)</i>
<i>Add additional rows as needed</i>			
5	Stored Emergency Supply	As needed (1,200 AF Capacity)	
NOTES:			

8.4.2 DEMAND REDUCTION

Water conservation measures are always in place in FPUD’s service area, which promote end users to use water wisely and treat it as the precious resource that it is. The District offers many services to ratepayers that will be covered in Section 9, Demand Management Measures.

The table below shows demand reduction actions

Submittal Table 8-2b: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions <i>Drop down list</i> <i>These are the only categories that will be accepted by the WUEdata online submittal tool. Select those that apply.</i>	How much is this going to reduce the shortage gap? <i>Include units used (volume type or percentage)</i>	Additional Explanation or Reference <i>(optional)</i>	Penalty, Charge, or Other Enforcement? <i>For Retail Suppliers Only Drop Down List</i>
<i>Add additional rows as needed</i>				
1	Expand Public Information Campaign	5-10%		No
1	Offer Water Use Surveys	5-10%		No
1	Offer Leak Detection Notifications (AMI)	5-10%		No
1	Offer online access to hourly water use (AMI)	5-10%		No
1	Landscape - Restrict or prohibit runoff from landscape irrigation	5-10%		Yes
1	Provide Rebates for Landscape Irrigation Efficiency	5-10%		No
1	Provide Rebates for Turf Replacement	5-10%		No
1	Provide Rebates on Plumbing Fixtures and Devices	5-10%		No
1-6	Implement or Modify Drought Rate Structure or Surcharge	10-30%		Yes
2	Moratorium or Net Zero Demand Increase on New Connections	<5%		No
1	Increase Water Waste Patrols	<5%		Yes
1-6	Decrease frequency of irrigations	5-20%		Yes
1-6	Other restrictions as specified in Article 17	5-50%		Yes
1-6	Autocall directives/messages as conditions require	N/A		No
NOTES:				

LANDSCAPE IRRIGATION

Key savings are found in restrictions and prohibitions on irrigation of landscape. The District has implemented several irrigation restrictions that increase in severity as water supply dictates need for increased conservation. For example, irrigation runoff is prohibited in all levels of the District’s Administrative Code. Irrigation is

also prohibited during and for 48 hours after measurable rainfall within the District's service area.

Beginning in Level 2, landscape irrigation is limited to no more than two days per week during the months of June through October. Lawn watering and landscape irrigation is limited to using sprinklers for no more than 10 minutes per station. During the months of November through May, landscape irrigation is limited to no more than once per week. During extreme Santa Ana conditions, in which the temperature is greater than 80 degrees and there are strong easterly winds greater than 20 mph, one additional day per week of watering is allowed.

In Level 3, the allowance for one additional day of watering during extreme weather conditions is no longer allowed.

In Level 4, the requirement is to stop all landscape irrigation, except for crops and landscape products of commercial growers and nurseries.

COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL (CII)

Commercial, Industrial and Institutional establishments have conservation restrictions that are mandatory in Level 1 and all subsequent levels. For example, restaurants only serve water to customers if requested and lodging establishments offer guests the option of opting out of linen service. More information can be found in Table 8-2a and Appendix F.

WATER FEATURES AND SWIMMING POOLS

To eliminate water waste, beginning with Level 1 and continuing into all subsequent levels, water use is restricted in ornamental fountains in that they may only be operated if they re-circulate their water. More information can be found in Table 8-2a and Appendix F.

DEFINING WATER FEATURES

Decorative water features would be defined as ornamental water fountains which can only be operated if they re-circulate their water. The District does not place any restrictions on swimming pools. Beginning with Level 3, customers must stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life. More information can be found in Table 8-2a and Appendix F.

OTHER

The District requires many conservation practices, beginning with Level 1 and extending to all subsequent levels, such as the washing down of paved surfaces, including sidewalks, is prohibited except when necessary to alleviate safety or sanitation hazards. More information can be found in Table 8-2a, Table 8-2b and Appendix F.

8.4.3 EMERGENCY ACTION PLAN & SEISMIC RISK ASSESSMENT

In the event of an emergency situation, the District's response will be coordinated by utilizing the agency's Emergency Action Plan, which is laid out in Article 20 of the Administrative Code, and included with this plan as Appendix I. This plan details the procedures that will allow District staff to quickly and efficiently respond to an emergency situation including events such as natural disasters or other events that may correspond with an emergency water shortage.

Seismic Risk Assessment

Aqueduct Reliability After A Seismic Event

FPUD currently relies on imported water supplied by SDCWA from the MWD Skinner WTP for the majority of its imported water needs. This water moves from North to South along the first and second aqueduct. For the last 20 years, SDCWA has been implementing the Emergency Storage Project (ESP). The ESP is a system of new, existing and expanded reservoirs, pipelines and pump stations that will ensure that its member agencies receive a 75% Level of Service during a catastrophic earthquake that severs San Diego County from MWD's imported water system. SDCWA's ESP manages the risk of seismic events on the San Andreas, San Jacinto and Elsinore faults. The facilities to deliver ESP to FPUD are not in place, as there is a pump station and appurtenant facilities required to be constructed by SDCWA. It should be noted that SDCWA's planning documents for these facilities indicate that SDCWA will need to use MWD's aqueduct system to make ESP deliveries to FPUD.

Once facilities are constructed, FPUD's customers would be able to receive ESP water in a catastrophic emergency. FPUD's M&I customers would receive a 75% level of service while FPUD's PSAWR customers would be cut at twice the rate of non-TSAWR customers (for example, a 50% cutback compared to 25% for non-PSAWR customers). This lower level of reliability is in exchange for the discounted water rate PSAWR customers pay and in recognition that during an emergency outdoor irrigation water will be a low priority.

MWD has an Emergency Response Plan and emergency water storage for its member agencies and their sub-agencies. MWD maintains sufficient storage in its 800,000 acre foot Diamond Valley Lake and other storage reservoirs to provide a similar 75% Level of Service in the event of earthquakes on the San Andreas and San Jacinto earthquake faults that would sever the imported water conveyance system for the State Water Project and Colorado River. The difference between SDCWA and MWD emergency storage programs is that during a seismic event on the Elsinore Fault in southern Riverside County, service from MWD's treatment plants, reservoirs and local pipelines may be disrupted. The Elsinore Fault is considered the least active of the 3 earthquake faults listed above, and MWD in its Emergency Response Plan intends to

complete repairs on those facilities within 14 days of the seismic event and restore service to at least the 75% level. When facilities for SDCWA's ESP are completed it expects to provide emergency water for a 75% Level of Service to FPUD customers following the seismic event on the Elsinore Fault and the interruption of imported water deliveries. Additional details on how supplies could be provided from MWD pipelines without the ESP facilities was summarized in a report prepared by EMWD titled, *"Analysis of Eastern Municipal Water District's Water Supply and System Reliability with the Potential Annexation of Fallbrook Public Utility District and Rainbow Municipal Water District"* (prepared by EMWD, February 12, 2020". The findings of that report are summarized below.

FPUD and RMWD rely on the imported water that is transported through the San Diego Aqueduct operated by Metropolitan. Pipelines 4 and 5, which are part of this aqueduct system, cross the Elsinore Fault Zone in the Temecula Valley, with portions of the pipelines in areas with moderate to high liquefaction potential and may consequently be subject to disruption in the event of a major earthquake. However, Metropolitan maintains an emergency response plan for maintaining or quickly restoring service to its member agencies following a major earthquake or other catastrophic event.

The La Verne Shops, which include machine, fabrication, coating, and valve shops, are set up to provide emergency services for Metropolitan and their member agencies. The fabrication shop can roll pipe on a 24-hour-per-day basis and is able to fabricate two pipe sections up to 12 feet in diameter simultaneously. Metropolitan also maintains stockpiles and materials on hand, and has its own construction equipment and crews ready to mobilize as needed. Pre-selected urgent repair contractors can also provide additional construction support in case of an emergency. This emergency response plan and the ability to roll pipe at the La Verne shops expedited the emergency repairs necessary as a result of the Northridge earthquake, where Metropolitan was able to repair a line break on an eight-foot section of 84-inch pipe and restore service within 72 hours.

Maintaining these manufacturing and construction capabilities supports Metropolitan's efforts to efficiently operate and maintain its infrastructure and to expedite the repair of pipelines 4 and/or 5 should they be damaged in a major earthquake.

Metropolitan has also adopted a policy that allows for isolation of Metropolitan's system for the purpose of conveying potable water. This would allow either EMWD or Rancho California Water District (an agency covering much of the Temecula area that receives wholesale water service from EMWD and the Western Municipal Water District) to provide potable water through existing connections to the Metropolitan system to supply water to FPUD and RMWD in the event of an emergency.

FPUD Supply Reliability During A Seismic Event

FPUD has the ability to deliver water from either the first or second aqueduct, so the loss of a single pipeline will not inhibit FPUD’s ability to provide imported water during an earthquake. In addition, starting in November 2021, FPUD will have access to its own local water supply and can utilize these supplies in the event that both aqueducts could not provide service. FPUD also has Red Mountain Reservoir that has a storage capacity of 1200 AF, which can provide service to the entire FPUD system.

To address the potential for 14 days with limited or no service in the event of an earthquake on the Elsinore Fault that resulted in loss of both the first and second aqueduct, FPUD customers will receive local water supply during an emergency from its Santa Margarita River Conjunctive Use Project (SMRCUP). FPUD is constructing the SMRCUP in partnership with U.S. Marine Corps Base Camp Pendleton to share local water in the Santa Margarita River through a groundwater storage and recovery project. Local supply from the SMRCUP will provide an additional layer of water supply reliability to the FPUD service area. The SMRCUP is planned to produce approximately 9 acre feet per day on average and can meet all the daily indoor health and safety of FPUD residents for the 14 day expedited repair period. Additional drinking water will be available from the SMRCUP, FPUD’s Red Mountain Reservoir and other storage tanks to meet very limited irrigation needs of M&I and agricultural customers during this period as well.

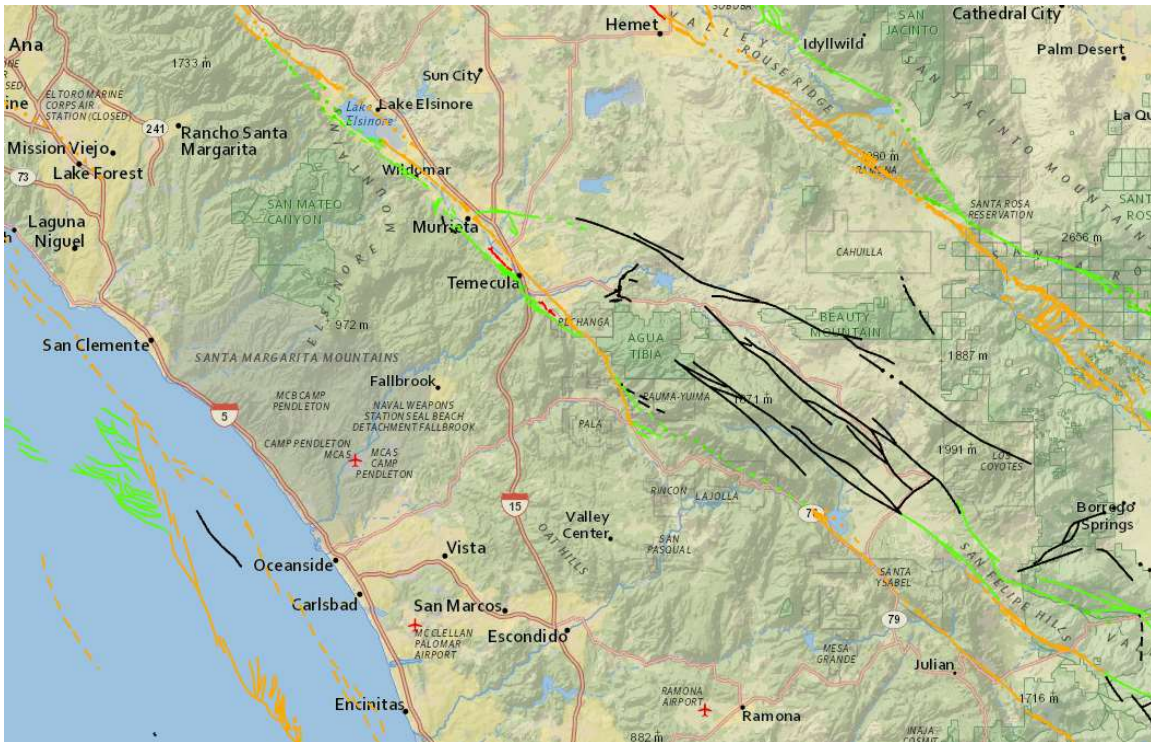
The table below reflects the Level of Service FPUD customers can expect during a catastrophic emergency as a member agency of SDCWA if all ESP facilities were in place or from existing MWD facilities.

	San Andreas & San Jacinto Faults		Elsinore Fault	
	M&I Level of Service	SAWR Level of Service	M&I Level of Service	SAWR Level of Service
SDCWA	75%	37%	75%	37%
MWD	75%	N/A	20 to 75%	N/A

**Range is based on MWD emergency planning for seismic event of Elsinore Fault is to expedite repairs to facilities in southern Riverside County to restore service within 14 days. Indoor Health and Safety water use minimum level of service from local supplies and storage for 14 day period. SDCWA plans to provide emergency deliveries with an earthquake on the Elsinore Fault

FPUD Facility Reliability During A Seismic Event

In addition the available supplies described above, the ability for FPUD facilities to maintain water supply operations during an earthquake is also an important consideration. There are no major fault lines with FPUD service territory or directly adjacent as shown in the figure below, but there are fault lines out in the ocean and outside of the District’s service area closer to the community of Temecula.



Location of know Earthquake Fault lines in vicinity of Fallbrook

The most vulnerable water system facilities to Earthquakes are water storage facilities as the additional forces generated from movement of water in these facilities can result in damage to structures. In 2013, the District completed a Seismic Study of the District’s reservoirs. Based on this study some reservoirs were removed from service and the operating levels were adjusted for others to meet the recommendations of the study to ensure the seismic integrity of the District’s reservoirs.

The District also has developed an Emergency Action Plan (EAP) to assess risks associated with operating and maintaining the District’s Red Mountain Reservoir. The purpose of the EAP is to reduce the risk of loss of human life or injury, and to minimize property damage in the event of a potential or actual emergency situation associated with Red Mountain Dam. These situations include, but are not limited to dam instability, sizable earthquakes, extreme storm events, major spillway releases, overtopping of the dam, outlet system failure, abnormal instrument readings, vandalism or sabotage, spillway gate failures, and failure of the dam. Emergency management authorities will use the information in this EAP to facilitate the implementation of their responsibilities. Local, county, and state authorities have coordinating plans in place to address local emergency operations and/or warnings and evacuations. Those plans are not reprinted in the EAP but maintained by the responsible agencies.

Finally, while the District owns and maintains nearly three hundred miles of water mains, below grade water pipelines have a low degree of potential damage given the distance from known fault lines and are not anticipated to experience significant damage during projected earthquake events.

Summary

The District has multiple sources of supply which results in a high degree of supply reliability during a wide variety of Earthquake scenarios. In addition the District has evaluated the reliability of its infrastructure and taken necessary steps to ensure its system remains operational during a seismic events.

8.4.4 CATASTROPHIC SUPPLY INTERRUPTION

In the event of short-term or prolonged water shortage, FPUD has several safeguards in place. FPUD's Red Mountain Reservoir holds over 1,000 AF of treated water, and the district can tap into it in emergencies. For example, in summer 2005 when the Skinner Filtration plant, which is owned by Metropolitan and serves treated water to the Water Authority as well as Riverside County, suffered a significant operational failure and was only operating at half capacity, FPUD was able to volunteer to take a 50% cut in potable water deliveries. FPUD customers didn't notice any reduced supply or water pressure changes, and the voluntary cutback was helpful to the region.

In the event of a power failure, FPUD also has emergency portable generators that can be used at Red Mountain Reservoir and several other facilities that would allow the district to pump potable water, at a reduced capacity, to De Luz and Toyon Heights, the two regions of the district's service area that are not served by the district's gravity-fed water distribution lines.

FPUD also entered into an exchange agreement with Rainbow Municipal Water District in 1986. Both agencies own and operate water pipeline systems connected to the Water Authority aqueduct and share a common boundary. In some areas of this common boundary, both agencies determined it may be more economical to serve property located in one district from the pipeline system of the other district. Two interconnections were constructed linking both agencies' systems for this exchange purpose, and for the purpose of emergency supply in the event of leaks or maintenance. Rancho California Water District is the only other adjacent water agency, but no opportunity for transfers or emergency connections exist.

When the Santa Margarita Conjunctive Use Project comes online in 2022, emergency operations will enable the District to work with Camp Pendleton to utilize local groundwater supplies to assist with emergency water shortage conditions.

Aqueduct Off – No water being Delivered

An earthquake or other cause might damage the aqueduct, requiring it to be shut down for an extended period of time and eliminating wholesale deliveries of potable water from the Water Authority. The Water Authority's \$1.5 Billion Emergency Storage Project (ESP) was constructed to provide service to its member agencies in the event of a severe earthquake on the Elsinore and San Andreas faults that severed imported water delivery pipelines for an extended period of time. The ESP consists of new and expanded surface water reservoirs and conveyance facilities that would maintain a 75% level of service for its wholesale customers until repairs were made to reconnect the imported water aqueducts to Metropolitan's imported water system. Although the ESP has been completed since 2014 facilities to transport ESP water to FPUD during an emergency have not been constructed and FPUD is not capable of receiving ESP water during a seismic event that severs connections to Metropolitan's imported water delivery system.

In that scenario, FPUD would rely on plans and actions taken by Metropolitan to restore service and would utilize its available local supply, interconnections with other agencies, and stored water to maintain an appropriate level of service to its customers. Metropolitan's emergency storage requirements are based on the potential of a major earthquake on the San Andreas Fault that would damage all supply aqueducts isolating Southern California from its imported water sources. In 2019, Metropolitan and its member agencies completed a collaborative process to update the regional planning estimate of Metropolitan's Emergency Storage Objective. This emergency storage represents the amount of water that Metropolitan would store for the region in preparation for a catastrophic earthquake that would damage the aqueducts that transport imported water supplies to Southern California, including: the Colorado River Aqueduct, both the East and West branches of the California Aqueduct, and the Los Angeles Aqueduct. Although Metropolitan's planning assumes that there is not a simultaneous earthquake on the Elsinore Fault that would sever FPUD from Metropolitan facilities in southern Riverside County Metropolitan plans to expedite repairs and restoration of those facilities serving FPUD within 14 days. During the interim FPUD will utilize its local supplies and demand management measures until emergency supplies from Metropolitan are restored. For more detail on Metropolitan's seismic emergency preparedness refer to Metropolitan's 2020 UWMP Section 2 and Appendix 8.

The following are actions that will be taken by FPUD if an earthquake shuts down the imported water aqueducts.

1. Action to be taken: Notify management personnel as quickly as possible. Consider activation of Emergency Operations Center.

2. Work with Camp Pendleton to maximize available supplies from the Santa Margarita Conjunctive Use Project. Adjust output from the facility in coordination with Camp Pendleton to make up for lost supplies.
3. Determine the total flow into and out of the District's system and the amount of water in storage. Operate valves to maintain the water in the highest reservoirs wherever possible. Use the water from the low reservoirs first.
4. Make an attempt to determine how long the aqueduct will be out of service and how long the District's water must last. Make plans to terminate agricultural and other non-essential uses, as necessary.
5. Notify the public, *via electronic signage, Internet, , All-Call telephone message, media, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, media, radio, TV, etc.*, as to what condition and stage the District is currently in, and ration water, if necessary.

Earthquake

1. Consider activation of Emergency Operations Center. Have an alternative site in mind in case first choice of site is destroyed. Inventory existing equipment.
2. Notify customers, *via electronic signage, Internet, , All-Call telephone message, media, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, media, radio, TV, etc.*, that supply of water may be limited, especially if aqueduct is down, using telephone, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, radio, TV, etc.
3. Prepare a priority list for making repairs. Make sure there are ample copies of valve records, fire hydrant valves and regulator vaults available to make necessary shutdowns and turnoffs and in case assistance is required by other Districts or agencies, such as fire and sheriff's departments.
4. Check on auxiliary power available at treatment plants, pump and lift stations, and chlorination stations. Reroute water where necessary. Isolate broken main sections and repair as possible. Provide temporary lines if necessary.
5. Plan emergency usage and estimate water demand, quality and quantity, during and following earthquakes, taking into account the extent of damage and capability of system. Determine priorities for allocation of water.

Prior arrangements for earthquake preparedness:

1. Set up emergency assistance procedures with local suppliers and contractors for the supply equipment and/or supplies to the District. Devise a plan to obtain extra help, food, housing, etc. for District personnel if necessary.
2. Set up training programs, classroom lectures, maps, etc. The better and more complete the training, the less confusion and uncertainty when disaster strikes. Devise a plan, which clearly outlines who is to do what and when.
3. Initiate mutual-aid agreements and other arrangements with nearby agencies and districts.
4. Include in future design of tanks, pipelines, vaults, etc. earthquake-resistant materials and design criteria.

Major Water Outage

1. Notify key personnel (system operator and superintendent). Consider activation of Emergency Operations Center.
2. Divert water wherever possible to prevent property damage.
3. Isolate blowout (break) and determine extent of damage. Make provisions for fire protection. Contact the appropriate fire department.
4. Contact local contractors for help, if necessary.
5. Notify customers in affected areas, via electronic signage, Internet, , Call-Em-All telephone message, media, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, media, radio, TV, etc., about water outage and shut off meters, if necessary.
6. Divert water to other pipelines and loops, adjust valves to minimize water outage.
7. Repair blowout, flush lines and disinfect them.
8. Turn on meters and return system to normal operation.

No water in system

1. Notify management personnel as to the known areas of lack of water. Consider activation of Emergency Operations Center.
2. Providing the District has water in its system and is receiving water from the aqueduct, proceed to ascertain the reasons for no water being delivered. Repair or correct the cause of no water deliveries as soon as feasible.
3. If the aqueduct is off and the District's system is in operation, contact the Water Authority to identify the problem and determine when the system will be repaired. If necessary, notify the public, *via electronic signage, Internet, , All-Call telephone message, media, CB radios, Ham Radio Operators (RACES), house-to-house notification, loudspeakers, media, radio, TV, etc.*, of minimum water-use requirements. Make provisions for fire protection water, if possible.

Weather-related damage – Storms/High Winds/Tornado/Hurricanes

1. Notify management personnel of extent of damage insofar as it is possible to determine. Consider activation of Emergency Operations Center.
2. Check the District's system to determine the extent of damage. Be alert to the fact that high winds will probably be accompanied by flooding, which will cause further problems. Watch for downed trees and power lines that may serve the District's facilities.
3. Assist the inhabitants and other agencies wherever possible and as necessary. Protect District employees and crews from potential injuries.

8.5 COMMUNICATION PROTOCOLS

Clear, efficient, and effective communication to District customers, the public, interested parties, and local, regional, and state governments is a key element of coordinating responses to adverse conditions, including a potential water shortage. The District has many tools at hand to communicate with ratepayers, including messaging on invoices, letter distribution, emails (approximately 50% of ratepayers), auto calls, website posts, Twitter and Facebook posts, press releases, and other local media outlets as available/needed.

Perhaps the most efficient means to communicate directly with the public during emergency situations is through auto calls. The District has increased this form of communication in recent years, especially to notify customers about current or predicted shortages, shortage response actions, or disruptions in water service. An auto call presents the opportunity to convey basic information about the situation at hand, while referring customers to a more centralized location for

information, such as the District website. Information to be disseminated on a website can be edited and updated in real time to present the best information available on an ongoing basis.

8.6 COMPLIANCE AND ENFORCEMENT

Depending on the severity of the water shortage, and the level of shortage response that has been enacted, District staff will enforce compliance with water use restrictions. For example, during normal conditions or a “Level 1” shortage condition, if water wasting or run-off is observed, the District will issue a courtesy notice either via a phone call, in-person visit, or door hanger. Continued violation or failure to fix the problem will result in another notification. Unless specific arrangements are made with the General Manager to correct the situation, continued failure to fix the problem could result in a fine or increasing levels of fines, as determined by the General Manager and/or Board of Directors. Additional information on customer compliance, enforcement, appeal, and exemption policies and procedures can be found in Article 17 of the District Administrative Code, attached hereto as Appendix D.

8.7 LEGAL AUTHORITIES

The District has the legal authority to implement and enforce its WSCP. California Constitution Article X, Section 2 and Water Code section 100 provide that water must be put to beneficial use, the waste or unreasonable use or unreasonable method of use of water shall be prevented, and the conservation of water is to be exercised with a view of the reasonable and beneficial use thereof in the interest of the people and the public welfare. Sections of Water Code Chapter 3 commencing with Section 350 of Division 1, provide the authority for the governing body of a water agency to declare a water shortage and to adopt and enforce water conservation restrictions. (Wat. Code §§ 350-359, 375-378.0.)

If necessary, the District shall declare a water shortage emergency in accordance with Water Code Chapter 3 of Division 1. Once having declared a water shortage, the District is provided with broad powers to implement and enforce regulations and restrictions for managing a water shortage. For example, Water Code Section 375(b) grants the District with the authority to set prices to encourage water conservation.

Under California law, including Water Code Chapters 3.3 and 3.5 of Division 1, Parts 2.55 and 2.6 of Division 6, Division 13, and Article X, Section 2 of the California Constitution, the District is authorized to implement the water shortage actions outlined in this WSCP. In water shortage cases, shortage response actions to be implemented will be at the discretion of the District and will be based on an assessment of the supply shortage, customer response, and need for demand reductions as outlined in this WSCP.

It is noted that upon proclamation by the Governor of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, the state will defer to implementation of locally adopted water shortage contingency plans to the extent practicable.

The District will coordinate with regional and local water suppliers for which it provides water supply services for possible proclamation of a local emergency as necessary under California Government Code, California Emergency Services Act (Article 2, Section 8558).

Legal authority to enforce this WSCP is also specified in the District Administrative Code, Article 17,

“California Water Code Sections 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity. The Board of Directors hereby establishes a comprehensive water conservation program pursuant to California Water Code Sections 375 et seq., based upon the need to conserve water supplies and to avoid or minimize the effects of any future shortage.”

8.8 FINANCIAL CONSEQUENCES OF WSCP

If FPUD were to encounter an extended water shortage, the financial result would be a reduced amount of water sold by FPUD to its customers. Since water bills are based on water consumption, the revenue received by the District would also be reduced, but the District collects the majority of fixed costs as a fixed monthly fee, so the revenue reduction is not directly proportional to reduced water use. Some additional administrative costs may also result from the implementation of the WSCP, including public outreach materials and staff time to prepare such materials and enforce the plan. In recent years, the District has streamlined important forms of public outreach, including auto calls and emails. These forms of communication have the advantages of quick delivery and minimal expense. To the extent possible, existing FPUD staff would be reallocated from other workloads to cover the administration tasks during a drought emergency.

DROUGHT RATE STRUCTURES AND SURCHARGES

FPUD uses a variety of mechanisms to mitigate reduced sales. During a declared shortage, FPUD implements tiered drought rates that encourage reductions in usage. These tiered drought rates would help reduce some potential financial effects of water shortages. In addition, lower sales do not have a proportional effect on the District’s revenue because it collects 80% of the fixed costs of running the Water Operations in the District’s fixed Monthly Operations Charge. The District’s variable costs for acquiring and delivering the water to its customers would be

reduced proportionally to reduced usage. Some of the District's costs might be increased, such as additional staff time for monitoring water use or enforcing conservation policies. However, these efforts would more than likely be achieved by temporarily re-directing staff from other tasks. These changes in operation, therefore, would not be expected to cause a significant increase in the District's total expenditures.

USE OF FINANCIAL RESERVES

If the reduction were due to a short-term situation and the fixed costs recovery did not make up for the entire shortfall, the District could absorb any shortfall by drawing on its general fund reserves. After conditions returned to normal, the District would replenish its reserves.

The District's response would be more complex if the most significant drought reduction in consumption of 50% was expected to be permanent. The District would either need to raise rates or cut expenses to balance its budget. One way this rate increase could be accommodated would be to phase increases over a number of years. Two factors would mitigate the need for more immediate increases. First, the District's general fund reserves could be used to temporarily fill the gap between expenditures and revenues. Second, the shortfall mentioned above does not include increased costs of purchased water that would go to the Water Authority as they raise their rates, assuming the reduction was occurring across the region. The Water Authority would likely spread their rate increases over several years, allowing the District to do the same.

8.9 MONITORING AND REPORTING

Extensive monitoring and reporting procedures have been in place at FPUD for many years, and FPUD will continue these monitoring and reporting procedures to evaluate the effectiveness of this WSCP. All of FPUD's connections are metered, and FPUD analyzes water use in near real time through its automated metering program (AMI). Many water management records are maintained in a monthly format, but many of those records are assembled each month by Engineering, Operations, and Finance staff from more granular data. It is not uncommon for these raw datasets to be utilized to meet monitoring and reporting requirements as they arise (for example, ever-evolving State mandated reporting requirements). Other reports, such as [INSERT] are used by staff to refine and analyze internal operations in formats that are often presented to the District Board of Directors. In addition, District staff compiles data for external reports as needed for entities such as wholesale water agencies, state regulatory agencies, and trade organizations such as the American Water Works Association.

8.10 WATER SHORTAGE CONTINGENCY PLAN REFINEMENT PROCEDURES

While extensive work has gone into updating and preparing this Water Shortage Contingency Plan as part of the process of preparing the 2020 Urban Water

Management Plan, the WSCP shall be subject to continued reevaluation, review, and refinement. The implementation of the Santa Margarita Conjunctive Use Project will bring new operational benefits and complexities to water management that will be addressed in FPUD's 2025 Urban Water Management Plan. Procedures for systematically monitoring and evaluating the viability of the WSCP will include ongoing data collection as it pertains to water demands, water supply and the plan's ability to reduce demands to the extent defined in each of the stages of action, if implemented. While the intricacies of a particular water shortage condition may be varied and complex, the end goal of the WSCP is to have a framework in place to reduce demands according to water supply shortage conditions that may arise. Having an effective WSCP will require continuous refinement in the months and years to come.

8.11 SPECIAL WATER FEATURE DISTINCTION

The District's demand reduction measures define water features subject to restrictions to include decorative water features artificially supplied by the public water system such as fountains, ponds, lakes and waterfalls. Refer to Section 8.4 and Table 8-2.

8.12 PLAN ADOPTION, SUBMITTAL AND AVAILABILITY

The District's shall make this WSCP available to its customers and applicable cities and the County no later than 30 days after adoption.

Section 9 – Demand Management Measures

Water Code section 10631(e)

Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1)(A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measure that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

Demand management, or water conservation, is integral to managing water resources in the arid west. If the efficient use of water is promoted and continually expanded, these savings can reduce or offset potential demand increases that might otherwise cause water demands to increase unsustainably as population and commerce expand over time. As discussed in other sections of this plan, the Fallbrook community has seen decreases in water demands for over a decade. While the main driver for these decreases is likely tied to increasing water rates and a shrinking agricultural community, drought mandated water use restrictions and cultural shifts in water use are also playing ongoing roles in the ways water is used. The Fallbrook Public Utility District provides educational and programmatic resources to help water users in their efforts to understand and reduce water use. Operational practices and common sense prohibitions of water waste are also enforced, as mandated by state law. Public information efforts include communication efforts through a revamped District website, public relations materials and community events. As a whole, this section will discuss the District's efforts towards demand management, including the nature and extent of each water demand management measure that FPUD has implemented over the past five years.

9.1 EXISTING WATER CONSERVATION MEASURES

District Educational & Programmatic Practices

One approach to promoting water conservation is to provide end users with a variety of educational and programmatic resources regarding their water use, and leaving them to utilize these resources to manage and reduce water use on their own. In an environment where water rates have seen steady increases for many years, end users are quick to recognize the financial savings associated with conserving water.

The most powerful water conservation tool that FPUD offers its ratepayers is access to hourly water use data, made possible by a recent shift to automated metering (AMI). At the time of preparing this plan, the District has exchanged over 90% of its meter population (water use in the District is 100% metered). The first AMI meters provided hourly water usage data for public users in 2017, and now the services are available to over 90% of District ratepayers, with full AMI meter exchanges set to be complete within the next two years. These new meters operate within a fixed network of radio towers and data collectors that record water use in hourly increments and continuously transfer this data to an online database. Water users have access to this data through a web portal, where they can review their water usage, and set up alerts that will notify them if water usage veers from established norms. AMI meters are also being used to send out leak alerts. The two principal categories of suspected leaks that are communicated to customers are burst leaks and continuous leaks. Notifications go out as soon as software algorithms identify a suspected leak. This accelerated notification process presents a profound paradigm shift from a more reactive method of communicating leaks through regular monthly meter reading and billing processes. AMI infrastructure allows the District to take a proactive approach to helping customers catch and repair leaks days after they begin, as opposed to weeks or even months.

Participation In Wholesale Agency Programs

As a member agency of San Diego County Water Authority (Water Authority) FPUD and therefore a sub-agency of the Metropolitan Water District of Southern California (Metropolitan), FPUD ratepayers are eligible for many water conservation rebates through Metropolitan's [SoCal Water\\$mart](#) website. The availability of specific programs changes as funding is available, but common programs include rebates for turf removal, high-efficiency appliances, plumbing fixtures and irrigation equipment. While upgrades may require matching investment from end users, the availability of these rebates can help jump start water conservation measures large and small. In 2018, the District utilized conservation funding from Metropolitan to work with volunteers and a local non-profit to remove 2,100 square feet of turf from a park in downtown Fallbrook with a significant permanent water savings.

