



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

**AGENDA**

**PURSUANT TO WAIVERS TO CERTAIN BROWN ACT PROVISIONS UNDER EXECUTIVE ORDERS ISSUED BY GOVERNOR NEWSOM RELATED TO THE COVID-19 STATE OF EMERGENCY THIS MEETING WILL BE CONDUCTED VIA 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/85764700625?pwd=dzR1VVVvMU1jOEZpaTNaenFDaWFhdz09>

**Meeting ID: 857 6470 0625**

**Passcode: 636901**

**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/85764700625?pwd=dzR1VVVvMU1jOEZpaTNaenFDaWFhdz09>**

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

**SUBMIT COMMENTS BEFORE THE MEETING:**

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

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

**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.**

**MONDAY, APRIL 26, 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

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

PUBLIC COMMENT

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

- A. YEARS OF SERVICE
  - 1. Ken Hubbard – 15 years

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

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

- B. CONSIDER APPROVAL OF MINUTES
  - 1. March 22, 2021 Regular Board Meeting

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

- C. CONSIDER NOTICE OF COMPLETION FOR THE 2.8 MG TANK RECOATING PROJECT (3147)

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

- D. CONSIDER NOTICE OF COMPLETION FOR THE SEWER MAINLINE RELINING PROJECT (3155)

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

**III. ACTION / DISCUSSION CALENDAR----- (ITEMS E – J)**

- E. CONSIDER LEGAL DAMAGES AND INTEREST PAYMENT RECEIVED FROM THE SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)

Recommendation: That the Board direct staff to use the funds to reduce the SMCUP loan by the amount of \$909,412.67 thereby reducing the long-term water costs paid by District Rate payers.

- F. CONSIDER OUT OF AGENCY SERVICE REQUEST

Recommendation: That the Board authorize staff to complete the Out of Agency Service Agreement to be recorded at the County Recorder's Office and provide a water service per standard procedures.

- G. CONSIDER REQUEST FOR APPROVAL TO CHANGE PUBLIC AFFAIRS SPECIALIST POSITION TO FULL-TIME STATUS

Recommendation: Staff recommends the Board approve the proposed change.

- H. CONSIDER PROPOSED REORGANIZATION AND ASSOCIATED JOB CLASSIFICATION CHANGES

Recommendation: That the Board approve the reorganization and the associated job description changes/updates, the salary range for the SCADA, Electrical & Maintenance Supervisor job classification, and the increase in total staffing from 67 to 69 positions.

- I. CONSIDER AWARD OF ROSS LAKE PRV PROJECT

Recommendation: That the Board authorize award of the Ross Lake PRV Project to the lowest responsible bidder, Genesis Construction, in the amount of \$51,444.

- J. CONSIDER REQUEST FOR APPROVAL TO PURCHASE ONE 2020 CHEVROLET SILVERADO 5500

Recommendation: That the Board approve the purchase of one 2020 Chevrolet Silverado 5500 with Scelzi Utility Body from Paradise Chevrolet Cadillac.

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

1. General Counsel

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

ADJOURN TO CLOSED SESSION

**V. CLOSED SESSION----- (ITEMS 1-3)**

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

*Discuss Performance Evaluation of General Manager*

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

*Discuss Performance Evaluation of General Counsel*

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

*One (1) Potential Case.*

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (*As Necessary*)

**VI. ADJOURNMENT OF MEETING**

\* \* \* \* \*

**DECLARATION OF POSTING**

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

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

April 21, 2021  
Dated / Fallbrook, CA

/s/ Lauren Eckert  
Executive Assistant/Board Secretary

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**M E M O**

**TO:** Board of Directors  
**FROM:** Lauren Eckert, Executive Assistant/Board Secretary  
**DATE:** April 26, 2021  
**SUBJECT:** Approval of Minutes

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**Recommended Action**

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

1. March 22, 2021 Regular Meeting



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING

MINUTES

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

General Counsel de Sousa announced, 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  
Noelle Denke, Public Affairs Specialist  
Steve Stone, Field Services Manager  
Owni Toma, Chief Plant Operator  
Jodi Brown, Management Analyst  
Lauren Eckert, Executive Assistant/Board Secretary

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

PLEDGE OF ALLEGIANCE

Vice President Baxter 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 Endter 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 C.

- A. YEARS OF SERVICE
  - 1. Jeff Evans – 20 years
  - 2. Nick Iliev – 5 years

The Board recognized Jeff Evans for his 20 years of service to the District and Nick Iliev for his five years of service to the District.

- B. EMPLOYEE ANNOUNCEMENTS
  - 1. Matt Lian
  - 2. Alex Galloway

The Board recognized Matt Lian for his transfer to Utility Worker II and Alex Galloway for his transfer to System Operator I.

- C. NEW EMPLOYEE ANNOUNCEMENTS
  - 1. Eddie Rodriguez, Meter Services/Construction Supervisor

The Board welcomed Eddie Rodriguez as the new Meter Services/Construction Supervisor.

#### II. **CONSENT CALENDAR**-----**(ITEMS D–G)**

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

*approve the items. Such items shall be considered separately for action by the Board.*

There were no public comments on Consent Calendar agenda items.

D. CONSIDER APPROVAL OF MINUTES

1. February 22, 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.*

E. CONSIDER CLAIM FOR INUNDATION OF WATER ONTO REAL PROPERTY

*Recommendation:* *The aggregate cost of the claims related to the incident will exceed the District retrospective allocation point of \$25,000. Staff recommends rejection of this claim, and any and all claims resulting from this incident, and to forward all claims for this incident to ACWA/JPIA for resolution.*

F. CONSIDER ADOPTING RESOLUTION NO. 5007 CONCURRING IN NOMINATION OF JO MACKENZIE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS

*Recommendation:* *That the Board adopt Resolution No. 5007 concurring in nomination of Jo MacKenzie to represent the Southern Network, Seat A, on the California Special Districts Association Board of Directors.*

G. CONSIDER APPROVAL OF THE SINGLE AUDIT CONDUCTED ON THE SANTA MARGARITA CONJUNCTIVE USE PROJECT TREATMENT PLANT

*Recommendation:* *Approve the Single Audit and Resolution 5008 making the recommended changes to the District's Administrative Code.*

General Manager Bebee commented the Single Audit had been completed, and there was one item that adjusted language to make sure we check federal fund limits.

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

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

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

**H. EMPLOYEE SATISFACTION SURVEY RESULTS**

*Presented by: Lisa Chaffin, Human Resources Manager*

The Board reviewed the results from the Employee Satisfaction Survey. General Manager Bebee reported the results were presented to the Personnel Committee. He noted the results were again positive and even showed a slight improvement compared to last year.

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

**I. CONSIDER REQUEST FROM CUSTOMER TO ADDRESS BOARD ON ACCOUNT #016742-000**

*Recommendation: That the Board support the approach provided by staff to the customer and provide a one-time credit to the account of \$1,086.72, based on the lowest amount that could have been incurred if the account was placed on standby 6-months prior.*

There were no public comments on agenda item I.

AGM/CFO Shank provided a summary of the agenda item I, reporting staff conducted quite a fair amount of due diligence in identifying this owner of this account and alerting them their account was accruing fees, to the amount of around \$3,800 to date. The account has been locked and put on standby, per the request of the owner. Staff was working with the owner to try to resolve the issue, and the District had offered to give them a six month credit. The customer requested to address the Board to see if they would offer him a larger credit.

Director Wolk asked if the customer changed his mind about addressing the Board. AGM/CFO Shank noted staff reached out to the customer, and he was unsure if he would be able to participate in the meeting.

Director Wolk complimented staff on their generosity in providing a credit to this account.

Vice President Baxter also complimented staff on the process in which they document a credit. He also reported he thought the customer would have prioritized addressing the Board if requesting a larger credit.

**MOTION:** Director Endter moved to approve a one-time credit to account #016742-000 in the amount of \$1,086.72, based on the lowest amount that could have been incurred if the account was placed on

standby six months prior; Director McDougal seconded. Motion passed; VOTE:

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

J. CONSIDER AWARD OF GUM TREE PIPELINE REPLACEMENT PROJECT (JOB 3141)

*Recommendation:* The Board authorize award of the Gum Tree Pipeline Replacement Project to the lowest responsible bidder, SRK Engineering for \$428,500.

There were no public comments on agenda item J.

Engineering Manager Cook reported this was part of the pipeline replacement project. This pipeline is old and has had multiple leaks. He also noted this pipeline was through a right of way area and not through streets. There are sections that are above grade, which are in poor condition. Engineering Manager Cook reported there were 14 bids, and the SRK Engineering came in as the lowest bidder. They have done work for the District in the past.

Engineering Manager Cook reported the District is slightly behind schedule for planned pipeline replacement, and there is a very likely chance this project will be incurred during the next fiscal year.

General Manager Bebee announced to make sure we stay on target for our pipeline replacement goal, if we underperform one year, we will roll that into the next year's PAYGO pipeline budget to stay on target.

Vice President Baxter reported that the Engineering & Operations Committee reviewed the range of bids received and felt confident in SRK's bid.

MOTION: Vice President Baxter moved to authorize award of the Gum Tree Pipeline Replacement Project to the lowest responsible bidder, SRK Engineering for \$428,500; Director McDougal seconded. Motion passed; VOTE:

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

K. CONSIDER REQUEST FOR APPROVAL TO PROCEED WITH SCADA INTEGRATIONS RFP FOR CONVEYER PROJECT

*Recommendation:* The Board authorize a services agreement with SCADA Integrations for the Conveyer Upgrade Project at a total value of \$128,470, to be completed in two phases.

There were no public comments on agenda item K.

General Manager Bebee reported the Engineering & Operations Committee reviewed this item and provided the Board with a summary, including that this project would be completed in two phases.

MOTION: Director Wolk moved to authorize a services agreement with SCADA Integrations for the Conveyer Upgrade Project at a total value of \$128,470, to be completed in two phases; Vice President Baxter seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

L. CONSIDER PROFESSIONAL SERVICES CONTRACT FOR SANTA MARGARITA GROUNDWATER TREATMENT PLANT OPERATIONS PLAN

*Recommendation:* The Board authorize a Professional Services Agreement with Arcadis U.S. Inc. for an amount not to exceed \$72,320.

There were no public comments on agenda item L.

General Manager Bebee reported this operations plan was a requirement of the Department of Drinking Water. This was also an opportunity for the Operators to have a clear document that describes exactly how to operate the facility and understand what specific steps should be taken happen if something went wrong.

MOTION: Director McDougal moved to authorize a Professional Services Agreement with Arcadis U.S. Inc. for an amount not to exceed \$72,320 for the Santa Margarita Groundwater Treatment Plant operations plan; Director Endter seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

- M. CONSIDER CALL FOR NOMINATIONS, ALTERNATE SPECIAL DISTRICT MEMBER TO SERVE ON THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION (LAFCO)

*Recommendation: If any member of the Board of Directors expresses a desire for nomination to the vacant position, upon a motion made and passed by the Board, staff will assist the nominee in completing the necessary paperwork for submittal to LAFCO by the deadline for nominations, which is Friday, April 23, 2021.*

There were no public comments on agenda item M.

General Manager Bebee reported this was a good position if anyone was interested in being involved in more regional LAFCO activities.

There was no action taken by the Board.

- N. CONSIDER REQUEST FOR APPROVAL TO AWARD ONE-TIME PAVING PROJECT TO ONYX PAVING COMPANY, INC.

*Recommendation: The Board approve the award of a one-time paving project to Onyx Paving Company, Inc. in the amount of \$77,120.00.*

There were no public comments on agenda item N.

General Manager Bebee reported this was for the projects that have been accruing over the months. He reported Field Services Manager Stone will be outlining the District's paving strategy in the coming months. General Manager Bebee announced the District was staying under the paving budget.

Director Wolk stated he was excited to see this approach and would be interested to compare how this project stacked up to projects the District has completed in the past.

Vice President Baxter asked if the District had used Onyx Paving Company, Inc. in the past. Field Services Manager Stone responded that we have not. Vice President Baxter asked if the District did their due diligence. General Manager Bebee reported that Warehouse/Purchasing Supervisor Collins does conduct reference checks.

President DeMeo asked if Onyx Paving Company, Inc. was local. General Manager Bebee did not think they were local.

MOTION: Director Endter moved to approve the award of a one-time paving project to Onyx Paving Company, Inc. in the amount of \$77,120.00; Director McDougal seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

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

1. General Counsel

- General Counsel de Sousa provided an overview of SB 361, AB 703, and AB 339. She also reported the FPPC issued a couple of advice letters for projects within 500-1000 feet of a Board member's home.

2. SDCWA Representative Report

- General Manager Bebee reported there was an SDCWA Board meeting on Thursday, which will include the UWMP agenda item.
  - Director Wolk asked about the SDCWA's reorganization of their committees. General Manager Bebee was unsure what the reasoning was for this.

3. General Manager

a. Engineering and Operations Report

- General Manager Bebee provided an overview of the written report included in the packet.

4. Assistant General Manager/Chief Financial Officer

a. Financial Summary Report

b. Treasurer's Report

c. Budget Status Report

d. Warrant List

- AGM/CFO Shank provided an overview of the written reports included in the packet.
- General Counsel de Sousa announced this would be the time to speak about the SDCWA rebate and how that would potentially be used. General Manager Bebee reported this would end up on the April agenda to discuss the approach appropriately.

5. Public Affairs Specialist

- Public Affairs Specialist Denke reported she had given virtual classroom presentations. She also announced there was an Ad-Hoc Committee meeting for the 100-year anniversary scheduled for Wednesday. Public Affairs Specialist Denke also noted she was working on an ad for the Village News.

6. Notice of Approval of Per Diem for Meetings Attended

- a. Notification of Approval for Directors' Attendance for Virtual Cybersecurity Training.



- President DeMeo provided notice to the Board that she approved Director McDougal's attendance to a virtual cybersecurity training.
7. Director Comments/Reports on Meetings Attended
  8. Miscellaneous

#### ADJOURN TO CLOSED SESSION

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

President DeMeo requested that members of the public, who wished to speak on any Closed Session agenda items, raise their hand via Zoom Webinar by clicking on the 'Raise Hand' button and via phone by pressing star nine.

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

The Board of Directors adjourned to Closed Session at 5:11 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1 through VI.3.

#### **VI. CLOSED SESSION------(ITEMS 1-3)**

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

*One (1) Potential Case (Claim filed by Michael Rude and Terri Rude)*

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

*One (1) Potential Case*

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

*One (1) Potential Case*

#### RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 5:40 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

General Counsel de Sousa made the following announcement:

The Board met in Closed Session on the items listed on the agenda. With regard to Closed Session Agenda Item 1 (Claim filed by Michael Rude and Terri Rude), on motion of Director McDougal, seconded by Director Endter, the Board unanimously voted to deny the claim filed by Michael Rude and Terri Rude dated March 4, 2021, for lack of merit.

**VII. ADJOURNMENT OF MEETING**

There being no further business to discuss, President DeMeo adjourned the March Regular Meeting of the Fallbrook Public Utility District at 5:41 p.m.

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

ATTEST:

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

**M E M O**

**TO:** Board of Directors  
**FROM:** Aaron Cook, Engineering Manager  
**DATE:** April 26, 2021  
**SUBJECT:** Notice of Completion – 2.8MG Tank Recoating

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Purpose

To file a Notice of Completion for the 2.8MG Tank Recoating with the San Diego County Recorder.

Summary

The contract for 2.8MG Tank Recoating, Job Number 3147-28MG, was completed on March 31, 2021. The Contract was completed by Simpson Sandblasting. The final total contract amount was \$657,808.84. The original contract was awarded on November 19, 2020 in the amount of \$648,274. The final cost was higher than originally contracted due to additional electrical conduit and valves installed, as well as changes to the safety railing at the top of the ladder access.

Budgetary Impact

There is no budgetary impact to record the Notice of Completion. As noted, there were additional costs to complete the project, but the project costs are covered by the approved CIP budget.

Recommended Action

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

**RECORDING REQUESTED BY:**  
Fallbrook Public Utility District

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

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**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN THAT:

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

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

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

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

7. The work of improvement on the property hereinafter described was completed on **March 31, 2021**.
8. The name of the original contractor, if any, for the work of improvement was: **Simpson Sandblasting**  
The kind of work done or material furnished was for the **2.8MG Tank Recoating**
9. The property on which the work of improvement was completed is in the unincorporated area of Fallbrook, county of San Diego, state of California, and is described as follows: **2.8MG Reservoir**
10. The street address of the said property is: **Donnil Lane, Fallbrook CA 92028**

DATED: April 19, 2021

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Aaron Cook, Senior Engineer  
Fallbrook Public Utility District

**VERIFICATION**

I, the undersigned, say:

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

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

Executed on April 19, 2021, at Fallbrook, California.

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Signature

**M E M O**

**TO:** Board of Directors  
**FROM:** Aaron Cook, Engineering Manager  
**DATE:** April 26, 2021  
**SUBJECT:** Notice of Completion – Sewer Mainline Relining

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**Purpose**

To file a Notice of Completion for the Sewer Mainline Relining with the San Diego County Recorder.

**Summary**

The contract for Sewer Mainline Relining, Job Number 3155-SMNR, was completed on March 31, 2021. The Contract was completed by Insituform Technologies LLC. The final total contract amount was \$106,961. The original contract was awarded on January 7, 2021 in the amount of \$106,961.

**Budgetary Impact**

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

**Recommended Action**

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

**RECORDING REQUESTED BY:**  
Fallbrook Public Utility District

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

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**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN THAT:

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

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

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

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

7. The work of improvement on the property hereinafter described was completed on **March 31, 2021**
8. The name of the original contractor, if any, for the work of improvement was: **Insituform Technologies, LLC**  
The kind of work done or material furnished was for the **Sewer Mainline Relining**
9. The property on which the work of improvement was completed is in the unincorporated area of Fallbrook, county of San Diego, state of California, and is described as follows: **Morro Road to Winter Haven Road**
10. The street address of the said property is: **Morro Road, Fallbrook CA 92028**

DATED: April 19, 2021

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Aaron Cook, Senior Engineer  
Fallbrook Public Utility District

**VERIFICATION**

I, the undersigned, say:

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

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

Executed on April 19, 2021, at Fallbrook, California.

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Signature

## MEMO

**TO:** Board of Directors  
**FROM:** Fiscal Policy and Insurance (FP&I) Committee  
**DATE:** April 26, 2021  
**SUBJECT:** Legal Damages and Interest Payment Received from the San Diego County Water Authority (SDCWA)

---

Purpose

Discussion on allocation of funds received from SDCWA related to legal damages and interest payments awarded to SDCWA from the Metropolitan Water District (MWD).

Summary

SDCWA has number of rate cases filed against MWD. Part of the rate cases from 2011 – 2014 were recently settled relative to Water Stewardship Rate (WSR) charges imposed by MWD on water SDCWA received from the Imperial Irrigation District (IID). The delivery of this water from the Colorado River was established as part of the Quantification Settlement Agreement (QSA). The courts determined that the WSR should not have been charged on these deliveries. This resulted in an overpayment from District customers to SDCWA and MWD of \$909,412.67. The amount was determined based on District non-TSAWR deliveries during the period, since TSAWR was getting a lower rate tied to MWD supplies that were allowed to be assessed the WSR.

Per the Board's request, the Fiscal Policy and Insurance Committee (Committee) has met and reviewed three different potential uses of the funds. The Committee's primary goal was to maximize the short and long term benefits of the funds to District rate payers. The three options considered are:

1. Reduce CY 2023 rate and charge increase
2. Enhance District Reserves – Adding to water reserve levels
3. Reduce loan amount for the Santa Margarita Conjunctive Use Project (SMCUP).

Option 1 provided some initial rate relief but offsetting ongoing costs with a one-time revenue just pushes the rate pressure into later years. The result is a weakened financial position over the 5-year in comparison to the other options. Option 2 enhanced reserves improves the District's financial position over the 5-year period but provided little rate relief due to the expected low investment earnings rate. Option 3 reduces the cost of water produced at the SMCUP over the near and long term by reducing the annual debt service expense for the plant. The annual reduction in debt service payments is approximately \$40,000 a year resulting in a savings of \$275,000 in interest expenses over the next 30-years. Option 3 outperforms Option 2 because the expected investment earnings rate is lower than the interest rate on the District's loan. In addition, Option 3 allows the District to lock these savings in.

Recommended Action

That the Board direct staff to use the funds to reduce the SMCUP loan by the amount of \$909,412.67 thereby reducing the long-term water costs paid by District Rate payers.



**M E M O**

**TO:** Board of Directors  
**FROM:** Engineering and Operations Committee  
**DATE:** April 26, 2021  
**SUBJECT:** Out of Agency Service Request

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**Description**

To provide water service to a parcel in Rainbow Water Municipal Water District's (RMWD) service area.

**Purpose**

The Parcel (APN 123-230-46) is located just outside the FPUD service area, but is more easily served from an existing FPUD water main. The nearest RMWD water main is over 200 feet from the property and on the opposite side of South Mission Road and Ostrich Creek. Extending RMWD's water main across Mission Road and the creek is cost prohibitive.

The District has a waterline directly adjacent to the North West corner of the property. Upon approval from both FPUD and RMWD boards, water service to this parcel can be provided by FPUD. This process has been used in the past for other parcels in similar situations.

See attached vicinity map and Covenant Regarding Connection to Water Facilities.

**Budgetary Impact**

No Budgetary impact.

**Recommended Action**

That the Board authorize staff to complete the Out of Agency Service Agreement to be recorded at the County Recorder's Office and provide a water service per standard procedures.

# **Attachment A**

**RECORDING REQUESTED BY:**

Fallbrook Public Utilities District

**WHEN RECORDED RETURN TO:**

Fallbrook Public Utilities District  
P.O. Box 2290  
Fallbrook, California 92088-2290

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**COVENANT REGARDING CONNECTION TO WATER FACILITIES**

THIS COVENANT is executed as of this \_\_\_\_ day of \_\_\_\_\_, 2021; by and between Redge D. & Marci T. Bendheim (“Owner”), Rainbow Municipal Water District (“RMWD”), and Fallbrook Public Utility District (“FPUD”) and is made with reference to the following facts:

**RECITALS**

- A. Owner is the record owner of fee title to that certain real property described as [APN 123-230-46-00], at the intersection of South Mission Road and Mission Creek Road in The County of San Diego, Fallbrook, CA 92028 (the "Property"), as depicted in Exhibit “A” and as described in Exhibit “B” both of which are attached hereto and by this reference incorporated herein.
- B. RMWD is a California Municipal Water District, and is a retailer of potable domestic water. The Property lies within the jurisdictional boundaries of RMWD; therefore, RMWD would normally be the local government agency providing water services to the Property.
- C. At the time this Covenant is recorded, RMWD has no existing water pipeline facilities close to the Property with which to provide water service to the Property, and it is not economically feasible for Owner to extend RMWD’s water pipeline facilities to enable water service to the Property.
- D. To provide water service to the Property, RMWD (by motion dated (t.b.d.), by unanimous vote) hereby agrees with FPUD (by approval on (t.b.d.), by a majority vote) for FPUD to provide domestic water service to the Property on an interim basis only. This interim basis will be in effect until either RMWD or Owner extends potable water pipeline facilities to within 100 feet of the Property to enable the provision of domestic water service to the Property by RMWD, at which point this agreement shall terminate.

**NOW THEREFORE**, the Owner hereby agrees, covenants and declares as follows:

1. Connection to RMWD Water Pipeline Facilities. If RMWD constructs water pipeline facilities that have the capability of providing water service to within 100 feet of the Property and if the Owner desires continued water service, the Owner shall be required to disconnect from FPUD and connect to RMWD's pipeline system. The Owner of the Property shall also be required to pay RMWD’s meter connection charges, annexation fees, development fees, infrastructure, and/or other appropriate administrative costs. All such obligations on the part of the Owner shall be due and payable upon notification from RMWD. Failure by the Owner of the Property to meet these obligations shall be cause to discontinue water service to the Property.

2. Covenant Does Not Create Right to Water Service. Owner hereby expressly acknowledges that this Covenant does not create any vested right to water service for the Property from RMWD or FPUD. Owner further expressly acknowledges that any development or use of the Property in reliance upon this Covenant is at Owner's own risk, and that neither RMWD nor FPUD shall have any liability related to Owner's development or use of the Property. The provision of water to the Property by RMWD or FPUD is dependent on satisfaction of the following additional conditions: (A) Owner's funding the construction of the necessary improvements to provide water service to the Property, (B) Owner's payment of the applicable connection fee for connecting the Property to existing water pipeline facilities, (C) Owner's compliance with all laws, whether federal, state or local, related to the development of the Property and the construction of the necessary improvements to provide water services to the Property; (D) Owner's compliance with all ordinances, policies, resolutions, regulations, and rules of the water purveyor serving the Property, (E) Recognition that the connection facilities shall be owned and maintained by the water purveyor who installs those facilities, and (F) Owner's full satisfaction of all applicable laws, rules, regulations, and standards.

3. Conditions of Service. Owner hereby expressly acknowledges that water service shall be conditioned upon the following provisions: (A) The service commitment is for a single domestic water service connection (meter), (B) Additional connections (meters) will not be provided if the Parcel is subdivided, (C) Water service will be terminated if the Owner of the Parcel terminates water service through formal notification or by failure to pay water-use invoices for three consecutive months, (D) Owner shall be responsible for the installation and maintenance of the private water line between FPUD's water meter and the described real property including acquiring any easement necessary, (E) Owner's compliance with the conditions set out in Section 2, above.