In addition to *SoCal Water\$mart*, Metropolitan allots funding for all of its member agencies to administer their own programs locally, (Member Agency Administered Program funding, or MAAP). FPUD, working through the Water Authority has utilized MAAP funding to develop two projects. In 2019, the District developed a pilot program that offered vouchers for free drought tolerant plants for ratepayers. The plants themselves were produced in a partnership with a local plant nursery using locally produced recycled water. In 2020, FPUD utilized MAAP funding to build a water conservation demonstration garden at the entrance to the District offices. The garden serves as an example to the public of low water use plant choices and sustainable landscape management practices. The garden features donated and purchased drought tolerant plant material, including succulents and native plants, a dry stream bed, a 1,000 gallon rain barrel, signage that communicates principles of sustainability and water conservation and walkways and seating areas for rate payers to experience the garden.

In addition to the wholesale programs funded by Metropolitan through the Water Authority, FPUD and its ratepayers have participated in several regional water conservation programs administered by the Water Authority. Programs include enhanced rebates for turf removal and irrigation devices, and resources and reference materials for sustainable landscaping and water conservation practices. Agricultural customers are able to participate in sector-specific water use efficiency programs offered by the Mission Resource Conservation District (MRCD) under contract with the Water Authority. MRCD programs include landscape and home water use evaluations, and agricultural water management programs. Funding these programs is often a collaborative effort, including contributions from Metropolitan's MAAP funding, Proposition 84, and local administration and funding by the Water Authority and FPUD. Agricultural efficiency advice is also offered by the University of California Cooperative Extension which is also available to FPUD customers. FPUD would continue these programs if its application for Reorganization is approved and its wholesaler becomes Eastern Municipal Water District.

For more information on the wholesale educational and rebate programs available to FPUD please refer to SDCWA 2020 UWMP Section 3 and Metropolitan's 2002 RUWMP Section 3.4

9.1.1 OPERATIONS PRACTICES & WATER WASTE PREVENTION

Existing Demand Management Measures for Retail Supplier

As a retail water supplier FPUD institutes several Demand Management Measures (DMMs) to reduce customer water use. FPUD has implemented DMMs over the past five years and will continue to make strides to curb the inefficient use of water, including prohibitions of end uses that waste water, and the participation in regional rebates and other programs through *SoCal Water \$mart*. As an unincorporated community within San Diego County, new development within the FPUD service area is subject to review by the District as well as the building department at the

County of San Diego. FPUD has participated in the review of the County’s Model Water Efficient Landscape Ordinance (MWELO). The MWELO details restrictions on water use for new development, including Maximum Applied Water Allowance (MAWA) calculations for landscape water use.

Locally, FPUD’s administrative code outlines prohibitions for water waste, which are addressed in greater detail in Section 8 of this plan. Complete descriptions of FPUD’s prohibitions can be found in Article 17 of the FPUD administrative code Appendix F.

9.1.2 WATER LOSS CONTROL

Monitoring and controlling water loss helps FPUD track and account for all water that enters the distribution system. Detailed records and understanding of losses helps the district assess how to allocate resources, minimize the volume of unbilled water and ensure that the system is operating within acceptable tolerances. FPUD retains a copy of the AWWA M36 Manual on *Water Audits and Loss Control Programs* (M36), and maintains detailed internal records. Data from these records is used to prepare an annual Water Loss Audit, which has been completed and submitted to the Department of Water Resources each year for the past five years.

FPUD also has a comprehensive pipeline replacement program that targets older pipelines with a history of leaks for replacement. The District has a pipeline replacement target of five thousand linear feet each year. These replacements will help reduce water losses from mainline breaks.

Since 2015, the District has participated in the AWWA-assisted Water Loss Audit program, completing and submitting an annual “Water Loss Audit” to the Department of Water Resources using AWWA software and protocols laid out in the M36. As part of this exercise, the District worked with an AWWA consultant to develop strategies to improve their water loss auditing procedures. In addition, the AWWA program trained District staff as a certified “Water Loss Audit Validator.” This certification enables staff to perform an annual peer review of the District’s annual water loss audit with neighboring water retailer, a process that confirms the validity of the report (as required by Department of Water Resources standards).

9.1.3 METERING WITH COMMODITY RATES FOR NEW CONNECTIONS/RETROFITS

FPUD is fully metered, and maintains detailed operating procedures to meter new service connections. Over the past five years, automated metering has been implemented for over 90% of District meters, and the remaining automated meters reading (AMR) will be phased out in the next two years. Meter reads are used to perform monthly billing, track and account for all meters, and execute programs for meter testing/repair/replacement.

9.1.4 RETAIL CONSERVATION PRICING

Retail Water & Wastewater Service Rates

In 2017, the District worked with Raftelis Financial Consultants, Inc. (Raftelis) to provide and assemble a water, recycled water and wastewater “Rate Study Report”. In addition to establishing a detailed methodology for setting rates, the report developed a sustainable financial plan and establish rates that are equitable and in compliance with Proposition 218 for wastewater (WW), water and recycled water (RW) services within the District’s service area.

The major objectives of the study included the following:

1. Develop financial plans for the WW, Water and RW Funds to ensure financial sufficiency and funding for operation and maintenance, capital improvement, and capital replacement expenses;
2. Conduct a cost-of-service analysis for WW, water and RW services, and proportionately allocate the costs of providing service in accordance with Proposition 218;
3. Develop fair and equitable WW, water and RW rates for the different customer types and perform customer impact analysis;
4. Analyze the implications of drought on water demand and propose drought surcharges to recover the potential revenue losses;
5. Develop an administrative record that demonstrates the nexus between the District’s costs and rates, in compliance with Proposition 218.

9.2 PUBLIC INFORMATION PRACTICES

The District has many public information and school education programs in place. FPUD has a full-time public affairs representative who attends community group meetings, staffs booths at community events, implements education programs in schools, creates written materials and brochures, writes press releases and newsletters, and provides a speaker’s bureau. In addition, other District employees including the general manager, assistant general manager, and key staff from engineering and customer service speak at public meetings, staff booths, and engage customers as appropriate in public hearings, etc.

In 2018, the District completed a comprehensive overhaul of the organization’s website at <http://www.fpud.com>. Updates include more user friendly content that is easily updated and expanded by staff as needed. The site has become a hub for public information, with extensive links to District forms, billing and AMI meter platforms, detailed records of administrative documents, descriptions of practices and procedures, and water conservation programs as they are available.

9.2.1 PUBLIC INFORMATION PROGRAMS

FPUD has a comprehensive communications program to educate and inform its customers about the need to achieve water use efficiency and how they can seek help in reducing their water use. FPUD's dedicated public affairs representative, Noelle Denke, serves as a speaker's bureau, speaking at numerous community events each month. She also creates fliers and bill stuffers, and writes billing messages for monthly bills that provide information to promote water conservation measures. She produces a monthly ad in the local widely circulated and on-line Fallbrook Village News that serves as a mini-newsletter with current information on District news, rebates and conservation information. Giveaways such as shower timers, low-flow showerhead kits, faucet aerators, toilet-leak detection tablets, hose nozzles with shut-off valves, buckets, magnets, pens, coloring books and other items are advertised and given away free each month. Public Affairs also works with individual customers to help them secure conservation rebates through Metropolitan's *SoCal Water\$mart* program. Public workshops and tours are held several times a year as changes and need dictate.

9.2.2 SCHOOL EDUCATION PROGRAMS

FPUD's public affairs representative implements a robust school education program that includes working with elementary school students.

The District created a poster contest that involves about 18 to 20 classroom presentations per year. Fourth graders play an engaging "Water Bingo" game, then are asked to draw posters illustrating what "Be Water Smart" means to them. The contest garners about 300 entries per year. The top submissions are included in an annual calendar, and are then distributed free to District customers on a first-come, first-served basis. The artists themselves are recognized at a board meeting and their posters are displayed at the Fallbrook Library and in the District's board room hallway for one year. Their artwork also appears in newsletters, on the District website, and receives media attention.

Materials such as water conservation coloring books are distributed to schools, along with pencils with the District's logo and a conservation message.

Section 10 – Plan Adoption, Submittal, and Implementation

10.1 INCLUSION OF ALL 2020 DATA

The 2020 Urban Water Management Plan includes all the water use and planning data for the entire year of 2020. The Fallbrook Public Utility District is completing this report on a fiscal year basis. Data and planning figures are projected through 2045.

10.2 NOTICE OF PUBLIC HEARING

FPUD held a public hearing on the Plan at its Board of Directors monthly meeting on June 28th, 2021. The District notified applicable Cities and County agencies with letters at least 60 days in advance of the public hearing, held June 28th, 2021.

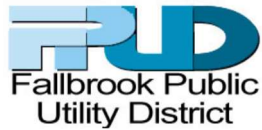
The table below lists the City and County entities that were notified

Table 10-1 Retail: Notification to Cities and Counties		
City Name	60-day Notice	Notice of Public Hearing
Fallbrook Chamber of Commerce	Yes	Yes
Fallbrook Library	Yes	Yes
Fallbrook Planning Group	Yes	Yes
County Name	60-day Notice	Notice of Public Hearing
San Diego County	Yes	Yes
SANDAG	Yes	Yes
LAFCO	Yes	Yes
San Diego Dept of Planning and Land Use	Yes	Yes
County Supervisor Jim Desmond	Yes	Yes
Marine Corps Base Camp Pendleton	Yes	Yes
Rainbow Municipal Water District	Yes	Yes
Mission Resource Conservation District	Yes	Yes
Eastern Municipal Water District	Yes	Yes
San Diego County Water Authority	Yes	Yes

NOTICE TO THE PUBLIC

A Notice of Public Hearing was published within the jurisdiction of FPUD on June 10th and June 17th, 2021.

Copies of the public notices are included on the following pages.



May 18th, 2021

Re: UPDATE REGARDING FPUD DRAFT 2020 URBAN WATER MANAGEMENT PLAN & PUBLIC HEARING

To Whom It May Concern,

990 East Mission Road
Fallbrook, California
92028-2232
www.fpud.com
(760) 728-1125

This letter is to inform you that the draft update of the Fallbrook Public Utility District’s (FPUD, District) 2020 Urban Water Management Plan (UWMP) is now available for public review.

Board of Directors

Dave Baxter
Division 1

Ken Endter
Division 2

Jennifer DeMeo
Division 3

Don McDougal
Division 4

Charley Wolk
Division 5

The District will hold a public hearing on **June 28th, 2021** (originally scheduled for May 24th, 2021). Final plan adoption by the FPUD Board of Directors and submittal to the California Department of Water Resources will take place by July 1st, 2021. The District is also considering updates to its Water Shortage Contingency Plan and an Addendum to its 2015 UWMP to demonstrate consistency with Delta Plan Policy to Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance (CA Code Reg., tit. 23, §5003).

Drafts of the District’s 2020 UWMP, Water Shortage Contingency Plan and the addendum to the 2015 UWMP are currently available for public review on the District’s website at:

<https://www.fpud.com/urban-water-management-planning>

Staff

Jack Bebec
General Manager

David Shank
*Assistant General Manager/
Chief Financial Officer*

Lauren Eckert
*Executive Assistant/
Board Secretary*

General Counsel

Paula de Sousa
Best Best & Krieger

The public hearing on June 28th, 2021 will discuss:

- 2020 UWMP
- Water Shortage Contingency Plan update (part of the 2020 UWMP)
- 2015 UWMP Addendum

The District invites you to submit comments and consult with the District regarding these updates. A follow up notice will be released establishing when the draft 2020 UWMP will be available for public review. Please contact Mick Cothran at 760-999-2721 or mickc@fpud.com if you have any questions, comments or input regarding the District’s 2020 UWMP.

Thank you,

Aaron Cook
Engineering Manager

**FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
NOTICE OF PUBLIC HEARINGS**

NOTICE IS HEREBY GIVEN that on June 28th, 2021, the Board of Directors of the Fallbrook Public Utility District will hold Public Hearings at 4:00 p.m., or as soon thereafter as practicable, as part of the Regular Meeting of the Board. Due to the COVID-19 State of Emergency and pursuant to the Brown Act waiver provided under the Governor's Executive Order, the meeting will be held via Webconference/Teleconference (via Zoom), and it is anticipated that there will be no physical location from which members of the public may participate.

The Board will hold the Public Hearings in order to receive oral and written testimony regarding the proposed adoption of the draft 2020 Urban Water Management Plan, adoption of the Water Shortage Contingency Plan/ Updated Water Conservation Program (updates to Article 17 of the District Administrative Code), and adoption of an Addendum to the District's 2015 UWMP to demonstrate consistency with Delta Plan Policy to Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance (CA Code Reg., tit. 23, §5003), prepared by District staff prior to adoption at the June 28, 2021 regular board meeting and prior to submittal of the 2020 Urban Water Management Plan to the Department of Water Resources by July 1st 2021. Instructions for members of the public to observe the Board Meeting and the Public Hearings via Web Conference will be included in the June 28, 2021 meeting agenda.

Members of the public who wish to address the Board of Directors on these items may submit written testimony for receipt no later than 3:00 pm on June 28, 2021 (with a reading limit of no more than 3 minutes), by mail to the attention of the Board Secretary, at 990 E. Mission Rd., Fallbrook, CA 92028, by deposit in the District's payment drop box located at the above-mentioned address, or by e-mail to the Acting Board Secretary at mavisc@fpud.com. Written testimony will be read to the Board during the Public Hearings. Members of the public may also provide oral testimony during the Public Hearings via Webconference/Teleconference by following the instructions for public comment included in the June 28, 2021 meeting agenda. These public comment procedures supersede the District's standard public comment policies and procedures to the contrary.

The draft 2020 Urban Water Management Plan, Water Shortage Contingency Plan/ Updated Water Conservation Program (updates to Article 17 of the District Administrative Code), and proposed Addendum to the 2015 Plan will be available for public review at the District offices at 990 East Mission Road, Fallbrook, California and online at: <https://www.fpud.com/urban-water-management-planning>

/s/ Mavis Canpinar
Acting Secretary, Board of Directors

10.3 ADOPTION

The District's board of directors adopted the 2020 Urban Water Management Plan at the June 28, 2021 board meeting. Resolution 5016 is included on the following page.

RESOLUTION 5016
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE FALLBROOK PUBLIC UTILITY DISTRICT
ADOPTING THE 2020 URBAN WATER
MANAGEMENT PLAN

* * * * *

WHEREAS, The California Urban Water Management Planning Act, (Wat. Code § 10610, et seq. (the Act)), mandates that every urban supplier of water providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare, and adopt an Urban Water Management Plan (Plan); and

WHEREAS, the Act generally requires that said Plan be updated and adopted at least once every five years on or before July 1, in years ending in six and one; and

WHEREAS, pursuant to recent amendments to the Act, urban water suppliers are required to update and electronically submit their 2020 Plans to the California Department of Water Resources (DWR) by July 1, 2021; and

WHEREAS, pursuant to Water Conservation Act of 2009, also referred to as SB X7-7 (Wat. Code § 10608 et seq.), an “urban retail water supplier” is defined as a water supplier that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre feet of potable water annually at retail for municipal purposes, and an “urban wholesale water supplier” is defined as a water supplier that provides more than 3,000 acre feet of water annually at wholesale for potable municipal purposes; and

WHEREAS, Fallbrook Public Utility District (FPUD) meets the definition of an urban retail water supplier for purposes of the Act and SB X7-7; and

WHEREAS, FPUD has prepared a 2020 Urban Water Management Plan (2020 Plan) in accordance with the Act and SB X7-7, and in accordance with applicable legal requirements, has undertaken certain coordination, notice, public involvement, public comment, and other procedures in relation to its 2020 Plan; and

WHEREAS, in accordance with the Act and SB X7-7, FPUD has prepared its 2020 Plan with its own staff, with the assistance of consulting professionals, and in cooperation with other governmental agencies, and has utilized and relied upon industry standards and the expertise of industry professionals in preparing its 2020 Plan, and has also utilized DWR’s Urban Water Management Plan Guidebook 2020, including its related appendices, in preparing its 2020 Plan; and

WHEREAS, in accordance with applicable law, including Water Code sections 10608.26 and 10642, and Government Code section 6066, a Notice of a Public

Hearing regarding FPUD's 2020 Plan was published within the jurisdiction of FPUD on June 10th and June 17th; and

WHEREAS, in accordance with applicable law, including but not limited to Water Code sections 10608.26 and 10642, a public hearing was held by Webconference/Teleconference (via Zoom), on June 28th 2021 at 4 PM, or soon thereafter, in order to provide members of the public and other interested entities with the opportunity to be heard in connection with proposed adoption of the 2020 Plan and issues related thereto; and

WHEREAS, pursuant to said public hearing on FPUD's 2020 Plan, FPUD, among other things, encouraged the active involvement of diverse social, cultural, and economic members of the community within FPUD's service area with regard to the 2020 Plan and encouraged community input regarding FPUD's 2020 Plan; and

WHEREAS, the FPUD Board of Directors has reviewed and considered the purposes and requirements of the Act and SB X7-7, the contents of the 2020 Plan, and the documentation contained in the administrative record in support of the 2020 Plan, and has determined that the factual analyses and conclusions set forth in the 2020 Plan are legally sufficient; and

WHEREAS, the FPUD Board of Directors desires to adopt the 2020 Plan prior to July 1, 2021 in order to comply with the Act and SB X7-7; and

WHEREAS, Section 10652 of the California Water Code provides that the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) (CEQA) does not apply to the preparation and adoption of the 2020 Plan.

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

1. All of the above recitals are true.
2. The FPUD 2020 Urban Water Management Plan (2020 Plan), attached hereto as Exhibit "A," is hereby adopted as amended by changes incorporated by the FPUD as a result of input received (if any) at the public hearing and ordered filed with the Secretary of the FPUD Board of Directors.
3. The General Manager is hereby authorized and directed to include a copy of this Resolution in FPUD's 2020 Plan.
4. The General Manager is hereby authorized and directed, in accordance with Water Code sections 10621(d) and 10644(a)(1)-(2), to electronically submit a copy of the 2020 Plan to the DWR no later than July 1, 2021.

5. The General Manager is hereby authorized and directed, in accordance with Water Code section 10644(a), to submit a copy of the 2020 Plan to the California State Library, and any city or county within which FPUD provides water supplies no later than thirty (30) days after this adoption date.
6. The General Manager is hereby authorized and directed, in accordance with Water Code section 10645, to make the 2020 Plan available for public review at the FPUD's offices during normal business hours or on the FPUD's website at www.fpud.com no later than thirty (30) days after filing a copy of the Plan with DWR.
7. The General Manager is hereby authorized and directed, in accordance with Water Code Section 10635(c), to provide that portion of the 2020 Plan prepared pursuant to Water Code Section 10635(a)-(b) to any city or county within which FPUD provides water supplies no later than sixty (60) days after submitting a copy of the Plan with DWR.
8. The General Manager is hereby authorized and directed to implement the 2020 Plan in accordance with the Act and SB X7-7 and to provide recommendations to the FPUD Board of Directors regarding the necessary budgets, procedures, rules, regulations, or further actions to carry out the effective and equitable implementation of the 2020 Plan.
9. The FPUD Board of Directors finds and determines that this resolution is not subject to CEQA pursuant to Water Code Section 10652 because CEQA does not apply to the preparation and adoption, including addenda thereto, of an urban water management plan or to the implementation of the actions taken pursuant to such plans. Because this resolution comprises the Board of Director's adoption of FPUD's 2020 Plan and involves its implementation, no CEQA review is required.
10. Pursuant to CEQA, the FPUD Board of Directors directs staff to file a Notice of Exemption with the County Clerk's office within five (5) working days of adoption of this resolution.

11. The document and materials that constitute the record of proceedings on which this resolution and the above findings have been based are located at 990 East Mission Rd, Fallbrook CA 92028. The custodian for these records is the Acting Secretary, Board of Directors, Mavis Canpinar.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 28th day of June, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

10.4 PLAN SUBMITTAL

Following final adoption, the District will submit the final Plan to the Department of Water Resources, the Fallbrook library, the State Library in Sacramento, and the City and County entities indicated in Table 10-1.

10.5 PUBLIC AVAILABILITY

No later than 30 days after submitting the final Plan to the Department of Water Resources, the District will make it available to the public by placing a copy at the Fallbrook library, at the front desk of the District office, and it will be placed on the District website at www.fpud.com.

APPENDIX A
REPORTING ON REDUCED DELTA RELIANCE

APPENDIX A: REPORTING ON REDUCED DELTA RELIANCE

BACKGROUND

An urban water supplier that anticipates participating in or receiving water from a proposed project, such as a multiyear water transfer, conveyance facility, or new diversion that involves transferring water through, exporting water from, or using water in the Sacramento-San Joaquin Delta (Delta), should provide information in their 2015 and 2020 UWMPs that can then be used in the certification of consistency process to demonstrate consistency with Delta Plan Policy WR P1, Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance (California Code Regulations, Title 23, §5003).¹

Delta Plan Policy WR P1 is one of fourteen regulatory policies in the Delta Plan. The Delta Plan is a comprehensive, long-term, legally enforceable plan guiding how federal, state, and local agencies manage the Delta's water and environmental resources. The Delta Plan was adopted in 2013 by the Delta Stewardship Council (DSC). Delta Plan Policy WR P1 identifies urban water management plans (UWMP) as the tool to demonstrate consistency with the state policy that suppliers that carry out or take part in covered actions must reduce their reliance on the Delta. ² The California Code of Regulations, Title 23, § 5003(c)(1), states that commencing in 2015, water suppliers that have done all of the following are contributing to reduced reliance on the Delta and improving regional self-reliance and are therefore consistent with Delta Plan Policy WR P1:

(A) Completed a current Urban or Agricultural Water Management Plan (Plan) which has been reviewed by the California Department of Water Resources for compliance with the applicable requirements of Water Code Division 6, Parts 2.55, 2.6, and 2.8;

(B) Identified, evaluated, and commenced implementation, consistent with the implementation schedule set forth in the Plan, of all programs and projects included in the Plan that are locally cost effective and technically feasible which reduce reliance on the Delta; and

(C) Included in the Plan, commencing in 2015, the expected outcome for measurable reduction in Delta reliance and improvement in regional self-reliance. The expected outcome for measurable reduction in Delta reliance and improvement in regional self-reliance shall be reported in the Plan as the reduction in the amount of water used, or in the percentage of water used, from the Delta watershed. For the purposes of reporting, water efficiency is considered a new source of water supply, consistent with Water Code section 1011(a).

FPUD COMPLIANCE WITH WR P1

PROCESS TO DEMONSTRATE REDUCED RELIANCE ON DELTA

Over the last 10 years FPUD has significantly reduced its reliance on supplies originating from the Delta through unprecedented reductions in water use mainly attributable to the diminishment of the commercial agricultural sector resulting from the impacts of two extended and severe droughts coupled with major increases in the cost of wholesale imported water. By 2015 FPUD reduced its projected normal year potable demand gpcd consumption rate by 19% from the 2010 baseline and by over 50% by 2020. Although water use efficiency savings were the predominant means of reduced reliance over the last ten years FPUD will bring a new source of reliable local supply that will serve over 40% of FPUD's potable demand. The Santa Margarita River Conjunctive Use Project (SMR CUP) is under construction and will come online in 2022 and further contribute to regional self-reliance and reduce reliance on the Delta for FPUD.

As FPUD received almost all of its potable supplies from the Water Authority in both 2015 and 2020 it has conducted its analysis of reduced reliance on the Delta and consistency with WR P1 based on the Water Authority's 2020 UWMP which in turn uses Metropolitan's 2020 UWMP to demonstrate a percent reduction in State Water Project supplies. Consistent with Appendix C in the California Department of Water Resource's Draft UWMP Guidebook 20203 (DWR Guidebook), the Water Authority's analysis followed Steps 2 through 4 in the DWR Guidebook to document consistency with WR P1 and produce data and information covering the Water Authority's 2015 and 2020 UWMPs. FPUD analysis will also cover both its 2015 and 2020 UWMPs. For more detailed information on the Water Authority's consistency analysis see SDCWA 2020 UWMP Appendix J.

Table 1 – Source of Water Supply Data

Analysis Year	Data Source	
2010 (Baseline)	2005 UWMP	Page 8, Table 4, Table 26
2015	2010 UWMP	Page 21, Table 15
2020	2015 UWMP	Page 37 Table 6-9
2025, 2030, 2035, 2040, 2045	2020 UWMP	Page 52, Table 6-9

QUANTIFICATION OF TOTAL WATER SUPPLIES

FPUD Contributions To Regional Self Reliance

To demonstrate reduced reliance on the Delta, FPUD compared its projected Delta water use against a baseline. The baseline, shown in Table 2, was calculated by

taking the projected 2010 normal year water demand and adding projected water efficiency savings for 2010 (non-potable demand was the only water use efficiency that FPU quantified in its 2005 UWMP) . Consistent with DWR’s Guidebook, normal year water demands were used as a surrogate for normal year water supplies to help alleviate issues associated with instances where available water supplies exceed normal year water demands. In addition, consistent with the DWR Guidebook, actual water use was not used for the current year due to the influence of weather and other variables on water use. Rather, UWMP normal year potable water demand projections were used to represent current and future water use. As explained in the Guidebook Appendix C, water use efficiency savings must be added back to the normal year demands to represent demands without water use efficiency savings accounted for; otherwise the effect of water use efficiency savings on regional self-reliance would be overestimated. Table C-1 shows the results of this adjustment for FPU. Supporting narratives and data are provided in Sections 4 and 6 of this UWMP and noted in Table 1 above. Tables C-2 and C-3 provide the basis for calculating FPU’s supplies that contribute to regional self-reliance.

Table C-1: Data Table for Determining WUE Supply

Service Area WUE Demands (AF)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Demands without WUE	23,249	20,266	10,934	9,206	9,574	10,199	10,474	10,589
Non-Potable Demands	480	611	1100	830	830	830	830	830
Demands without WUE	23,729	20,877	12,034	10,036	10,404	11,029	11,304	11,419
Service Area Population	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
	34,894	37,476	35,237	34,143	35,323	37,110	38,190	38,943
WUE Since Baseline (AF)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Per Capita Water Use	640	520	298	259	261	264	264	261
Change in Per Capita Water Use from Baseline		120	342	381	379	376	376	379
Estimated WUE Since Baseline		4,676	12,532	13,527	13,921	14,510	14,932	15,348

Table C-2: Calculation of Total Water Supplies

Total Service Area Water Demands (AF)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Demands with WUE	23729	20,877	12,034	10,036	10,404	11,029	11,304	11,419
WUE	0	4,676	12,532	13,527	13,921	14,510	14,932	15,348
Demands without WUE	23,279	25,553	24,566	23,563	24,325	25,539	26,236	26,767

Table C-3: Supplier Contribution to Regional Self-Reliance

Water Supplies Contributing to Regional Self-Reliance	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
WUE		4,676	12,532	13,527	13,921	14,510	14,932	15,348
Water Recycling	480	594	517	830	830	830	830	830
Stormwater Capture and Use	0	0	0	0	0	0	0	0
Advanced Water Technologies	0	0	0	4200	4200	4200	4200	4200
Conjunctive Use	0	0	0	0	0	0	0	0
Local and Regional Water Supply and Storage	100	400	400	400	400	400	400	400
Other Programs and Projects	0	0	0	0	0	0	0	0
Water Supplies Contributing to Regional Self-Reliance	580	5,670	13,449	18,957	19,351	19,940	20,362	20,778
Service Area Water Demands w/o WUE	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Demands without WUE	23,279	25,553	24,566	23,563	24,325	25,539	26,236	26,767
Change in Regional Self Reliance	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Supplies Contributing to Regional Self-Reliance	580	5,670	13,449	18,957	19,351	19,940	20,362	20,778
Change in Water Supplies Contributing to Regional Self-Reliance		5,090	12,869	18,377	18,771	19,360	19,782	20,198
% Change in Regional Self-Reliance (As a Percent of Water Demand w/out WUE)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Supplies Contributing to Regional Self-Reliance	0.0%	46%	112%	200%	198%	192%	192%	194%
Change in Water Supplies Contributing to Regional Self-Reliance		46%	112%	200%	198%	192%	192%	194%

DEMONSTRATION OF REDUCED RELIANCE ON WATER SUPPLIES FROM THE DELTA WATERSHED

In its 2020 UWMP the Water Authority uses Metropolitan’s analysis of reduced reliance on Delta supplies to meet the requirements of Delta Plan, WR P1 subsection (c)(1)(C) which requires that water suppliers report the expected outcomes for measurable reductions in supplies from the Delta watershed either as an amount or as a percentage. Based on the methodology described in Guidebook Appendix C,

and consistent with the approach of this analysis in not including projects under development, this accounting does not include any supplies from potential future covered actions. Table C-4 shows the expected outcomes for reliance on supplies from the Delta watershed for Metropolitan’s service area which include the Water Authority.

Table C-4: Calculation of Reliance on Water Supplies from Delta Watershed

Water Supplies from the Delta Watershed	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
CVP/SWP Contract Supplies	1,472,000	1,029,000	984,000	1,108,670	1,108,670	1,108,670	993,980	993,980
Delta/Delta Tributary Diversions								
Other Water Supplies from the Delta Watershed	20,000	44,000	91,000	8,000	8,000	8,000	8,000	8,000
Total Water Supplies from the Delta Watershed	1,492,000	1,073,000	1,075,000	1,116,670	1,116,670	1,116,670	1,001,980	1,001,980
Service Area Water Demands w/o WUE	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Service Area Water Demands w/o WUE	5,493,000	5,499,000	5,219,000	4,598,000	4,737,000	4,877,000	4,981,000	5,100,000
Change in Supplies from the Delta Watershed	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
Water Supplies from the Delta Watershed	1,492,000	1,073,000	1,075,000	1,116,670	1,116,670	1,116,670	1,001,980	1,001,980
Change in Water Supplies from the Delta Watershed		(419,000)	(417,000)	(375,330)	(375,330)	(375,330)	(490,020)	(490,020)
% Change in Supplies from the Delta Watershed (As a Percent of Water Demand w/out WUE)	Baseline (2010)	2015	2020	2025	2030	2035	2040	2045 (Opt.)
% of Water Supplies from the Delta Watershed	27.2%	19.5%	20.6%	24.3%	23.6%	22.9%	20.1%	19.6%
Change in % of Water Supplies from the Delta Watershed		-7.6%	-6.6%	-2.9%	-3.6%	-4.3%	-7.0%	-7.5%

The results shown in Table C-4 demonstrate that Metropolitan’s service area is measurably reducing its Delta reliance. In the near-term (2025), the expected outcome for normal water year reliance on supplies from the Delta watershed decreased 3 percent from the 2010 baseline of 2025 normal water year retail demands; In the long-term (2045), normal water year reliance on supplies from the Delta

watershed decreased by just over 5. percent of 2045 normal water year retail demands. (MWD 2020 RUWMP Appendix 11 Table 11-2)

**APPENDIX B
PUBLIC NOTICES**

**FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
NOTICE OF PUBLIC HEARINGS**

NOTICE IS HEREBY GIVEN that on June 28th, 2021, the Board of Directors of the Fallbrook Public Utility District will hold Public Hearings at 4:00 p.m., or as soon thereafter as practicable, as part of the Regular Meeting of the Board. Due to the COVID-19 State of Emergency and pursuant to the Brown Act waiver provided under the Governor's Executive Order, the meeting will be held via Webconference/Teleconference (via Zoom), and it is anticipated that there will be no physical location from which members of the public may participate.

The Board will hold the Public Hearings in order to receive oral and written testimony regarding the proposed adoption of the draft 2020 Urban Water Management Plan, adoption of the Water Shortage Contingency Plan/ Updated Water Conservation Program (updates to Article 17 of the District Administrative Code), and adoption of an Addendum to the District's 2015 UWMP to demonstrate consistency with Delta Plan Policy to Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance (CA Code Reg., tit. 23, §5003), prepared by District staff prior to adoption at the June 28, 2021 regular board meeting and prior to submittal of the 2020 Urban Water Management Plan to the Department of Water Resources by July 1st 2021. Instructions for members of the public to observe the Board Meeting and the Public Hearings via Web Conference will be included in the June 28, 2021 meeting agenda.

Members of the public who wish to address the Board of Directors on these items may submit written testimony for receipt no later than 3:00 pm on June 28, 2021 (with a reading limit of no more than 3 minutes), by mail to the attention of the Board Secretary, at 990 E. Mission Rd., Fallbrook, CA 92028, by deposit in the District's payment drop box located at the above-mentioned address, or by e-mail to the Acting Board Secretary at mavisc@fpud.com. Written testimony will be read to the Board during the Public Hearings. Members of the public may also provide oral testimony during the Public Hearings via Webconference/Teleconference by following the instructions for public comment included in the June 28, 2021 meeting agenda. These public comment procedures supersede the District's standard public comment policies and procedures to the contrary.

The draft 2020 Urban Water Management Plan, Water Shortage Contingency Plan/ Updated Water Conservation Program (updates to Article 17 of the District Administrative Code), and proposed Addendum to the 2015 Plan will be available for public review at the District offices at 990 East Mission Road, Fallbrook, California and online at: <https://www.fpud.com/urban-water-management-planning>

/s/ _____
Secretary, Board of Directors



990 East Mission Road
Fallbrook, California
92028-2232
www.fpud.com
(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

March 16th, 2021

Re: 60-DAY PUBLIC HEARING NOTICE – FPUD 2020 URBAN WATER MANAGEMENT PLAN

To Whom It May Concern,

This letter is to inform you that the Fallbrook Public Utility District (FPUD, District) is updating its Urban Water Management Plan (UWMP), in compliance with the Urban Water Management Planning Act and the Water Conservation Act of 2009, commonly referred to as SBX7-7. State law requires urban water suppliers to prepare and adopt an UWMP every five years. FPUD staff is currently producing a 2020 update to its UWMP, which will document FPUD’s plans to ensure adequate water supplies to meet existing and future demands under varied conditions, including drought and water shortages.