4. Indemnity. Owner hereby agrees to defend, indemnify and hold RMWD and FPUD and each of their respective officials, officers, directors, employees, agents and volunteers (collectively, the "Indemnified Parties") free and harmless from and against any and all claims, damages, losses, costs, expenses, obligations, damages, recoveries, deficiencies and liabilities, including interest, penalties, attorneys' fees, and costs (collectively referred to as "Liabilities") that the Indemnified Parties may incur relating to or in any way arising out of this Covenant, or the provision of water to the Property from FPUD. Owner's indemnification, hold harmless and defense obligation shall apply regardless of the negligence of the Indemnified Parties. Owner shall cooperate with and do whatever is necessary to protect Indemnified Parties from any such Liabilities. Owner shall defend Indemnified Parties, at Owner's own cost, expense, and risk, from any and all claims, demands, actions, causes of action, arbitration, mediations or other proceedings of any kind that may be brought or instituted against Indemnified Parties relating to or in any way arising out of this Covenant, or the provision of water to the Property pursuant to this Covenant. Owner and Indemnified Parties shall be jointly represented by legal counsel, unless there is a conflict of interest, and Owner shall pay Indemnified Parties' reasonable attorneys' fees and costs as they are incurred. RMWD shall be consulted regarding and approve the selection of legal counsel. Should separate legal counsel be necessary for Indemnified Parties, as determined by RMWD, Owner shall pay for the reasonable attorneys' fees and costs including expert witness fees, as such fees and costs are incurred and within thirty (30) days of receipt of an invoice, for Indemnified Parties' legal counsel in addition to Owner's own legal fees and costs. In all circumstances, Indemnified Parties reserve the right to retain their own attorneys. Owner shall not agree without Indemnified Parties' prior written consent to any settlement on Indemnified Parties' behalf. If Owner is obligated to defend Indemnified Parties pursuant to this paragraph, and fails to do so after reasonable notice from RMWD or FPUD, the Indemnified Parties may defend themselves and/or settle such claims, suit or assertion, and Owner shall pay to Indemnified Parties any and all Liabilities incurred in relationship with Indemnified Parties' defense and/or settlement of such proceeding. This Indemnification provision shall survive the expiration or termination of this Covenant.

5. Enforcement & Attorneys' Fees. The terms of this Covenant may be enforced by RMWD, FPUD, or its successor's or assigns. Should legal action be required in order to enforce or interpret the provisions of this document, the party prevailing in such action shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as its attorneys fees and costs.

6. Covenant Running with the Land. Owner, RMWD, and FPUD intend that this Covenant constitute a covenant that runs with the Property, and intend that it be binding upon each of their respective successors and assigns, including successor owners of the Property. This Covenant shall be perpetual and shall pass with the title to the Property, and every conveyance of an interest in the Property shall be deemed to have been made with reference to this Covenant.

7. Entire Agreement. This Covenant represents the entire agreement and understanding of the parties with respect to the matters described herein. Any modification of this document must be in writing and signed by all parties.

IN WITNESS WHEREOF, the Owner executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Owners:

\_\_\_\_\_  
Redge D. Bendheim (Owner) Date

\_\_\_\_\_  
Marci T. Bendheim (Owner) Date

Rainbow Municipal Water District:

\_\_\_\_\_  
Tom Kennedy, General Manager Date

Fallbrook Public Utility District:

\_\_\_\_\_  
Jack Bebee, General Manager Date

(Signatures must be notarized. Notary form attached.)

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 San Diego )

)

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_  
Signature of Notary Public

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 San Diego )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_  
Signature of Notary Public

## LEGAL DESCRIPTION

### EXHIBIT "A"

The following described property:

All that certain Real Property located in the County of **San Diego**, State of **California**, described as follows:

Parcel 1:

All that portion of the East half of the Northeast quarter of Section 7, Township 10 South, Range 3 West, San Bernardino Base and Meridian, in the County of San Diego, State of California, described as follows:

Beginning at the Northwest corner of said East half of the Northwest quarter of Section 7; thence along the West line of said East half South  $0^{\circ} 17'$  East 842.69 feet; thence North  $89^{\circ} 11'$  East 128.98 feet; thence South  $54^{\circ} 37' 30''$  East 62.07 feet; thence North  $88^{\circ} 33' 30''$  East 709.92 feet; thence North  $16^{\circ} 38'$  West 31.95 feet to the beginning of a curve concave to the East and having a radius of 550 feet; thence Northerly along said curve, 491.80 feet to the end thereof and the beginning of a curve concave to the West and having a radius of 232.76 feet; thence Northerly along said curve 92.45 feet to the Southerly line of the parcel of land conveyed to the San Luis Development Company, a Corporation by deed dated December 14, 1944 and recorded in Book 1804, Page 462 of Official Records; thence along said Southerly line of said parcel North  $76^{\circ} 15' 30''$  West 5.23 feet to the Southwesterly corner of said parcel, which point is on a curve concave to the West and having a radius of 240 feet and the radial line through said point bears South  $76^{\circ} 15' 30''$  East; thence Northerly along said curve and along the Westerly line of said parcel 106.56 feet to the end of said curve; thence tangent to said curve North  $11^{\circ} 41' 50''$  West 195.60 feet to the North line of said East half; thence along the North line of said East half South  $88^{\circ} 33' 30''$  West 952.10 feet to the point of beginning.

Excepting therefrom that portion thereof described as follows:

Beginning at a point on the West line of said East half of the Northwest quarter of said Section 7, distant thereon South  $0^{\circ} 17'$  East 342.69 feet from the Northwest corner thereof; thence along said West line South  $0^{\circ} 17'$  East 500.00 feet; thence North  $89^{\circ} 11'$  East 128.98 feet; thence South  $54^{\circ} 37' 30''$  East 62.07 feet; thence North  $88^{\circ} 33' 30''$  East, 150.05 feet to the East line of the West 20 acres of said East half of said Northwest quarter; thence along said East line North  $0^{\circ} 17'$  West 627.42 feet; thence South  $82^{\circ} 10' 10''$  West 170.33 feet; thence South  $65^{\circ} 14' 20''$  West 176.43 feet to the point of beginning.

Also Excepting therefrom that portion described as follows:

Commencing at the Northwest corner of said East half of the Northwest quarter; thence along the West line of said East half, South  $00^{\circ} 17'$  East 842.69 feet; thence North  $89^{\circ} 11'$  East, 128.98 feet; thence South  $54^{\circ} 37' 30''$  East, 62.07 feet; thence North  $88^{\circ} 33' 30''$  East, 150.05 feet to the East line of the West 20 acres of said East half of the Northwest quarter being the true point of beginning; thence along said East line, North  $0^{\circ} 17'$  West 617.32 feet to the center line of the 20 foot easement and right of way described under Parcel 2 in deed to Robert O. Briesacker, et ux, recorded October 7, 1957 as File No. 153059 of Official Records; thence along said center line as follows:

North  $78^{\circ} 56'$  East, 67.94 feet to the beginning of a tangent 50 foot radius curve concave Southwesterly; thence Southeasterly along said curve, 64.80 feet; thence tangent to said curve, South  $26^{\circ} 49'$  East, 243.00 feet; thence South  $06^{\circ} 34'$  East 267.03 feet to the beginning of a tangent 100 foot radius curve concave Northeasterly; thence Southeasterly along said curve, 140.73 feet; thence leaving said line of the land described in deed to Betty Jane Bowman recorded September 6, 1957 as File No. 136277 of Official Records; thence South  $88^{\circ} 33' 30''$  West along said line to the true point of beginning.



Also Excepting therefrom that portion lying within a strip of land 100.00 feet wide, 50.00 feet on each side of the following described centerline:

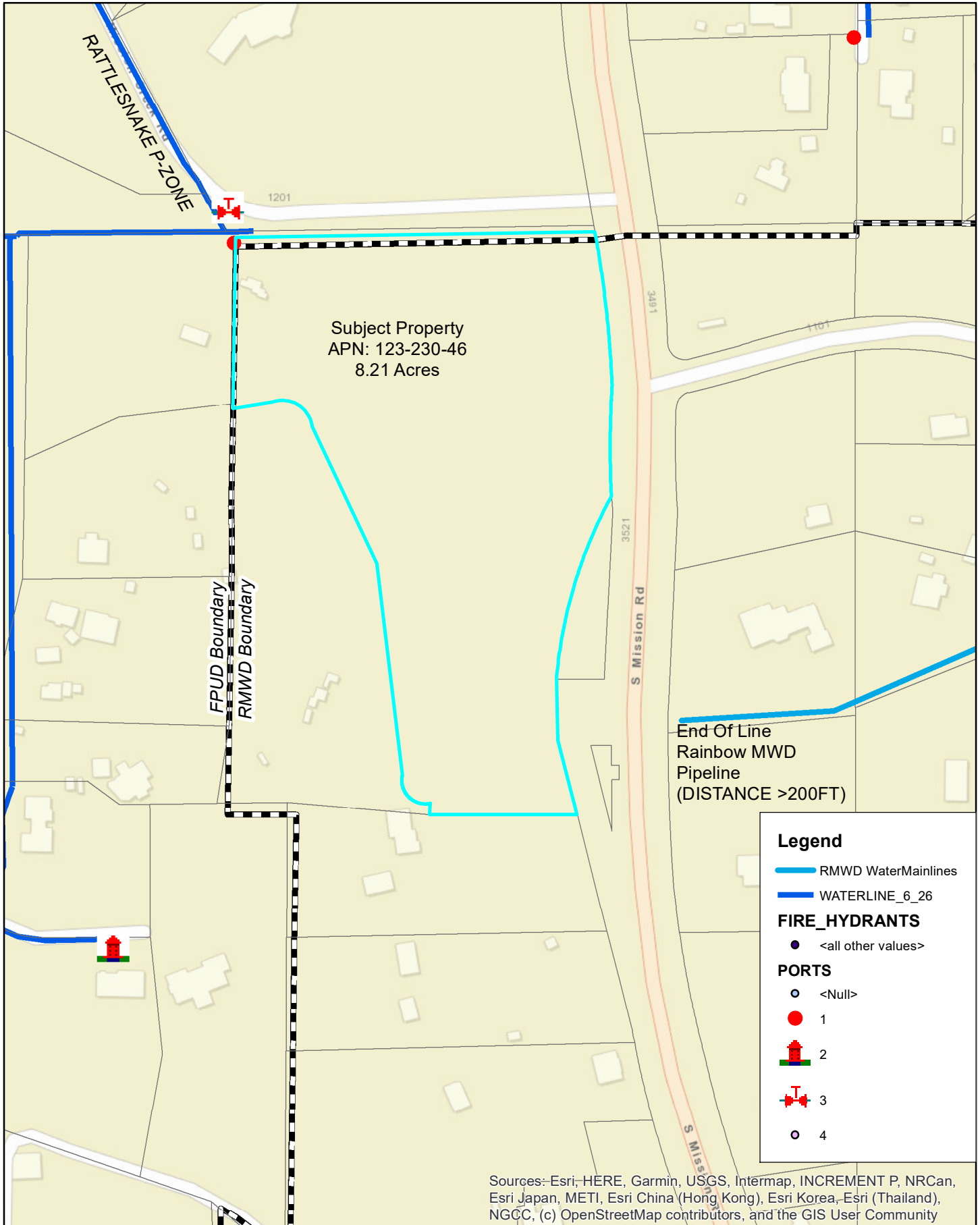
Beginning at Engineer's Station 1070+01.20 E.C. on the center line of former California State highway XI-SD-770, now CHC Mission Road 1-C. plats of which are on file in the office of the County Surveyor of said County; thence North  $24^{\circ} 27'$  West, 162.96 feet to the beginning of a tangent curve to the right having a radius of 2000 feet; thence Northerly along said curve through a central angle of  $26^{\circ} 20' 40''$  a distance of 919.59 feet; thence tangent to said curve North  $1^{\circ} 53' 40''$  East 318.01 feet to the beginning of a tangent curve to the left having a radius of 2000 feet; thence Northerly along said curve through a central angle of  $12^{\circ} 10' 45''$  a distance of 425.13 feet to a point on the South line of Lot 54 of Tract D, Rancho Monserate, according to map thereof No. 821, filed in the office of the County Recorder of said San Diego County, distant thereon South  $88^{\circ} 84' 30''$  West 361.62 feet from the Southeast corner of said Lot.

Parcel 2:

An easement and right of way for ingress and egress, road and utility purposes, including but not limited to electric power, telephone, gas, water, sewer and cable television lines and appurtenances thereto over, under, along and across the Southerly 60.00 feet of Parcel Map No. 6653, in the County of San Diego, State of California, filed in the Office of the County Recorder of San Diego County, December 15, 1977 as File No. 77-519192 of Official Records.



## **Attachment B**



123-230-46  
Out Of Agency Service Application

1 in = 200 ft



**M E M O**

**TO:** Board of Directors  
**FROM:** Personnel Committee  
**DATE:** April 26, 2021  
**SUBJECT:** Public Affairs Specialist Change to Full-Time Status

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Purpose

To obtain approval to change Public Affairs Specialist from a part-time to a full-time position, with an effective date of July 1, 2021.

Summary

The current Public Affairs Specialist's works a part-time schedule of 35 hours per week.

The additional 5 hours per week resulting from the change to a full-time schedule would serve partly to support the District's public outreach efforts to address water supply/water quality ahead of the start of local water production in early 2022, via the Santa Margarita River Conjunctive Use Project.

Budgetary Impact

While no change in salary is being proposed, there will be an annual increase in compensation of \$12,786.80 given the 5 additional hours per week, calculated as follows:

Current Hourly Pay Rate	Part-Time Hours (1820/year)	Full-Time Hours (2080/year)	Difference
\$49.18	\$89,507.6	\$102,294.4	\$12,786.80

Recommended Action

Staff recommends the Board approve the proposed change.