Per California Water Code Division 6, Part 2.6 §10621, the intent of this letter is to notify a wide array of stakeholders in the area of FPUD’s efforts to update their UWMP, including a (60) day notice of a public hearing that is scheduled for **May 24th, 2021**. Final plan adoption by the FPUD Board of Directors and submittal to the California Department of Water Resources will take place by July 1st, 2021. The District is also considering an Addendum to its 2015 UWMP to demonstrate consistency with Delta Plan Policy to Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance (CA Code Reg., tit. 23, §5003). Drafts of the District’s 2020 UWMP and the addendum to the 2015 UWMP will be available for public review on the District’s website in spring 2021. The public hearing will discuss:

- 2020 UWMP
- Water Shortage Contingency Plan update (part of the 2020 UWMP)
- 2015 UWMP Addendum

The District invites you to submit comments and consult with the District regarding these updates. A follow up notice will be released establishing when the draft 2020 UWMP will be available for public review. Please contact Mick Cothran at 760-999-2721 or micke@fpud.com if you have any questions, comments or input regarding the District’s 2020 UWMP.

Thank you,

Aaron Cook
Engineering Manager



990 East Mission Road
Fallbrook, California
92028-2232
www.fpud.com
(760) 728-1125

Board of Directors

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Chief Financial Officer*

Lauren Eckert
*Executive Assistant/
Board Secretary*

General Counsel

Paula de Sousa
Best Best & Krieger

May 18th, 2021

Re: UPDATE REGARDING FPUD DRAFT 2020 URBAN WATER
MANAGEMENT PLAN & PUBLIC HEARING

To Whom It May Concern,

This letter is to inform you that the draft update of the Fallbrook Public Utility District's (FPUD, District) 2020 Urban Water Management Plan (UWMP) is now available for public review.

The District will hold a public hearing on **June 28th, 2021** (originally scheduled for May 24th, 2021). Final plan adoption by the FPUD Board of Directors and submittal to the California Department of Water Resources will take place by July 1st, 2021. The District is also considering updates to its Water Shortage Contingency Plan and an Addendum to its 2015 UWMP to demonstrate consistency with Delta Plan Policy to Reduce Reliance on the Delta Through Improved Regional Water Self-Reliance (CA Code Reg., tit. 23, §5003).

Drafts of the District's 2020 UWMP, Water Shortage Contingency Plan and the addendum to the 2015 UWMP are currently available for public review on the District's website at:

<https://www.fpud.com/urban-water-managment-planning>

The public hearing on June 28th, 2021 will discuss:

- 2020 UWMP
- Water Shortage Contingency Plan update (part of the 2020 UWMP)
- 2015 UWMP Addendum

The District invites you to submit comments and consult with the District regarding these updates. A follow up notice will be released establishing when the draft 2020 UWMP will be available for public review. Please contact Mick Cothran at 760-999-2721 or mickc@fpud.com if you have any questions, comments or input regarding the District's 2020 UWMP.

Thank you,

Aaron Cook
Engineering Manager

APPENDIX C
WATER LOSS AUDIT



AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association.
Copyright © 2014. All Rights Reserved.

? Click to access definition
+ Click to add a comment

Water Audit Report for: Fallbrook Public Utility District (3710008)
Reporting Year: 2019-20 7/2019 - 6/2020

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: ACRE-FEET PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+ ?	3	93.100	acre-ft/yr
Water imported:	+ ?	7	7,945.000	acre-ft/yr
Water exported:	+ ?	3	51.800	acre-ft/yr

Master Meter and Supply Error Adjustments

Pcnt:	Value:	acre-ft/yr
+ ? 2	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	
+ ? 8	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	9.100
+ ? 1	<input type="radio"/> <input type="radio"/> <input type="radio"/>	

WATER SUPPLIED: 7,977.200 acre-ft/yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	7	7,335.900	acre-ft/yr
Billed unmetered:	+ ?	n/a	0.000	acre-ft/yr
Unbilled metered:	+ ?	9	5.100	acre-ft/yr
Unbilled unmetered:	+ ?	5	19.943	acre-ft/yr

AUTHORIZED CONSUMPTION: 7,360.943 acre-ft/yr

Click here: ?
for help using option buttons below

Pcnt: Value: acre-ft/yr
 19.943

Use buttons to select percentage of water supplied OR value

Pcnt: Value: acre-ft/yr
 0.25%

1.00%
 0.25%

WATER LOSSES (Water Supplied - Authorized Consumption)

616.257 acre-ft/yr

Apparent Losses

Unauthorized consumption: + ? 19.943 acre-ft/yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	+ ?	5	74.152	acre-ft/yr
Systematic data handling errors:	+ ?	5	18.340	acre-ft/yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 112.434 acre-ft/yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 503.823 acre-ft/yr

WATER LOSSES: 616.257 acre-ft/yr

NON-REVENUE WATER

NON-REVENUE WATER: 641.300 acre-ft/yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	8	271.9	miles
Number of <u>active AND inactive</u> service connections:	+ ?	8	9,262	
Service connection density:	?		34	conn./mile main

Are customer meters typically located at the curbstops or property line? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line: + ?
Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: + ? 7 116.6 psi

COST DATA

Total annual cost of operating water system:	+ ?	10	\$22,218,889	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	9	\$6.15	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ?	5	\$1,195.00	\$/acre-ft

Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 70 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Water imported
- 2: Customer metering inaccuracies
- 3: Variable production cost (applied to Real Losses)

APPENDIX D
20 BY 2020 COMPLIANCE

SB X7-7 2020 Compliance Form

The SB X7-7 2020 Compliance Form is for the calculation of 2020 compliance only. All retail suppliers must complete the SB X7-7 Compliance Form. Baseline and target calculations are done in the SB X 7-7 Verification Form.

The SB X7-7 Verification Form is for the calculation of baselines and targets and is a separate workbook from the SB X7-7 2020 Compliance Form. Most Suppliers will have completed the SB X7-7 Verification Form with their 2015 UWMP and do not need to complete this form again in 2020. See Chapter 5 Section 5.3 of the UWMP Guidebook for more information regarding which Suppliers must, or may, complete the SB X7-7 Verification Form for their 2020 UWMP. 2020 compliance calculations are done in the SB X7-7 2020 Compliance Form.

WUE Data Portal Entry Exceptions

The data from the tables below will not be entered into WUE Data Portal tables. These tables will be submitted as separate uploads, in Excel, to WUE Data Portal.

Process Water Deduction

SB X7-7 tables 4-C, 4-C.1, 4-C.2, 4-C.3, 4-C.4 and 4-D

A supplier that will use the process water deduction will complete the appropriate tables in Excel, submit them as a separate upload to the WUE Data Portal, and include them in its UWMP.

SB X7-7 Table 0: Units of Measure Used in 2020 UWMP*

(select one from the drop down list)

Acre Feet

**The unit of measure must be consistent throughout the UWMP, as reported in Submittal Table 2-3.*

NOTES:

SB X7-7 Table 2: Method for 2020 Population Estimate

Method Used to Determine 2020 Population
(may check more than one)

<input type="checkbox"/>	1. Department of Finance (DOF) or American Community Survey (ACS)
<input type="checkbox"/>	2. Persons-per-Connection Method
<input type="checkbox"/>	3. DWR Population Tool
<input checked="" type="checkbox"/>	4. Other DWR recommends pre-review

NOTES: San Diego Association of Governments (SANDAG)

SB X7-7 Table 3: 2020 Service Area Population

2020 Compliance Year Population

2020	35,237
-------------	--------

NOTES:

SB X7-7 Table 4: 2020 Gross Water Use

Compliance Year 2020	2020 Volume Into Distribution System <i>This column will remain blank until SB X7-7 Table 4-A is completed.</i>	2020 Deductions					2020 Gross Water Use
		Exported Water *	Change in Dist. System Storage* (+/-)	Indirect Recycled Water <i>This column will remain blank until SB X7-7 Table 4-B is completed.</i>	Water Delivered for Agricultural Use*	Process Water <i>This column will remain blank until SB X7-7 Table 4-D is completed.</i>	
	8,403			-		-	8,403

* Units of measure (AF, MG , or CCF) must remain consistent throughout the UWMP, as reported in SB X7-7 Table 0 and Submittal Table 2-3.

NOTES:

SB X7-7 Table 5: 2020 Gallons Per Capita Per Day (GPCD)

2020 Gross Water <i>Fm SB X7-7 Table 4</i>	2020 Population <i>Fm</i> <i>SB X7-7 Table 3</i>	2020 GPCD
8,403	35,237	213

NOTES:

SB X7-7 Table 9: 2020 Compliance

Actual 2020 GPCD ¹	Optional Adjustments to 2020 GPCD				2020 Confirmed Target GPCD ^{1,2}	Did Supplier Achieve Targeted Reduction for 2020?	
	Enter "0" if Adjustment Not Used			TOTAL Adjustments ¹			Adjusted 2020 GPCD ¹ <i>(Adjusted if applicable)</i>
	Extraordinary Events ¹	Weather Normalization ¹	Economic Adjustment ¹				
213	-	-	-	-	213	374	YES

¹ All values are reported in GPCD

² **2020 Confirmed Target GPCD** is taken from the Supplier's SB X7-7 Verification Form Table SB X7-7, 7-F.

NOTES:

APPENDIX E
RECYCLED WATER ORDINANCE

Article 19. Recycled Water Program

Sec. 19.1 Declaration of Policy.

- a. The Fallbrook Public Utility District (FPUD) operates and maintains a recycled water distribution system within its service area enabling it to provide disinfected tertiary treated recycled water for a variety of beneficial uses. The District shall require the use of recycled water in-lieu of potable water for irrigation or other non-potable uses where recycled water is suitable and available.
- b. The beneficial use of recycled water is regulated by the California State Water Resources Control Board (SWRCB). California Water Code Section 13551 establishes a State policy to encourage the use of recycled water.
- c. FPUD shall determine whether a potential service will be furnished with recycled water and/or potable water. The feasibility of recycled water service will be considered on a case-by-case basis and in accordance with applicable law.

Sec. 19.2 Statutory Requirements.

- a. All onsite and public recycled water facilities must be consistent with and adhere to the requirements described in the following documents:
 1. FPUD Backflow and Cross-Connection Control Ordinance, Article 10.22
 2. FPUD Recycled Water Program, Article 19
 3. California Code of Regulations, Title 22, Division 4
 4. California Code of Regulations, Title 17, Division 1, Chapter 5, Subchapter 1, Group 4, Articles 1 and 2
 5. San Diego County Department of Environmental Health Recycled Water Program Requirements
 6. For Facilities Hauling Recycled Water: Engineering Report for the Installation of Hauled Recycled Water Fill Stations and Use of Hauled Recycled Water in the San Diego Region, San Diego County Water Authority, July 8, 2015
 7. All applicable Federal, State or local statutes, regulations and ordinances

Sec. 19.3 Approved Use.

- a. These rules and regulations pertain to recycled water service to lands and/or improvements lying within the legal boundaries of the District unless otherwise stated. It is the intent of the District to provide recycled water service in accordance with these rules and regulations to all areas that recycled service is feasible. The District will work with existing potable water users to facilitate the conversion of existing facilities for recycled water use or the installation of facilities for a new recycled water use. All new developments will be evaluated for the feasibility of recycled water usage.

- b. The uses of recycled water include only those uses approved by the District, local and State regulatory authorities and for which Title 22, California Code of Regulations provides treatment requirements. All potential applications of recycled water shall be reviewed and approved by the District prior to installation of facilities. Prior to approval and at its discretion, the District may set forth specific requirements as conditions for providing service and/or require specific prior approval from the appropriate regulatory agencies.
- c. The facilities shall be constructed in accordance with the procedures and requirements of the District. No recycled water mains or connections to the recycled water mains shall be installed unless shown on approved drawings and approved by the District.

Sec. 19.4 Definitions.

- b. Approved Backflow Prevention Assemblies.

A device/assembly approved by the State of California and the District which is installed to protect the potable water supply from contamination through backflow of a non-potable substance.

- c. Artificial Lake.

A man-made lake, pond, lagoon, or other body of water that is used wholly or partly for landscape, scenic or non-contact recreational purposes.

- d. Board.

The duly elected and constituted Board of Directors of the Fallbrook Public Utility District.

- e. Cross-Connection.

Any unprotected actual or potential connection between any part of a water system used or intended to supply potable water and any source or system containing recycled or other water or substance that is not potable and not acceptable for human consumption.

- f. Cross-Connection Control Specialist.

An individual who has a current American Water Works Association and/or American Backflow Prevention Association Specialist Certificate on file with the District

- g. Designated User.

A recipient of recycled water service from the District.

- h. District.

The Fallbrook Public Utility District, a duly constituted Public Agency of the State of California and located in San Diego County, California.

i. Greenbelt Areas.

Greenbelt areas include, but are not limited to, golf courses, playing fields, cemeteries, parks, and landscaping.

j. Hauled Recycled Water.

Recycled water use that complies with the San Diego County Water Authority publication "Engineering Report for the Installation of Hauled Recycled Water Fill Stations and Use of Hauled Recycled Water in the San Diego Region."

k. Industrial Process Water.

Water used by any industrial facility with process water requirements which includes, but is not limited to, rinsing, washing, cooling and construction.

l. Manager.

The duly appointed General Manager of the Fallbrook Public Utility District or their designee.

m. Non-Potable Water.

Water, which does not conform to federal, state and local standards for human consumption.

n. Non-Potable Water Distribution System.

A piping system intended for the delivery of non-potable water only, and which is maintained separate from any potable water distribution system.

o. Non-Potable Water Transmission Mains.

A piping system intended for the delivery of non-potable water only and which is maintained separate from any potable water distribution system and which is owned by the District.

p. Non-Potable Water Use Area.

The property or portion of property, which has been approved by the District for non-potable or recycled water service.

q. Notice of Determination.

The notice provided to a designated user by the District.

r. Off-Site Facilities.

Those facilities located off the user's site and under the control of the District, including the service meter and any backflow prevention assembly (ies) installed with the meter.

s. On-Site Facilities.

Facilities under the control of the customer beginning at the water meter and backflow prevention assembly if installed.

t. Potable Water.

Water furnished to the customer that is approved for human consumption and conforms to all federal, state and local requirements.

u. Recycled Water.

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.

v. Recycled Water Facilities.

Facilities used in the storage, pumping and conveyance of recycled water.

w. Recycled Water Service Connection.

The point of connection of the customer's recycled water line with the recycled water service main of the District which shall normally be the downstream end of the recycled water meter tailpiece.

x. Site Supervisor.

An individual who has taken a training course, normally four hours in length, that has been approved by State and local authorities and the District for the on-site use of recycled water.

Sec. 19.5 Administration.

a. Manager.

The District General Manager shall administer, implement, and enforce the provisions of this Article of the Administrative Code. Any duties imposed upon the General Manager may be delegated by him to persons in the employ of the District.

b. Recycled Water Master Plan.

The General Manager shall prepare and update a Recycled Water Master Plan. The Plan shall include, but not be limited to, actual and future planning for recycled water use.

c. Coordination among Agencies.

The District shall examine the potential for initiating a coordinated effort between the District and other public agencies. The purpose of this effort shall be to share in the production and utilization of recycled water.

d. Fees and Charges.

All fees and charges for the use of recycled water shall be established separately by the Board in Article 21 of the Administrative Code.

e. Payment for On-Site Facilities.

The Designated User shall pay for all on-site facilities, including backflow prevention assemblies that may be necessary to protect the health and safety of on-site residents or employees. The Designated User of recycled water shall comply with all requirements of applicable federal, state, and local statutes, ordinances and regulations. The cost of any investigations by District staff and/or regulatory authorities resulting from the misuse of recycled water shall be the responsibility of the Designated User.

Sec. 19.6 Suspension or Termination of User Service.

19.6.1 Recycled water service may be suspended or terminated at any time by the Manager. Reasons for suspension or termination shall include, but not be limited to, the following:

1. Failure by a Designated User to adhere to the provisions of this Article.
2. The lack of necessary procedures or facilities for protection of health, safety and welfare.
3. The discovery of a cross-connection between the on-site potable and non-potable water distribution system.
4. Changes in the use and/or footprint of the non-potable distribution system without District approval.
5. Recycled water service may also be subject to discontinuation of service for failure to pay any rates, fees and charges due to the DISTRICT in accordance with the DISTRICT's discontinuation procedures then in effect for non-residential service.

19.6.2 Procedure.

The suspension or termination procedure shall be as follows: Where the District determines that service should be suspended or terminated, a written notice shall be mailed by regular mail to the customer at least ten (10) calendar days prior to the date of proposed suspension or termination of services. This notice shall set forth the reasons for the suspension or termination of services. In the event the District determines an emergency condition prevails at the time the written notice of proposed suspension or termination is mailed to the customer, the District may immediately suspend recycled water service pending a determination of any appeal. If an emergency condition does not exist, the user shall have ten (10) calendar days to come into compliance with the written notice. Thereafter the District may commence suspension or termination procedures.

19.6.3 Appeals of the Suspension or Termination Notice.

The customer may appeal the determination of the District as follows:

Not later than ten (10) calendar days following the date upon which the District Manager forwards to the customer a Notice of Suspension or Termination the customer may appeal to the Board of Directors by submitting a written appeal to the Board Secretary.

The Board of Directors shall conduct a hearing concerning the proposed determination within thirty (30) calendar days of receipt of this written appeal. Within a reasonable time thereafter the Board of Directors shall render a decision which shall be final.

19.6.4 Prohibited Connections.

No person shall make any connection to the recycled water facilities of the District unless the District has executed a written Agreement with said person as Designated User of recycled water service in accordance with the provisions of the Article of the Administrative Code.

19.7 Implementation.

19.7.1 Designation of Users.

The intent of the District is to work cooperatively with users to facilitate the conversion of existing potable users or the installation of new recycled services. The District would execute a User Agreement with the potential Designated User to implement the provisions of this Article of the Administrative Code.

If the potential Designated User declines to voluntarily execute a User Agreement with the District, but the District determines that the potential Designated User would be a beneficial user of suitable and available recycled water supplies, the District may issue a Notice of Determination that a specific water user shall be a Designated User of recycled water. A general description of the obligations of the potential Designated User shall accompany this notification. A proposed schedule for implementation of the use of recycled water shall be included in this Notice.

19.7.2 Appeal.

The potential Designated User may file a Notice of Appeal with the District within thirty (30) calendar days after the Notice of Determination has been sent. Upon receipt of the Notice of Appeal the District Manager shall schedule a hearing of the appeal before the Board of Directors and provide notice in accordance with the rules of the District.

Following this hearing, the determination of the Board shall be final and binding.

19.7.3 Design and Construction of On-Site Facilities.

The Designated User shall provide and install, at no cost to the District, all on-site recycled water facilities. Recycled water facilities shall conform to State and local

statutes, ordinances, regulations and District requirements. The Designated User shall make, at no cost to the District, any modifications to the potable water system on the premises which are required by the District in order to permit the safe use of recycled water service. Such facilities shall include, but not be limited to, installation of approved backflow prevention assemblies. Specifications and record drawings of on-site recycled facilities shall be prepared and be available for inspection or use on the premises of the Designated User and at the District office.

19.7.4 Recycled Water Supervisor.

The Designated User shall designate a Site Supervisor and shall keep the District informed of the Site Supervisor's identity. The Site Supervisor shall have attended a Site Supervisor training class, be knowledgeable in the construction and operation of the recycled water system and any on-site uses of recycled water. The Site Supervisor should be familiar with federal, State and local guidelines, criteria, standards, rules and regulations governing the use of recycled water. The Site Supervisor shall be responsible for overseeing the recycled water service and maintaining the on-site facilities in conformance with the District's guidelines and regulations. The Site Supervisor shall be responsible for the prevention of any cross-connections between the recycled water system and the on-site potable system. Any actual or suspected cross-connections shall immediately be reported to the District.

19.7.5 Conversion of Existing Facilities.

Where a Designated User proposes a conversion of any existing potable water system to a recycled water system, a comprehensive investigation of the system including conversion plans shall be performed at the expense of the Designated User. The District shall review and approve the conversion plans before the potable system is converted to recycled water use.

19.7.6 User Agreement Form.

Upon the final determination by the District that a property, or a portion of the property, shall be served with recycled water the Designated User shall execute a User Agreement with the District to implement the provisions of this Article of the Administrative Code. The District shall provide a general form of the agreement. The District may refuse or terminate recycled water service if a signed User Agreement is not on file with the District.

19.8 Water Meter Requirement.

All recycled water used on any premises approved for recycled water service must be metered. The District shall be responsible for the enforcement of this requirement.

When a parcel is developed, if the parcel has the potential for future recycled use or is along a planned recycled line extension, the development must provide for facilities to utilize recycled water when available or pipeline extensions through the parcel at the time of project construction.

19.9 Public Safety Requirements.

19.9.1 General Requirements.

All sites shall comply with the County of San Diego's Department of Environmental Health Recycled Water Plan Checklist and Inspection Manual and all District rules and regulations for recycled water service.

19.9.2 Backflow Protection at the Service Meter.

All recycled water sites are required to prevent backflow into the public water supply. Backflow protection will be determined by the degree of hazard present on the Designated User's property. Sites that use recycled water for irrigation purposes as part of a dual plumbed system are required to install a double check valve assembly device on the potable water service connection. Recycled water sites that also use potable water must install a reduced pressure principle backflow prevention assembly at the potable water connection.

19.10 Truck Load Delivery of Recycled Water.

The San Diego County Water Authority publication "Engineering Report for the Installation of Hauled Recycled Water Fill Stations and Use of Hauled Recycled Water in the San Diego Region" shall be complied with by any user that has been certified by the District for hauling of recycled water.

19.11 Miscellaneous.

If any section, subsection, sentence, clause or phrase of the Article of the Administrative Code is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Article of the Administrative Code. The Board of Directors hereby declares that it would have passed each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, or sentences, clauses or phrases may be unconstitutional or invalid.

19.12 Non-Liability.

The District will not be responsible or liable for any suspension in service of, or failure to supply, recycled water, or for any damage or injury to person or property relating to the provision of recycled water.

**ARTICLE 28 (Renumbered
as Article 19 by Resolution
5006)**

Program Adopted 2/94
Sec. 28.9 – Rev. 6/95
Sec. 28.1-28.4, 28.6, 28.9,
28.10 – Rev. 7/97
All Sections – Rev. 1/16
All Sections – Rev. 1/21

APPENDIX F
WATER SHORTAGE RESPONSE PLAN

Article 17. **Water Shortage Response Program.**

Sec. 17.1 Declaration of Policy.

California Water Code Section 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity. The Board of Directors hereby establishes a comprehensive water conservation program pursuant to California Water Code Section 375 et seq., based upon the need to conserve water supplies and to avoid or minimize the effects of any future shortage. Additionally, the California Water Code mandates that water agencies adopt a water shortage contingency plan (WSCP) as part of their Urban Water Management Plan (UWMP). The District’s WSCP is a detailed plan for how an urban water supplier, like the District, intends to act in the case of any actual water shortage condition. This Article 17 is consistent with the District’s WSCP and is how the District implements its WSCP, and can be amended, as needed, outside of updating the District’s UWMP.

Sec. 17.1.1 PSAWR Reduction Program.

The San Diego County Water Authority Permanent Special Agricultural Water Program (PSAWR) 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 per the SDCWA Program. During periods of water shortages imposed by the Metropolitan Water District (MWD), the SDCWA, or due to emergency situations, those customers who are participating in the PSAWR shall abide by the conditions set forth by SDCWA. Administration of the PSAWR Program is incorporated by reference in Article 10 of this Administrative Code.

Sec. 17.1.2 PSAWR Reduction Compliance.

When SDCWA imposes a mandatory use reduction, PSAWR customers must be prepared to reduce consumption by complying with a water allocation, or water use target. Water consumed during each billing period will be compared to the assigned target. Any use below the target will be accumulated and carried forward. The customer’s cumulative use will be compared with the cumulative target, and any total usage above the target will be billed at the “above average” rates. This cumulative comparison will continue for the duration of the fiscal year. Below target usage “credits” will be carried forward until the cumulative target is exceeded, at which time, all cumulative “over target” use will be billed at the “above target” rates. The cumulative comparison process will start over in the next fiscal year.

Upon written request, customers shall reserve the right to “group” accounts and adjust, or “smooth”, allocations to facilitate compliance.

Sec. 17.2 Findings.

The Board of Directors finds and determines that a water shortage could exist as a result of a general regional water supply shortage due to increased demand or limited supplies.

The Board of Directors also finds and determines that the conditions prevailing within and in the vicinity of the District’s service area require that the water resources available be put to maximum beneficial use to the extent to which they are capable, and that the waste or

unreasonable use, or unreasonable method of use, of water be prevented and that the conservation of such water encouraged with a view to the maximum reasonable and beneficial use thereof in the interests of the people of the Fallbrook Public Utility District and for the public welfare.

Sec. 17.3 Application.

The provisions of this Administrative Code shall apply to all water served to persons, customers, and property by the Fallbrook Public Utility District.

Sec. 17.4 Determination and Declaration of Water Supply Conditions.

Sec. 17.4.0 NORMAL CONDITIONS. The District's service area is in a semi-arid climate. Good water management practices dictate that water be used wisely and not wasted at any time. Customers are required to follow the guidelines presented in Sec. 17.8.0 for Normal Conditions at all times. The District will provide public education and outreach efforts to emphasize public awareness of the need to always use water wisely and practice water conservation measures.

Sec. 17.4.1 The General Manager shall monitor the projected supply and demand for water by its customers on a daily basis. The General Manager shall determine the extent of the conservation required through the implementation and/or termination of particular conservation stages in order for the District to prudently plan for and supply water to its customers, and shall recommend to the Board of Directors that the appropriate level of water conservation/water shortage condition be implemented or terminated in accordance with the applicable provision of this Administrative Code. Based on the recommendation of the General Manager, and based upon all available data, the Board of Directors shall from time to time determine and declare whether the District's water supply is in one of the following "water shortage" conditions:

1. WATER SHORTAGE RESPONSE LEVEL 1 – WATER SHORTAGE NOTICE CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to ten percent (10%) is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 1 condition. In such an event, the Board of Directors shall take action to implement and increase enforcement of the conservation practices identified in Sec. 17.8.1 and may implement drought rates as specified in 17.8.7.

2. WATER SHORTAGE RESPONSE LEVEL 2 – WATER SHORTAGE WATCH CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to twenty percent (20%) is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 2 condition. In such an event, the Board of Directors shall take action to implement the Level 2 conservation practices identified in Sec. 17.8.2. During a Level 2 Water Shortage Watch Condition, the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

3. WATER SHORTAGE RESPONSE LEVEL 3 – WATER SHORTAGE ALERT CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency notifies the District that due to cutbacks caused by water shortages or other reduction in supplies, a consumer demand reduction of up to thirty percent (30%) is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 3 condition. In such an event, the Board of Directors shall implement the mandatory Level 3 conservation measures identified in Sec. 17.8.3. During a Level 3 Water Shortage Alert Condition the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.
4. WATER SHORTAGE RESPONSE LEVEL 4 – WATER SHORTAGE WARNING CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency notifies the District that due to increasing cutbacks caused by water shortages or other reduction of supplies, a consumer demand reduction of up to forty (40%) percent is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 4 condition. In such an event, the Board of Directors shall implement the Level 4 conservation measures identified in Sec. 17.8.4. During a Level 4 Water Shortage Warning Condition the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.
5. WATER SHORTAGE RESPONSE LEVEL 5 – CRITICAL CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency notifies the District that due to increasing cutbacks caused by water shortages or other reduction of supplies, a consumer demand reduction of up to fifty percent (50%) is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 5 condition. In such an event, the Board of Directors shall implement the Level 5 conservation measures identified in Sec. 17.8.5. During a Level 5 Critical Condition, the District may implement drought rates as specified in 17.8.7 and may suspend consideration of annexations to its service area, and any service outside District boundaries.
6. WATER SHORTAGE RESPONSE LEVEL 6 – EMERGENCY CONDITION. This level applies when local supply conditions, and/or the District’s wholesale water agency declares a water shortage emergency pursuant to California Water Code Section 350. A Level 6 Emergency Condition requires a demand reduction of greater than fifty percent (>50%) in order for the District to have maximum supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 6 condition. In such an event, the Board of Directors shall implement the Level 6 conservation measures identified in 17.8.6. During a Level 6 Emergency Condition the District may implement drought rates as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

The General Manager is authorized to require submission of water use curtailment plans from those users having the largest effect on overall District consumption in order to protect the minimum supplies necessary to provide for public health,

sanitation, and fire protection. Failure to provide curtailment plans in a timely manner or plans that do not meet the required cutbacks shall authorize the District to install flow restrictors at the meter or termination of service.

Sec. 17.5 Implementation of Water Shortage Condition Declarations.

California Water Code Sections 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity.

The declaration of any level beyond Normal Conditions shall be made by the Board of Directors, and public announcement shall be made to the District's rate payers through direct communication (mail and/or phone notification), physical posting in the District lobby, on the District website and by publication in a newspaper of general circulation and shall become effective immediately upon announcement. Upon adoption of a water shortage condition, the District shall provide notice to customers within (14) days of the Board's declaration.

The declaration shall be reported by the Board of Directors. The Board of Directors shall rescind the declaration, and may adopt such additional rules and regulations to limit water use during the emergency as it deems appropriate.

Sec. 17.6 Duration of Declaration.

As soon as a particular condition is declared to exist, the water conservation measures provided for herein for that condition shall apply to all District water service until a different condition is declared.

Sec. 17.7 Mandatory and Discretionary Use of Recycled Water.

Nothing in this Administrative Code shall prohibit or limit the use of recycled water for any purposes listed herein. No customer of the District shall make, cause, use or permit the use of potable water supplied by the District for construction grading on major subdivisions, paved surface cleaning, or greenbelt uses, including, but not limited to, cemeteries, playing fields, parks, and highway landscaped areas, when, following notice and a hearing, the District finds that recycled water is available under the following conditions:

1. The recycled water is of adequate quality and is available for use.
2. The recycled water may be furnished to such areas at a reasonable cost, equal to or less than the cost of supplying potable domestic water.
3. The State Department of Health Services has determined that such use would not be detrimental to public health.
4. The use of recycled water will not adversely affect downstream water rights, and will not degrade water quality.

Sec. 17.8

Water Conservation Stages.

Sec. 17.8.0 NORMAL CONDITIONS.

During a Normal Condition, customers are required to use water wisely and to practice water conservation measures so that water is not wasted. All water withdrawn from District facilities shall be put to reasonable beneficial use. District water users shall comply with the following water use prohibitions and conservation measures at all times:

1. Do not wash down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.
2. Eliminate water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.
3. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only, unless using drip irrigation.
4. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.
5. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time.
6. Use re-circulated water to operate ornamental fountains.
7. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation.
8. The irrigation with potable water of ornamental turf on public street medians is prohibited.
9. The application of potable water to outdoor landscapes during or within 48 hours of measurable rainfall is prohibited
10. The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the County of San Diego's Landscape Ordinance.

11. Serve and refill water in restaurants and other food service establishments only upon request.
12. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
13. Repair all water leaks within five (5) days of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.
14. Use recycled or non-potable water for construction purposes when available.

During a Water Shortage Response Levels 1-6 condition, the water conservation measures and water use restrictions established by this Article 17 are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies as specified in this Article.

Sec. 17.8.1 WATER SHORTAGE RESPONSE LEVEL 1 – WATER SHORTAGE NOTICE CONDITION.

During a Level 1 Water Shortage Notice condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and increase enforcement of prohibitions of end use to promote a consumer demand reduction of up to ten percent (10%).

All persons using District water shall comply with Normal Conditions water conservation practices during a Level 1 Water Shortage Watch, as identified in Sec. 17.8.0.

Sec. 17.8.2 WATER SHORTAGE RESPONSE LEVEL 2 – WATER SHORTAGE WATCH CONDITION.

During a Level 2 Water Shortage Watch condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to twenty percent (20%).

All persons using District water shall comply with Normal Conditions and Level 1 Water Shortage Notice water conservation practices during a Level 2 Water Shortage Watch, as identified in Sec. 17.8.0 and 17.8.1. Additionally, upon declaration of a Level 2 Water Shortage Watch condition, the District will suspend consideration of annexations to its service area except under the following circumstances:

1. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of Fallbrook Public Utility District.

Sec. 17.8.3 WATER SHORTAGE RESPONSE LEVEL 3 – WATER SHORTAGE ALERT CONDITION.

During a Level 3 Water Shortage Alert condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to thirty percent (30%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice and Level 2 Water Shortage Watch water conservation practices during a Level 3 Water Shortage Alert, as identified in Sec. 17.8.0, 17.8.1 and 17.8.2, and shall also comply with the following additional conservation measures:

1. During the months of June through October, limit residential and commercial landscape irrigation to no more than two (2) days per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. During the months of November through May, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. During extreme Santa Ana conditions (temperature > 80 and easterly winds > 20 mph), one additional day per week of watering is allowed. This section shall not apply to commercial growers or nurseries. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.
2. Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per assigned day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.
3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by Section 17.8.3 (1), on the same schedule set forth in Section 17.8.3 (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation.
4. Repair all leaks within seventy-two (72) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

For Levels 3 and above, the District may establish a water allocation for property served by the Fallbrook Public Utility District using a method that does not penalize persons for the implementation of conservation methods or the installation of water saving devices and allows for the banking and subsequent use of unused allocations.

If the District establishes a water allocation it shall provide notice of the allocation within (14) days of its establishment by including it in the regular billing statement for the fee or

charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for ongoing water service. The following customer classes are subject to allocations: Commercial Agriculture (CA), Commercial Agriculture Domestic (CB), Commercial (C), Government (G), and Irrigation (I). Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty in the amount of 1.5 times the Base Rate, for each unit of usage greater than the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Article.

Sec. 17.8.4 WATER SHORTAGE RESPONSE LEVEL 4 – WATER SHORTAGE WARNING CONDITION.

During a Level 4 Water Shortage Warning condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to forty percent (40%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch and Level 3 Water Shortage Alert water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2 and 17.8.3 during a Level 4 Water Shortage Warning condition and shall also comply with the following additional mandatory conservation measures:

1. Water landscaped areas, including trees and shrubs located on residential and commercial properties, in accordance with Section 17.8.3.
2. Stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a drought response level under this Article.
3. Stop washing vehicles except at commercial carwashes that recirculate water, or by high pressure/low volume wash systems.
4. Repair all leaks within forty-eight (48) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

Sec. 17.8.5 WATER SHORTAGE RESPONSE LEVEL 5 – WATER SHORTAGE CRITICAL CONDITION.

During a Level 5 Water Shortage Critical condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to fifty percent (50%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch, Level 3 Water Shortage Alert and Level 4 Water Shortage Warning water conservation practices as identified in Sections 17.8.0,

17.8.1, 17.8.2, 17.8.3 and 17.8.4 during a Level 5 Water Shortage Critical Condition, and shall also comply with the following additional mandatory conservation measures:

1. Stop all automated landscape irrigation, except crops and landscape products of commercial growers and nurseries. This restriction shall not apply to the following categories of use unless the Fallbrook Public Utility District has determined that recycled water is available and may be lawfully applied to the use.
 - A. Maintenance of trees and shrubs that are watered on the same schedule set forth in Section 17.8.3 by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation;
 - B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection Fallbrook Public Utility District having jurisdiction over the property to be irrigated;
 - C. Maintenance of existing landscaping for erosion control;
 - D. Maintenance of plant materials identified to be rare or essential to the wellbeing of rare animals;
 - E. Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under Section 17.8.3;
 - F. Watering of livestock; and
 - G. Public works projects and actively irrigated environmental mitigation projects.
2. Repair all water leaks within twenty-four (24) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

The District may establish a water allocation for property served by the District. If the District establishes a water allocation it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for ongoing water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty in the amount 1.5 times the Base Rate, for each unit of usage greater than the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Article.

3. (PSAWR) customers participating in the San Diego County Water Authority (SDCWA) PSAWR Program must abide by any PSAWR restrictions that may be in place.

Water consumed during each billing period will be compared to the assigned target. Any use below the target will be accumulated and carried forward. The customer's cumulative use will be compared with the cumulative target, and any total usage above the target will be billed at the "above target" rates. This cumulative comparison will continue for the duration of the fiscal year. Below target usage "credits" will be carried forward until the cumulative target is exceeded, at which time, all cumulative "over target" use will be billed at the "above target" rates and the cumulative comparison process will start over in the next fiscal year.

Sec. 17.8.6 WATER SHORTAGE RESPONSE LEVEL 6 – EMERGENCY CONDITION.

During a Level 6 Emergency Condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of greater than fifty percent (>50%).

All person using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch, Level 3 Water Shortage Alert, Level 4 Water Shortage Warning, and Level 5 Water Shortage Critical water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2, 17.8.3, 17.8.4 and 17.8.5, and shall also comply with the following additional mandatory conservation measures:

The General Manager is authorized to require submission of water use curtailment plans from those users having the largest effect on overall District consumption in order to protect the minimum supplies necessary to provide for public health, sanitation, and fire protection. Failure to provide curtailment plans in a timely manner or plans that do not meet the required cutbacks shall authorize the District to install flow restrictors at the meter or termination of service.

Sec. 17.8.7 Drought Rates

Drought Rates may be implemented during declaration of Levels 1, 2, 3, 4, 5 and 6 described above. Drought Rates would only be in effect during declared drought Levels 1-6. The escalation factors that would be used to calculate “Drought Rates” relative to a given year’s normal rates are set forth in the tables below:

Monthly Drought Rates by Drought Levels (\$/kgal)			
	Level 1 (10% Reduction)	Levels 2 and 3 (20% and 30% Reduction)	Levels 4, 5 and 6 (40%, 50% and >50% Reduction)
Drought rates (actual class and tier rates will be calculated and adjusted based upon a given year’s approved rates and the drought level in place)	104.98% of Normal Rates	109.61% of Normal Rates	123.03% of Normal Rates

*TSAWR customers are not subject to these drought rates, though they must implement cuts to water use as implemented during specific drought restrictions or face penalties as discussed above in Section 17.1.2.

Section 17.9 Water Shortage Emergencies Pursuant to Water Code Section 350 et seq.

In addition to the declaration by the Board of a water shortage condition under this Article 17, the restrictions in this subsection shall apply if the Board of Directors adopts finding supporting a Water Shortage Emergency and does declare a Water Shortage Emergency in the manner and on the grounds provided in Water Code Section 350 et seq. “Water Shortage Emergency” means a condition existing within the District in which the ordinary water demands and requirements of the persons within the District cannot be satisfied without depleting the District’s water supply to the extent that there would be insufficient water for human consumption, sanitation and fire protection. A water shortage emergency includes a threatened water shortage, in which the District determines that its supply cannot meet an increased future demand.

The District may determine no new potable water service will be provided, no new temporary meters will be provided and those in use will be terminated and collected, no permanent meters will be installed, no additional capacity will be sold, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) will be issued, as authorized by Water Code Sections 350 and 356. Exceptions to these restrictions may be allowed under the following circumstances:

1. A valid, unexpired building permit has been issued for the project, all grading has been completed, and the construction of structures has begun; or
2. The project is necessary to protect the public’s health, safety, and welfare; or
3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset to the satisfaction of the District.

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted for a period of one year or less.

Sec. 17.10 Variances.

If, due to unique circumstances, a specific requirement of this Article of the Administrative Code would result in undue hardship to a person using District water or to property upon which the District water is used, that is disproportionate to the impacts to the District water users generally or to similar property or classes of water uses, then the person may apply for a variance to the requirements as provided in this section.

The variance may be granted or conditionally granted, only upon a written finding of the existence of facts demonstrating an undue hardship to a person using District water or to property upon with the District water is used, that is disproportionate to the impacts to the District water users generally or to similar property or classes of water use due to specific and unique circumstances of the user or the user's property.

A completed appeal shall describe the specific reason(s) the allocation is causing undue hardship, including the following:

1. Commercial buildings that were empty or partially occupied during base period but are now occupied to a greater degree and require more water.
2. A grove with new trees planted a year before the base period began that, in the third year of growth, would need additional water.
3. Agricultural land used for annual crops that had abnormally low irrigation application during the base year.
4. An unexpected emergency line break, or equipment malfunction that has since been fixed.
5. Loss or reduction of an alternative water source, such as a well or pond.
6. Other, with a detailed description.

Sec. 17.10.1 Application.

Application for a variance shall be a form prescribed by Fallbrook Public Utility District.

Sec. 17.10.2 Supporting Documentation.

The application shall be accompanied by photographs, maps, drawings, and other information, including a written statement of the applicant.

Sec. 17.10.3 Required Findings for Variance.

An application for a variance shall be denied unless the approving authority finds, based on the information provided in the application, supporting documents, or such additional information as may be requested, and on water use information for the property as shown by the records of the Fallbrook Public Utility District, all of the following:

- A. That the variance does not constitute a grant of special privilege inconsistent with the limitations upon other Fallbrook Public Utility District customers.
- B. That because of special circumstances applicable to the property or its use, the strict application of this Article would have a disproportionate impact on the property or use that exceeds the impacts to customers generally.
- C. That the authorizing of such variance will not be of substantial detriment to adjacent properties, and will not materially affect the ability of the Fallbrook Public Utility District to effectuate the purpose of this chapter and will not be detrimental to the public interest.
- D. That the condition or situation of the subject property or the intended use of the property for which the variance is sought is not common, recurrent or general in nature.

Sec. 17.10.4. Approval Authority.

The General Manager or his/her designee shall exercise approval authority and act upon any completed application no later than 20 days after submittal and may approve, conditionally approve, or deny the variance. The applicant requesting the variance shall be promptly notified in writing of any action taken. Unless specified otherwise at the time a variance is approved, the variance applies to the subject property during the term of the mandatory drought response.

Sec. 17.10.5 Appeals to Fallbrook Public Utility District Board of Directors.

An applicant may appeal a decision or condition of the General Manager on a variance application to the Fallbrook Public Utility District Board of Directors within 10 days of the written decision upon written request for a hearing. The request shall state the grounds for the appeal. Any determination not appealed within ten (10) days is final. At a public meeting, the Fallbrook Public Utility District Board of Directors shall act as the approval authority and review the appeal de novo by following the regular variance procedure. The decision of the Fallbrook Public Utility District Board of Directors is final.

ARTICLE 26 (Renumbered as Article 17
by Resolution 5006)

Sec. 26.6 – Rev. 7/97

Sec. 26.4, Sec. 26.5, Sec. 26.8.2 –
Rev. 10/07

Article 26 revised in its entirety –
6/08

Sec. 26.8.3, 26.9, 26.10 , 26.10.1,
26.10.2, 26.10.3, 26.10.4, 26.10.5,
and addition of Domestic Class and
Multi-Unit Class rates– Rev. 6/09

Sec. 26.8.3 –Rev. 10/09

Sec. 26.8.3 – Rev. 5/11

Sec. 26.8.3 – Rev. 8/14

Sec. 26.11 – Rev 6/15

Secs. 26.1.1, 26.1.2, 26.4, 26.5,
26.8.3, 26.8.5, 26.10, 26.10.1,
26.10.4, 26.10.5, 26.11 – Rev. 3/16

Secs. 26.8.1, 26.8.3 – Rev. 6/16

Secs. 26.8.2, 26.8.3, 26.8.6 – Rev.
12/17

Secs. 26.1.1, 26.1.2, 26.8.5 – Rev.
12/20

APPENDIX G
RATES & CHARGES

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 disconnection 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"	\$53.52	\$9.77	\$24.02	\$4.42	\$24.02	\$5.90	\$1.95	\$3.64
1"	\$81.70	\$16.27	\$32.52	\$7.37	\$32.52	\$6.95	\$3.26	\$6.08
1 1/2"	\$152.12	\$32.55	\$53.77	\$14.75	\$53.77	\$12.86	\$6.49	\$12.12
2"	\$236.65	\$52.07	\$79.27	\$23.60	\$79.27	\$15.42	\$10.39	\$19.40
3"	\$462.01	\$104.14	\$147.29	\$47.19	\$147.29	\$30.81	\$20.81	\$38.86
4"	\$715.55	\$162.72	\$223.81	\$73.73	\$223.81	\$48.15	\$32.51	\$60.72
6"	\$1419.85	\$325.43	\$436.34	\$147.46	\$436.34	\$96.28	\$64.99	\$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: \$1,266 deposit plus \$123 installation; \$123 relocation; operations charge \$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): \$123
Meter Testing Fee (1 1/2" & 2" meters): \$165

Residential: Domestic (D), Large Lot Domestic (LD), and Multi Unit (M) 1 - 5 units per month..... \$6.83 6 - 30 units per month..... \$6.92 Over 30 units per month..... \$8.44 Government (G): All usage..... \$6.91 Commercial (C): All usage..... \$7.03	Recycled Water (R): All usage \$5.84 Construction Water (C): All usage \$8.70 Pumping Charges (DSA & Toyon only) \$0.84 Pumping CIC (DSA & Toyon only) \$0.10 Irrigation Only (I): All usage..... \$7.04	SAWR	
		Ag (AS): All usage \$5.06 Ag Domestic (AT): 1 - 5 units..... \$6.83 6 - 17 units per month..... \$5.86 Over 17 units per month..... \$5.06 Com Ag (CA): All usage \$5.86 Com Ag Dom (CB): 1 - 5 units..... \$6.83 Over 5 units per month..... \$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

WASTEWATER 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>	\$ 10.79/Unit
Government, Schools, Churches, and Low-Strength Commercial	\$ 10.72/Unit
Medium Strength Commercial <i>(Average BOD & SS = 201 – 600)</i>	\$ 13.22/Unit
High Strength Commercial <i>(Average BOD & SS = ≥ 601)</i>	\$ 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%**

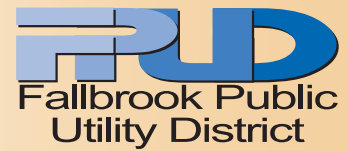
FIXED CHARGES

Monthly Fixed Wastewater Charge	\$10.60/Equivalent Dwelling Unit (EDU)
Wastewater Capital Improvement Charge (per month)	\$11.63/EDU

APPENDIX H
2020 CONSUMER CONFIDENCE REPORT



WATER QUALITY REPORT 2020



We test our drinking water quality for many constituents, as required by State and Federal Regulations. This report shows the results of our monitoring from calendar year 2019.

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo ó hable con alguien que lo entienda bien.

The sources of our drinking water may include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Type of water sources in use: While FPUD is a water retailer, virtually all of our water is purchased from the San Diego County Water Authority, which purchases much of its water from the Metropolitan Water District of Southern California. Virtually all tap water delivered by FPUD is treated at Metropolitan’s Lake Skinner Filtration Plant in Riverside County.

Name & location of source(s): FPUD receives virtually all its water from two sources: a 242-mile-long aqueduct that brings Colorado River water from Lake Havasu to Southern California, and another 444-mile-long aqueduct that carries water from the Feather River in northern California through the Delta to State Water Project contractors throughout the state. One percent of FPUD water comes from our Capra Well, when available.

Drinking water source assessment information: About one percent of FPUD water comes from our Capra Well. A source water assessment was conducted on the water system in May 2004. The well is considered most vulnerable to low-density septic systems, agricultural/irrigation wells, and historic mining operations. Discussion of vulnerability: The Capra Well is in a rural area close to Red Mountain with few activities that could potentially contaminate the water supply. The only significant possible contaminating activities observed are pesticide and fertilizer use in the groves in the general area surrounding the well. In 2011, any water from Capra Well was diverted to Red Mountain Reservoir where it is treated through UV disinfection.

Safety is our #1 priority! Drinking water, including bottled water, may reasonably be expected to contain small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk.

Time and place of regularly scheduled board meetings: Every fourth Monday of the month at 4 p.m. in the district boardroom, located at 990 E. Mission Road. They are open to the public.

For more information contact: Jason Cavender, Operations Manager, (760) 728-1125.

We take extra measures to disinfect our water at Red Mountain Reservoir

💧 The District’s Red Mountain Reservoir is an open reservoir with a capacity of 440 million gallons and is used to store treated water purchased from the San Diego County Water Authority. The open reservoir met the health standards of the day when it was constructed in 1949 and was reconstructed and lined in 1985, and it has continued to meet or exceed water quality standards. Drainage collection and diversion ditches prevent local runoff water from entering the reservoir. The reservoir is physically inspected at least twice daily. Bacteriological tests are taken once a week. FPUD upgraded its chlorination facilities in early 2010 by installing Ultraviolet Technology (UV Technology) for additional disinfection.

💧 The water the District purchases from the Water Authority is a blend of fully-treated Colorado River and State Water Project water that receives complete conventional treatment, along with ozone treatment – a cutting-edge, high-quality disinfection process. The water is treated at Metropolitan Water District’s Skinner Filtration Plant. The water delivered to Red Mountain has a chloramine (mixture of chlorine and ammonia) disinfectant residual.



Red Mountain Reservoir



Contaminants that may be present in source water include:

- 💧 **Microbial contaminants**, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.
- 💧 **Inorganic contaminants**, such as salts and metals, which can be naturally occurring or a result of urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- 💧 **Pesticides and herbicides** may come from a variety of sources such as agriculture, urban stormwater runoff and residential uses.
- 💧 **Organic chemical contaminants**, including synthetic and volatile organic chemicals, which are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application and septic systems.
- 💧 **Radioactive contaminants**, which can be naturally occurring or the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency and the State Water Resources Control Board prescribe regulations that limit the amount of certain contaminants in tap water. These regulations also establish limits for contaminants in bottled water for the same public health protection.

For more information about contaminants and potential health effects, or for USEPA/Centers for Disease Control guidelines on appropriate means to lessen the risk of infection by cryptosporidium and other microbial contaminants, call the USEPA Safe Drinking Water Hotline (1-800-426-4791). Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

Terms Used in This Report:

- 💧 **Maximum Contaminant Level (MCL):** The highest level of a contaminant allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.
- 💧 **Maximum Contaminant Level Goal (MCLG):** The level of a contaminant in drinking water below which there is no known or expected risk to one's health. MCLGs are set by the U.S. Environmental Protection Agency (USEPA).
- 💧 **Public Health Goal (PHG):** The level of a contaminant in drinking water below which there is no known or expected risk to one's health. PHGs are set by the California Environmental Protection Agency.
- 💧 **Maximum Residual Disinfectant Level (MRDL):** The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap.
- 💧 **Maximum Residual Disinfectant Level Goal (MRDLG):** The level of a disinfectant added for water treatment below which there is no known or expected risk to health. These are set by the U.S. Environmental Protection Agency.
- 💧 **Primary Drinking Water Standards (PDWS):** MCLs or MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.
- 💧 **Secondary Drinking Water Standards (SDWS):** MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.
- 💧 **Treatment Technique (TT):** A required process intended to reduce the level of a contaminant in drinking water.
- 💧 **Regulatory Action Level (AL):** The concentration of a contaminant which, if exceeded, triggers treatment or other requirements, that a water system must follow.
- 💧 **NA:** Not applicable, indicate when there is no establish level
- 💧 **ND:** Not detectable at testing limit
- 💧 **NL** Notification Level to SWRCB
- 💧 **SI:** Saturation Index
- 💧 **µS/cm:** Measure of electrical conductance
- 💧 **pCi/L:** Picocuries per liter (a measure of radiation)
- 💧 **ppm or mg/L:** Parts per million or milligrams per liter
- 💧 **ppb or µg/L:** Parts per billion or micrograms per liter
- 💧 **ppt or ng/L:** Parts per trillion or micrograms per liter
- 💧 **LRAA:** Locational Running Annual Average; The LRAA is the highest Individual of all Running Annual Averages. It is calculated as an average of all the samples collected within a 12-month period.

1 part per million or 1 mg/L is:

- 1 cent in \$10, 000
- 1 minute in 2 years
- 1 inch in 16 miles
- 1 drop in 10 gallons

1 part per billion or 1 µg/L is:

- 1 cent in \$10,000,000
- 1 minute in 2,000 years
- 1 inch in 16,000 miles
- 1 drop in 10,000 gallons

The tables that follow list the drinking water contaminants that were detected during the most recent sampling.

The presence of these contaminants does not necessarily indicate that the water poses a health risk. The State Water Resource Control Board (SWRCB) allows us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of the data, though it is representative of the water quality, is more than one year old.

Some people may be more vulnerable to contaminants in drinking water than the general population.

Immuno-compromised persons such as those with cancer undergoing chemotherapy, those who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, and some elderly and infants, can be particularly at risk for infection. These people should seek advice from their health-care providers.

What about Lead? If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. FPUD is responsible for providing high-quality drinking water, but cannot control the variety of materials used in personal plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

TABLE 1 - Sampling results showing the detection of coliform bacteria

Microbiological Contaminants (to be completed only if there was a detection of bacteria)	Highest No. of detections	Months in violation	State or Federal MCL (Maximum Contaminant Level)	MCLG	Typical Source of Bacteria
Total Coliform Bacteria	0	0	More than 5.0% of monthly samples are positive;	0	Naturally present in the environment
Fecal Coliform or <i>E. coli</i>	0	0	A routine sample and a repeat sample detect total coliform, and either sample also detects fecal coliform or <i>E. coli</i>	0	Human and animal fecal waste

TABLE 2 - Sampling results showing the detection of lead and copper for residential

Lead and Copper (Tested every 3 years. Data is from 2019.) Test again August 2022	No. of samples collected	90 th percentile level detected	No. of sites exceeding Action Level	Action Level	PHG	Typical Source of Contaminant
Lead (µg/L)	33	ND	0	15	0.2	Internal corrosion of household plumbing systems; discharges from industrial manufacturers; erosion of natural deposits
Copper (mg/L)	33	0.22	0	1.3	0.3	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives

In addition, on January 2017, the State of California issued new guidelines on lead testing in schools. We are committed to supporting our school districts’ efforts to protect students and ensure that the drinking water at their school sites meet lead limits. We have already completed our work with school districts serving kindergarten through 12th grade to develop sampling plans unique to each school site. We have also already sampled seven schools in our district and all the results were below the Action Level. There was no follow-up monitoring required, nor was there a need to take corrective action on any plumbing fixtures at any school sampled.

Sampling results showing the detection of lead for our K-12th grade schools

Contaminant (CCR units)	Action Level	PHG	No. of sites exceeding Action Level	Sample Date	Number of Schools Requesting Lead Sampling	Typical Source of Contaminant
Lead (µg/L)	15	0.2	0	2017	7	Internal corrosion of household plumbing systems; discharges from industrial manufacturers; erosion of natural deposits

TABLE 3 - Detection of contaminants with a primary (health-related) drinking water standard

Chemical or Constituent (and reporting units)	Level Detected (average)	Range of Detections	MCL [MRDL]	PHG (MCLG) [MRDLG]	Typical Source of Contaminant
Clarity					
Lake Skinner Combined Filter Effluent Turbidity (NTU)	Highest	0.7	TT	NA	Soil Runoff
	% ≤ 0.3	100			
Inorganic Chemicals					
Aluminum	56	ND -94	1000	600	Residue from water treatment process; natural deposits erosion
Barium (mg/l)	.105	.100 - .110	1	2	Erosion of Natural deposits
Fluoride – (mg/L)	0.7	0.30 - .80	2	1	Erosion of natural deposits; Metropolitan Water District treats our water by adding fluoride to the naturally occurring fluoride level to help prevent dental caries in consumers. Fluoride levels in the treated water are maintained within a range of 0.7 to 1.3 mg/L, as required by the State Board regulations.
Radiological					
Gross Alpha (pCi/L)	ND	ND – 4.0	15	(0)	Erosion of natural deposits
Gross Beta (pCi/L)	ND	ND – 5.0	50	(0)	Decay of natural and man-made deposits
Uranium (pCi/L)	ND	ND – 3.0	20	0.43	Erosion of natural deposits
Disinfection by-products, Disinfectant Residuals and Disinfection by-product precursors (Federal Rule)					
Bromate (ppb)	2.8	ND – 10	10	0.1	By-product of drinking water ozonation
Total Chlorine Residual (mg/L) <i>Highest RAA</i>	2.05	0.01 – 3.6	[4]	[4]	Drinking water disinfectant added for treatment
Haloacetic Acids (five) (µg/L) <i>Highest LRAA</i>	14.5	5.0 – 22.0	60	NA	By-product of drinking water disinfection
Total Trihalomethanes (µg/L) <i>Highest LRAA</i>	30.8	16.0 – 57.0	80	NA	By-product of drinking water disinfection

TABLE 4 – Detection of contaminants with a secondary (aesthetic) drinking water standard

Chemical or Constituent (and reporting units)	Level Detected (average)	Range of Detections	MCL	PHG (MCLG) [NL]	Typical Source of Contaminant
Chloride (mg/L)	83	68 - 93	500	NA	Runoff/leaching from natural deposits; seawater influence
Color (units)	1	ND - 2	15	NA	Naturally occurring organic materials
Manganese (ppb)	NA	ND - 21	50	[500]	Leaching from natural deposits
Odor Threshold (TON) <i>Threshold Odor Number</i>	NA	ND - 1	3	NA	Naturally occurring organic materials
Specific Conductance (µS/cm)	765	576- 920	1600	NA	Substances that form ions when in water; seawater influence
Sulfate (mg/L)	147	90 - 200	500	NA	Runoff/leaching from natural deposits; industrial wastes
Total Dissolved Solids (mg/L)	467	330 - 580	1000	NA	Runoff/leaching from natural deposits

Turbidity (NTU) <i>Nephelometric Turbidity Unit</i>	.34	.01 – 1.10	5	NA	Soil runoff
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TABLE 5 – Additional parameters

Chemical or Constituent (and reporting units)	Level Detected (average)	Range of detections	Notification Level	Major sources in drinking water
Alkalinity (mg/L)	92	84 - 99	NA	Naturally present in the environment
Bicarbonate (HCO ₃) (mg/L)	98	96 - 99	NA	Naturally present in the environment
Boron (µg/L)	NA	120	1,000	Runoff leaching from natural deposits; industrial waste
Calcium (mg/L)	48	33 - 60	NA	Naturally present in the environment
Chlorate (µg/L)	NA	35	800	By-product of drinking water chlorination; industrial processes
Corrosivity (SI)	.24	.20 - .28	NA	Elemental balance in water; affected by temperature, other factors
Hardness (mg/L) *Conversion to grains below	196	139 - 240	NA	Consists of Magnesium and Calcium and is usually naturally occurring
Magnesium (mg/L)	18	14 - 21	NA	Naturally present in the environment
N-Nitrosodimethylamine (ppt)	NA	3.9	10	Byproduct of drinking water chloramination; industrial process
Perfluorhexanoic Acid (PFHxA) (ppt)	2.3	2.2 – 2.4	NA	Industrial chemical factory discharges; runoff/leaching from landfills; use in fire-retarding foams and various industrial processes
pH (pH units)	8.2	7.9 - 8.2	NA	Naturally present in the environment
Potassium (mg/L)	3.9	3.3 - 4.4	NA	Naturally present in the environment
Sodium (mg/L)	78	62 - 90	NA	Generally naturally occurring
TOC (mg/L) <i>Total Organic Compounds</i>	2.4	2.0 - 2.7	TT	Various natural and manmade sources

*To convert Hardness (mg/L) to Hardness (grains) divide by 17.1. For example, 230mg/L divide by 17.1 = 13.4 grains.



FUD
Fallbrook Public
Utility District

General Manager:
Jack Bebee

Board of Directors:
Don McDougal
Jennifer DeMeo
Dave Baxter
Ken Endter
Charley Wolk

990 E. Mission Road
Fallbrook, CA 92028
(760) 728-1125

Here's What's New!

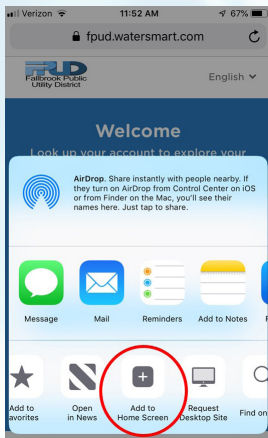
View and Manage Your Water Use Online



Log onto www.onlinebiller.com/fpud so you can:

- 💧 **Sign up for High Usage Alerts.** ** Alert yourself to a potential leak. The objectives of WaterSmart are to provide helpful, proactive service to customers experiencing high water usage. You will be notified sooner of high usage reads – possibly weeks before the monthly billing statements would arrive. The various leak resolution tips will help you identify the source of the water loss, and the step-by-step instruction videos give you options that can help resolve the issue.
- 💧 **Compare your use** to other, similar households in Fallbrook.
- 💧 It's all part of our replacement and transition to “smart meters.” Check it out!
- 💧 **It's super easy to do!**

** If you're only able to view monthly usage, stay tuned as we transition all our meters over the next 2 - 3 years.



You can add a shortcut to your mobile device for quick access to your account.

Currently, the prompt to suggest you download an icon to your phone shows up the first time you access the mobile site, in response to an email invitation, a leak alert, a high use notification, etc. If you respond yes to the prompt, a water drop icon will appear on your phone.

Without that prompt, you can click on the Upload link at the bottom of the phone. You can then select “Add to the Home Screen” to have the link added to the Home Screen (see image).

Billing Payment Options

Walk-in: 990 E. Mission Road, Fallbrook, CA 92028

Online: www.onlinebiller.com/fpud

By Phone: 877-281-3434

PayNearMe: Make a cash payment at participating locations:



CASHIER INSTRUCTIONS:

1. Scan barcode.
2. Enter payment amount.
3. Collect payment from customer.
4. Give the customer their receipt.

1R7M5P

CASHIER INSTRUCTIONS:

1. Ask customer for amount to load.
2. Press OTHER FUNCT, then LOAD.
3. Scan barcode.
4. Collect Payment from customer.
5. Give customer receipt and slip

1R7M5P

APPENDIX I
EMERGENCY ACTION PLAN

Article 20. Emergency Action Plan (EAP)

The Fallbrook Public Utility District has adopted an Emergency Action Plan for internal use by its officers, employees and Directors. The plan sets guidelines to use when an emergency arises.

The District's Emergency Action Plan (EAP) is made a part of this Administrative Code and incorporated into the District's Injury/Illness Prevention Program (IIPP).

ARTICLE 29
(Renumbered as Article
20 by Resolution 5006)

Program Adopted 6/94
Rev. 2/20

FALLBROOK PUBLIC UTILITY DISTRICT EMERGENCY ACTION PLAN (EAP)

All employees will follow the guidelines below when an emergency arises. All employees will be required to participate in all "training elements."

- 1) The Operations Manager (or designee) will be the individual responsible for coordinating the Emergency Response Plan. His responsibilities include, but are not limited to:
 - A. Assessing the situation to determine if an emergency exists that requires activating the District Emergency Action Plan.
 - B. Directing all efforts in the area, including evacuating personnel and minimizing property loss.
 - C. Ensuring that outside agencies are called when necessary.
 - D. Directing shutdown of operations, when necessary.
 - E. Direct the Emergency Response Team.

- 2) If a major emergency involving fire or threat of an explosion occurs, and evacuation of the building and/or yard is necessary, the following will be done:
 - A. The Receptionist will alert all employees by way of the intercom system that there is an emergency and that all employees will evacuate to the announced designated meeting area.
 - B. The Operations Manager will establish his "command post" next to where the employees are to be evacuated.
 - C. Alternate communications can be the District's cellular phone, radio system (high band and low band), and coordination with the Sanitary District's base station with our radio system.
 - D. Regular updating of off-duty emergency on-call personnel will help keep the answering service current on who to notify during off-hours.

- 3) The Operations Manager (or designee) will be responsible to account for all personnel and notify authorities if anyone is believed missing. No personnel shall leave the scene until a total head count has been conducted (unless it is not safe to remain). Do not leave this area until the Operations Manager (or designee) or your supervisor knows you are leaving.

- 4) The Emergency Response Team (ERT) has to be able to distinguish between an emergency that they can handle and one that needs professional emergency aid. The emergency response team will be trained in the following:
 - A. Use of various types of fire extinguishers;
 - B. First Aid and CPR;
 - C. Shutdown procedures including all electric panels, gas main and location of the shut off devices;
 - D. Evacuation procedures;
 - E. Use of breathing apparatus (when applicable);
 - F. Search and rescue procedures (if there is a major disaster).

5) The Emergency Response Team members are:

- A. Operations Manager,
- B. Field Service Manager,
- C. All Department Supervisors,
- D. Safety & Risk Officer.

6) Employee Accountability Procedures after Evacuations:

- A. When an evacuation signal is given, each supervisor involved will assume a station in the vicinity of the designated evacuation area. Supervisor will insure all personnel are evacuated and will provide assistance to employees requiring same.
- B. All employees will proceed to a designated evacuation area for a head count by their supervisor. Supervisors will then report their department's status to Safety or designee. No one is to re-enter the building or yard for any reason until the Fire Department or other responsible agency has notified the District the building or yard is safe for re-entry

BUILDING EVACUATION

IN THE OFFICE OR YARD:

- 1) Each employee is to be aware of all marked exits from the area and building.
- 2) When evacuating the building, do not collect your personal belongings (purse, brief case, etc.) leave by walking quickly to the nearest marked exit and ask others to do the same. DO NOT RUN.
- 3) Assist all customers and the handicapped in exiting the building.
- 4) When outside, proceed to the announced designated meeting area. Keep well away from the building and keep clear of emergency vehicles. Do not leave this area until the Operations Manager or your supervisor knows you are leaving.
- 5) Supervisors, to the best of their ability, and without re-entering the building, will report to the Operations Manager if everyone has evacuated the area safely.
- 6) Do not return to the building until being told it is OK to do so by the Fire Dept. or Police.

FIRE

IN THE OFFICE OR YARD:

- 1) Know the location of fire extinguishers in your area and know how to use them.
- 2) In case of fire, immediately call 911. Give your name and describe the location and size of the fire.
- 3) On a minor fire that appears to be controllable, promptly direct the charge of a fire extinguisher toward the base of the flame. Get help if necessary.
- 4) On large fires that are not immediately controllable, promptly or after using the extinguisher, close all doors to confine the fire and reduce the oxygen - but do not lock doors.
- 5) Notify the receptionist to alert employees and instruct them to evacuate the building by quickly walking to the nearest exit, (being sure to collect your personal belongings, purse, brief case, etc.) and alerting people as you go.
- 6) Once outside, move to the announced designated meeting area, and stay well away from the building. Do not leave this area until the Operations Manager or your supervisor knows you are leaving. Keep clear of emergency vehicles.
- 7) Do not return to the building until being told it is OK to do so by the Fire Dept. or Police.

IN THE FIELD:

- 1) Notify the office, by radio, to report the fire to the fire department. Be sure to describe the location, type of fire and the area involved.
- 2) On a minor fire that appears to be controllable, promptly direct the charge of a fire extinguisher toward the base of the flame.
- 3) If in a remote area, coordinate to meet the Fire Dept. at a predetermined location to direct them to the area.

VIOLENCE OR CRIMINAL BEHAVIOR

IN THE OFFICE OR DISTRICT YARD:

Assist in making the Facility a safe place by being alert to suspicious situations.

- 1) If you witness any suspicious situations do not hesitate, CALL 911 and then, if safe, alert your supervisor or Operations Manager of the situation.
- 2) If you are the victim; or are involved in any on property violation of the law; or witness an on-property violation of the law, such as assault, robbery, theft, overt sexual behavior, etc., DO NOT TAKE ANY UNNECESSARY CHANCES. Notify your supervisor and call 911 and report the following:
 - a. Nature of incident.
 - b. Building location of incident.
 - c. Description of person(s) involved.
 - d. Description of property involved.
- 3) Assist the sheriff when they arrive by supplying them with additional information and ask others to do the same.
- 4) Report to your supervisor the existence of any person loitering or soliciting on District property. These people may be asked to leave if they do not have permission or a proper reason for being on the property. The Sheriff's Dept. is to be called if they refuse to leave when asked.