## MEMO

**TO:** Board of Directors  
**FROM:** Personnel Committee  
**DATE:** April 26, 2021  
**SUBJECT:** Proposed Reorganization and Associated Job Classification Changes

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### Purpose

To obtain approval for a proposed reorganization and the associated changes to the job descriptions for the Mechanical Technician, Plant Maintenance Worker, Senior Instrumentation and Controls Specialist, Instrumentation Electrical & Controls Technician I/II, System Operations Supervisor, Systems Operator I/II, and Operations Manager positions.

### Summary

The proposed reorganization, which is planned to take effect July 1, 2021, is to primarily address the operational and staffing needs of the Santa Margarita Groundwater Treatment Plant (SMGTP) which is expected to go into service in September/October 2021. Due to the fact the District will now be producing approximately 50% of their own water supplies versus purchasing imported water, additional staffing costs were projected as part of the SMGTP project and were included in the cost of water projections. Staff evaluated the most cost-effective approach and determined that instead of hiring new operators dedicated to the facility, it would be possible to shift some operator responsibilities to utility workers positions and re-structure the District's maintenance approach. This approach allows for optimizing utilization of higher cost System Operator positions and for two of the new positions to be lower cost Utility Worker positions, one in field services and another in valve maintenance. It also allowed for deletion of a higher cost Utility Technician position.

In total, this results in an overall addition in staffing of two positions as shown on the attached revised organizational chart and includes the following job description updates, job title changes and/or change in reporting:

- **Mechanical Technician to Senior Maintenance Technician** – This position, which currently reports to the Chief Plant Operator, will report to the SCADA, Electrical & Maintenance Supervisor. The job description has also been updated as shown in the attached.
- **Plant Maintenance Worker I/II to Maintenance Technician I/II** – This position, which currently reports to the Chief Plant Operator, will report to the SCADA, Electrical & Maintenance Supervisor. The job description has also been updated as shown in the attached.
- **Senior Instrumentation and Controls Specialist to SCADA, Electrical & Maintenance Supervisor** – This position will become a first-line supervisor and will

continue reporting to the Operations Manager. The job description has also been updated as shown in the attached.

- **Instrumentation Electrical & Controls Technician I/II** – This position’s job description has been updated as shown in the attached.
- **System Operations Supervisor** – This position’s job description has been updated as shown in the attached.
- **Systems Operator I/II to Systems Operator I/II/III** - This position’s job description has been updated as shown in the attached.
- **Operations Manager** – This position’s job description has been updated as shown in the attached.

Budgetary Impact

Most of the additional personnel costs associated with the proposed reorganization were projected as part of Santa Margarita River Conjunctive Use Project, with the total budgetary impact of all the proposed changes now being partially offset by the elimination of the Utility Technician position. The overall changes result in an initial annual salary cost of approximately **\$155,771** as shown in the table below:

CURRENT TITLE & SALARY	PROPOSED CHANGE	12-MONTH Cost/Savings
<b>Promotion and Reorganization</b>		
<b>Sr. Instrumentation &amp; Controls Specialist</b>	<b>SCADA, Electrical &amp; Maintenance Supervisor</b>	
Range 40, \$44.77-\$55.91/hourly \$93,121-\$116,292/annually	Range 44 = \$49.42-\$61.71/hourly \$102,793-\$128,356/annually	
*Incumbent's Actual = \$116,292/annually	*Incumbent's Promotion to Step H = \$122,179	\$5,886
<b>New Positions (3)</b>		
	Utility Worker - Field Services	\$72,738
	Utility Worker -Valve Maintenance	\$72,738
	Systems Operator	\$91,291
<b>Deleted Position (1)</b>		
	<del>Utility Technician</del> (Vacant Position Eliminated)	-\$86,882
<i>*All salary data effective as of 7/1/21 and includes 3% COLA</i>		
<b>TOTAL Approximate Salary Cost for 12 months</b>		<b>\$155,771</b>

The annual salary range for SCADA, Electrical & Maintenance Supervisor was arrived at based on a review and analysis of market data for comparable positions and ultimately determined given the District’s established classification/position salary ranges for FY 21-22.

Recommended Action

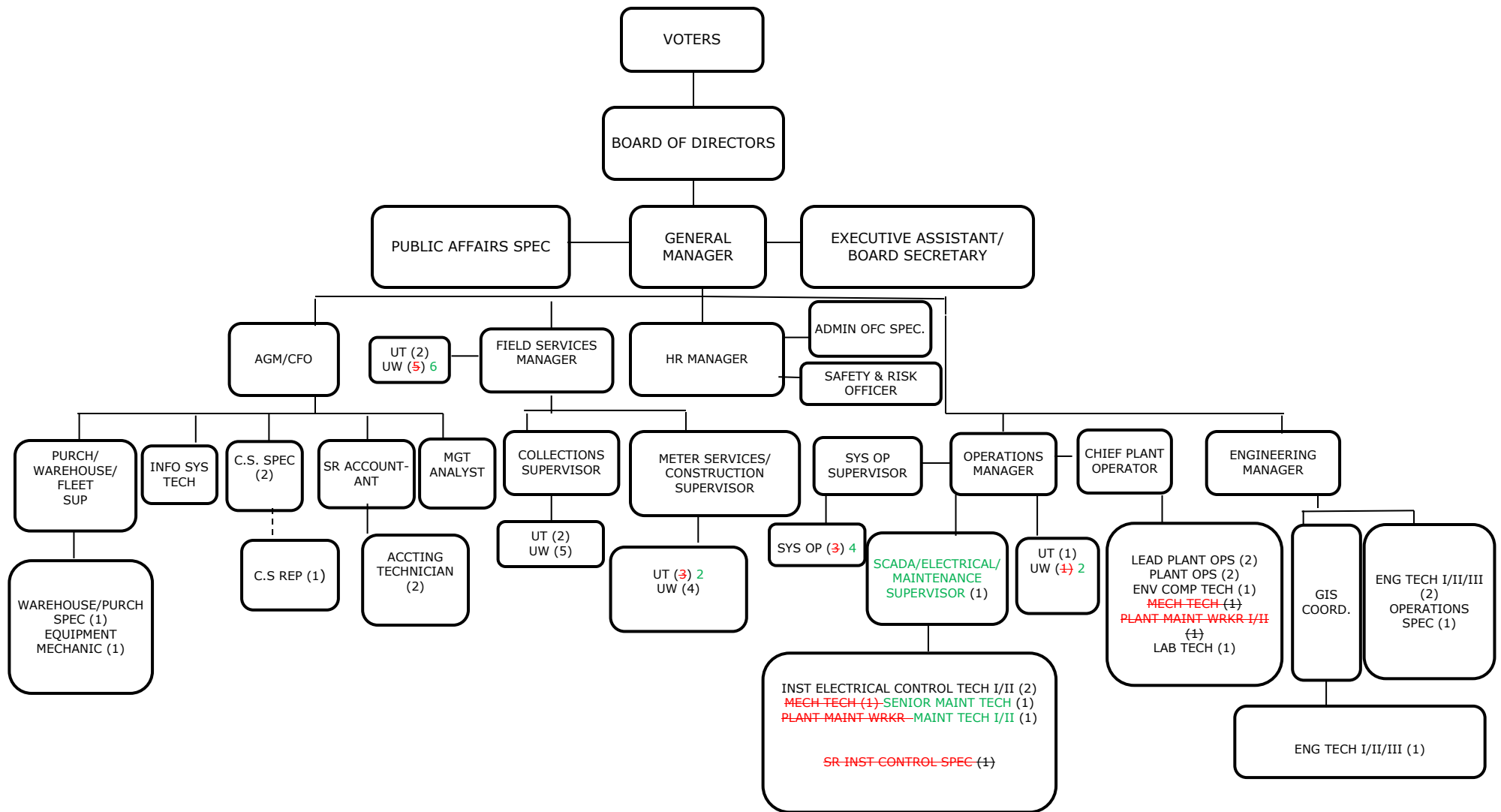
It is recommended that the Board approve the reorganization and the associated job description changes/updates, the salary range for the SCADA, Electrical & Maintenance Supervisor job classification, and the increase in total staffing from 67 to 69 positions.



**Attachment A  
(Proposed Org Chart)**

# FPUD Org Chart

Personnel Committee Mtg. 042021



~~67~~ 69 Total Positions

## **Attachment B**

**(Proposed Changes to Mechanical Technician Job Description)**

SENIOR MAINTENANCE TECHNICIAN  
MECHANICAL TECHNICIAN

MECHANICAL TECHNICIAN

SENIOR MAINTENANCE TECHNICIAN

**DEFINITION**

Under direction, works in the lead capacity in ~~the more complex and difficult work of staff responsible for~~ the installation, maintenance, inspection and servicing of mechanical equipment, components, machinery and facilities association with the pumping, storage and delivery of potable, reclaimed and wastewater; and performs related work as required. This job requires the incumbent to work closely with outside companies to identify and secure specialty parts and materials as needed.

**CLASS CHARACTERISTICS**

The ~~Mechanical Technician~~ Senior Maintenance Technician performs advanced level preventive and predictive mechanical maintenance, as well as mechanical installation and repair. Incumbents require little supervision and provides training and direction to the Maintenance Technician, and also direct the activities of the Plant Maintenance Worker. Incumbents are regularly assigned to train lower level personnel in the performance of specified work. ~~This position routinely~~ Incumbent coordinates work with other departments and work groups, as well as outside agencies, ~~and outside companies frequently.~~

Positions at this level perform work which has considerable variation and which requires the application of judgment in the selection of appropriate work methods, materials and procedures. Incumbents receive general instructions when tasks are assigned and are expected to determine the appropriate procedures and materials necessary to complete the project unless significant unanticipated problems are encountered. Incumbents at the Mechanical Technician-Senior Maintenance Technician level assign, check, guide, correct, train and participate fully in the work of subordinates. Incumbents do not hire, evaluate or discipline subordinates. Incumbents are expected to advise their ~~Chief Plant Operator or~~ supervisor of staff performance and/or problems observed.

**EXAMPLES OF DUTIES**

- Plans, leads, reviews the work of, and trains staff on the maintenance, operation, diagnostic testing, installation and repair of technical maintenance and repair involved in the District's boosters, water and wastewater treatment plants, sewage lift stations, wastewater collection systems and related support equipment, including the following: crane truck, multi-meters, mego meters, amp meters, and loop calibrator.
- Performs the installation of electrical and mechanical equipment including pumps, motors, valves, solenoids, timers;
- Generates purchase requisitions
- Installs and maintains mechanical seals, seal fluid filters, lighting fixtures, receptacles, switches, fuses, bearings and gaskets; ÷
- Coordinates and performs repair operations, equipment replacement and related special projects ~~as directed by supervisor;~~
- Maintains ~~records and prepares a variety of reports including time and supplies/materials. Also, maintains~~ and organizes preventative maintenance tasks in a computer maintenance management system (Cityworks); ÷
- Keeps maintenance shop organized and orderly;

SENIOR MAINTENANCE TECHNICIAN  
MECHANICAL TECHNICIAN

- ~~Participates in troubleshooting and maintaining standby power generation systems, transfer switches and related components;~~
- Provides maintenance support to ~~other~~ departments ~~such as Collections, Water, Systems and Construction when needed;~~ and work groups as needed.
- Maintains, repairs, and replaces all types of pumps, electric motors, gas and diesel engines, valves, and related mechanical equipment and appurtenances;
- Bends and installs electrical conduit and pulls wire for power above and below ground;
- ~~Ensures adherence to safe work practices and procedures;~~
- ~~Diagnoses well and booster pumping station operation using specialized tools and instrumentation;~~
- Troubleshoots pumps and motors and makes appropriate adjustments and repairs; inspects, maintains and repairs hydraulic and pneumatic systems; installs, modifies, inspects and maintains piping associated with and water pumping stations;
- Reads, understands, interprets and works from blueprints, plans, schematics, diagrams and maps as related to pumping stations and hydraulic control equipment;;
- ~~Performs confined space and permit required confined space entry as defined by the California Code of Regulations. Has designated authority to complete re entry checklists, perform atmospheric testing and evaluation of various entry conditions and situations;~~
- ~~Performs preventative mechanical maintenance by inspecting and cleaning equipment, changing out lubricating fluids, repacking bearings, adjusting and replacing belts, gear boxes, pistons, filters, valves, gaskets, and other related parts;~~
- Conducts equipment evaluation using diagnostic monitors such as alignment gauges, megor and vibration monitoring equipment and infrared thermal imaging devices;
- Performs corrective mechanical maintenance by troubleshooting cause of malfunction using visual inspection and precision measuring and testing instruments, and then replacing or repairing broken parts such as gauges, gaskets, plugs, coils, wires, bearings, valves, pistons, rings, crankshafts, and pumps;
- ~~Rebuilds equipment by disassembling, cleaning, and repairing mechanical malfunctions; reassembles and tests equipment to ensure that it is in proper working condition; installs and troubleshoots new electromechanical equipment and tests for proper operation;~~
- Responds to plant and field emergencies and problems as required as well as responds to after hour emergencies as able;
- Operates and maintains a variety of hand tools, power tools, pneumatic tools, and other equipment in the performance of assigned mechanical duties;
- ~~Defines and enters into a computer program the scheduled maintenance and repair;~~
- Performs field inventories and verifies equipment nameplate date; provides as-built changes on plans for records; and
- Performs other duties as assigned.

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**QUALIFICATIONS**

**Knowledge of:**

- Operations, services, and activities of both water and wastewater maintenance and repair;
- Welding methods, including types of metal, and reading and interpreting blue prints and drawings to determine the specific welding requirements;
- Principles of lead supervision and training;

SENIOR MAINTENANCE TECHNICIAN  
MECHANICAL TECHNICIAN

- Intermediate level of electrical and mechanical practices;
- Principles of preventive and predictive maintenance programs;
- Principles, methods, materials, tools and equipment required for installation, maintenance, diagnosing, and repair of potable and reclaimed water pumps, and operation and maintenance of booster pumping stations;
- Principles, methods, materials, tools and equipment used in the maintenance and repair of pumps, valves, pump drive gear heads, gear reduction boxes, engines, and motors;
- ~~Operational characteristics of both water and wastewater treatment plant systems and equipment;~~
- ~~Advanced methods and techniques of performing diagnostic troubleshooting services;~~
- ~~Operational characteristics of tools and equipment used in pump maintenance activities;~~
- ~~Principles of hydrology and hydraulics;~~
- ~~Proper procedures used in the maintenance and repair of hand and power tools;~~
- Operating characteristics of computers and applicable software applications;
- ~~Occupational hazards and standard safety practices;~~
- Tools, equipment and methods used in the repair and maintenance of pumps, valves and pipeline equipment; and
- Safety precautions pertaining to the work, particularly relating to the operation of basic electrical pumps and motors.

**Ability to:**

- Independently perform the most difficult maintenance, troubleshooting and repair activities on all types of designs of pumps, valves, electronic valve actuating equipment, and complex chemical injection systems.
- Weld, fabricate and cut metal for purposes of equipment modification and design at the water reclamation plant and for the District;•
- ~~Work independently to design solutions throughout the plant and District;~~
- ~~Perform a variety of tasks involving the installation, construction, maintenance and repair associated with booster pumps, pumping stations, sewer lift stations, and reservoirs;~~
- Troubleshoot, repair, and maintain a variety of ~~electrical/electro/~~ mechanical equipment in the water/wastewater treatment plants;
- ~~Accurately diagnose mechanical repair needs;~~
- ~~Operate a variety of maintenance and repair equipment in a safe and effective manner;~~
- ~~Test, make repairs to, and perform preventive maintenance on motors, pumps, valves and other equipment used in wastewater and water treatment plants;~~
- Read and understand technical manuals, blueprints, electrical diagrams and schematics, shop drawings, and sketches;
- Perform heavy manual labor;
- Perform assigned work in accordance with appropriate safety practices and regulations;
- ~~Maintain a variety of repair records;~~
- Work independently in the absence of supervision;
- ~~Understand and follow oral and written instructions;~~
- Communicate clearly and concisely, both orally and in writing;
- Use a computerized maintenance management system for scheduling, tracking and analyzing all work performed on equipment;
- ~~Comply with Cal-OSHA respirator facemask fit test requirements;~~

SENIOR MAINTENANCE TECHNICIAN  
MECHANICAL TECHNICIAN

- Use Self Contained Breathing Apparatus (SCBA); and
- Establish and maintain effective relationships with those contacted in the course of work.

**LICENSE AND CERTIFICATION**

- Possession of a valid and appropriate California driver's license;
- Possession of American Welding Society Certification at hire or within 6-months of hire.
- Possession of a Grade I Plant Maintenance Technologist certification at hire or issued by the CWEA within one year of hire;
- Possession of a Grade II (PM) Mechanical Technologist certification at hire or issued by the CWEA within two years of hire;
- Possession of a Grade I Wastewater Treatment Plant Operator certification is desirable.
- [Possession of a Water Distribution Grade 2 \(D2\) certificate is desirable](#)
- ~~[Water Distribution Operator Grade I certification is desirable.](#)~~

**EDUCATION, TRAINING AND EXPERIENCE**

[High school graduation or GED](#) and five years of increasingly responsible experience in the installation, maintenance and repair of pumps, and other major mechanical equipment common to a water/wastewater system.

**PHYSICAL DEMANDS**

- |           |  |
|-----------|--|
| Walking:  | Moves about on foot often through uneven terrain.  |
| Carrying: | Transports objects by holding them in hands or arms.   |
| Handling: | Seizes, holds or works with hands; specifically operating valves, adjusting control knobs, hand and power tools, computer, and calculator. |
| Lifting:  | Raises and lowers pumps, motors, hoses, and miscellaneous awkward objects.   |
| Reaching: | Extends hands and arms in any direction.   |
| Pulling:  | Manipulates hoses up to four inches in diameter and up to forty feet in length.  |
| Stooping: | Bends body downward and forward by bending at the knees or waist.  |
| Climbing: | Ascends and descends ladders up to 50 feet in height.  |
| Vision:   | Reads work tickets, meters, meter dials, reservoir levels, data sheets, video messages, scales and gauges and operates District vehicles.  |
| Sitting:  | Drives (often over rough terrain) and sits in District vehicles for up to four hours per day.  |
| Talking:  | Communicates by radio and in person.   |
| Hearing:  | Hears well enough to receive communication by radio and in person.   |

**PHYSICAL STRENGTH**

SENIOR MAINTENANCE TECHNICIAN  
MECHANICAL TECHNICIAN

Lifting: Up to ~~50~~100 pounds; infrequent exertion.

Dragging/Pushing: Up to 100 pounds; infrequent exertion.

**SALARY RANGE**

28 = No Certification

29 = American Welding Society Certification

30 = American Welding Society Certification and Wastewater Treatment Plant Operator Grade I

**OR**

30 = American Welding Society Certification and Water Distribution Grade ~~II~~

31 = American Welding Society Certification, Water Distribution Grade ~~II~~, and Wastewater Treatment Plant Operator 1



**Attachment C**  
**(Proposed Changes to Plant Maintenance Worker I/II Job**  
**Description)**

FALLBROOK PUBLIC UTILITY DISTRICT

~~PLANT MAINTENANCE WORKER~~ MAINTENANCE TECHNICIAN I/II

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**DEFINITION**

This series specification describes two classes which perform varied potable, recycled and wastewater maintenance and mechanical work; a variety of routine grounds maintenance and landscaping duties; building maintenance, and pump and motor maintenance~~and custodial duties~~; reads, records and reports readings; cleans and maintains ~~all plant~~ equipment along with ~~basic~~ repairs and performs related work as required.

**CLASS CHARACTERISTICS**

~~Plant Maintenance Worker I~~ Maintenance Technician I

The ~~Plant Maintenance Worker I~~Pump and Motor Tech~~Maintenance Technician I~~ learns and performs ~~manual labor in~~ the maintenance and mechanical tasks involving the use of hand tools and ~~high~~ motorized equipment; performs ~~groundskeeping~~grounds keeping and janitorial work and herbicide/pesticide application and tree trimming. Assists with routine maintenance of pumps, motors, and mechanical equipment. Receives on the job training in the specific duties and safety precautions of the unit. As the incumbent gains skills and performs more difficult work through experience, training and certification, and as a desired level of proficiency is reached, advancement to the Plant Maintenance Worker II~~Pump & Motor Tech II~~ class can reasonably be expected. Most incumbents should gain the skill, experience, certification and proficiency for advancement within two years with the District.

~~Plant Maintenance Worker~~ Maintenance Technician II

Positions at the ~~Pump & Motor Tech~~Maintenance Technician II level are regularly assigned to perform semiskilled and skilled ~~manual labor~~ tasks in the maintenance and operation of the ~~recycled and wastewater~~District's water and wastewater systems. Incumbents at this level operate a variety of light and moderately heavy equipment to perform routine maintenance and mechanical tasks. ~~Assists with routine maintenance of pumps, motors, and mechanical equipment.~~ Incumbents are assigned ~~to plant~~ maintenance where they are expected to have sufficient skill and knowledge to work productively and safely without constant direction and supervision. ~~Incumbents may be assigned to work independently or with a helper in the plant to to perform routine functions.~~

**EXAMPLES OF DUTIES**

~~Plant Maintenance Worker~~ Maintenance Technician I

- Installs and maintains ~~mechanical~~mechanical equipment and components including pumps, electric motors, valves
- Performs grounds keeping as needed, ~~landscape maintenance including mowing, weeding, weed-eating, edging, pruning, cutting, trimming, picking up trash, spraying herbicides, pesticides and fertilizing;~~
- Maintains and makes repairs to sprinkler systems;
- Performs basic maintenance of a complex primary/secondary and tertiary treatment systems;

## PLANT MAINTENANCE TECHNICIAN WORKER I/II

- ~~Performs basic mechanical maintenance at potable and wastewater facilities such as pump stations, lift station and solids handling. Performs basic maintenance of all auxiliary facilities such as potable water system, chemical handling, solids handling, pipeline conveyance, pumping stations, telemetry and industrial waste inspection;~~
- ~~Provides hands-on training on systems, equipment and safety items;~~
- ~~Prepares and/or reviews procedures, programs, logs, charts and reports;~~
- ~~Works safely to ensure plant compatibility during operations, maintenance or testing;~~
- ~~Performs general building and plant custodial duties including minor repairs as directed; performs pick-up and delivery tasks interfacing with public, hauls trash to landfill, unloads trash and performs vehicle maintenance/inspections;~~
- ~~Originates repair requests/work orders and completes preventative maintenance on a variety of equipment across District sites to ensure equipment preventive maintenance procedures and systems improvement/modification tasks;~~
- ~~Performs standard operating procedures (SOPs) along with Preventive Maintenance procedures (PMs);~~
- ~~Cleans and paints equipment, valves and piping structures as required;~~
- ~~Operates dump trucks, tractors, boom trucks, and other such equipment to operate within plant compound;~~
- ~~Performs routine inspections of equipment, tanks, structures, air handling equipment, checking for damage, oil leaks, excessive noise or abnormal conditions and keeps supervisor informed of system status;~~
- ~~Assists other employees in the removal, repair, replacement, testing and servicing plant and pump station mechanical equipment, vehicles, meters, valves, piping, engines and related parts; and~~
- ~~Performs limited work on low voltage circuits using proper lockout/tagout procedures. Receives on the job training to perform qualified, specific tasks on de-energized high voltage circuits, and energized or de-energized low voltage circuits;~~
- ~~Performs under the direct supervision of a certified operator:~~
  - ~~Head works cleaning, including manual bar rake cleaning, dumping grit/rags, cleaning troughs with influent raw wastewater (may be required to stand in troughs with raw influent or treated water flows using proper safety gear), and cleaning airlift pumps of rags and debris;~~
  - ~~Pump primary and secondary scum pits;~~
  - ~~Rag removal from all tanks including head works, primary, secondary, activated tanks, digester tanks, belt press drums, belt press static mixer, tertiary flocculation tanks, and tertiary filters;~~
  - ~~Performs hose down cleaning to all plant processes, including any odorous sewage or chemical spills. Cleans up any sludge overflow or spill;~~
  - ~~Assists in cleaning/flushing any clogged pipelines containing raw influent to treated recycled water or sludge lines;~~
  - ~~Performs cleaning duties in confined space tanks;~~
  - ~~Will assist in maintaining and setting up odor control equipment;~~
  - ~~Pump sludge to sludge drying beds;~~
  - ~~Clean out dried sludge from sludge drying beds with tractors;~~
  - ~~Performs rounds and readings, assist with chlorine deliveries, turn on pumps and motors when directed; and~~

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## PLANT MAINTENANCE TECHNICIAN WORKER I/II

- Performs other duties as assigned.

### ~~Plant Maintenance Worker II~~ Maintenance Technician II

◆ In addition to all duties of the ~~Plant Maintenance Worker Maintenance Technician I~~, the ~~Plant Maintenance Worker~~ Maintenance Technician II shall:

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- Troubleshoot and repair pump and motor bearings, seals, pump packing, seal water lines, motor couplings, motor alignments, chemical pumps, double disc diaphragm pumps, aeration blowers, valves and pipe repairs;
- Pulls pumps and motors;
- ◆ ~~Fill out required paperwork to send in for repairs;~~
- ◆ ~~Oversee the lockout/tag-out system;~~
- ◆ ~~Be confined space trained along with being chemically trained on the following chemicals: chlorine, caustic soda, alum, polymer, bioxide and any other chemical the worker may come in contact with (must know how to read an MSDS sheet);~~
- Performs moderately difficult operation of light, medium and heavy construction equipment such as a backhoe, man lift, front loader, small crane and trailer;
- Receives on-the-job training in more difficult equipment operations;
- ◆ ~~In conformance with plant operators lays out tools, parts and materials in accordance with the demands of the job;~~
- Performs tasks in proper sequence and without direction;
- ◆ ~~Detects on the job problems and seeks direction;~~
- Performs semi-skilled and skilled manual tasks to check, test, troubleshoot, service, repair, rebuild, install and align facility and pump station pumps, electrical motors, air compressors, drive units and gear boxes, tank chains, sprockets, skimmers and center columns; and
- Disassembles, inspects, determines damage, reoccurrence of similar failures and recommends improvements to preventative maintenance schedules, items of work, etc.; and
- ◆ ~~Performs other duties as assigned.~~
- ◆ ~~Gives routine on the job training to co-workers;~~
- ◆ ~~Advises co-workers on safety procedures;~~
- Notifies the plant operators/supervisor of safety hazards;
- ◆ ~~May be assigned to carry out scheduled work independently or with a helper.~~

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### QUALIFICATIONS

#### ~~Plant Maintenance Worker I~~ Maintenance Technician I

##### Knowledge of:

- Common grounds keeping tools and methods;
- ◆ ~~Basic custodial tools and methods;~~
- Proper use of tools and equipment used in the repair and maintenance of pumps, electrical motors, valves, and pipeline equipment;
- Basic English usage, oral and written; and
- ◆ Basic safety practices, including lockout/tagout procedures.