IN THE FIELD:

- 1) Do not confront any trespasser(s) on District property.
- 2) If trespassers are observed stay at a safe distance and;
 - a. Report to the Operations Manager, by radio, the area and what activity is going on.
 - b. The Operations Manager will notify the Sheriff's Office who will respond to the area.

EXPLOSION – AIRPLANE CRASH OR SIMILAR

IN THE OFFICE OR YARD:

- 1) Immediately take cover under tables, desks and any other such objects, which will give you protection against glass or debris.
- 2) After the effects of the explosion have subsided, call 911. Give your name; describe the location and nature of the emergency.
- 3) Evacuate the building being sure to collect your personal belongings (purse, brief case, etc.) and:
 - a. Be aware of any structural damage.
 - b. Stay away from glass doors and windows.
 - c. Do not touch or move any suspicious objects.
- 4) Assist others, especially the injured and handicapped in the evacuation of the building.
- 5) Once outside, move to the announced designated meeting area, away from the affected area. Keep clear of emergency vehicles. Do not leave this area until the Operations Manager or your supervisor knows you are leaving.
- 6) To the best of your ability, and without re-entering the building, determine if everyone has evacuated safely.
- 7) Do not return to the building until being told it is OK to do so by the Fire Dept. or Police.

IN THE FIELD:

- 1) Notify the office by radio, cell phone, or other means the location, the extent of the incident, and what assistance you need.
- 2) Do not touch or move any suspicious objects.
- 3) Keep a safe distance until emergency help arrives.

EARTHQUAKE

IN THE OFFICE OR YARD:

- 1) During an earthquake remain calm and quickly follow the steps outlined below.
- 2) If indoors, seek refuge in a doorway or under a desk or table. Stay away from glass windows shelves and anything else that might fall.
- 3) If outdoors, move quickly away from buildings, utility poles and other structures.
- 4) After the initial shock, evaluate the situation and if emergency help is necessary, call 911. Protect yourself at all times and be prepared for aftershocks.
- 5) Coordinate with management and begin turning off all potentially hazardous equipment such as gas and electric appliances. Damaged facilities should be reported.
- 6) Evacuate the building by quickly walking to the nearest exit, alerting people as you go. Be aware of structural damage and assist both the handicapped and injured. DO NOT RUN.
- 7) Once outside, move to the announced designated meeting area away from the building. Keep clear of emergency vehicles. Do not leave this area until the Operations Manager or your supervisor knows you are leaving.
- 8) Do not return to the building until told to do so by police and fire personnel.

IN THE FIELD:

- 1) Pull over to the side of the road, away from possible falling objects like power lines, telephone poles, trees, buildings, etc. and stay in your vehicle.
- 2) Report to the main office as soon as it is safe to travel. If it is not safe to travel, contact the office or another unit by radio informing them of your location and situation.

**SUBJECT: EMERGENCY NOTIFICATION PROCEDURE OF AMMONIA RELEASE,
WATER DEPARTMENT**

Ammonia stations are equipped with a Telemetry Alarm System that when activated will page the “on-call” System Operator. If there is no response with 30 minutes, the Operation Manager will then be called.

REGULAR WORKING HOURS (7:00 AM TO 4:30 PM):

Fallbrook Service Area:	Cellular Phone #
Standby System Operator	760-497-4096

AFTER HOURS, WEEKENDS AND HOLIDAYS: Incoming calls to the District's answering service (760728-1125) will be given to the water department on-call duty person who will be responsible for notifying the following personnel.

Name	Cellular Phone #
Standby System Operator	760-497-4096
Water System Supervisor	760-497-5777
Operations Manager	760-497-4103

1. **MWD Issues**

MWD has completed the process for hiring a new GM recruitment. The new GM is Adel Hagekhalil who was previously at the Los Angeles Department of Sanitation. The selection process was highly contentious, but in the end a slight majority led by City of Los Angeles and SDCWA lead the effort to select Mr. Hagekhalil.

2. **Regional Conveyance**

There have not been any recent updates to the Board on the project. SDCWA is developing a 100 year demand forecast using a Monte Carlo simulation to estimate long-term water needs.

3. **FPUD/RMWD Detachment**

SDCWA has not provided any open session updates on the process. The Process is continuing with LAFCO and a draft report was recently released by the LAFCO consultant and is available at:

<https://www.sdlafco.org/resources/major-proposals/fallbrook-pud-rainbow-mwd-wholesaler-reorganization-2020>

4. **Budget and Rates**

The budgeted approval is anticipated to occur on June 24. The budget includes issuing debt to fully fund the CIP for the next two years. There was an increase in one of the SDCWA charges (The Infrastructure Access Charge (IAC) to include the cost of the CIP) a few years ago but none of these revenues are being used for CIP costs, which FPUD has notes as a concern. There has been no change in this approach. The comments provided by FPUD on the budget and rates are attached.

5. **Key Upcoming Issues**

Some key issues for the upcoming year include:

- Fully understanding the use of consultants and lobbyist within San Diego County.
- Developing a conservative low water demand projection for financial analysis and long-term planning. Rights sizing water supplies based on conservation and local supply developments.
- Reviewing the long-term fiscal sustainability of SDCWA and determining any structural changes to the rate structure especially relative to long-term CIP funding.
- 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.



990 East Mission Road
 Fallbrook, California
 92028-2232
www.fpud.com
 (760) 728-1125

Board of Directors

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Division 1

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Division 2

Jennifer DeMeo
Division 3

Don McDougal
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Charley Wolk
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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

May 25, 2021

Sandy,

I have a number of questions related to the proposed rates, Cost of Service Study (COSS) and preliminary budget tables, and I figured it would be easier just to outline them than go through this in a public Board meeting.

Preliminary Rate Recommendation

The Preliminary CY 2022 Rate Recommendation Table on page 47 of the Board package is a bit confusing in how it uses \$/AF numbers combined with the fixed (\$) numbers to arrive at a total \$/AF.

The variable rates for treated water including transportation went up \$108/AF. This is a 7% increase from the overall treated rated from CY 2021 of \$1,474/AF. It appears that when the projected sales level is divided into the proposed fixed charges, it is reducing the projected overall increase by \$59/AF to make the overall projected increase 3.6% instead of 7%. Is that correct that, although the fixed charge is constant, the \$/AF impact is negative based on the change in projected sales levels? What is the actual % increase in the treated water rate if actual SDCWA sales are flat?

If this impact of the actual sales is correct on the actual rate increase, I think it is important to clarify that 3.6% is the SDCWA projected increase based on sales. If actual sales are flat, for example the increase will be \$108/AF or 7%. This projected increase is also highly dependent on how each agency is projecting their sales from last FY to this FY. If their sales projection is flat, their increase will be closer to 7%. My concern is the messaging from SDCWA about an actual 3.6% increase versus what is really a projected 3.6% increase will make it very challenging for each agency to explain why their increase is much higher based on their more conservative sales projections.

I also understand the rates are based on debt funding 70% of the CIP. The two-year CIP is projected to be \$170 million or roughly \$85 million per year, and this means \$25.5 will be PAYGO funded and \$59.5 will be debt funded. What would the required rate increase be to PAYGO fund the entire CIP? Eventually will the CIP be PAYGO funded, or is it planned to just continue to debt fund a largely Repair and Replacement CIP indefinitely?

Preliminary Budget Tables

What exactly is the equipment replacement fund? What exactly is the fund used for?

A more detailed discussion on how the projected water sales for CY 2022 of 391,066 AF were derived would be helpful since the actual increase is so dependent of actual sales.

In FY 2020, the actual sales were around 350k AF in a wetter year. It appears the current sales level for FY 2021 will be closer to 380-400k depending on May and June sales in a very dry year in San Diego County (< 50% of normal rainfall). Is there any concern that the increasing trend from this year is more weather related than economic recovery related and a “normal year” is somewhere in between 350k and 390k and that a more conservative sales projection should be used? It seems like water sales next year could be a challenging, because if we see more normal rainfall, sales will go down, and if it is very dry, we will likely face pressure from the State to implement restrictions. I know the SDCWA projection is based on a number of complex variable and the projection is more conservative than the previous budget, but some additional background and context would be helpful.

Why did the direct charges to CIP go up by \$1.7 million from the last FY budget even though the budgeted CIP was not increased significantly? For the current budget, why were the actual costs to CIP so much higher than budgeted even though the actual CIP was much lower than budgeted? Is there any concern that this FY, the share of CIP from internal SDCWA staff costs (labor, benefit and overhead) is projected to be \$26.6 million out of a \$113.5 million CIP or 23% of the total CIP? For FY 22-23 the recommended budget has \$26.8 million out of a projected \$170 million CIP budget or 15.7% being internal SDCWA costs (labor, benefits and overhead). This seems high for a CIP program that also includes a significant amount of consultant contract services costs for planning, designing and construction management. What is the basis for determining what internal costs to capitalize?

Cost of Service Study (COSS)

I’ve previously noted some inconsistencies in the calculation for the Infrastructure Access Charge (IAC), and it is not fully addressed in the recent COSS. As I understand it, the proposed budget increases debt funding 70% of the roughly \$85 million annual CIP. Table 5 in the COSS shows a Fixed Capital Cost (PAYGO) line item of \$68.56 million as the four-year average FY 2022–FY 2025. Where exactly does this number come from? What is the specific calculation that results in \$68.56 million? By definition, if it is debt funded it is not PAYGO. Is the assumption that just this year’s CIP will be 70% debt funded, but the remaining years will be cash funded (PAYGO)? If the assumption is that the method of funding doesn’t matter, then what will happen when a large CIP project is required in a given year? Will it be included in the IAC calculation even if it is debt funded?

There appears to be a significant imbalance in SDCWA’s proposed rates and the Board adopted charge setting/structure. The Storage and Customer Service Charges appear to be contributing \$31.6 million to reserves in CY 22, excluding debt service coverage requirements. The Melded Supply Rate on the other hand is utilizing \$40.9 million in reserves to meet its revenue requirement. The use of reserves provides \$114/AF of support allowing Melded Supply Rate revenue requirement to be met with only a \$69/AF or 7.3% rate increase. It appears that there needs to be some revisions in the rate structure associated with fixed and variable costs to come into line with the current revenue allocation between fixed and variable costs. Does SDCWA track the reserves generated by each rate category to ensure Storage/Customer Service funds are not being used to fund the supply cost and revenue imbalance?

Impact of current proposed rates and budget on future rates

One of my primary concerns is we seem to be avoiding a real discussion about the future impacts of the decisions being made in the current proposed rates and budget. I understand that SDCWA is preparing a long-term financial plan, but in the interim, it would be helpful to provide some more context of how some of the key financial challenges will be addressed including:

1. How are we going to address the concerns raised by the rating agencies about debt and leverage?
2. Will moving from PAYGO to debt funded CIP by issuing ~ \$120 million in new debt to fund the repair and replacement CIP increase our debt and leverage.
3. What is the total rate impact we will eventually have to address once reserves can no longer be used to offset supply costs and CIP must be PAYGO funded?
4. Will this be more difficult to address in the future combined with projected increases in local supplies that will likely result in lower SDCWA sales?

My overall concern is we are pushing too many items into the next budget and rate cycle, and we should strongly reconsider at a minimum not issuing any new debt to fund the CIP until the current debt level is lower and either adjusting the CIP or pass the rate required to fully fund it. Thank you for taking the time to review my comments.



Jack Bebee
General Manager

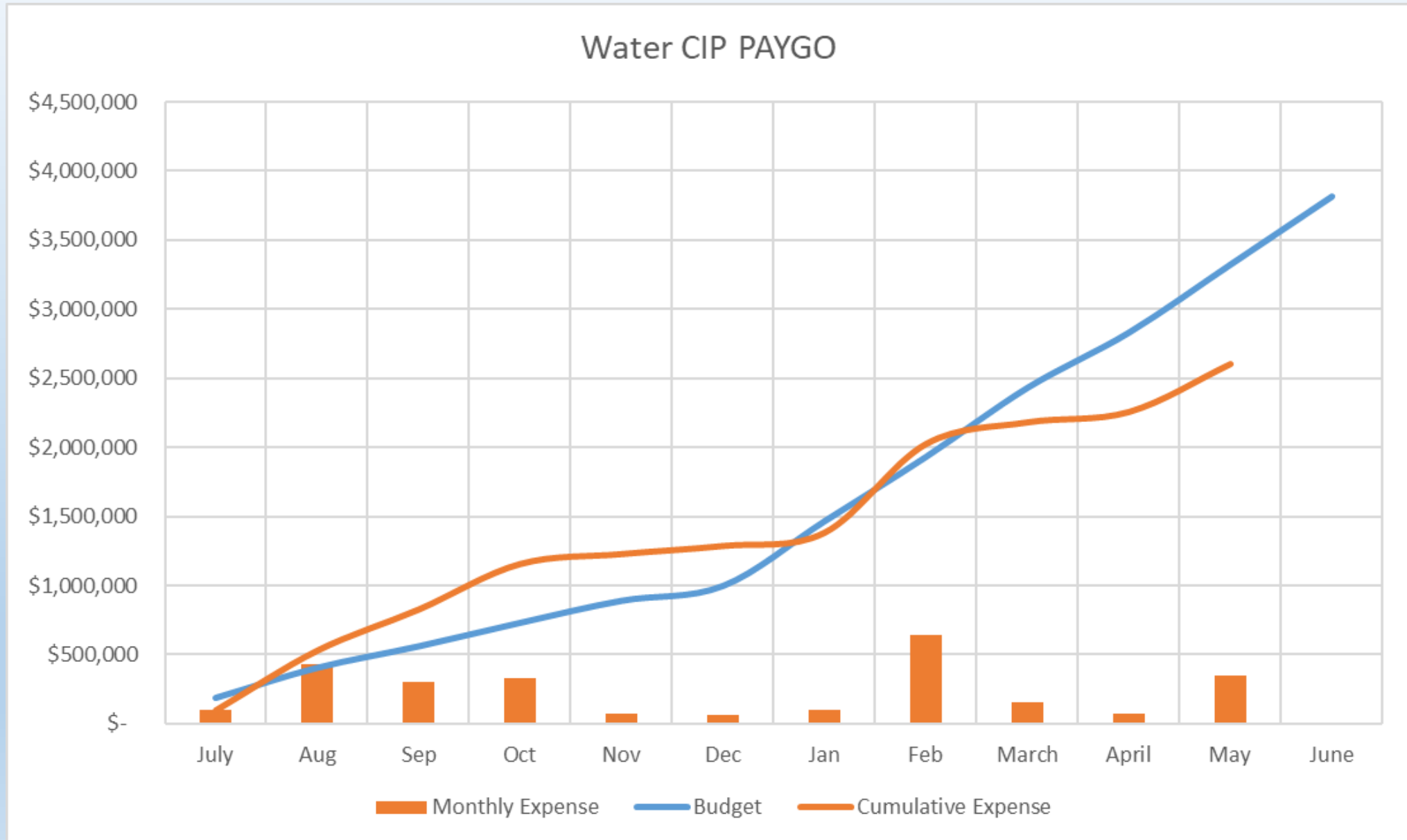


Fallbrook Public Utility District

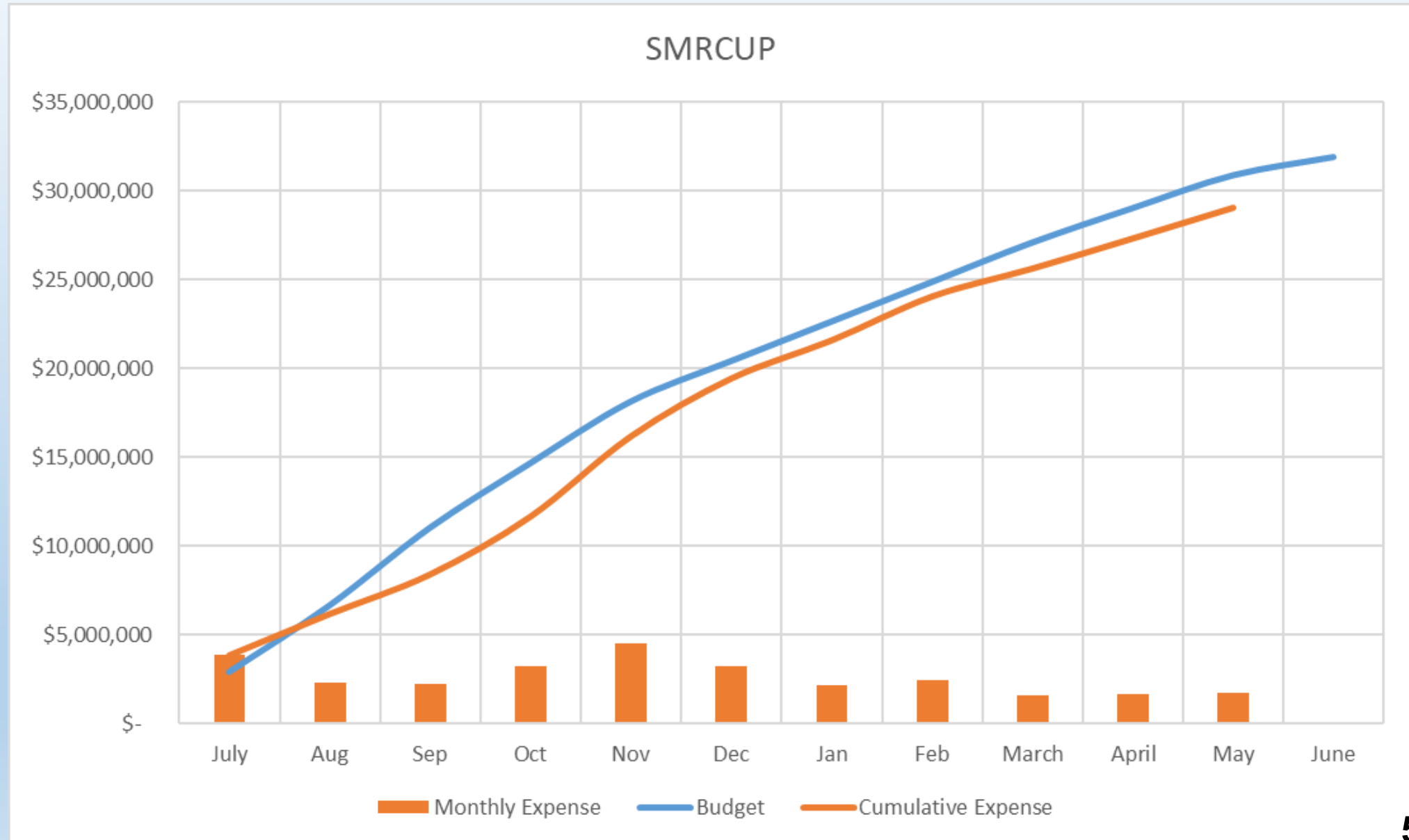
Engineering and Operations FY21

Board Meeting June 2021

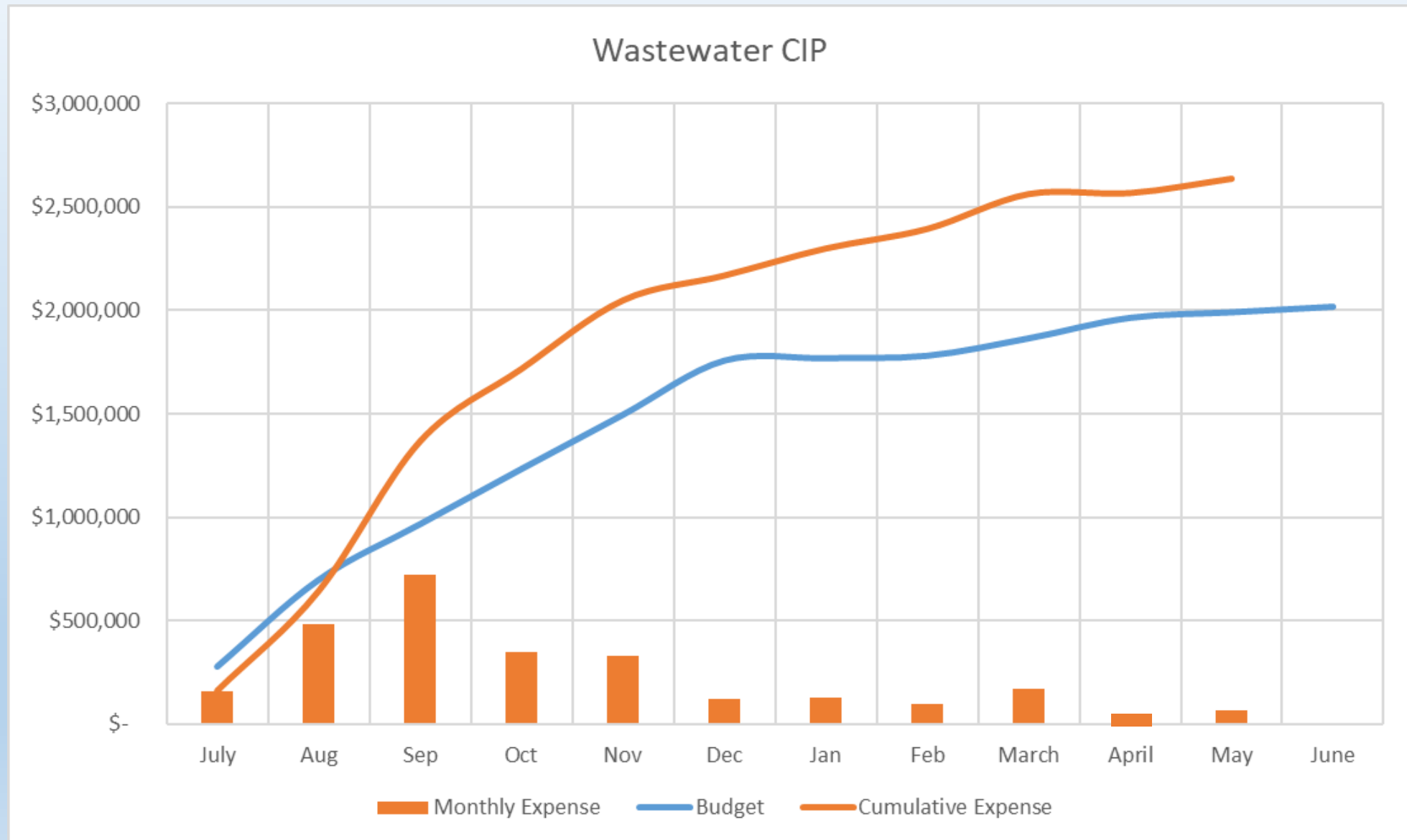
Water PAYGO CIP FY21



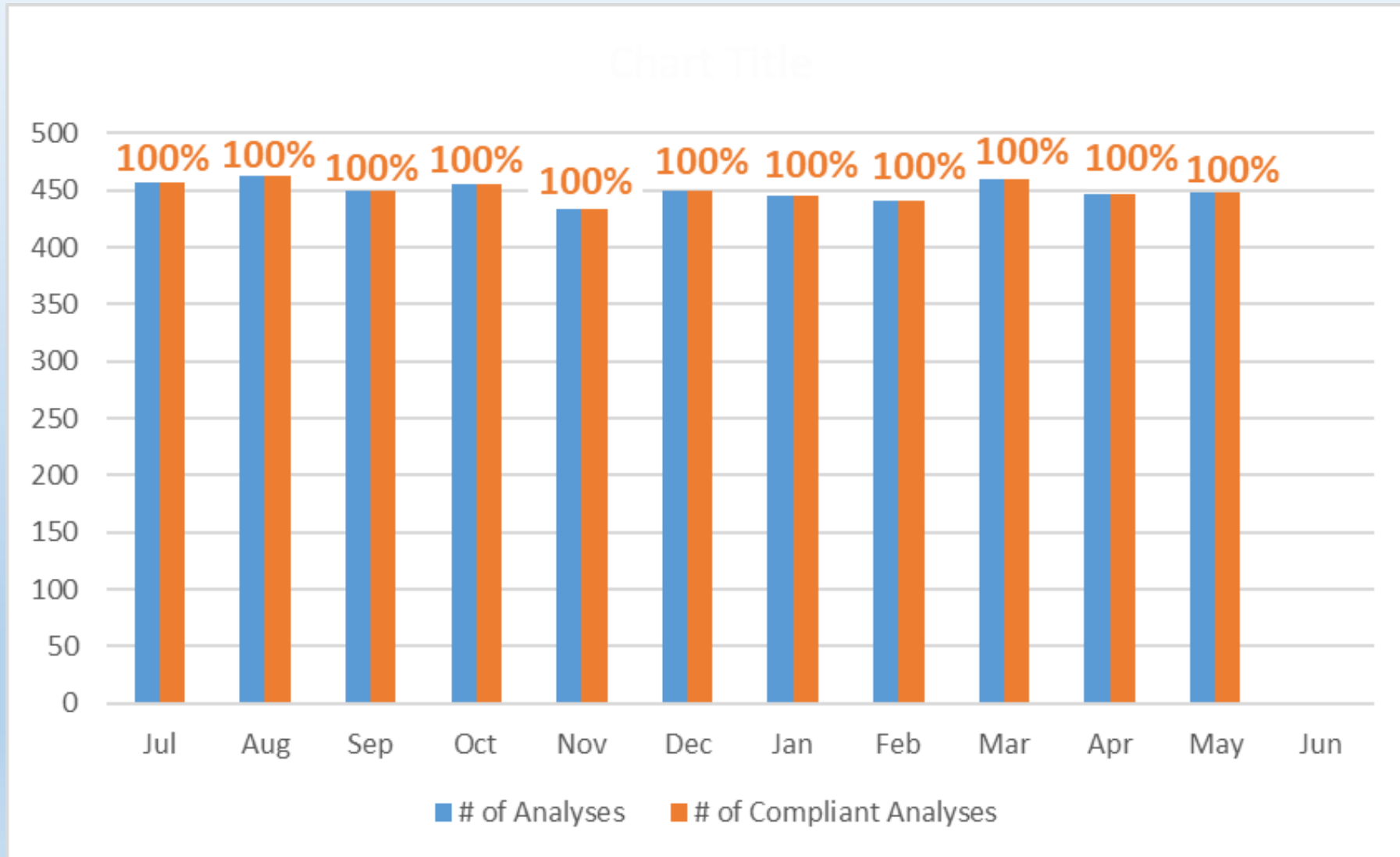
Water SMRCUP CIP FY21



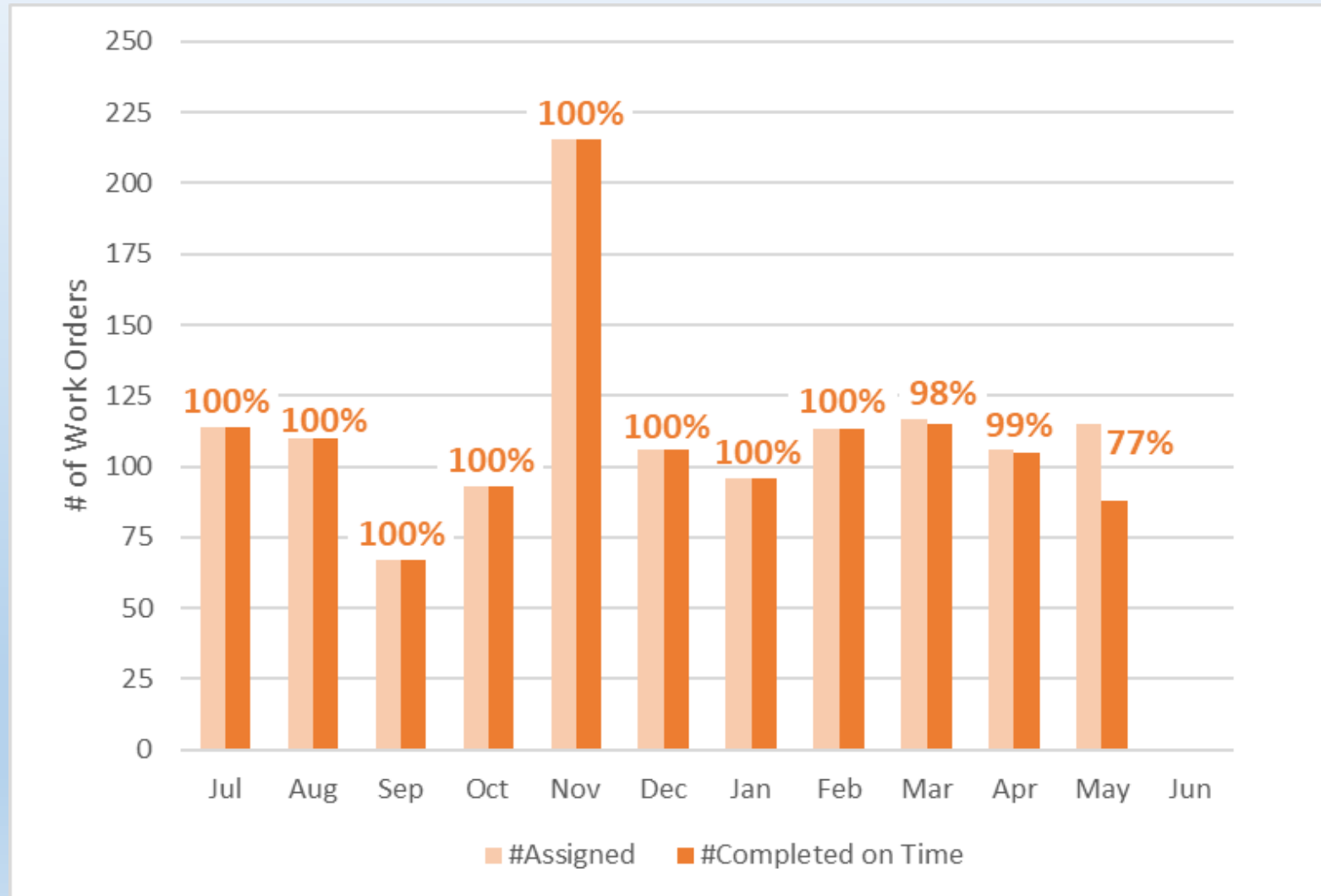
Wastewater System CIP FY21



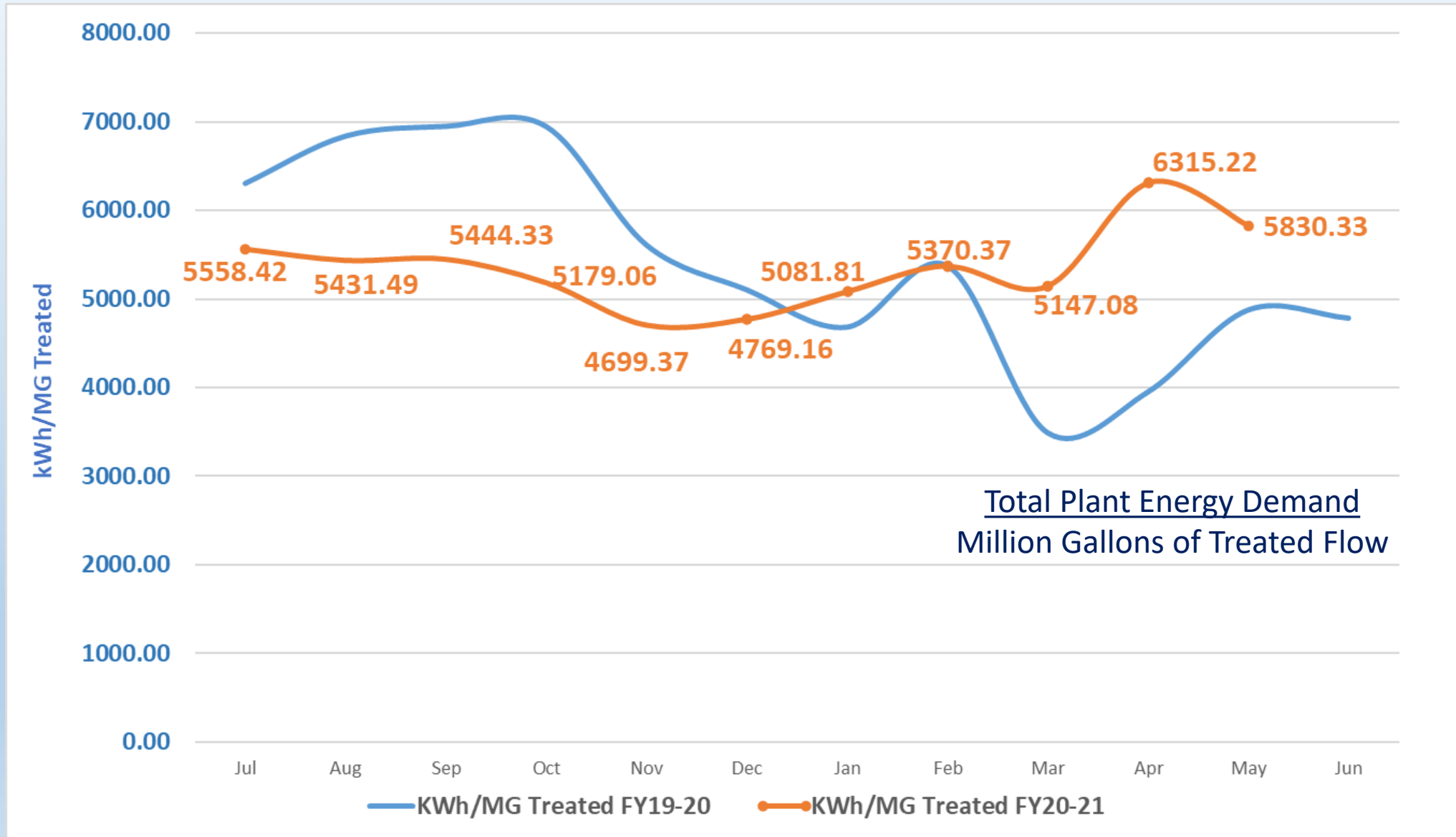
Wastewater System Regulatory Compliance



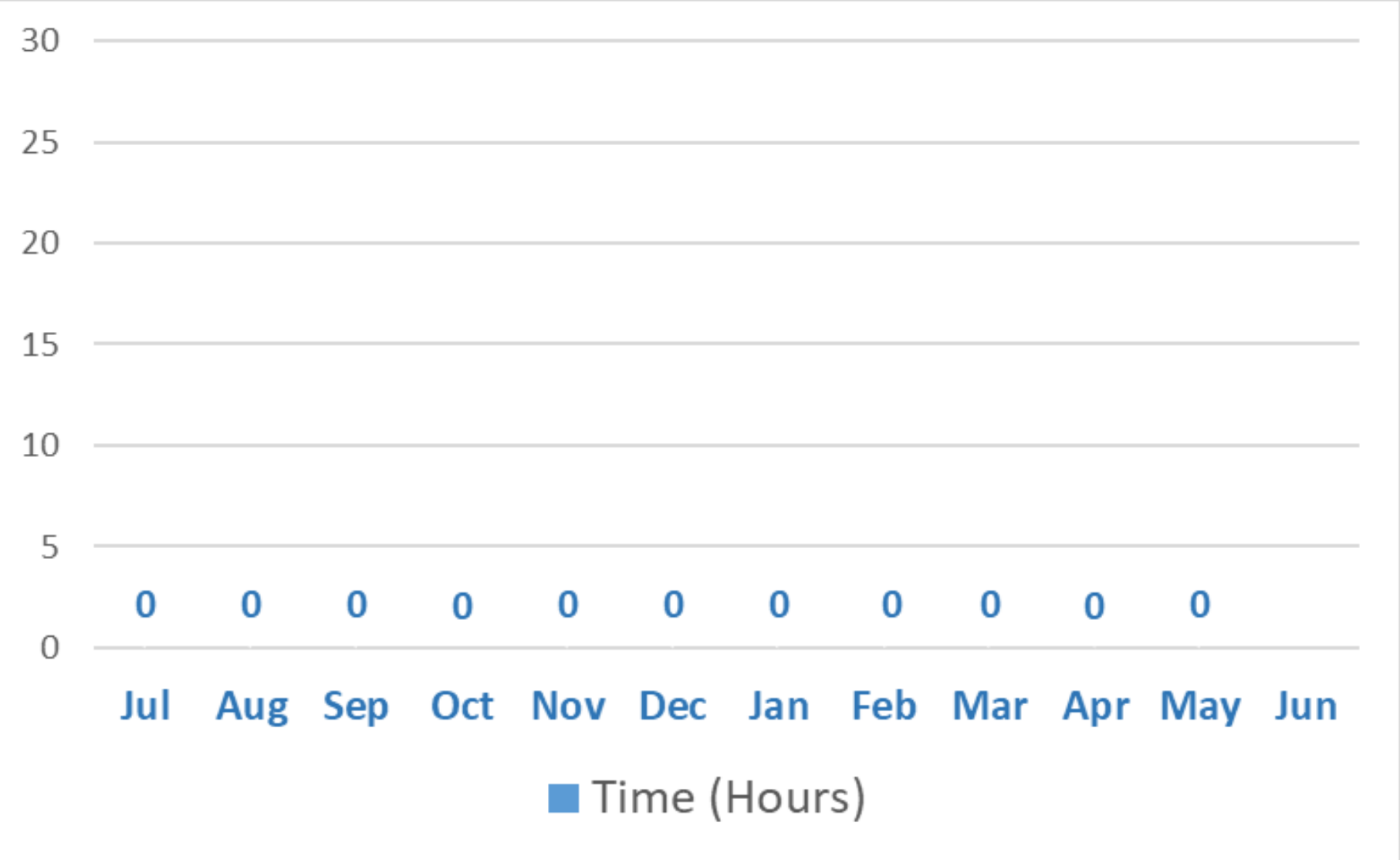
Reclamation Plant – Preventative Maintenance Work Orders



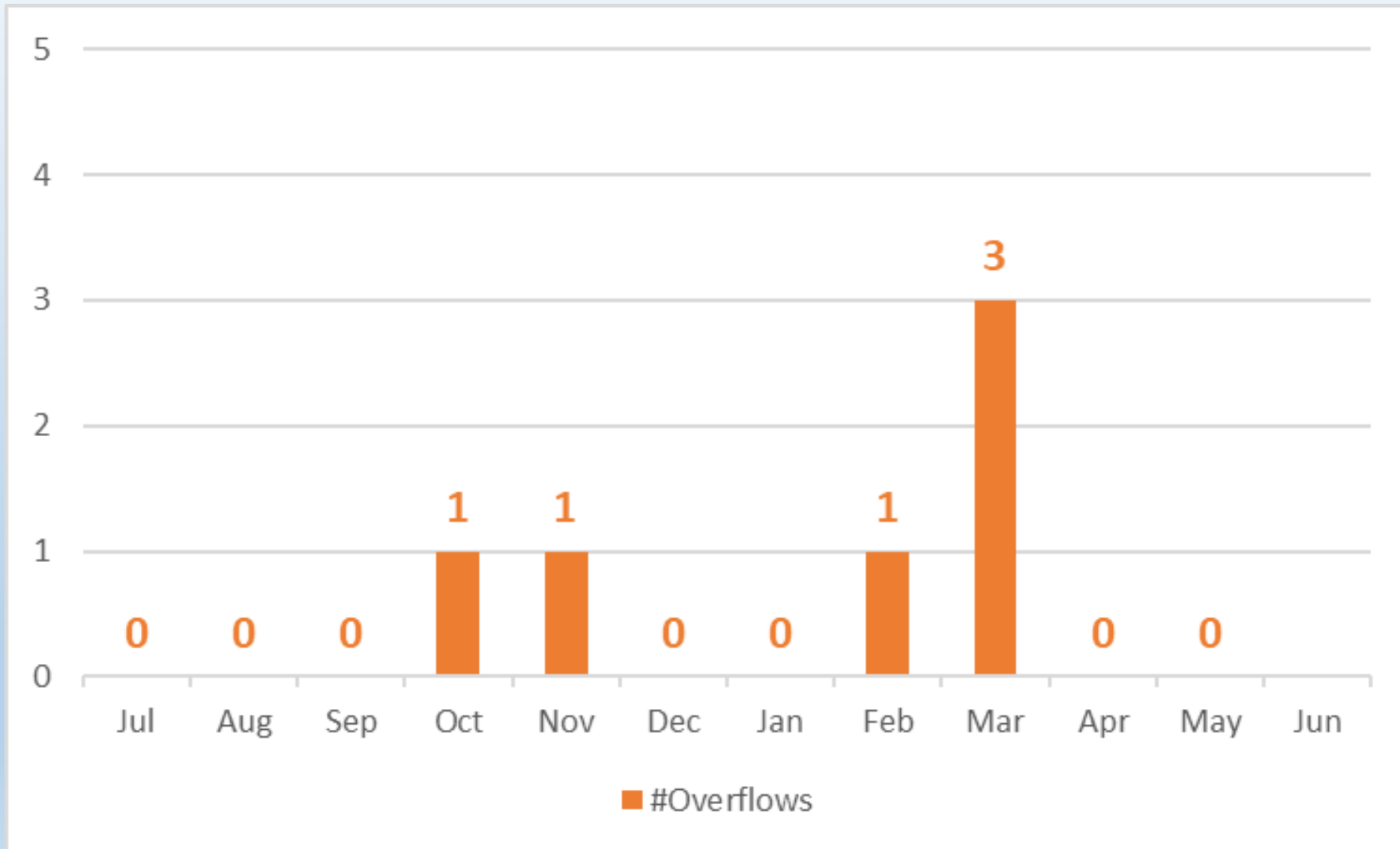
Reclamation Plant – Energy Usage (KWh/MG Treated)



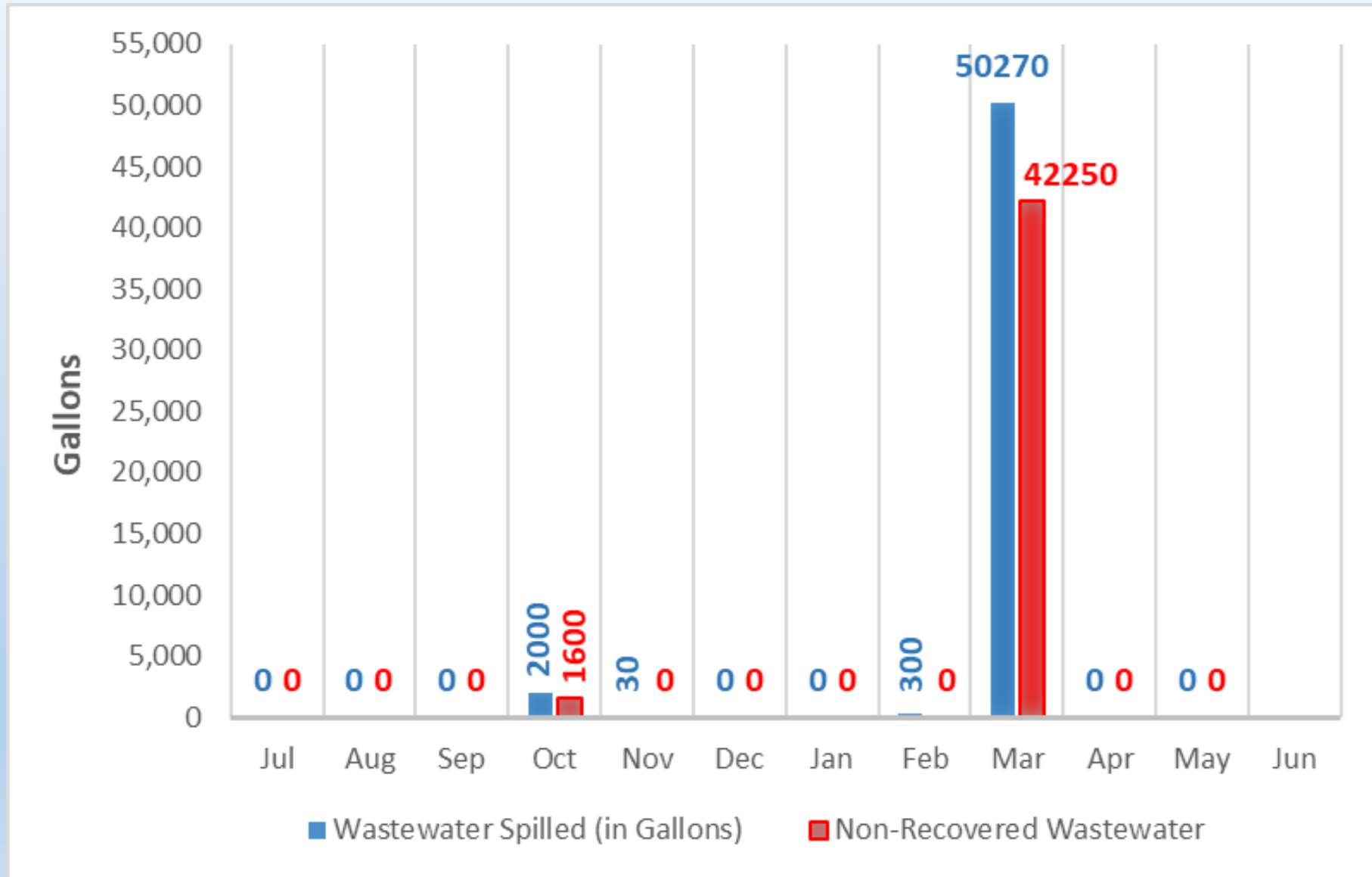
Recycled Water – Time out of Service (Hours)



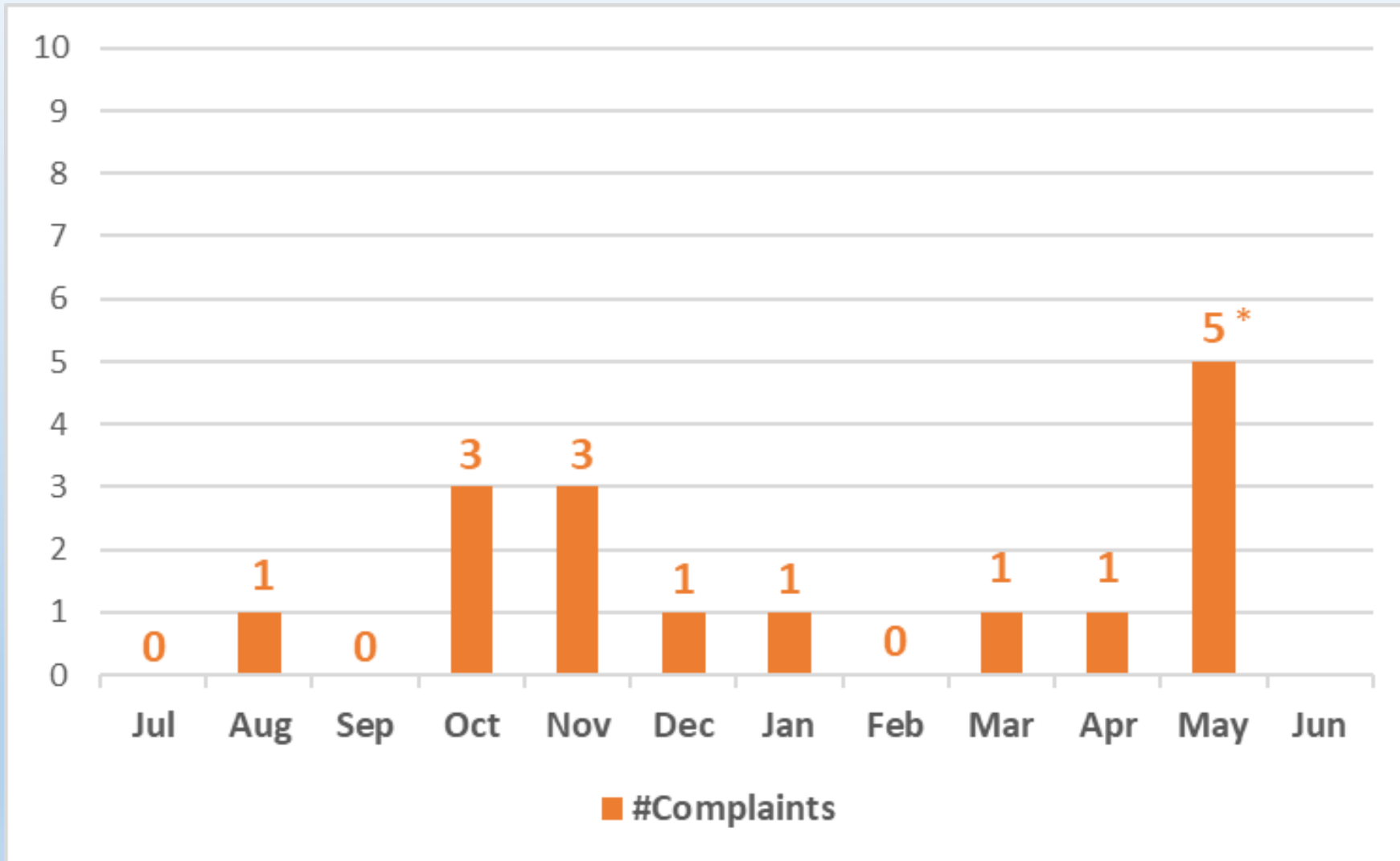
Sewer Overflows



Wastewater Spilled

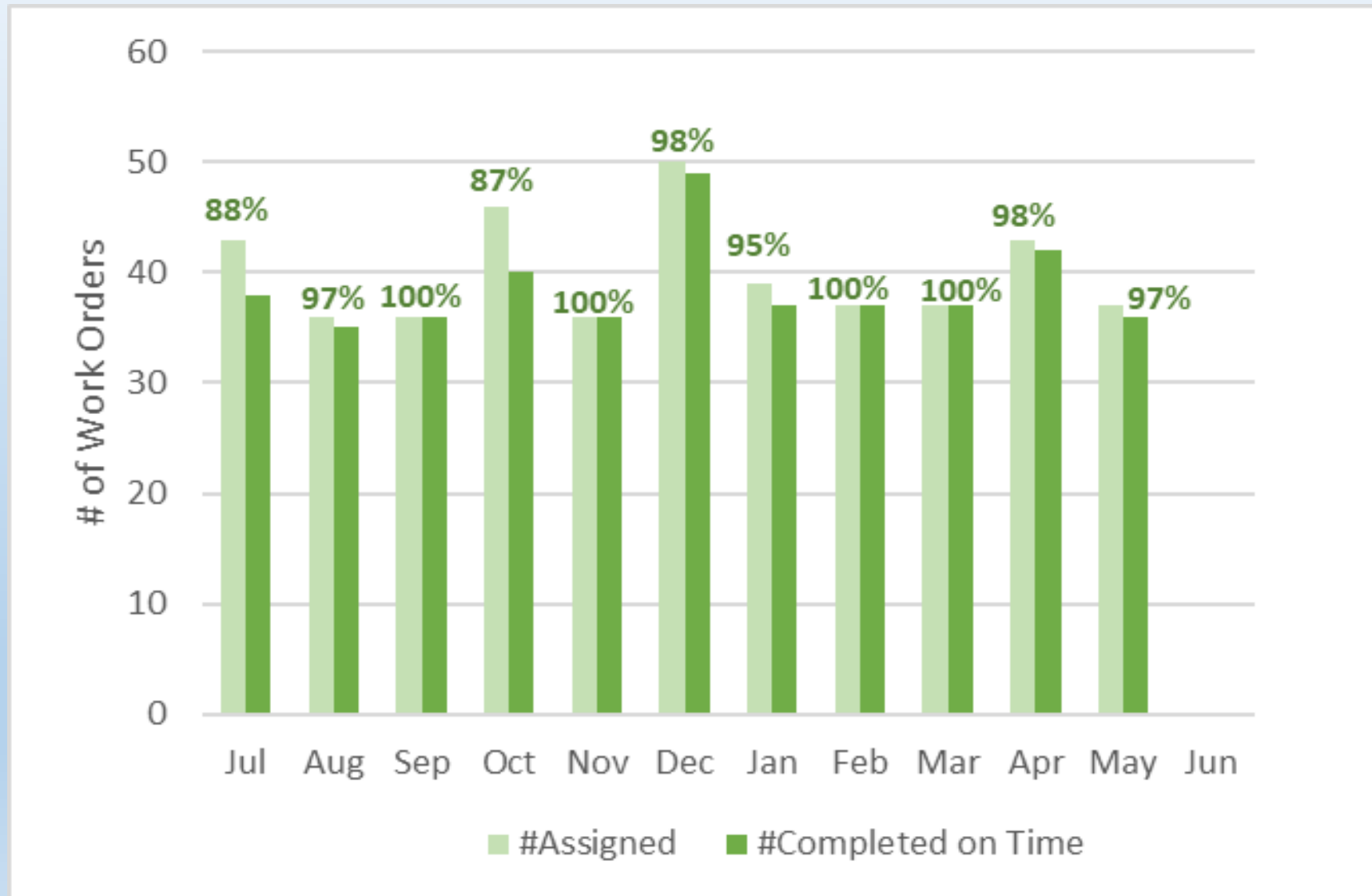


Wastewater System Odor Complaints

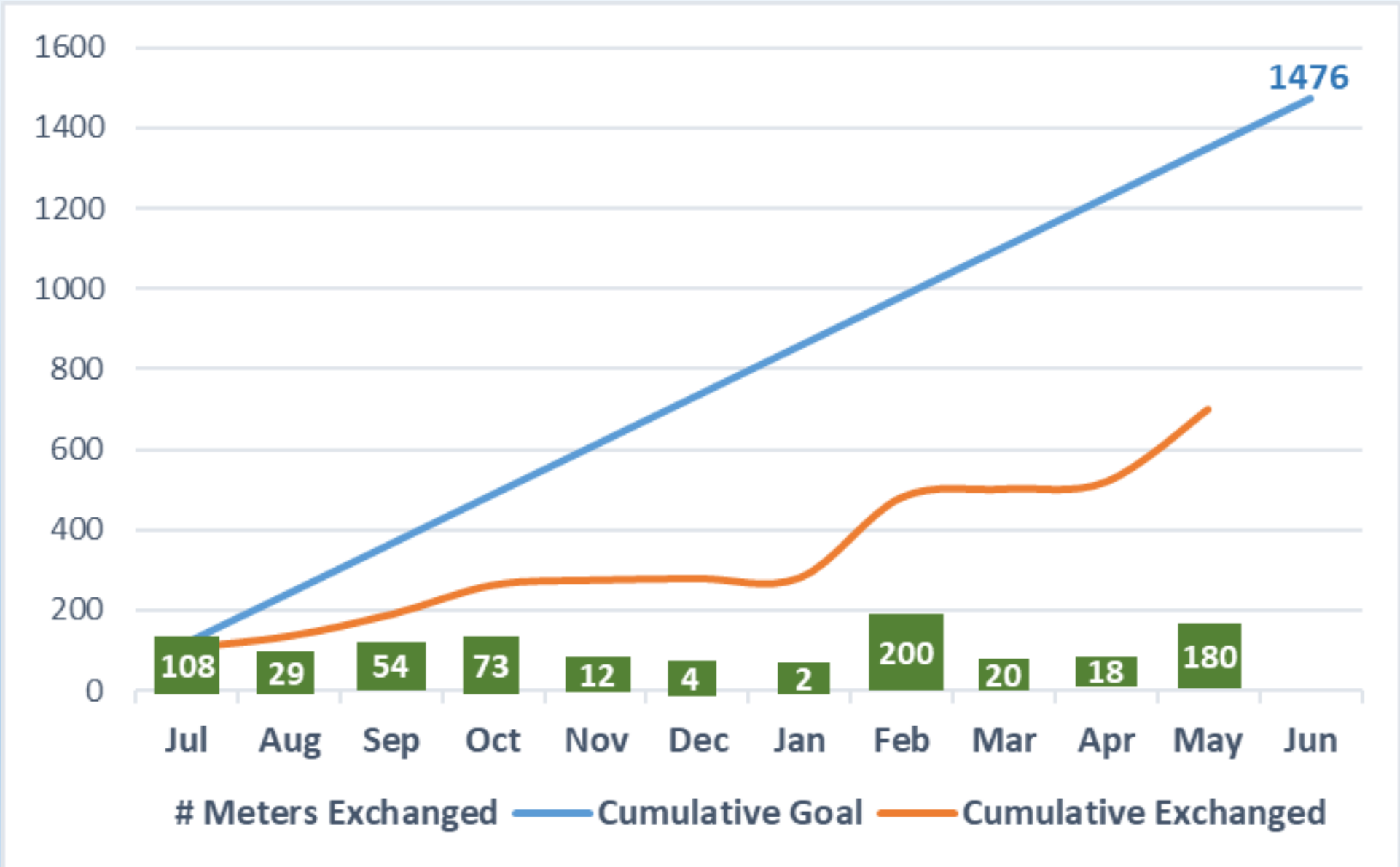


* Complaints from WRP due to cleaning of digesters

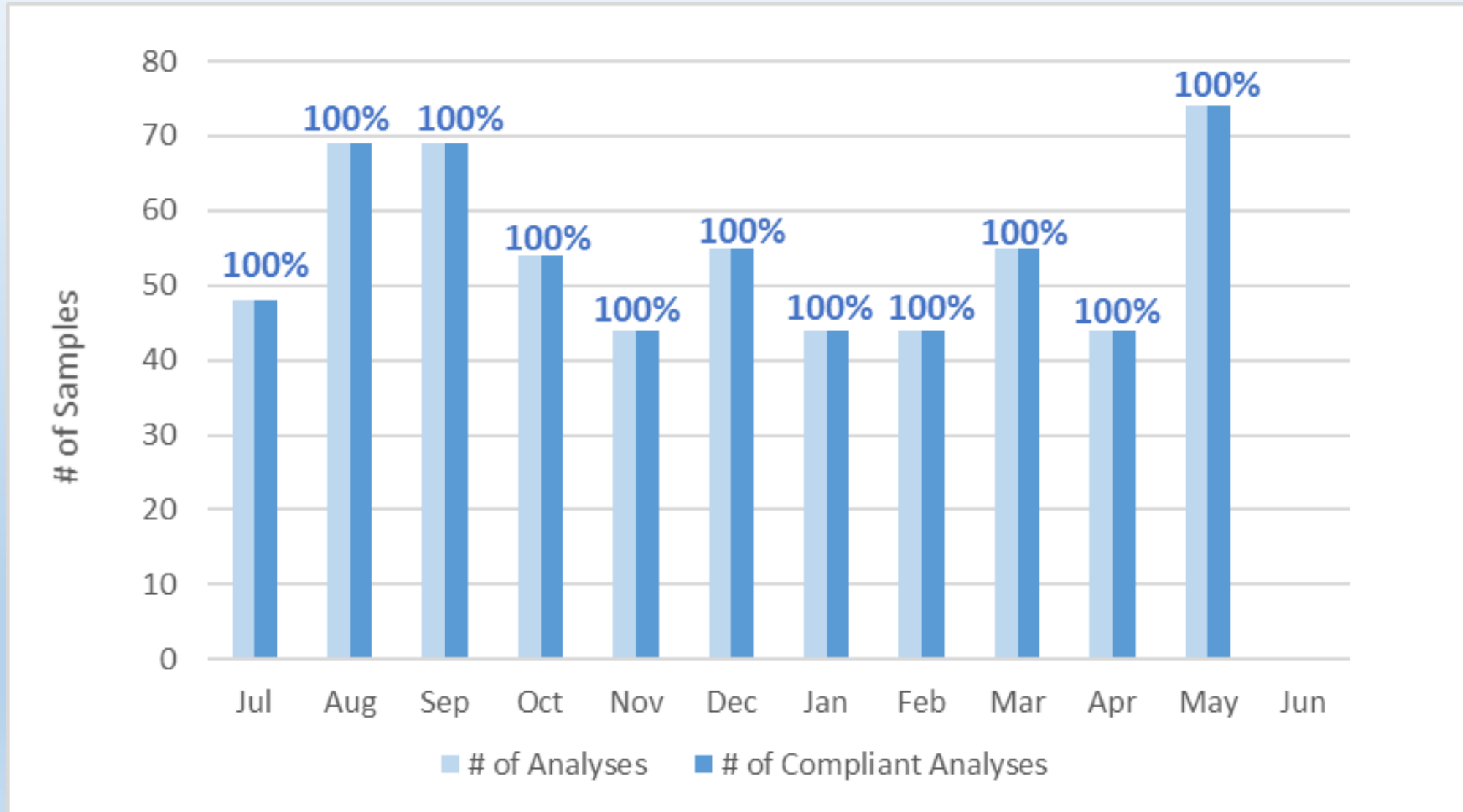
Collections – Preventative Maintenance Work Orders