## PLANT-MAINTENANCE TECHNICIAN WORKER I/II

### Ability to:

- Operate grounds keeping equipment;
- ~~Apply herbicides and pesticides;~~
- Perform custodial duties;
- Operate a vehicle observing legal and defensive driving practices;
- Use tools and make repairs to pumps, electrical motors, valves and motors;
- Make accurate inspections of operating equipment, and assess the basic operational condition of the water, wastewater and recycled water equipment;
- Understand and carry out oral and written instructions;
- Maintain accurate records;
- ~~Work independently;~~
- Recognize unusual or dangerous basic operating conditions and take rapid appropriate action;
- ~~Work in odorous areas for long periods of time;~~
- Move heavy hoses and pumps from various tanks to pump out flows, then clean out debris, grit and sludge in each tank; and
- Establish and maintain effective relationships with those contacted in the course of work.

## ~~Plant Maintenance Worker II~~ Pump & Motor Tech ~~Maintenance Technician II~~

### Knowledge of:

- In addition to the knowledge of a ~~Plant Maintenance Worker I~~ Maintenance Technician I:
  - Maintenance recordkeeping procedures;
  - Variety of valves;
  - Basic ~~mathematics~~ application to the water/wastewater trade;
  - ~~More intermediate~~ Knowledge of ~~t~~ools, equipment and methods used in the repair and maintenance of pumps, electric motors, valves and pipeline equipment; and
  - Safety precautions, including lockout/tagout procedures, pertaining to the work, particularly relating to the operation of basic electrical pumps and motors; and
  - Basic understanding of pumps, motors, valves and pipelines equipment
  - ~~Basic principles of hydrology and hydraulics;~~

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### Ability to:

- In addition to the ability of a ~~Plant Maintenance Worker I~~ Maintenance Technician I:
  - Work productively on varied tasks without immediate supervision and guidance;
  - Perform semiskilled and limited skilled work in potable, recycled and wastewater maintenance and mechanical work;
  - Use hand tools skillfully;
  - Operate light, medium and heavy equipment effectively in standard operations;
  - Troubleshoot water, wastewater and recycled water maintenance and mechanical problems.

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PLANT MAINTENANCE TECHNICIAN WORKER I/II

**LICENSE AND CERTIFICATION**

- Possession of a valid and appropriate California driver's license.
- Plant Maintenance Technologist I certification
- Wastewater Treatment Plant Operator I
- (PM) Mechanical Technologist II certification (PMW II)

**EDUCATION, TRAINING AND EXPERIENCE**

Plant Maintenance Worker I Pump & Motor Tech Maintenance Technician I

High school graduation or GED and one year of entry-level experience performing grounds keeping and routine building maintenance work involving the use of hand tools and the performance of strenuous manual labor. and

Plant Maintenance Worker II Pump & Motor Tech Maintenance Technician II

High school graduation or GED three years of responsible and varied experience in the installation, maintenance and repair of a wastewater and/or recycled water system; or three years' experience at or equivalent to the level of Plant Maintenance Worker I Maintenance Technician I at Fallbrook Public Utility District from which the incumbent has acquired the knowledge and abilities listed above.

**PHYSICAL DEMANDS**

- Walking: Moves about on foot often through uneven terrain.
- Carrying: Transports objects by holding them in hands or arms.
- Handling: Seizes, holds or works with hands; specifically operating valves, adjusting control knobs, hand and power tools, computer, and calculator.
- Lifting: Raises and lowers pumps, motors, hoses, and miscellaneous awkward objects.
- Reaching: Extends hands and arms in any direction.
- Pulling: Manipulates hoses up to four inches in diameter and up to forty feet in length.
- Stooping: Bends body downward and forward by bending at the knees or waist.
- Climbing: Ascends and descends ladders up to 50 feet in height.
- Vision: Reads work tickets, meters, meter dials, reservoir levels, data sheets, video messages, scales and gauges and operates District vehicles.
- Sitting: Drives (often over rough terrain) and sits in District vehicles for up to four hours per day.
- Talking: Communicates by radio and in person.
- Hearing: Hears well enough to receive communication by radio and in person.

PLANT MAINTENANCE TECHNICIAN WORKER I/II

**PHYSICAL STRENGTH**

Lifting: Up to 1050 pounds; infrequent exertion.

Dragging/Pushing: Up to 100 pounds; infrequent exertion.

**ENVIRONMENTAL CONDITIONS**

Noise: Works in conditions with constant or intermittent noise.

Temperature/Weather: Works outside with variations of temperature and weather.

This position may include periodic to frequent disagreeable working conditions including odorous environment, dirt, fumes, vibration, heat, cold, dampness, sewage, wastewater solids and hazardous chemicals.

**PROTECTIVE DEVICES REQUIRED**

Hard hat, gloves, safety shoes, District uniform, respirator, hearing protection, safety glasses, chemical suits, rain gear and seat belt.

**SALARY RANGE**

Plant Maintenance Worker I Maintenance Technician I

15 = No Certification

16 = Plant Maintenance Technologist I

17 = Plant Maintenance Technologist I + Wastewater Treatment Plant Operator I

Plant Maintenance Worker II Maintenance Technician II

18 = No Certification

19 = Plant Maintenance Technologist I + Wastewater Treatment Plant Operator I

20 = (Pm) Mechanical Technologist II, + Wastewater Treatment Plant Operator I

21 = (Pm) Mechanical Technologist II, Wastewater Treatment Plant Operator I + Other

**Attachment D**  
**(Proposed Changes to Senior Instrumentation and Controls**  
**Specialist Job Description)**



## SCADA, ELECTRICAL, MAINTENANCE SUPERVISOR SENIOR INSTRUMENTATION AND CONTROLS SPECIALIST

### DEFINITION

Under the direction of the ~~System Operations Manager, or his delegate,~~ plans, supervises, and reviews the work of staff performing mechanical, electrical, instrumentation, and SCADA maintenance, repair, and installation. This position performs a variety of advanced installation, maintenance, troubleshooting and repair of process instrumentation, telemetry equipment and SCADA systems. This position is responsible for coordinating activities related to the development, implementation, and maintenance of the District's SCADA Systems.

### CLASS CHARACTERISTICS

This management level position provides first level supervision, technical assistance, and training to staff. The incumbents are accountable for supervising assigned personnel, and monitoring and directing day-to-day activities. Duties and responsibilities are carried out with considerable independence within the framework of established policies, procedures and guidelines. This position Senior Instrumentation and Controls Specialist performs advanced level installation, maintenance, troubleshooting and repair of process control equipment instrumentation, telemetry equipment and SCADA systems and programs and troubleshoots PLCs and RTUs. Under minimal supervision the incumbent leads lower level employees in advanced level installation, maintenance, troubleshooting and repair of process instrumentation, telemetry equipment and District's SCADA system. Incumbents are regularly assigned to assist lower level personnel in the performance of specified work. Positions at this level perform work which has considerable variation and which requires the application of judgment in the selection of appropriate work methods, materials and procedures. Incumbents receive general instructions when tasks are assigned and are expected to determine the appropriate procedures and materials necessary to complete the project unless significant unanticipated problems are encountered.

### EXAMPLES OF DUTIES

- Participates in the selection and training of assigned personnel; plans and evaluates the performance of assigned personnel; establishes performance requirements and personal development targets; regularly monitors performance and provides coaching for performance improvement and development; takes disciplinary action to address performance deficiencies in accordance with personnel policies and rules.
- Provides day-to-day leadership and works with staff to ensure a high-performance, customer ~~service~~ service-oriented service-oriented work environment which supports the District's goals and objectives.
- Participates in the preparation of operating budget recommendations, authorizes the purchase of materials and monitors work activities and expenditures to control costs.
- Schedules, coordinates, supervises, and participates in the work of personnel performing a wide variety of skilled tasks in the operation, installation, repair, troubleshooting, and maintenance of the District's SCADA systems, instrumentation and controls, electrical, and mechanical equipment.
- Responsible for maintaining the integrity and continual operation of District SCADA systems, and related communications networks, including wide area and wireless networks. Maintains SCADA system software, hardware, instrumentation, alarm and notification systems to ensure continuous reliability, availability, security, and real-time operating environment;
- Coordinates the execution and assessment of assigned preventive maintenance programs and instrumentation calibration procedures to ensure infrastructure reliability;
- Participates in the development and implementation of process control automation improvements, engineering and architecture designs, programming standards, and specifications for the SCADA System, servers, communication networks, instrumentation and backup systems;

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## SENIOR INSTRUMENTATION AND CONTROLS SPECIALIST/SCADA/ELECTRICAL/MAINTENANCE SUPERVISOR

- Assists with the oversight of the CMMS system, creates service orders and work orders, monitors work progress, ~~and generate reports, and ensures the completion of preventative maintenance work orders and service requests;~~
- ~~Ensures the completion of preventative maintenance work orders and service order requests;~~
- ~~Leads and gives direction to the Instrumentation, Electrical and Controls Technician III in the installation, troubleshooting, maintenance and repair of electrical and electronic instrumentation systems associated with the production, treatment, storage, transmission and distribution of potable and reclaimed water, the collection of wastewater, and any other related duties as assigned;~~
- ~~Assists in the development of SCADA screens and control interfaces for the purpose of controlling and monitoring operational processes and field equipment, and makes changes to existing application software to improve or expand the systems' performance;~~
- ~~Troubleshoots and corrects SCADA programming problems and writes programs for new or expanded SCADA functions;~~
- ~~Assists in the development, design, and implementation of new computer programs as required;~~
- Reviews and interprets electrical and electronic schematics, piping and instrumentation drawings, instrument loop diagrams, electrical elementary drawings, wiring diagrams, network diagrams, and construction drawings ~~relating as they relate to the SCADA system~~ process control;
- ~~Installs, tests, troubleshoots, calibrates, performs preventative maintenance, and repairs a variety of telemetry and instrumentation systems and components associated with water and wastewater treatment, and water distribution and wastewater collections;~~
- Coordinates support of capital projects in the design, engineering construction and startup of new and modified ~~automation and control systems~~ process control with the District staff. Evaluates and recommends capital projects to the Operations Manager;
- ~~Makes recommendations and installs a variety of equipment and software; upgrades and modifies existing systems in accordance with procedural guidelines;~~
- ~~Purchases, installs, maintains, and disposes computing and communication devices, hardware, and software;~~
- Reviews equipment maintenance histories and cost to determine repair, rebuild, overhaul and replacement needs; assesses the viability of improving facilities equipment and design requirements; makes recommendations to the Operations Manager;
- Trains staff on related products, hardware/software and technology and provides technical assistance and support to users and demonstrates system operations or techniques as needed; and
- Performs other duties as assigned.
- ~~Maintains current knowledge of industry standards and technology trends. Researches and evaluates new technology for potential benefit to the District as requested; and~~
- ~~Writes service requests and work orders, drafts reports or summaries of work required or work completed.~~

### QUALIFICATIONS

#### Knowledge of:

- Principles and practices of employee supervision
- Personal computers and network systems;
- Programmable Logic Controller (PLC) and SCADA preferred;
- Software documentation processes and procedures; Process control equipment Instrumentation used in the water/wastewater industry;
- CMMS/EAM practices and procedures
- Applicable codes and regulations;
- Installation, repair and maintenance of a wide range of mechanical, electrical and electronic equipment;

**SENIOR INSTRUMENTATION AND CONTROLS  
SPECIALIST/SCADA/ELECTRICAL/MAINTENANCE SUPERVISOR**

- Mathematic principles applicable to the electrical and electronic trades;
- Proper methods, materials, tools and equipment used in the electrical and electronic trades;
- Proper use of hand and portable power tools;
- English usage, oral and written;
- Principles and procedures of recordkeeping;
- Word processing and spreadsheet software;
- Appropriate safety precautions, procedures, practices and regulations;
- Networks (LAN), Wide Area Networks (WAN), wireless networks and telecommunication systems; and
- Window server systems and technologies such as virtualization, desktop applications, IP switching and routing, video surveillance systems and network security.