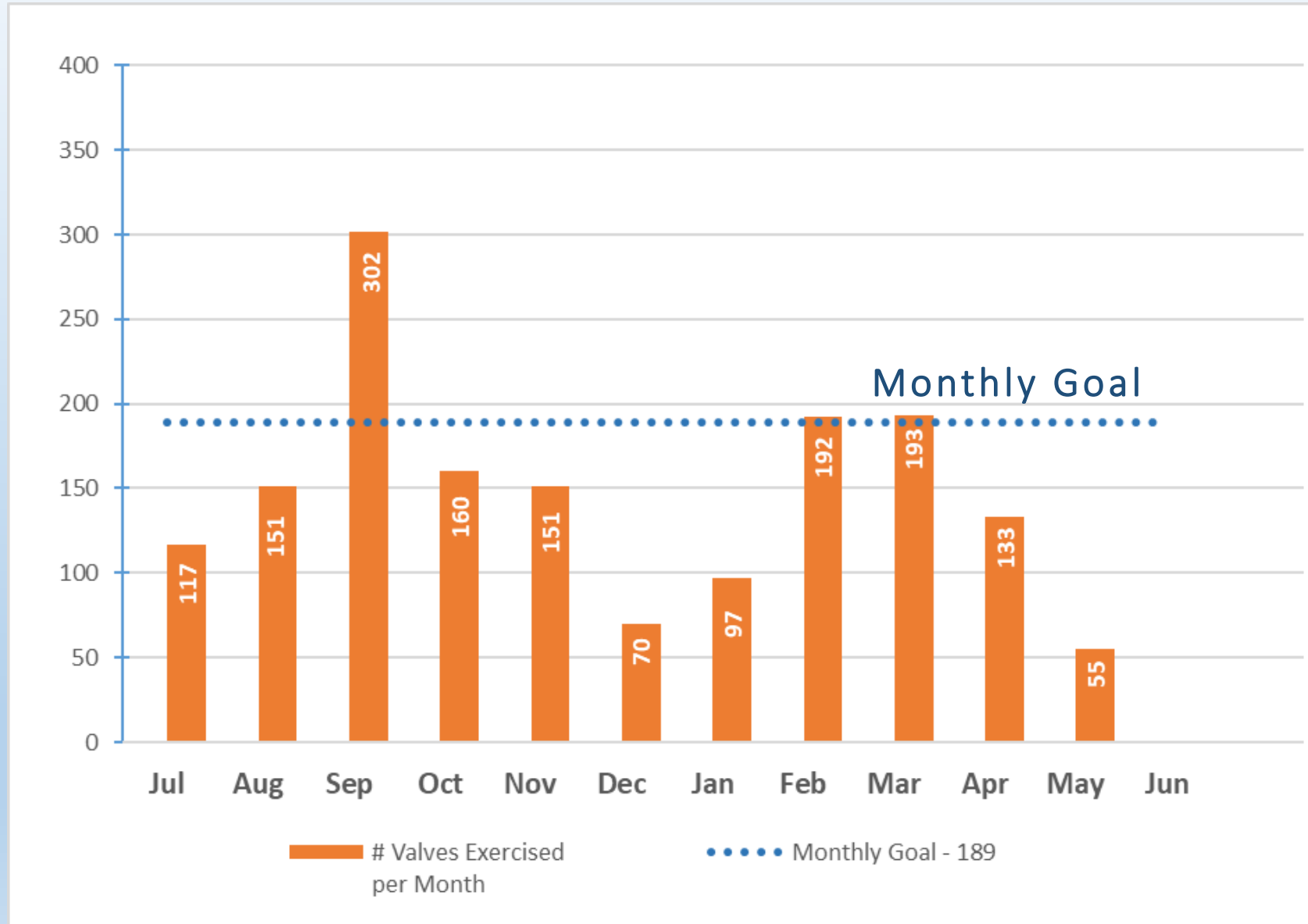
Meter Exchange



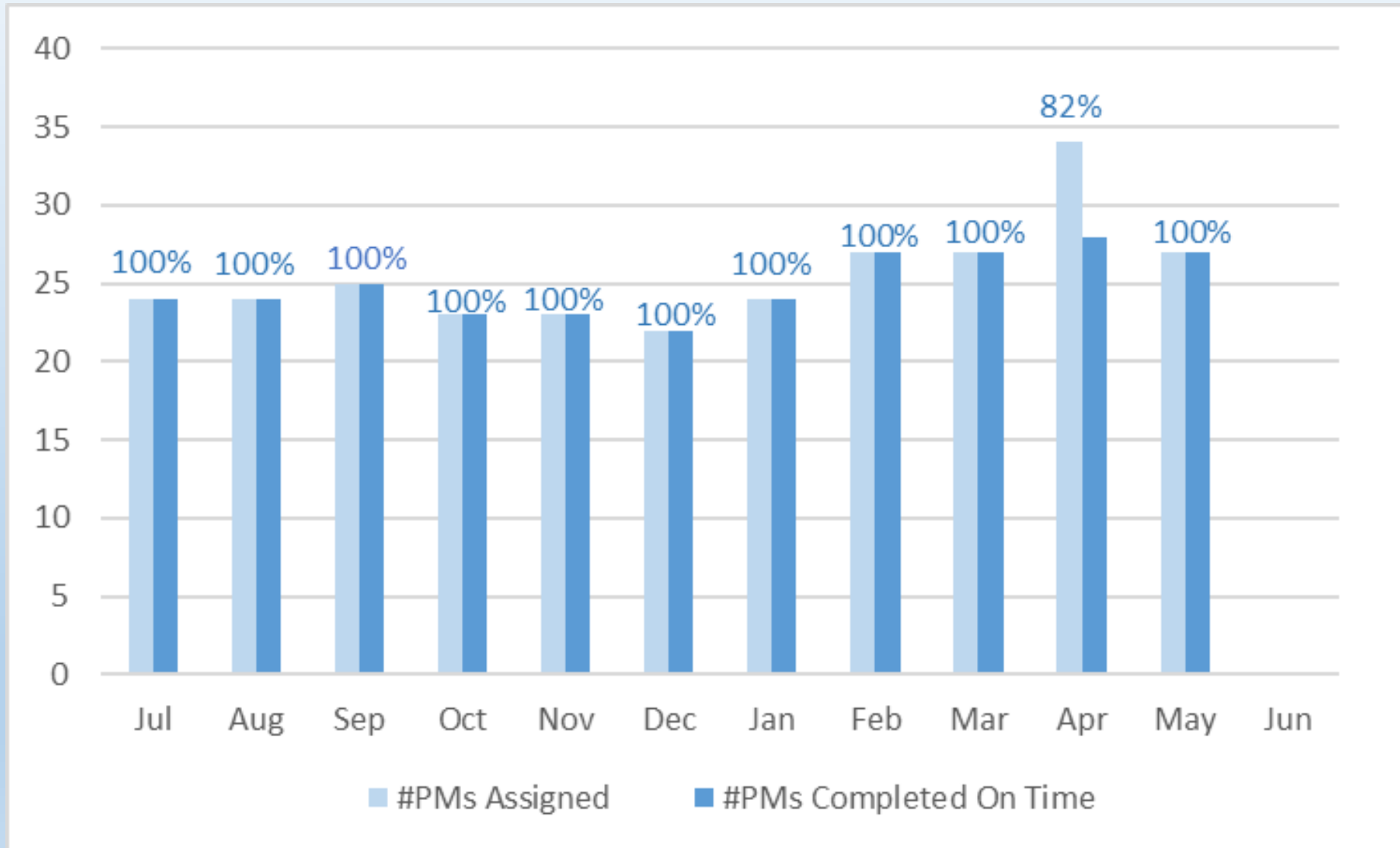
Water System Regulatory Compliance



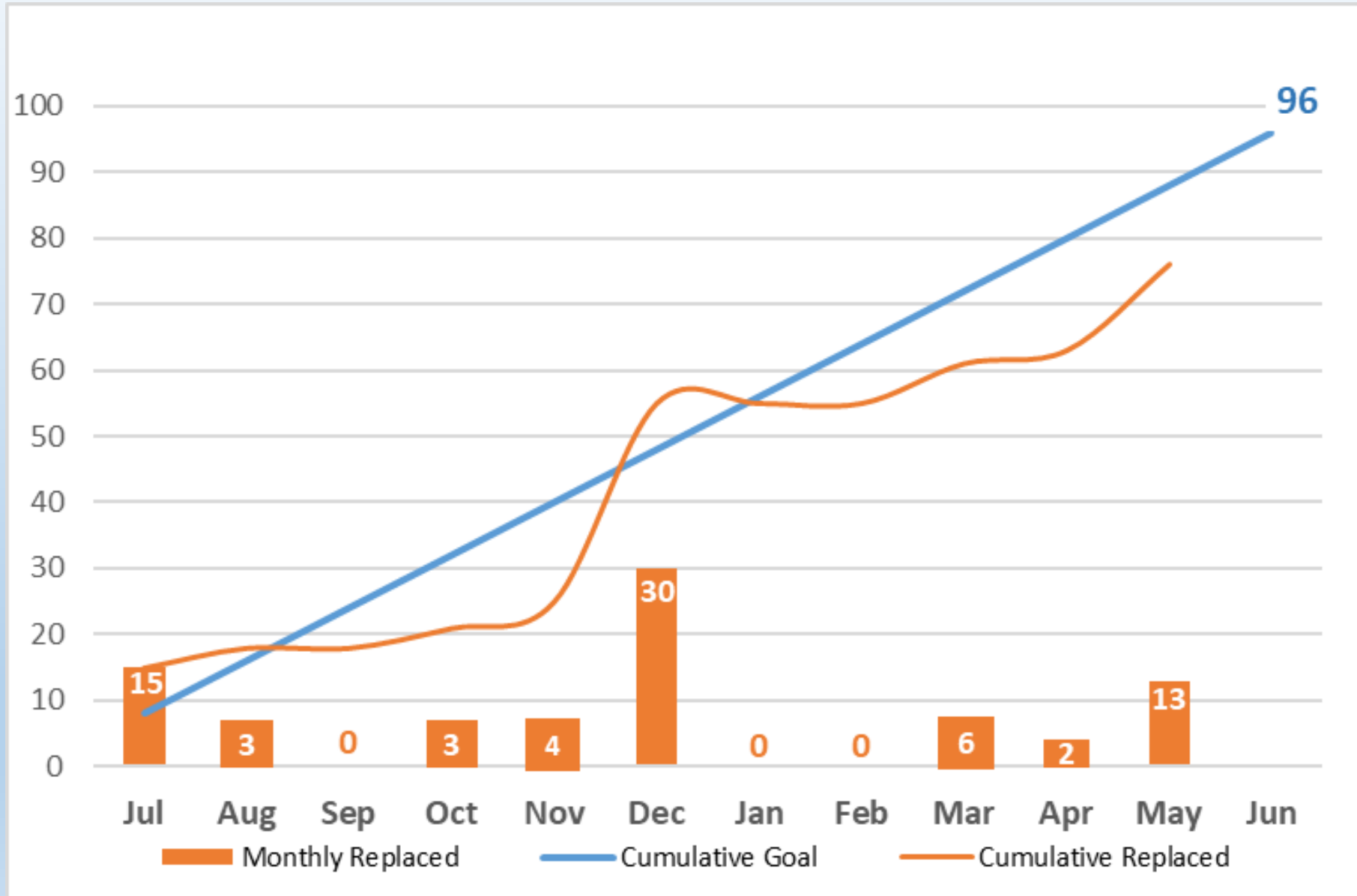
Valve Exercise Program



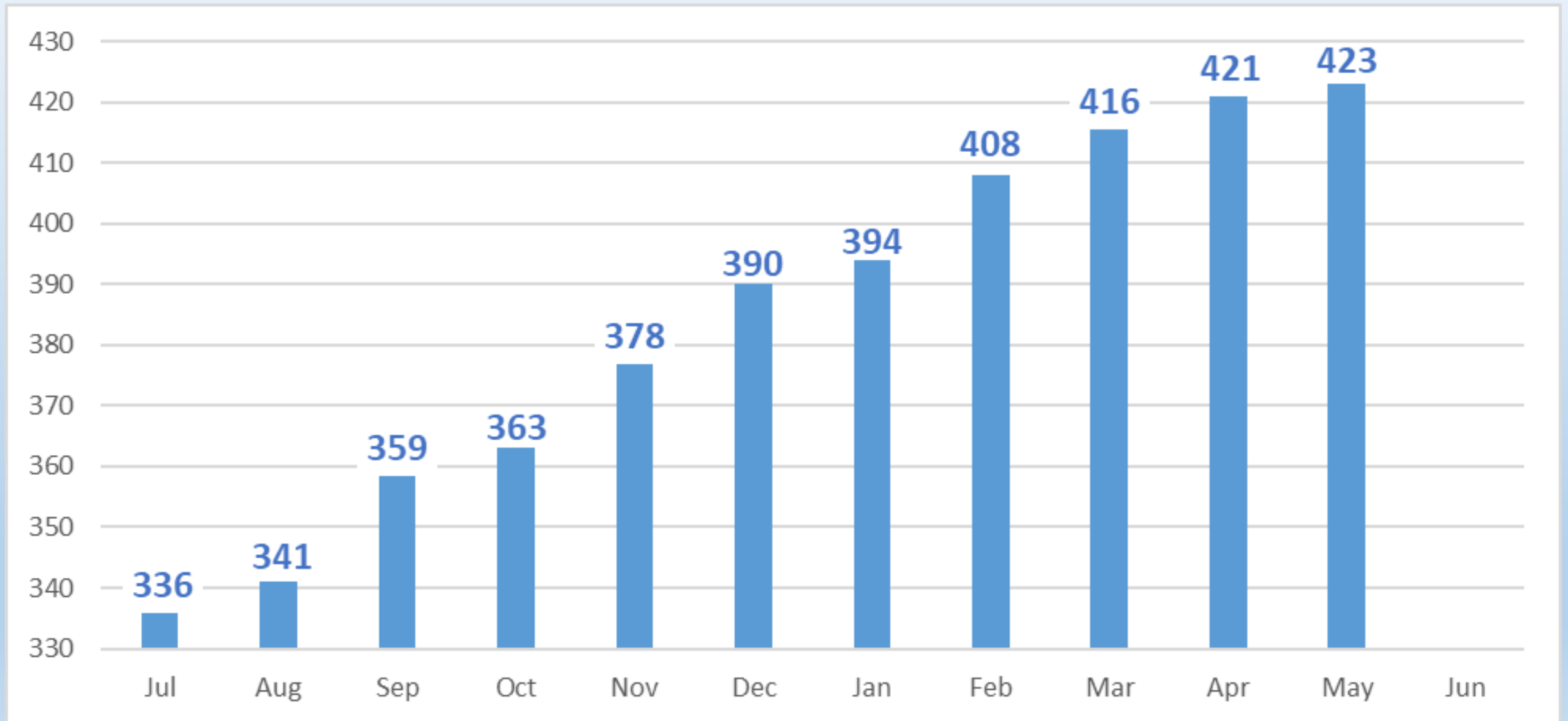
Water Preventative Maintenance Work Orders



Valves Replaced

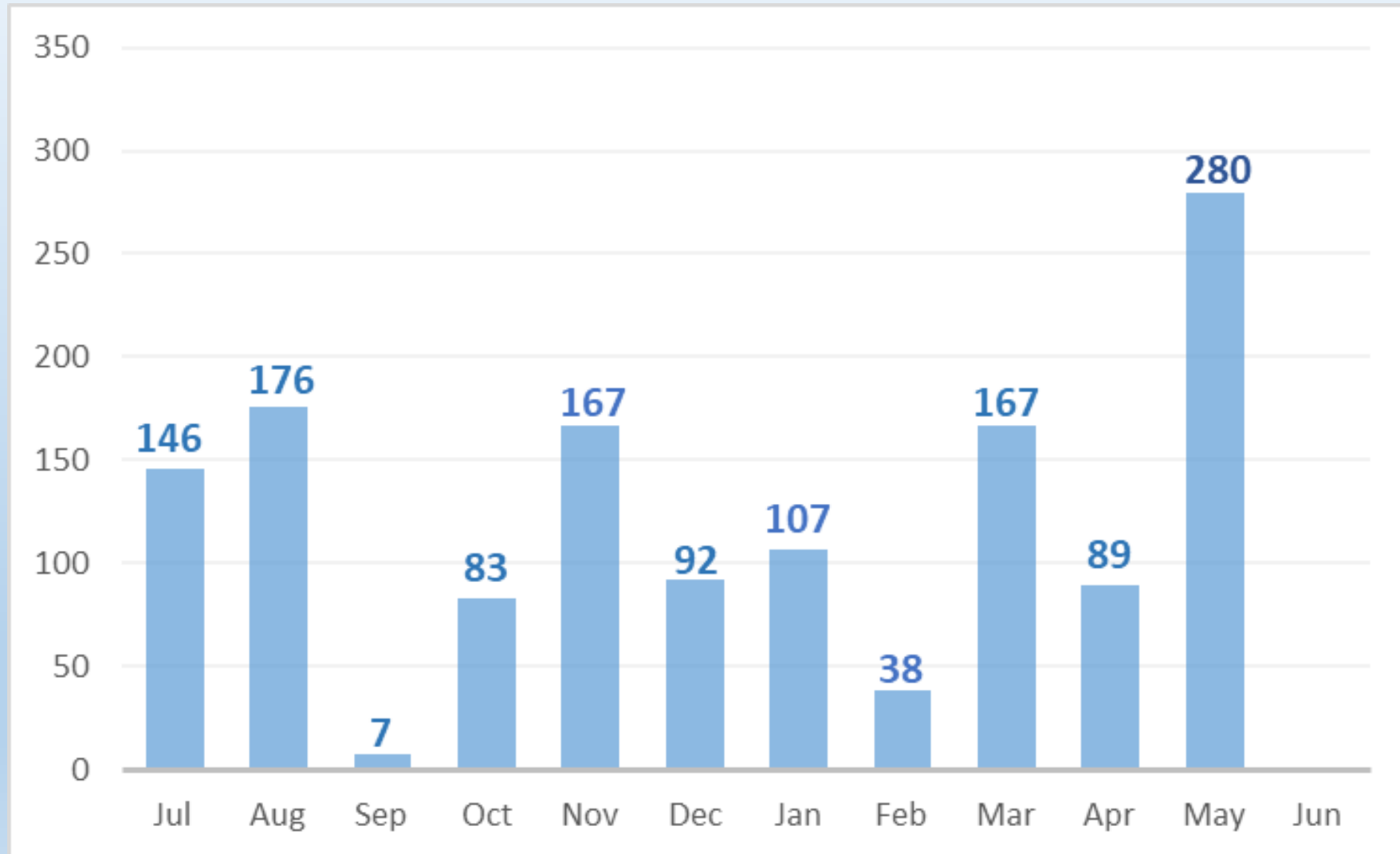


Rolling Total Broken Valves

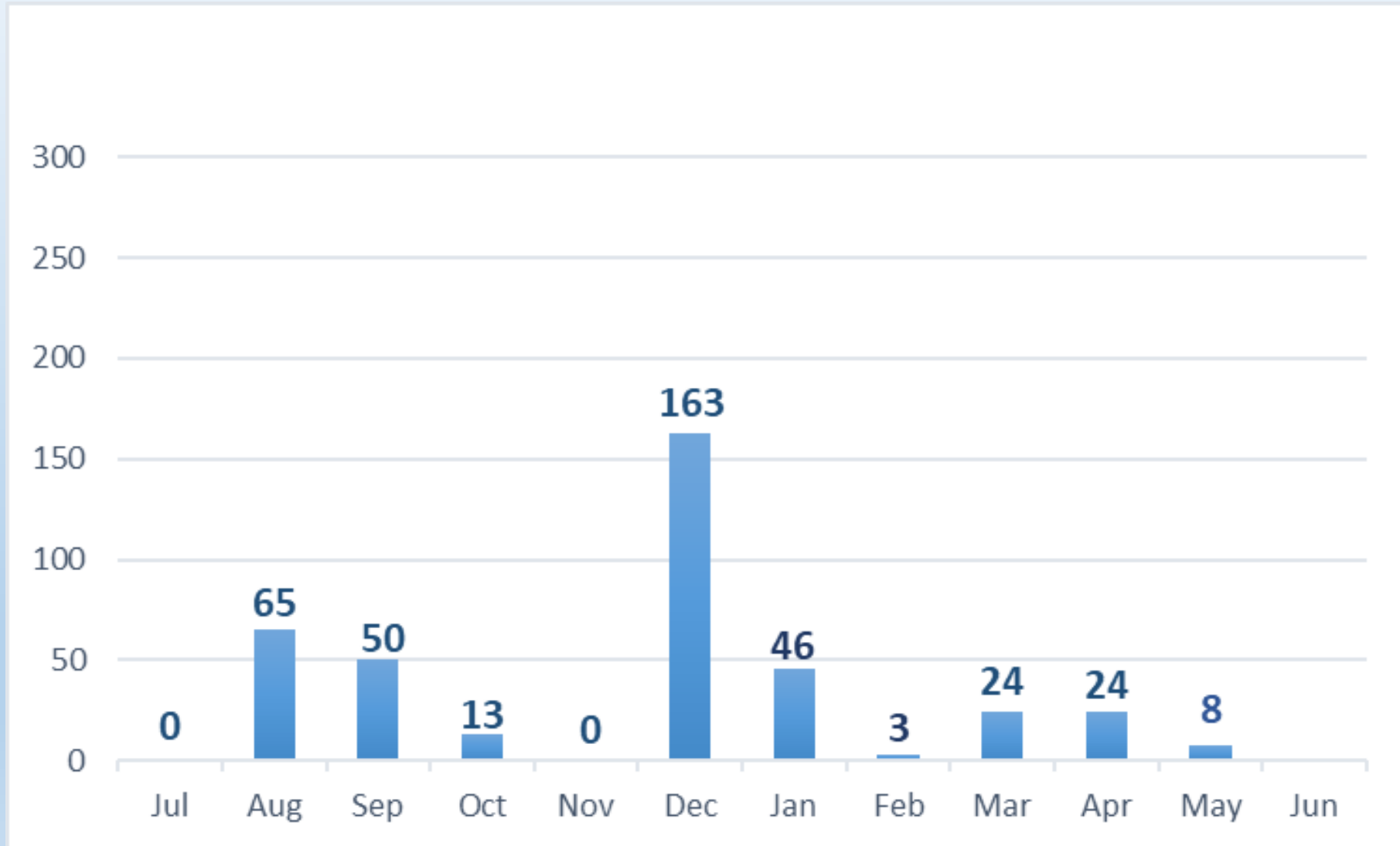


540

Planned Outages > 4 Hours # of Customers Affected



Unplanned Disruption > 4 Hours # of Customers Affected



M E M O

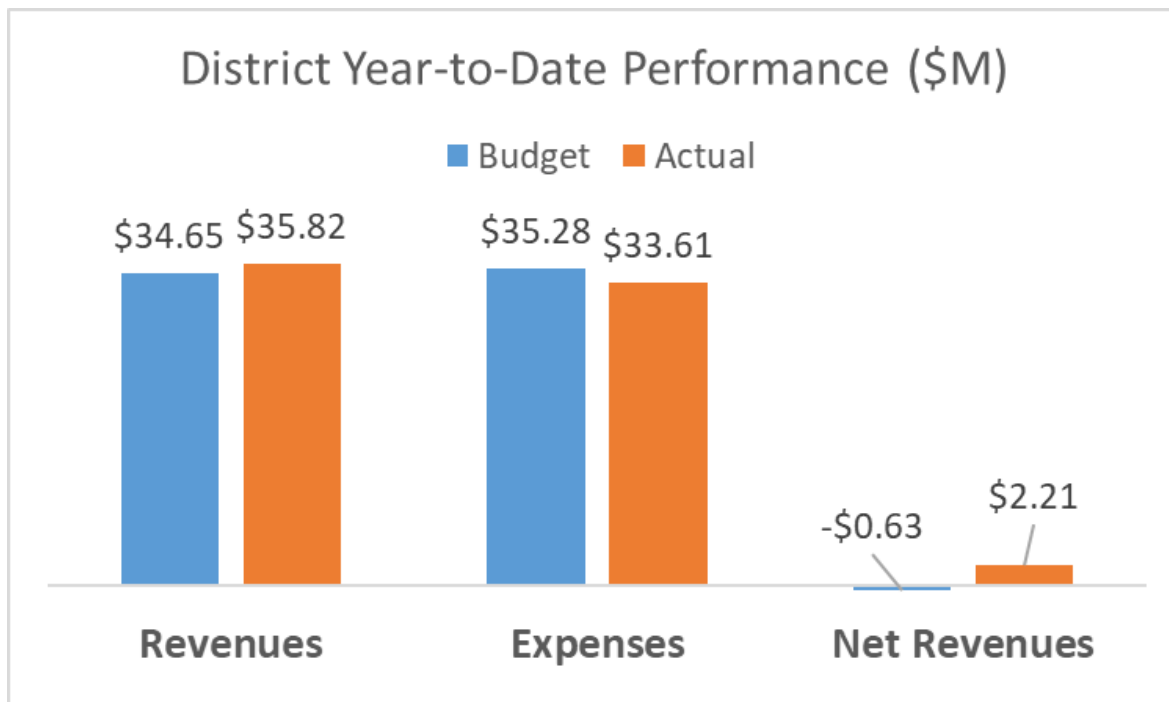
TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: June 28, 2021
SUBJECT: Financial Summary Report – May

Purpose

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

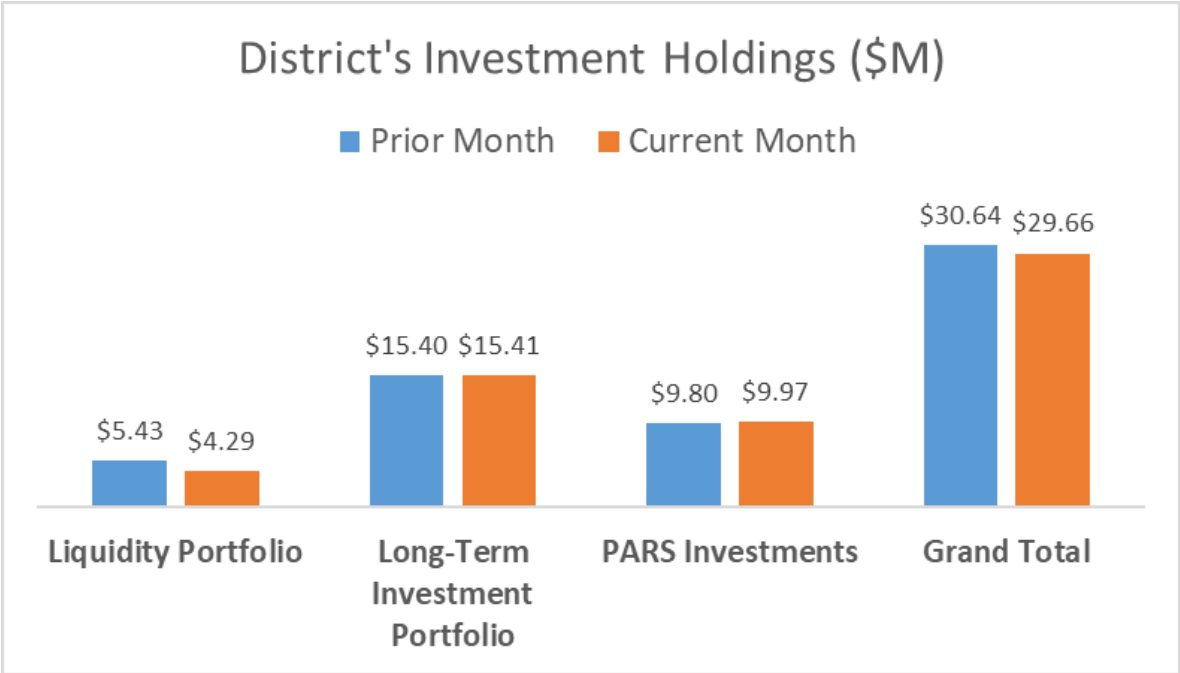
Summary

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



The results are tracking close to the District's Budget. This month's Property Tax remittance was higher than budget, the pandemic has made this revenue stream deviate from historical patterns. After adjusting for expected State reimbursement, Net Revenue is trending better than Budget. The District's financial performance is expected to outperform the Budget levels this year.

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



The decrease in the Liquidity Portfolio was driven by the \$2.1 million payment to the Santa Margarita Conjunctive Use Project contractor early in May. The funds for this payment were received in late April and were included in the prior month's balances. The District transferred the final budgeted \$100,000 to the PARS Trust this month. Overall these 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: June 28, 2021
SUBJECT: Treasurer's Report

Purpose

Provide the May, 2021 Treasurer's Report. Confirm that the District's investment portfolio is in compliance with the Investment Policy and that the District is able to meet the expenditure requirements for the next 6-months.

Notes

The District's State reimbursements for the Santa Margarita Conjunctive Use Project were current at the end of May. The beginning Money Market account ending balance includes \$2.1 million of State reimbursed expenditures that were paid to the contractor in early May. The final budgeted transfer to PARS was completed in May. The District continues to carefully manage its working capital to ensure its ability to meet its financial commitments.

Summary

Treasurer's Report May 31, 2021

Account	Beginning Balance	Ending Balance
Operating Fund	\$ 5,000	\$ 5,000
Money Market	\$ 3,613,735	\$ 2,465,479
CAMP Account	\$ 1,815,208	\$ 1,815,291
<i>District's Liquidity Portfolio</i>	\$ 5,433,943	\$ 4,285,770
PFM Managed Long-term Investment Portfolio*	\$ 11,293,456	\$ 11,297,073
LAIF (Long-term Reserves)	\$ 4,109,844	\$ 4,109,844
PARS (OPEB & Pension Trust)**	\$ 9,797,787	\$ 9,966,244
<i>District Accounts Total</i>	\$ 30,635,030	\$ 29,658,931

*\$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.



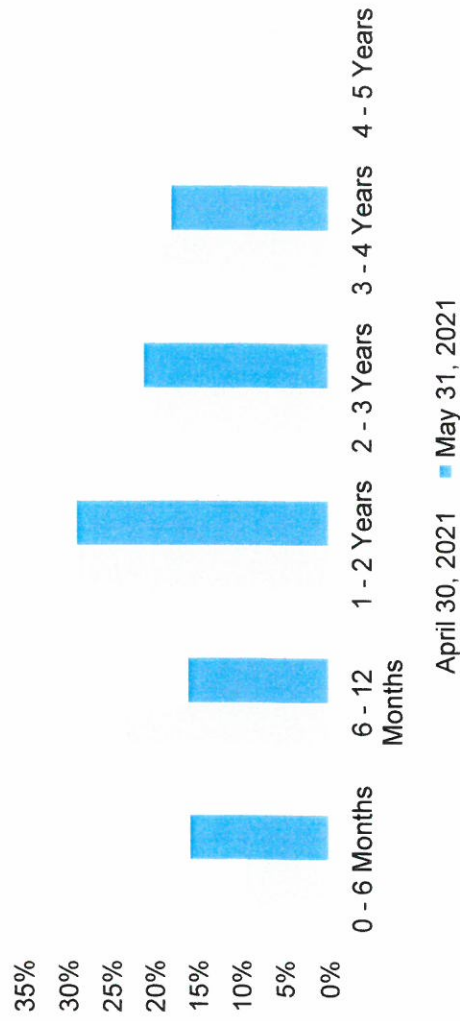
Dave Shank
June 28, 2021



Fallbrook Public Utilities District - Holdings Summary

Security Type	April 30, 2021	May 31, 2021	Change (\$)	Change (%)
U.S. Treasury	\$5,804,425.85	\$5,700,273.43	(\$104,152.42)	-1.8%
Federal Agency CMO	\$111,883.25	\$111,546.90	(\$336.35)	-0.3%
Corporate Note	\$2,405,479.07	\$2,403,615.96	(\$1,863.11)	-0.1%
Asset-Backed Security	\$639,954.16	\$615,749.82	(\$24,204.34)	-3.8%
Securities Total	\$8,961,742.33	\$8,831,186.11	(\$130,556.22)	-1.5%
Money Market Fund	\$2,331,713.74	\$2,465,887.11	\$134,173.37	5.8%
Total Investments	\$11,293,456.07	\$11,297,073.22	\$3,617.15	0.0%

Maturity Distribution



Summary	
FY 20-21 Accrual Earnings	\$199,866.86
Yield to Maturity at Cost	2.19%
Weighted Average Maturity (Years)	1.36

Security market values, excluding accrued interest, as on last day of month.



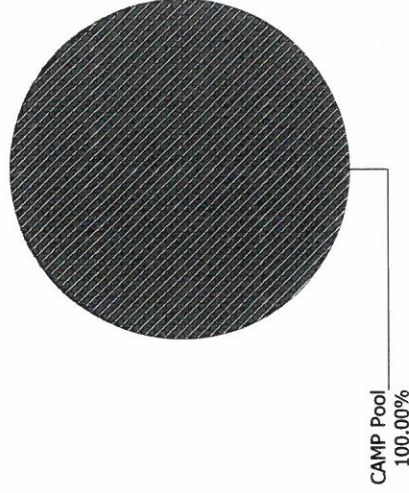
For the Month Ending May 31, 2021

Account Statement - Transaction Summary

Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	1,815,207.71
Purchases	83.10
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$1,815,290.81
Cash Dividends and Income	83.10

Asset Summary		
	May 31, 2021	April 30, 2021
CAMP Pool	1,815,290.81	1,815,207.71
Total	\$1,815,290.81	\$1,815,207.71
Asset Allocation		





Account Statement

For the Month Ending May 31, 2021

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					1,815,207.71
05/28/21	06/01/21	Accrual Income Div Reinvestment - Distributions	1.00	83.10	1,815,290.81
Closing Balance					1,815,290.81

	Month of May	Fiscal YTD July-May	Closing Balance
Opening Balance	1,815,207.71	2,562,568.92	1,815,290.81
Purchases	83.10	802,721.89	1,815,218.43
Redemptions (Excl. Checks)	0.00	(1,550,000.00)	0.05%
Check Disbursements	0.00	0.00	
Closing Balance	1,815,290.81	1,815,290.81	

Cash Dividends and Income	83.10	2,721.89	
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For the Month Ending May 31, 2021

Managed Account Security Transactions & Interest

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	05/01/21	05/01/21	PNC BANK NA CORP NOTES	693475AY1	100,000.00	0.00	1,100.00	1,100.00			
			DTD 11/01/2019 2.200% 11/01/2024								
	05/01/21	05/25/21	FHLMC SERIES K721 A2	3137BM6P6	109,191.64	0.00	281.17	281.17			
			DTD 12/01/2015 3.090% 08/01/2022								
	05/03/21	05/03/21	MONEY MARKET FUND	MONEY0002	0.00	0.00	17.88	17.88			
	05/15/21	05/15/21	MBALT 2019-B A3	58769QAC5	59,353.58	0.00	98.92	98.92			
			DTD 11/20/2019 2.000% 10/17/2022								
	05/15/21	05/15/21	COPAR 2019-1 A3	14042WAC4	30,727.62	0.00	64.27	64.27			
			DTD 05/30/2019 2.510% 11/15/2023								
	05/15/21	05/15/21	DCENT 2019-A3 A	254683CM5	120,000.00	0.00	189.00	189.00			
			DTD 10/31/2019 1.890% 10/15/2024								
	05/15/21	05/15/21	JDOT 2019-B A3	477870AC3	25,336.06	0.00	46.66	46.66			
			DTD 07/24/2019 2.210% 12/15/2023								
	05/15/21	05/15/21	COMET 2019-A2 A2	14041NFU0	285,000.00	0.00	408.50	408.50			
			DTD 09/05/2019 1.720% 08/15/2024								
	05/15/21	05/15/21	HAROT 2018-1 A3	43814UAC3	3,885.72	0.00	8.55	8.55			
			DTD 02/28/2018 2.640% 02/15/2022								
	05/16/21	05/16/21	GM FINANCIAL SECURITIZED TERM	36257PAD0	42,647.67	0.00	77.48	77.48			
			DTD 07/24/2019 2.180% 04/16/2024								
	05/17/21	05/17/21	MORGAN STANLEY BONDS	61746BED4	220,000.00	0.00	2,887.50	2,887.50			
			DTD 11/17/2016 2.625% 11/17/2021								
	05/17/21	05/17/21	CATERPILLAR FINL SERVICE CORP	14913Q2V0	95,000.00	0.00	1,353.75	1,353.75			
			NOTES								
			DTD 05/17/2019 2.850% 05/17/2024								
	05/21/21	05/21/21	HAROT 2019-2 A3	43815MAC0	62,007.19	0.00	130.22	130.22			
			DTD 05/29/2019 2.520% 06/21/2023								
	05/30/21	05/30/21	ABBOTT LABORATORIES CORP NOTES	002824BE9	135,000.00	0.00	2,295.00	2,295.00			
			DTD 11/22/2016 3.400% 11/30/2023								
Transaction Type Sub-Total					1,288,149.48	0.00	8,958.90	8,958.90			

MATURITY											
	05/15/21	05/15/21	US TREASURY NOTES	9128284P2	100,000.00	100,000.00	1,312.50	101,312.50	(695.31)	0.00	
			DTD 05/15/2018 2.625% 05/15/2021								

549



Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2021**

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
PAYDOWNS										
05/01/21	05/25/21	FHLMC SERIES K721 A2	3137BM6P6	184.64	184.64	0.00	184.64	(1.57)	0.00	
		DTD 12/01/2015 3.090% 08/01/2022								
05/15/21	05/15/21	MBALT 2019-B A3	58769QAC5	5,949.01	5,949.01	0.00	5,949.01	0.95	0.00	
		DTD 11/20/2019 2.000% 10/17/2022								
05/15/21	05/15/21	HAROT 2018-1 A3	43814UAC3	3,885.72	3,885.72	0.00	3,885.72	0.50	0.00	
		DTD 02/28/2018 2.640% 02/15/2022								
05/15/21	05/15/21	JDOT 2019-B A3	477870AC3	2,887.61	2,887.61	0.00	2,887.61	0.61	0.00	
		DTD 07/24/2019 2.210% 12/15/2023								
05/15/21	05/15/21	COPAR 2019-1 A3	14042WAC4	2,653.32	2,653.32	0.00	2,653.32	0.54	0.00	
		DTD 05/30/2019 2.510% 11/15/2023								
05/16/21	05/16/21	GM FINANCIAL SECURITIZED TERM	36257PAD0	3,120.70	3,120.70	0.00	3,120.70	0.38	0.00	
		DTD 07/24/2019 2.180% 04/16/2024								
05/21/21	05/21/21	HAROT 2019-2 A3	43815MAC0	5,220.97	5,220.97	0.00	5,220.97	0.20	0.00	
		DTD 05/29/2019 2.520% 06/21/2023								
Transaction Type Sub-Total				23,901.97	23,901.97	0.00	23,901.97	1.61	0.00	
Managed Account Sub-Total				123,901.97	123,901.97	10,271.40	134,173.37	(693.70)	0.00	
Total Security Transactions				\$123,901.97	\$10,271.40	\$134,173.37	(\$693.70)	\$0.00		



California State Treasurer
Fiona Ma, CPA



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

June 08, 2021

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[PMIA Average Monthly Yields](#)

FALLBROOK PUBLIC UTILITY DISTRICT

TREASURER
P.O. BOX 2290
FALLBROOK, CA 92088

[Tran Type Definitions](#)

Account Number: 85-37-001

May 2021 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	4,109,844.47
Total Withdrawal:	0.00	Ending Balance:	4,109,844.47

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

**Account Report for the Period
5/1/2021 to 5/31/2021**

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

Account Summary

Source	Balance as of 5/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 5/31/2021
OPEB	\$1,243,707.93	\$0.00	\$9,248.48	\$561.90	\$0.00	\$0.00	\$1,252,394.51
PENSION	\$8,554,079.47	\$100,000.00	\$63,610.25	\$3,840.37	\$0.00	\$0.00	\$8,713,849.35
Totals	\$9,797,787.40	\$100,000.00	\$72,858.73	\$4,402.27	\$0.00	\$0.00	\$9,966,243.86

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	0.74%	4.47%	23.50%	10.18%	-	-	2/16/2017
PENSION	0.74%	4.47%	23.47%	10.11%	-	-	2/16/2017

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

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

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: June 28, 2021
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 May, Year-to-Date and the annual budgeted amount. This report shows the District first quarter of financial results.

Total revenues year-to-date are above budget by 3.4%, which is largely due to the SDCWA refund received in March. Year-to-date water sales revenues are 1.6% over the year-to-date budget. Water sales, which as shown in the monthly water sales chart below, are now 2.5% over budget. Wastewater and Recycled Water Services are below budget year to date but only Recycled Water is significantly below budget. While this level of variation is expected, overall Operating Revenues are only 0.5% under budget.

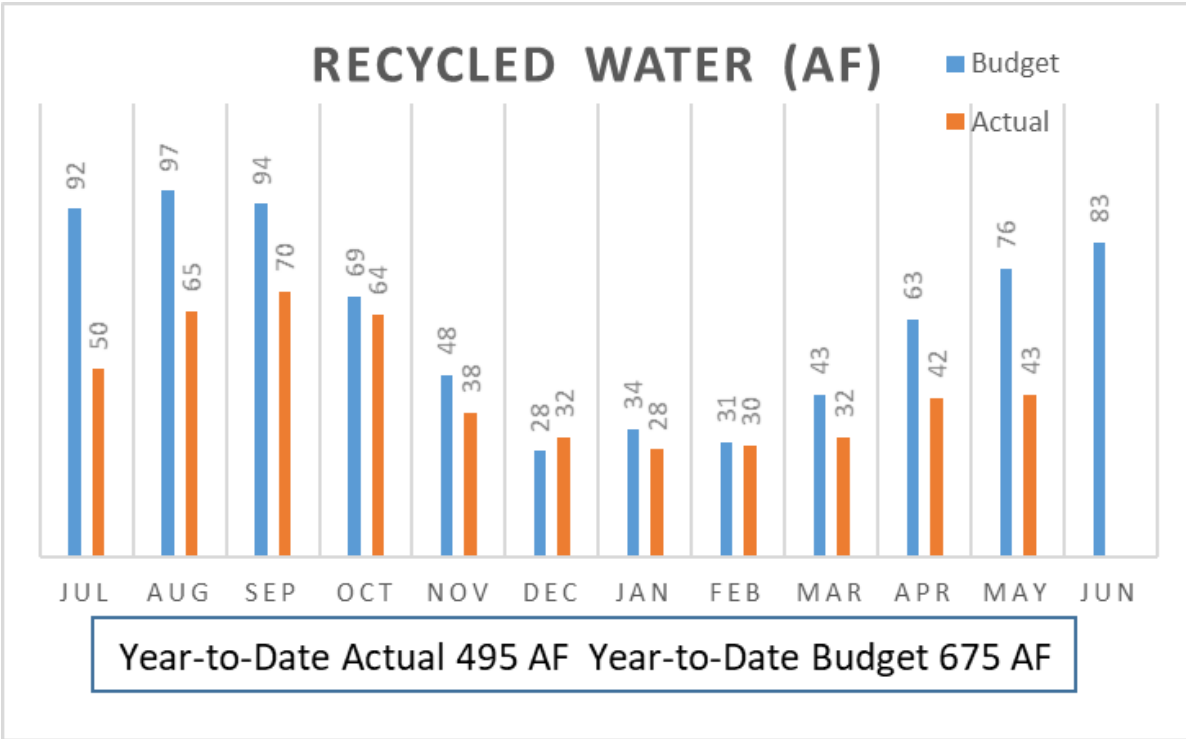
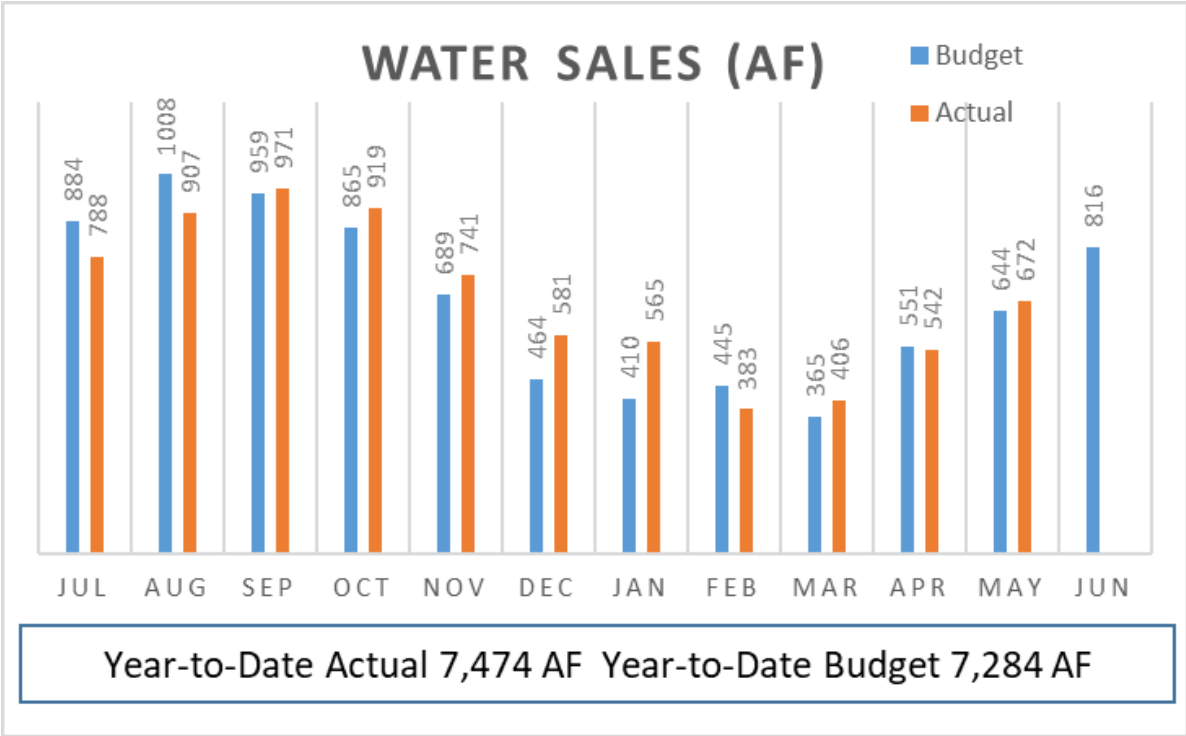
Non-operating revenues are over budget driven by the SDCWA Refund. Property Taxes revenues, Water/Wastewater Capacity Charges, Other Non-operating Revenues and Portfolio Interest have outperformed budget levels. Other significant Non-operating Revenues are trending in line with the Budget. Total non-operating revenues are expected to trend towards budget over the remainder of the year.

The District's year-to-date total expenditures are under budget due to the lower than budgeted operating and debt service expenses. Vacant positions and non-operating expenditures below budget are driving this trend in Operating Expenses. The SMCUP SRF loan debt service is less than budgeted due to a lower average outstanding balance. This is due to the pace of reimbursement from the State.

Total revenue is \$35,820,643 or 3.4% over budget and total expenditures are \$27,789,682 or 3% under budget. PAYGO CIP expenditures are 12.4% under budget but are expected to trend towards Budget levels. After adjusting for expected State Loan proceeds, the District's financial results are out performing Budget levels.

Recommended Action

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



Monthly Budget Report for May

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	8.3%
Water Sales	1,498,881	1,484,963	16,047,453	15,796,302	251,151	1.6%	17,660,076	1,612,624	9.1%
Water Meter Service Charges	640,777	653,171	6,825,089	6,894,581	(69,492)	-1.0%	7,547,752	722,663	9.6%
Wastewater Service Charges	494,355	486,537	5,515,012	5,699,793	(184,781)	-3.2%	6,186,330	671,317	10.9%
Recycled Water Revenues	84,558	124,508	931,968	1,053,119	(121,152)	-11.5%	1,188,242	256,274	21.6%
Other Operating Revenue	-	917	-	10,083	(10,083)	-100.0%	11,000	11,000	100.0%
Total Operating Revenue	2,718,572	2,750,095	29,319,522	29,453,879	(134,357)	-0.5%	32,593,400	3,273,878	10.0%
Non Operating Revenues:									
Water Capital Improvement Charge	119,822	121,273	1,295,026	1,334,008	(38,981)	-2.9%	1,455,281	160,254	11.0%
Wastewater Capital Improvement Charge	98,006	100,594	1,077,792	1,106,537	(28,746)	-2.6%	1,207,132	129,340	10.7%
Property Taxes	289,299	17,905	2,231,366	1,986,888	244,478	12.3%	2,022,485	(208,881)	-10.3%
Water Standby/Availability Charge	46,493	4,046	193,173	193,828	(654)	-0.3%	204,000	10,827	5.3%
Water/Wastewater Capacity Charges	15,025	7,083	130,644	77,917	52,727	67.7%	85,000	(45,644)	-53.7%
Portfolio Interest	7,372	11,792	226,235	129,708	96,527	74.4%	141,500	(84,735)	-59.9%
Pumping Capital Improvement Charge	1,229	2,730	18,226	30,026	(11,800)	-39.3%	32,756	14,530	44.4%
Federal Interest Rate Subsidy	-	54,232	57,690	110,677	(52,986)	-47.9%	110,677	52,986	47.9%
SDCWA Refund	-	-	909,413	-	909,413	NA	-	(909,413)	NA
Facility Rents	12,697	18,333	221,254	201,667	19,587	9.7%	220,000	(1,254)	-0.6%
Other Non-Operating Revenues	14,108	2,500	140,301	27,500	112,801	410.2%	30,000	(110,301)	-367.7%
Total Non Operating Revenues	604,051	340,488	6,501,121	5,198,755	1,302,366	25.1%	5,508,830	(992,291)	-18.0%
Total Revenues	3,322,623	3,090,583	35,820,643	34,652,634	1,168,009	3.4%	38,102,230	2,281,587	6.0%
Expenditures									
Purchased Water Expense	891,863	1,138,706	12,715,282	12,658,882	(56,400)	-0.4%	14,012,905	1,297,623	9.3%
Water Services*	269,096	245,871	2,701,794	2,950,457	248,662	8.4%	3,196,328	494,534	15.5%
Wastewater Services*	252,423	250,104	2,867,736	3,001,244	133,509	4.4%	3,251,348	383,612	11.8%
Recycled Water Services*	30,703	41,884	357,175	502,610	145,435	28.9%	544,494	187,319	34.4%
Administrative Services*	515,148	497,336	6,010,173	5,968,029	(42,143)	-0.7%	6,465,365	455,192	7.0%
Total Operating Expenses	1,959,234	2,173,901	24,652,159	25,081,222	429,063	1.7%	27,470,440	2,818,281	10.3%
Debt Service Expenses									
SMCUP SRF	-	-	411,558	800,810	389,252	48.6%	800,810	389,252	48.6%
Red Mountain SRF	-	-	395,850	395,851	0	0.0%	395,851	0	0.0%
WWTP SRF	-	-	1,750,772	1,845,746	94,974	5.1%	1,845,746	94,974	5.1%
WW Rev Refunding Bonds**	-	-	58,700	-	(58,700)	NA	-	(58,700)	NA
QECB Solar Debt	258,649	258,649	520,642	520,642	-	0.0%	520,642	-	0.0%
Total Debt Service	258,649	258,649	3,137,522	3,563,048	425,526	11.9%	3,563,048	425,526	11.9%
Total Expenses	2,217,883	2,432,550	27,789,682	28,644,270	854,589	3.0%	31,033,488	3,243,807	10.5%
Net Revenue/(loss) From Operations and Debt Service	1,104,741	658,033	8,030,961	6,008,364	2,022,597	33.7%	7,068,741	(962,220)	-13.6%
Capital Investment									
Capital Investment									
Construction Expenditures	424,684	611,208	5,820,238	6,640,542	820,304	12.4%	7,221,750	1,401,512	19.4%
SMCUP Expenditures***	1,728,791	1,850,355	29,313,664	30,874,514	1,560,849	5.1%	31,900,000	2,586,336	8.1%
SRF Loan Proceeds Draw (Capital Project Funds)****	(1,728,791)	(1,850,355)	(29,313,664)	(30,874,514)	(1,560,849)	5.1%	(31,900,000)	(2,586,336)	8.1%
Net Revenue/(Loss)	680,056	46,825	2,210,723	(632,178)	2,842,901	-449.7%	(153,009)	(2,363,732)	1544.8%

*Includes share of \$500,000 PARS transfer.

**Cost of issuance paid from proceeds and not included in statement

***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.

05/31/2021

Treasurer's Warrant No. May

TO: Treasurer of the Fallbrook Public Utility District

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

Payroll - 05/2021

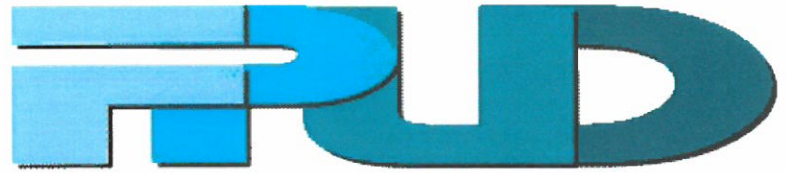
Computer Check Register

Payroll #1	\$145,597.13
Payroll #2	<u>\$146,482.57</u>
	<u>\$292,079.70</u>

Accounts Payable

Checks by Date - Summary by Check Date

User: annaleceb
 Printed: 6/2/2021 11:47 AM



Fallbrook Public Utility District

Purchasing Dept. Phone: (760) 728-1151, Fax: (760) 728-8491
 Main Office Phone: (760) 728-1125, Fax: (760) 728-6029

Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	00152	FPUD EMPL ASSOCIATION	05/06/2021	455.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	05/06/2021	3,520.00
ACH	06758	US TREASURY - PAYROLL TAXES	05/06/2021	52,404.44
ACH	06759	STATE OF CA - PR TAXES	05/06/2021	7,679.38
ACH	06760	STATE OF CA - SDI	05/06/2021	2,510.97
ACH	06761	LINCOLN FINANCIAL GROUP	05/06/2021	7,260.53
ACH	06763	PERS - PAYROLL	05/06/2021	37,691.44
ACH	91508	CALIFORNIA STATE DISBURSEMENT	05/06/2021	346.15
ACH	00152	FPUD EMPL ASSOCIATION	05/06/2021	34.00
ACH	06758	US TREASURY - PAYROLL TAXES	05/06/2021	3,649.03
ACH	06759	STATE OF CA - PR TAXES	05/06/2021	630.76
ACH	06760	STATE OF CA - SDI	05/06/2021	157.53
ACH	06761	LINCOLN FINANCIAL GROUP	05/06/2021	566.05
ACH	06763	PERS - PAYROLL	05/06/2021	2,233.12
ACH	06758	US TREASURY - PAYROLL TAXES	05/06/2021	608.87
ACH	06759	STATE OF CA - PR TAXES	05/06/2021	34.18
ACH	06760	STATE OF CA - SDI	05/06/2021	28.27
85964	91499	FILANC ALBERICI A JOINT VENTURE	05/06/2021	1,924,816.57
85965	91500	US BANK NATIONAL ASSOCIATION	05/06/2021	101,306.14
85966	91286	AMAZON CAPITAL SERVICES, INC.	05/06/2021	956.85
85967	06020	BABCOCK LABORATORIES, INC	05/06/2021	1,810.00
85968	91487	BADGER METER, INC.	05/06/2021	15,643.15
85969	06375	CALGON CARBON CORPORATION	05/06/2021	6,300.00
85970	03134	CALIFORNIA WATER ENVIRONMENT	05/06/2021	197.00
85971	05985	SOLEIL DEVELLE	05/06/2021	540.00
85972	05192	DIAMOND ENVIRONMENTAL SERVIC	05/06/2021	365.56
85973	91585	LAUREN ECKERT	05/06/2021	74.80
85974	04411	ENVIRONMENTAL RESOURCE ASSOC	05/06/2021	1,026.42
85975	04122	EVOQUA WATER TECHNOLOGIES LLC	05/06/2021	350.00
85976	01099	FALLBROOK IRRIGATION INC	05/06/2021	31.39
85977	91200	FIRST BANKCARD	05/06/2021	402.60
85978	91202	FIRST BANKCARD	05/06/2021	205.87
85979	91225	FIRST BANKCARD	05/06/2021	870.63
85980	06286	GARDA CL WEST, INC.	05/06/2021	668.70
85981	00182	GLENNIE'S OFFICE PRODUCTS, INC	05/06/2021	196.20
85982	02170	GRAINGER, INC.	05/06/2021	1,210.43
85983	02767	GRANGETTO FARM & GARDEN SUPPI	05/06/2021	3.12
85984	05380	HACH CO	05/06/2021	210.85
85985	06329	HILL BROTHERS CHEMICAL COMPAN	05/06/2021	13,272.75
85986	06577	INFOSEND INC	05/06/2021	1,210.74
85987	91304	LEARNSOFT CONSULTING INC	05/06/2021	1,530.00
85988	06156	LOMACK SERVICE CORPORATION	05/06/2021	667.25
85989	91004	MERCEDES-BENZ OF TEMECULA	05/06/2021	571.59
85990	06298	ONESOURCE DISTRIBUTORS, LLC	05/06/2021	237.48
85991	05064	RAINBOW MUNICIPAL WATER	05/06/2021	2,545.17
85992	06717	RDO EQUIPMENT CO	05/06/2021	5,987.30
85993	02958	RSIS INC	05/06/2021	1,386.50

Check No	Vendor No	Vendor Name	Check Date	Check Amount
85994	91482	S & R TOWING	05/06/2021	92.00
85995	91616	SCHNEIDER ELECTRIC SYSTEMS USA	05/06/2021	3,557.63
85996	91621	SOUTH BAY FOUNDRY, INC	05/06/2021	1,643.19
85997	90929	SOUTHWEST ANSWERING SERVICE, I	05/06/2021	652.48
85998	91506	SPALETTA LAW PC	05/06/2021	325.00
85999	05415	STATE WATER RESOURCE CONTROL I	05/06/2021	90.00
86000	UB*00381	KEVIN STRUXNESS	05/06/2021	271.60
86001	91385	VERONICA TAMZIL	05/06/2021	60.00
86002	91598	TCI BUSINESS CAPITAL	05/06/2021	1,567.44
86003	91082	TELETRAC, INC	05/06/2021	19.95
86004	06454	TRIMARK ASSOCIATES INC	05/06/2021	225.00
86005	04313	USA BLUE BOOK	05/06/2021	119.15
86006	91480	WAVE CONNECTS	05/06/2021	466.20
Total for 5/6/2021:				2,213,494.92
86007	00231	SAN DIEGO COUNTY WATER AUTH	05/13/2021	859,667.83
86008	91513	ALCHEMY CONSULTING GROUP	05/13/2021	7,500.00
86009	05880	ALLEN INSTRUMENTS & SUPPLIES	05/13/2021	103.34
86010	91490	AMAZON WEB SERVICES, INC.	05/13/2021	1,084.88
86011	91550	AMERICAN BUSINESS BANK	05/13/2021	4,770.52
86012	05088	AT&T	05/13/2021	841.47
86013	91608	AT&T MOBILITY LLC	05/13/2021	7,656.73
86014	91487	BADGER METER, INC.	05/13/2021	275.84
86015	03978	CAMERON WELDING SUPPLY	05/13/2021	563.90
86016	91188	CDTFA	05/13/2021	1,199.10
86017	06115	CDW GOVERNMENT INC.	05/13/2021	118.05
86018	91210	CORE & MAIN LP	05/13/2021	9,383.57
86019	02176	CORELOGIC SOLUTIONS, LLC	05/13/2021	225.00
86020	05953	CORODATA RECORDS MANAGEMENT	05/13/2021	781.84
86021	91596	CRIDER PUBLIC RELATIONS, INC.	05/13/2021	1,700.00
86022	02582	EMPLOYMENT DEVELOPMENT DEPT	05/13/2021	2,475.00
86023	91609	ENVIRO PRODUCTS WEST	05/13/2021	2,684.67
86024	05588	ESCONDIDO METAL SUPPLY	05/13/2021	4,956.55
86025	04122	EVOQUA WATER TECHNOLOGIES LLC	05/13/2021	350.00
86026	06303	EXECUTIVE LANDSCAPE INC.	05/13/2021	133.40
86027	91611	FALLBROOK ACE HARDWARE	05/13/2021	1,321.57
86028	09523	FALLBROOK EQUIP RENTALS	05/13/2021	2,826.00
86029	00169	FALLBROOK OIL COMPANY	05/13/2021	6,026.09
86030	02411	FALLBROOK PRINTING CORP	05/13/2021	3,160.80
86031	00170	FALLBROOK WASTE & RECYCLING	05/13/2021	838.81
86032	04494	FEDERAL EXPRESS CORPORATION	05/13/2021	281.20
86033	00182	GLENNIE'S OFFICE PRODUCTS, INC	05/13/2021	8,692.01
86034	02170	GRAINGER, INC.	05/13/2021	577.92
86035	05970	GRISWOLD INDUSTRIES	05/13/2021	3,571.58
86036	05380	HACH CO	05/13/2021	1,912.78
86037	91544	HAZEN AND SAWYER, D.P.C.	05/13/2021	10,280.00
86038	06577	INFOSEND INC	05/13/2021	1,012.38
86039	06479	KNOCKOUT PEST CONTROL & TERMI	05/13/2021	75.00
86040	91304	LEARNSOFT CONSULTING INC	05/13/2021	255.00
86041	06555	LIEBERT CASSIDY WHITMORE	05/13/2021	711.00
86042	90887	LLOYD PEST CONTROL	05/13/2021	306.00
86043	06156	LOMACK SERVICE CORPORATION	05/13/2021	671.05
86044	91192	MISSION LINEN SUPPLY	05/13/2021	1,045.19
86045	03944	MISSION RESOURCE CONSV DISTRIC	05/13/2021	89.00
86046	90932	NAPA AUTO PARTS	05/13/2021	849.47
86047	03201	NATIONAL SAFETY COMPLIANCE INC	05/13/2021	119.95

Check No	Vendor No	Vendor Name	Check Date	Check Amount
86048	00370	NUTRIEN AG SOLUTIONS, INC.	05/13/2021	1,388.53
86049	06298	ONESOURCE DISTRIBUTORS, LLC	05/13/2021	948.19
86050	91522	PACIFIC HYDROTECH CORP	05/13/2021	90,639.49
86051	00216	PINE TREE LUMBER	05/13/2021	221.07
86052	91538	PUDGIL & COMPANY	05/13/2021	5,000.00
86053	91546	QUADIENT FINANCE USA, INC.	05/13/2021	800.00
86054	00232	SAN DIEGO GAS & ELECTRIC	05/13/2021	54,339.79
86055	00232	SAN DIEGO GAS & ELECTRIC	05/13/2021	523.50
86056	00232	SAN DIEGO GAS & ELECTRIC	05/13/2021	554.49
86057	91223	STERLING ADMINISTRATION	05/13/2021	125.00
86058	00159	SUPERIOR READY MIX	05/13/2021	2,686.90
86059	91598	TCI BUSINESS CAPITAL	05/13/2021	1,567.44
86060	00724	UNDERGROUND SERVICE ALERT	05/13/2021	288.73
86061	91489	VEGA AMERICAS, INC.	05/13/2021	1,740.16
86062	04290	VILLAGE NEWS, INC.	05/13/2021	495.00
86063	91184	4IMPRINT INC	05/13/2021	425.71
86064	04949	ALLDATA	05/13/2021	1,500.00
86065	91286	AMAZON CAPITAL SERVICES, INC.	05/13/2021	221.38
86066	04995	AMERICAN MESSAGING	05/13/2021	118.52
86067	05615	BOOT WORLD INC.	05/13/2021	164.84
86068	01719	MICKEY M. CASE	05/13/2021	60.00
86069	91595	CLIFTONLARSONALLEN LLP	05/13/2021	4,250.00
86070	06299	D & H WATER SYSTEMS, INC	05/13/2021	3,763.91
86071	05192	DIAMOND ENVIRONMENTAL SERVIC	05/13/2021	234.96
86072	06303	EXECUTIVE LANDSCAPE INC.	05/13/2021	807.50
86073	02170	GRAINGER, INC.	05/13/2021	229.29
86074	02767	GRANGETTO FARM & GARDEN SUPPI	05/13/2021	174.04
86075	06062	HARRINGTON INDUSTRIAL PLASTICS	05/13/2021	297.67
86076	UB*00360	SHAWN & KEISHA HILL	05/13/2021	278.36
86077	06426	INDUSTRIAL SAFETY PROFESSIONAL	05/13/2021	1,890.00
86078	06267	J2 GLOBAL IRELAND LIMITED	05/13/2021	59.91
86079	06380	JANI-KING OF CALIFORNIA, INC - SA	05/13/2021	2,995.24
86080	05194	LESLIE'S SWIMMING POOL SUPPLIES	05/13/2021	4,374.43
86081	06338	MYTHOS TECHNOLOGY INC	05/13/2021	1,705.22
86082	04075	RAYNE WATER SYSTEMS	05/13/2021	170.00
86083	UB*00382	TRUMAN REICH	05/13/2021	137.16
86084	91486	SATELLITE PHONE STORE	05/13/2021	66.82
86085	91094	SCADA INTEGRATIONS	05/13/2021	20,547.50
86086	00236	SCRAPPYS	05/13/2021	456.90
86087	91107	SPECTRUM BUSINESS	05/13/2021	127.15
86088	02927	TIM STERGER	05/13/2021	60.00
86089	91123	STREAMLINE	05/13/2021	550.00
86090	91082	TELETRAC, INC	05/13/2021	2,054.59
86091	91276	WOLFE DOOR INDUSTRIES, INC.	05/13/2021	641.81
Total for 5/13/2021:				1,160,775.69
ACH	00152	FPUD EMPL ASSOCIATION	05/20/2021	446.00
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	05/20/2021	3,420.00
ACH	06758	US TREASURY - PAYROLL TAXES	05/20/2021	52,056.93
ACH	06759	STATE OF CA - PR TAXES	05/20/2021	7,896.36
ACH	06760	STATE OF CA - SDI	05/20/2021	2,487.63
ACH	06761	LINCOLN FINANCIAL GROUP	05/20/2021	6,936.20
ACH	06763	PERS - PAYROLL	05/20/2021	36,854.72
ACH	91508	CALIFORNIA STATE DISBURSEMENT	05/20/2021	346.15
ACH	00152	FPUD EMPL ASSOCIATION	05/20/2021	34.00
ACH	06758	US TREASURY - PAYROLL TAXES	05/20/2021	4,038.03

Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	06759	STATE OF CA - PR TAXES	05/20/2021	732.47
ACH	06760	STATE OF CA - SDI	05/20/2021	169.47
ACH	06761	LINCOLN FINANCIAL GROUP	05/20/2021	566.05
ACH	06763	PERS - PAYROLL	05/20/2021	2,233.11
ACH	06758	US TREASURY - PAYROLL TAXES	05/20/2021	3,746.38
ACH	06759	STATE OF CA - PR TAXES	05/20/2021	838.82
ACH	06760	STATE OF CA - SDI	05/20/2021	115.38
86093	06675	CORODATA SHREDDING, INC	05/20/2021	64.37
86094	06577	INFOSEND INC	05/20/2021	1,365.77
86095	91172	INLAND KENWORTH (US) INC	05/20/2021	331.30
86096	06659	KUBE ENGINEERING	05/20/2021	462.90
86097	91623	JOHN MCGRANN	05/20/2021	3,209.00
86098	90932	NAPA AUTO PARTS	05/20/2021	77.00
86099	91071	JACOB ROBINSON	05/20/2021	100.00
86100	00101	ACWA JPIA	05/20/2021	113,818.98
86101	91286	AMAZON CAPITAL SERVICES, INC.	05/20/2021	636.45
86102	03205	CITY OF OCEANSIDE	05/20/2021	185.50
86103	03391	ELECTRICAL SALES INC	05/20/2021	3,130.46
86104	01099	FALLBROOK IRRIGATION INC	05/20/2021	135.81
86105	01432	FERGUSON WATERWORKS #1083	05/20/2021	581.85
86106	02972	FISHER SCIENTIFIC COMPANY LLC	05/20/2021	415.70
86107	04958	GOSCH FORD TEMECULA	05/20/2021	43.46
86108	03174	HAAKER EQUIPMENT COMPANY	05/20/2021	960.07
86109	05380	HACH CO	05/20/2021	25.85
86110	06062	HARRINGTON INDUSTRIAL PLASTICS	05/20/2021	69.07
86111	06695	KNIGHT SECURITY & FIRST SYS	05/20/2021	180.00
86112	06479	KNOCKOUT PEST CONTROL & TERMI	05/20/2021	75.00
86113	91077	RED WING BUSINESS ADVANTAGE AC	05/20/2021	195.74
86114	91598	TCI BUSINESS CAPITAL	05/20/2021	1,567.44
86115	00233	WAXIE SANITARY SUPPLY	05/20/2021	1,448.31
86116	06761	LINCOLN FINANCIAL GROUP	05/20/2021	750.00
Total for 5/20/2021:				252,747.73
86117	06359	INFRASTRUCTURE ENGINEERING CO	05/27/2021	33,917.62
86118	91549	ZAK CONTROLS, INC.	05/27/2021	4,260.00
86119	91624	ACCESSORY 1 LLC	05/27/2021	424.50
86120	01460	AFLAC	05/27/2021	806.04
86121	91286	AMAZON CAPITAL SERVICES, INC.	05/27/2021	1,407.02
86122	91487	BADGER METER, INC.	05/27/2021	82,984.75
86123	06235	JACK BEBEE	05/27/2021	94.17
86124	05615	BOOT WORLD INC.	05/27/2021	184.23
86125	06375	CALGON CARBON CORPORATION	05/27/2021	323.50
86126	91241	LISA CHAFFIN	05/27/2021	120.00
86127	91272	KEVIN COLLINS	05/27/2021	60.00
86128	91330	AARON COOK	05/27/2021	95.00
86129	91597	COURTESY CHEVROLET CENTER	05/27/2021	24,950.09
86130	02925	DATA NET SOLUTIONS	05/27/2021	864.50
86131	06762	DENALI WATER SOLUTIONS LLC	05/27/2021	15,355.19
86132	05985	SOLEIL DEVELLE	05/27/2021	150.00
86133	05192	DIAMOND ENVIRONMENTAL SERVIC	05/27/2021	365.56
86134	05177	DOWNEY BRAND, LLP	05/27/2021	2,975.00
86135	90956	FALLBROOK GLASS INC	05/27/2021	1,349.00
86136	00169	FALLBROOK OIL COMPANY	05/27/2021	2,844.06
86137	01155	FALLBROOK WASTE/RECYCLING	05/27/2021	307.72
86138	91540	FIRST BANKCARD	05/27/2021	1,046.66
86139	04958	GOSCH FORD TEMECULA	05/27/2021	154.17

Check No	Vendor No	Vendor Name	Check Date	Check Amount
86140	02170	GRAINGER, INC.	05/27/2021	2,160.05
86141	05380	HACH CO	05/27/2021	1,645.35
86142	06062	HARRINGTON INDUSTRIAL PLASTICS	05/27/2021	1,140.37
86143	06577	INFOSEND INC	05/27/2021	1,265.62
86144	00190	JCI JONES CHEMICALS INC.	05/27/2021	3,526.89
86145	UB*00383	ROSALYNE KINCANNON	05/27/2021	76.16
86146	04926	KONICA MINOLTA PREMIER FINANCE	05/27/2021	1,987.60
86147	91130	LINCOLN NATIONAL LIFE INSURANC	05/27/2021	3,331.46
86148	06156	LOMACK SERVICE CORPORATION	05/27/2021	785.80
86149	91461	OCEANSIDE SECURITY AGENCY	05/27/2021	6,916.10
86150	06298	ONESOURCE DISTRIBUTORS, LLC	05/27/2021	865.28
86151	91535	PAYMENTUS GROUP, INC	05/27/2021	2,813.08
86152	91007	PFM ASSET MANGEMENT LLC	05/27/2021	909.04
86153	91152	SOLARWINDS, INC	05/27/2021	1,114.00
86154	06401	SONSRAY MACHINERY LLC	05/27/2021	82.85
86155	90929	SOUTHWEST ANSWERING SERVICE, I	05/27/2021	691.36
86156	91385	VERONICA TAMZIL	05/27/2021	60.00
86157	91598	TCI BUSINESS CAPITAL	05/27/2021	1,567.44
86158	91082	TELETRAC, INC	05/27/2021	19.95
86159	00233	WAXIE SANITARY SUPPLY	05/27/2021	52.47
86160	06231	WESTERN WATER WORKS SUPPLY CC	05/27/2021	387.90
Total for 5/27/2021:				206,437.55
Report Total (230 checks):				3,833,455.89



Jack Bebee

General Manager

Mavis Canpinar

From: Lauren Eckert
Sent: Wednesday, May 26, 2021 1:08 PM
To: Mavis Canpinar
Subject: FW: Women in Water Virtual Meeting - May 26th - Authorization for Per Diem

For the June packet :)

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

From: Dave Baxter 1 <dbaxter@fpud.com>
Sent: Wednesday, May 26, 2021 12:54 PM
To: Lauren Eckert <leckert@fpud.com>
Cc: Jennifer DeMeo 3 <jdemeo@fpud.com>
Subject: Women in Water Virtual Meeting - May 26th - Authorization for Per Diem

Hi Lauren!

Please allow this email to serve as advanced authorization for Jennifer to attend the Women in Water virtual meeting today, May 26th @ 1130am.

Thank you both and please let me know if you should need anything.

Dave

Dave Baxter
Relevant Industrial
Senior Managing Director - Western Region USA
949.887.0090 Global Cell

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: Chamber of Commerce Award Luncheon, Grand Tradition, Fallbrook CA

Date(s) of Attendance: May 18, 2021.....

Purpose of Function: Education

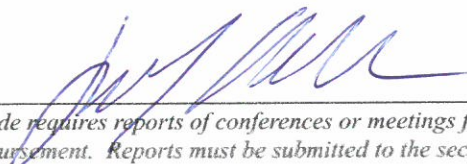
Sponsoring Organization: Fallbrook Chamber of Commerce

Summary of Conference or Meeting:

Attended Chamber of Commerce Awards Luncheon.

Accepted award on behalf of FPUD on 55 years of membership at the Chamber.

Director Signature:



Date:

5/21/21

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

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

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: COWU

Date(s) of Attendance: 6/15/21 – 8:00 am via Zoom

Purpose of Function: _____

Sponsoring Organization: COWU

Summary of Conference or Meeting:

Topic: Presentation by Cari Dale- Oceanside Water Utilities Director

Cari talked in detail about the Pure Water Oceanside Project. It was a very informative presentation about how they will purify recycled water to create a new local water supply.

I was impressed with the project, and happy to see their District is working to diversify local water supplies. The meeting was attended by over 50 water industry leaders.

MWD leadership will be looking for a replacement organization to lead COWU in the future.

Director Signature: _____

Date: 6/23/2021

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