**Ability to:**

- Learn and understand complex technologies;
- ~~Understand water and wastewater systems as they apply to design and implementation of SCADA and related systems;~~
- Perform skilled diagnosis on process control systems, instrumentation/SCADA diagnosis and repair work; Program PLCs, RTUs and HMIs;
- ~~Install interior and exterior wiring for equipment and specialized circuitry for SCADA equipment;~~
- Plan and lay out assigned tasks according to priority;
- Operate all electrical and electronic test equipment, including meggers, ammeters, voltmeters, multi-meters, oscilloscopes, calibrators and signal generators;
- Update and maintain CMMS/EAM work orders, service requests, and scheduling;
- Work from technical manuals, shop drawings, wiring diagrams, blueprints, schematics, rough sketches, plans, specifications and catalogs;
- ~~Operate assigned equipment as required;~~
- Operate a vehicle observing legal and defensive driving practices;
- Understand and carry out oral and written instructions; Communicate clearly and concisely, both orally and in writing; and
- Establish and maintain effective relationships with those contacted in the course of work.

**LICENSES AND CERTIFICATION**

- Possession of a valid and appropriate California driver's license;
- Possession of certification as a Grade III Electrical/Instrumentation Technologist (EIT) from the California Water Environment Association (CWEA) or Grade II Certified Control Systems Technician (CCST) from the Instrument Society of America (ISA) within two years of hire;
- Possession of certification as a Water Distribution Operator, Grade I (D1) or Water Treatment Operator, Grade I (T1) within one year of hire;
- Possession of certification in SCADA, National Electrical Code Training, Electrical Apprenticeship Program, Industrial Electricity and/or Electronics are highly desirable.
- Computerized Maintenance Management System (CMMS) certification highly desirable.

**EDUCATION, TRAINING AND EXPERIENCE**

- ~~Five (5) or more years of experience in general electrical and instrumentation maintenance and repair, preferably in a utility, industrial, or manufacturing operation, to include specialized training in electrical, instrumentation, SCADA/telemetry, and computer theory.~~
- An associate's degree with major coursework in electrical/instrumentation maintenance, electrical

**SENIOR INSTRUMENTATION AND CONTROLS  
SPECIALIST/SCADA/ELECTRICAL/MAINTENANCE SUPERVISOR**

or mechanical engineering, or closely related field. A bachelor's degree is highly desirable.

- Five years of experience, of which two years include a senior or leadership role, in general electrical and instrumentation maintenance and repair, preferably in a utility, industrial, or manufacturing operation.

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**PHYSICAL DEMANDS**

- Walking: Moves about on foot often in confined spaces and over grating.
- Carrying: Transports objects by holding them in hands or arms.
- Hands/Arms: Operates electrical and computerized instrumentation; operates hand and power tools.
- Handling: Seizes, hauls or works with hands.
- Lifting: Raises and lowers pumps, motors, and related items.
- Reaching: Extends hands and arms in any direction.
- Stooping: Bends body downward and forward by bending at the knees or waist often while digging with a shovel.
- Climbing: Up and down from roofs; ascends and descends ladders up to 50 feet in height; in and out of confined spaces.
- Vision: Reads work tickets, ID tags on pumps and motors, instruments gauges, operates District equipment and vehicles.
- Talking: Communicates by radio and in person in a noisy environment.
- Hearing: Hears well enough for safety in and around plant equipment.
- Sitting: Sits at workbench and in District vehicles.
- Standing: Up to two hours per day while monitoring instrumentation.

**PHYSICAL STRENGTH**

- Lifting: 75 pounds daily; frequent exertion.

**ENVIRONMENTAL CONDITIONS**

~~Noise: Works in conditions with almost constant noise.~~

~~Temperature/Weather: Works outside with variations of temperature and weather; works in confined spaces with heat and humidity.~~

~~This position includes frequent disagreeable working conditions including dirt, fumes, vibration, heat, cold, dampness, sewage, wastewater solids, confined spaces and hazardous chemicals.~~

**SENIOR INSTRUMENTATION AND CONTROLS  
SPECIALIST/SCADA/ELECTRICAL/MAINTENANCE SUPERVISOR**

**SALARY RANGE**

**44 – Associate’s Degree**

**45 – Bachelor’s Degree**

35 = No certifications

36 = ~~Electrical/Instrumentation Technologist II (EIT II) OR Certified Control Systems Technician II (CCST II)~~

37 = EIT II and D1 or T1

~~OR~~

37 = ~~CCST II and D1 or T1~~

38 = EIT III and D1 or T1

~~OR~~

38 = ~~CCST III and D1 or T1~~

40 = EIT III and D2 or T2

~~OR~~

40 = ~~CCST III and D2 or T2~~

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**SCADA, Electrical & Maintenance Supervisor - July 2021 Reorganization**

<u>Agency</u>	<u>Position Title</u>	<u>Experience Requirement</u>	<u>Education Requirement</u>	<u>Min</u>	<u>Max</u>	
Santa Margarita Water	Electrical Instrumentation Supervisor	10 years	Equivalent to associate's degree	\$ 109,391	\$ 150,797	
Eastern MWD	Electrical/SCADA Supervisor	6 years, with 2 years lead/supervisory	Completion of 12th grade. College level or advanced technical training desirable.	\$ 112,860	\$ 140,566	
Valley Center	SCADA IT Administrator	5 years	Bachelor's degree	\$ 100,919	\$ 135,239	← \$127,732
Vallecitos	Mechanical/Electrical Supervisor	4 years, with 2 years lead/supervisory	HS grad or equivalent	\$ 85,168	\$ 125,831	← \$124,633
Rancho Water District	Electrical Supervisor	3 years, with 2 years supervisory	Completion of 12th grade supplemented by electrical training	\$ 96,680	\$ 116,016	
<b>Mean (Arithmetic Average)</b>				<b>\$ 101,004</b>	<b>\$ 133,690</b>	
<b>Median (Middle of Data Set)</b>				<b>\$ 100,919</b>	<b>\$ 135,239</b>	
<b>FPUD - Proposed</b>	<b>SCADA, Electrical &amp; Maintenance Supervisor</b>	<b>5 years, with 2 years lead/supervisory</b>	<b>Associate's Degree</b>	<b>\$ 99,798</b>	<b>\$ 124,633</b>	<b>RANGE 44</b>
			<b>Bachelor's Degree</b>	<b>\$ 102,294</b>	<b>\$ 127,732</b>	<b>RANGE 45</b>

## **Attachment E**

**(Proposed Changes to Instrumentation Electrical and Controls  
Technician I/II Job Description)**

## **INSTRUMENTATION, ELECTRICAL AND CONTROLS TECHNICIAN I/II**

### **DEFINITION**

#### **Instrumentation, Electrical and Controls Technician I**

Under immediate supervision from the Senior Instrumentation and Controls Specialist, performs semi-skilled electrical work in the installation, modification, maintenance, repair, overhaul and adjustment of various District electrical equipment.

#### **Instrumentation, Electrical and Controls Technician II**

Under general direction from the Senior Instrumentation and Controls Specialist, performs specialized and skilled work in the design, construction, installation, calibration and maintenance of electrical and instrumentation equipment at District water and wastewater facilities, and to perform related work as required.

### **CLASS CHARACTERISTICS**

#### **Instrumentation, Electrical and Controls Technician I**

This is the entry-level position and is distinguished from the journey-level position by the performance of less than the full range of duties assigned to the II level. Incumbent works under immediate supervision while learning job tasks, progressing to general supervision as procedures and processes of assigned area of responsibility are learned.

#### **Instrumentation, Electrical and Controls Technician II**

This is the journey-level position that performs work which has considerable variation and requires the application of judgment in the selection of appropriate work methods, materials and procedures. The incumbent receives general instructions when tasks are assigned and is expected to determine the appropriate procedures and materials necessary to complete the project unless significant unanticipated problems are encountered.

The incumbent serves as the District's qualified electrical worker and performs a variety of skilled scheduled and unscheduled maintenance tasks which requires checking, servicing, lubricating, repairing, rebuilding and maintaining district-wide facility mechanical and electrical/electronic equipment. The incumbent is able to operate various ~~air, electric and~~ hand tools to ~~remove, repair and install pumps, motors~~ install, remove and repair and related electrical equipment. Incumbent also performs a full range of electronic and electrical service duties in the ~~maintenance, repair, installation, installation, maintenance,~~ and inspection of telemetry controls, instrumentation, ~~and~~ communication radio systems, PLC equipment and other Process Control Systems. Incumbent will use CMMS software to initiate and respond to work orders and service requests and monitor and track work progress.

### **EXAMPLES OF DUTIES**

#### **Instrumentation, Electrical and Controls Technician I**

- Installs, maintains, and repairs electrical mechanisms, panels, switches, motors, controls, power output, solenoids, voltage controls, high and low cutout alarms, relays and other electrical apparatus;



## INSTRUMENTATION, ELECTRICAL, AND CONTROLS I/II

- Installs, maintains and repairs control circuits, pressure switches, floats, underground cables, circuit breakers, medium and low voltage switches, capacitors, conductors, insulators, heating, ventilating and air conditioning equipment and various lighting fixtures;
- Reads and interprets electrical plans, specifications, blueprints and sketches;
- ~~Troubleshoot equipment Operates and maintains electrical instruments and tools;~~
- Runs conduit;
- Pulls, splices and terminates wiring;
- ~~Works on underground wiring in trenches;~~
- ~~Bends and shapes conduit to specifications;~~
- Operates power tools commonly used in electrical work;
- Follows established safety procedures; ~~and;~~
- Perform scheduled maintenance on electrical equipment as required by District maintenance program; and
- Performs other duties as assigned-

### **Instrumentation, Electrical and Controls Technician II**

- Serves as technical resource District-wide;
- Performs the most skilled maintenance/mechanical/electrical/electronic tasks, such as checking, testing, troubleshooting, servicing, repairing, rebuilding, calibrating, installing, and aligning mechanical/electrical/electronic facilities districtwide with such devices as frequency generators, voltmeters, oscilloscopes, multimeters, logic analyzers, meggers, ammeters, micro- computers, thermo-imaging devices, digital analyzers and other specialized test and repair equipment;
- Performs complex installation, maintenance and repair duties to the District's telemetry system, instrumentation, radio, telephone and electrical/electronic equipment;
- Reviews and modifies control logic to troubleshoot and maintain equipment
- Reviews drawings and material requests to determine compliance with the District's specifications based on local and national electrical and applicable codes;
- Recommends improvements to preventive maintenance schedule;
- Reads and interprets blueprints, schematics and wiring diagrams, and upon any revision, draws modifications made to the system;
- Recommends stores, tools and equipment purchases;
- Writes and completes service requests and work orders;
- Performs routine pump station duties including testing pressure and temperature switches, oil changes, lubrications and checking coupling alignments, motor AMP loads and pump output capacities;
- Drafts maintenance reports and procedures;
- Performs routine checks, oil changes, pump repacks, lubrications, cleaning and other preventive maintenance tasks on facility and pump station equipment and structures;
- Assists with installation of new equipment;
- Operates District vehicles and maintenance equipment; and
- Performs other duties as assigned

## **QUALIFICATIONS**

### **Instrumentation, Electrical and Controls Technician I**

#### **Knowledge of:**

- Electrical and mechanical installations in water utility and reclamation facilities;
- Methods, materials, tools and equipment used in electrical installation and repairs;
- Electrical and mechanical theory at a working level;
- Basic record keeping methods;
- Appropriate safety precautions and procedures, particularly as related to electrical, electronic and pump control equipment;
- Applicable codes and regulations;
- Shop mathematics applicable to the electrical and mechanical trade;
- English usage, spelling, grammar and punctuation; and
- Appropriate safety precautions, procedures, practices and regulations.

#### **Ability to:**

- Operate power and hand tools used in electrical installation and repair;
- Perform semiskilled electrical wiring, installation, repair and maintenance work;
- Perform mechanical installation work associated with the electrical trade;
- Work from diagrams, blueprints, plans and specifications;
- Work with low voltage circuits in accordance with safety standards;
- Climb and work safely at heights above the ground on ladders;
- Diagnose electrical problems;
- Read and understand written instructions in installation and maintenance manuals;
- Perform shop math applicable to the electrical and mechanical trades;
- Operate a vehicle observing legal and defensive driving practices;
- Follow established codes, policies, and guidelines;
- Perform work in accordance with safety regulations, guidelines and practices;
- Understand and carry out oral and written instructions;
- Communicate clearly and concisely, both orally and in writing; and
- Establish and maintain cooperative working relationships with all levels of employees and customers.

### **Instrumentation, Electrical and Controls Technician II**

#### **Knowledge of:**

- English usage and writing skills;
- Materials, tools, and equipment of wastewater plant, wastewater collection, water distribution, and electrical/electronic maintenance, installation and repair ;
- Local and national electrical codes applicable to the maintenance, installation, and repair involving

## INSTRUMENTATION, ELECTRICAL, AND CONTROLS I/II

- low voltage electrical equipment
- Programmable Logic Controllers (PLCs);
- Safety precautions of Industry and Construction Safety Orders;
- District regulations, procedures, rules and practices relative to wastewater plant, collection system and water distribution maintenance and operation;
- Mathematics at a journey level;
- Record keeping and report preparation;
- Applicable codes and regulations, including the National Electric Code;
- Operation and maintenance of pumps, motors, valves, compressors, and maintenance equipment; and
- Working level use of hand and power tools, mechanical and electrical test equipment.

### Ability to:

- Perform skilled mechanical and electrical/electronic installation, troubleshooting, repair and maintenance;
- Estimate materials for assigned projects;
- Read comprehend and interpret technical manuals, blueprints, and schematics;
- Prepare routine periodic reports of work performed and materials used;
- Perform manual labor and work in tight and confined spaces;
- Operate vehicle observing legal and defensive driving practices;
- Understand and carry out oral and written instructions;
- Establish and maintain effective relationships with those contacted in the course of work;
- [Troubleshoot Allen Bradley Ladder Logic](#); and
- [Troubleshoot 4-20 mA circuitry](#).

## LICENSES AND CERTIFICATIONS

### **Instrumentation, Electrical and Controls Technician I**

- A valid California driver's license;
- Possession of Grade I Electrical/Instrumentation Technologist from California Water Environment Association within six months of hire; and
- State of California Electrical Apprenticeship Certificate of Completion is desirable.

### **Instrumentation, Electrical and Controls Technician II**

- A valid California driver's license;
- Possession of Grade I Electrical/Instrumentation Technologist from California Water Environment Association at hire;
- Possession of Grade II Electrical/Instrumentation Technologist from California Water Environment Association at hire or within one year of hire;
- Possession of Grade I Mechanical Technologist from California Water Environment Association within six (6) months of hire; and
- State of California General Journeyman Electrician certification is highly desirable.

**EDUCATION, TRAINING AND EXPERIENCE REQUIREMENTS**

**Instrumentation, Electrical and Controls Technician I**

- High school diploma or G.E.D; and
- Two (2) years of experience performing installation, repair and maintenance of electrical equipment.

**Instrumentation, Electrical and Controls Technician II**

- High school diploma or G.E.D.;
- Formal education/training in college, vocational school, or industry-recognized apprenticeship program is desirable; and
- Four (4) years of increasingly responsible experience in the operation of a wastewater and/or water treatment plant maintenance program, or as an industrial electrician and/or electronic technician.

**PHYSICAL DEMANDS**

- Walking: Moves about on foot often in confined spaces and over grating.
- Carrying: Transports objects by holding them in hands or arms.
- Hands/Arms: Operates electrical and computerized instrumentation; operates hand and power tools.
- Handling: Seizes, hauls or works with hands.
- Lifting: Raises and lowers pumps, motors, and related items.
- Reaching: Extends hands and arms in any direction.
- Stooping: Bends body downward and forward by bending at the knees or waist often while digging with a shovel.
- Climbing: Up and down from roofs; ascends and descends ladders up to 50 feet in height;
- Vision: Reads work tickets, ID tags on pumps and motors, instruments gauges, operates District equipment and vehicles.
- Talking: Communicates by radio and in person in a noisy environment.
- Hearing: Hears well enough for safety in and around plant equipment.
- Sitting: Sits at workbench and in District vehicles.
- Standing: Up to two hours per day while monitoring instrumentation.

**PHYSICAL STRENGTH**

- Lifting: 75 pounds daily; frequent exertion.

**ENVIRONMENTAL CONDITIONS**

Noise: Works in conditions with almost constant noise.

Temperature/Weather: Works outside with variations of temperature and weather;  
works in confined spaces with heat and humidity.

**SALARY RANGE**

**Instrumentation, Electrical and Controls Technician I**

28 = MT I or EIT I

**Instrumentation, Electrical and Controls Technician II**

29 = MT II and EIT II

30 = MT II and EIT II

31 = MT II and EIT III + ~~OTHER~~

32 = MT III, EIT III + OTHER

**Attachment F**  
**(Proposed Changes to System Operations Supervisor Job Description)**

## FALLBROOK PUBLIC UTILITY DISTRICT

### SYSTEM OPERATIONS SUPERVISOR

#### DEFINITION

~~This supervisory position requires dual certification of treatment and distribution to uphold regulatory requirements.~~ Under the general direction of the Operations Manager, organizes and supervises treatment and distribution system operations staff; inspects, monitors and operates complex water production and treatment equipment necessary to maintain a safe and adequate water supply throughout the potable water system; performs a variety of technical and administrative support functions; and performs related duties as assigned. This position requires dual certification in water treatment and distribution.

#### CLASS CHARACTERISTICS

This is a first line supervisory position responsible for the routine operation of the water distribution and treatment systems, including supervising assigned staff. This position supervises the day-to-day operations of the UV Treatment Plant, Groundwater Treatment Plant, and the potable distribution system, and provides technical and hands-on support as needed.~~This single incumbent class is responsible for the first level supervision of operations crews and the day-to-day implementation of the District potable water, two separate UV and RO treatment facilities and disinfection systems, and distribution systems.~~

#### EXAMPLES OF DUTIES

- Supervises, trains and evaluates the performance of operators;
- Recommends selection, promotion and discipline of personnel;
- Counsels employees and processes informal and formal grievances;
- Establishes standards of performance;
- Prepares work schedules and work assignments;
- Mathematics applicable to water distribution operation, maintenance and construction;
- Prepares cost estimates and estimates of job materials and equipment;
- Checks and corrects work in progress and upon completion;
- Stays current with Federal, State, County and District regulatory issues and permits inherent with potable water treatment and distribution systems, such as the Safe Drinking Water Act;
- Responsible for completes reports for regulatory compliance;
- Represents the District in a professional manner through involvement with industry organizations and committees;
- Inspects, monitors, makes adjustments, troubleshoots and controls the more complex water production and treatment equipment;
- Drives a District truck in the course of daily duties;
- Assists others in the operation of production and treatment equipment;
- Starts and stops pumps according to readings taken from meters and gauges;
- Adjusts chemical injection as needed to maintain water quality under varying flow quantities;
- Checks tanks and distribution points for chlorine residuals and water turbidity;
- Communicates with agents of the San Diego County Water Authority in order to make adjustments to consumption rates;
- Monitors, operates, and maintains Cla-valves;
- Monitors, operates and troubleshoots the potable water distribution and treatment systems including chemical injection, pump station, tanks, reservoirs, flow and pressure control facilities, and the UV disinfection plant;

## System Operation Supervisor

- Monitors and operates the system remotely via SCADA;
- Performs limited maintenance on SCADA servers;
- Assists with making limited adjustments to the SCADA screens;
- Monitors, performs routine calibrations, and performs maintenance of water quality analytical equipment at the UV disinfection facility and the distribution system;
- Monitors, maintains, and troubleshoots the Calgon UV reactors and related equipment;
- Monitors the maintenance, calibration and troubleshooting of the UVT analyzers;
- Monitors UV reactor dosage output to comply with SWRCB DDW regulations;
- Schedules and ensures completion of the calibration and maintenance of water quality analytical equipment at the UV disinfection facility;
- Reviews water and wastewater system maps for accuracy;
- Listens to and responds to citizen complaints;
- Coordinates and directs emergency repair of pump stations, tanks, flow and pressure control facilities, chemical injection equipment, and the UV disinfection plant;
- ~~Supervises the monitoring, maintenance, and~~ Monitors the operation of the R.O. plant facility; and
- Performs other duties as assigned.

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### QUALIFICATIONS

#### Knowledge of:

- Federal, State, County and District regulatory issues and permits inherent with potable water treatment and distribution systems, such as the Safe Drinking Water Act;
- Equipment, materials and terminology used in the operation of pumps, motors, generators, valves and pressure devices;
- Control of water flow and pressures through gravity and pumping equipment;
- Theory and principles of electrically driven pumps;
- Methods of water distribution and treatment;
- Methods of chlorination, chloramination, fluoridation, water disinfection and testing;
- Mathematics applicable to water distribution operation, maintenance and construction;
- Principles, practices, and techniques relating to the operation, maintenance and development of SCADA based control systems, for operational purposes;
- Principles and practices of supervision staff;
- Computer software programs (email, MS Word and Excel);
- Appropriate safety precautions and procedures; and
- Principles and practices necessary in the operation of a water treatment facility including the operation and maintenance of ultraviolet treatment plant and reverse osmosis treatment plant equipment and machinery.

#### Ability to:

- Schedule and assign work relating to water treatment and distribution operations;
- Maintain accurate and complex logs and records;
- Exercise judgment in determining necessary water production flow rates, pressures and levels;



### System Operation Supervisor

- Predict effect of weather on water levels and distribution rates;
- Troubleshoot potable water treatment and distribution systems which requires an in-depth understanding of the systems;
- Inspect motors, pumps, water levels and pressures;
- Make adjustments to equipment in response to water demand and supply;
- Make adjustments to complex water treatment and disinfection equipment;
- Plan, budget and coordinate a variety of related activities while working closely with staff and outside vendors;
- Represent the District in a professional manner through involvement with industry organizations and committees;
- Operate a personal computer/computer remote terminal;
- Prepare written reports and cost estimates;
- Operate a vehicle observing legal and defensive driving practices;
- Understand and carry out oral and written instructions;
- Establish and maintain effective relationships with those contacted in the course of work; and
- Communicate clearly and concisely, orally and in writing.

#### **LICENSES AND CERTIFICATION:**

- Possession of a valid and appropriate California driver's license.
- Possession of certification as a Water Distribution Operator Grade IV (D4), or higher.
- Possession of valid certification as a certified Water Treatment Operator, Grade III (T3) or higher.
- Possession of current certification as HAZWOPER (Hazardous Materials Responder Training [24 hours]).

#### **EDUCATION, TRAINING AND EXPERIENCE:**

A high school diploma or GED; an associate's degree or certificate in water technology is strongly desired and three years of experience in potable water treatment and distribution and responsibility for regulatory compliance or equivalent to the level of systems operator in the Fallbrook Public Utility District from which the incumbent has acquired the knowledge and abilities listed above. Supervisory experience is desired.

#### **PHYSICAL DEMANDS**

- |           |   |
|-----------|---|
| Walking:  | Moves about on foot often through uneven terrain.   |
| Carrying: | Transports objects by holding them in hands or arms.  |
| Handling: | Seizes, holds or works with hands; specifically, operating valves, adjusting control knobs, hand and power tools, computer, and calculator. |
| Lifting:  | Raises and lowers pumps, motors, hoses, and miscellaneous awkward objects.  |
| Reaching: | Extends hand and arms in any direction.   |
| Stooping: | Bends body downward and forward by bending at the knees or waist.   |

System Operation Supervisor

- Climbing: Ascends and descends ladders up to 50 feet in height.
- Vision: Reads work tickets, meter dials, reservoir levels, data sheets, video messages, scales and gauges and operates District vehicles.
- Sitting: Drives, often through rough terrain and sits in District vehicles for up to four hours per day.
- Talking: Communicates by radio and in person.
- Hearing: Hears well enough to receive communication by radio and in person.

**PHYSICAL STRENGTH**

- Lifting: Up to 100 pounds; infrequent exertion.
- Dragging: Up to 200 pounds of dead weight.

**SALARY RANGE**

40

**Attachment G**  
**(Proposed Changes to System Operator I/II Job Description)**

FALLBROOK PUBLIC UTILITY DISTRICT

**SYSTEMS OPERATOR I/II/III**

**DEFINITION**

This series specification describes ~~three~~ dual certified system operations classes which perform a variety of skilled system operation and maintenance work on the potable distribution and treatment systems, ~~and repair work; and perform related work as required.~~

**CLASS CHARACTERISTICS**

Positions in the classes of System Operator I, ~~and II, and III~~ are differentiated by the level of certification, training, ~~and experience, and level of proficiency,~~ required to perform the assigned systems operation and maintenance duties. These positions perform a variety of tasks associated with the operation and maintenance of the District's distribution and treatment facilities including pump stations, tanks, reservoirs, pressure/flow control stations, UV Treatment Plant, and the Groundwater Treatment Plant.

**Systems Operator I**

This position performs limited or routine distribution and treatment duties under the supervision of the System Operations Supervisor or a designated Shift Operator. The System Operator I learns and performs system operations under close supervision of the System Operations Manager or his designate.

**Systems Operator II**

Under general supervision from the System Operations Supervisor, the System Operator II position monitors and operates the potable distribution and treatment systems. This position will be in direct charge of the operation of the water treatment and distribution systems for specified periods of the day. ~~is a journey level position that requires little supervision. This level is obtained through certification, training and experience.~~

**Systems Operator III**

Under general direction from the System Operations Supervisor, the System Operator III position monitors and operates the potable distribution and treatment systems. This position will be in direct charge of the operation of the water treatment and distribution systems for specified period of the day.

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**EXAMPLES OF DUTIES**

- Act as shift operator and be in direct charge of the operation of the water treatment and distribution systems for specified period of the day.
- Operates the District's potable treatment and distribution systems, both on-site and remote via SCADA, and makes key decisions regarding flow rate, system pressure, storage levels, chemical injection, ~~and~~ water quality, and treatment processes;
- Monitors, operates, and performs maintenance on pump stations, flow control facilities, pressure reducing facilities, tanks and reservoirs, chemical injection equipment, and water quality monitoring analyzers;
- Collects water quality samples and performs laboratory analysis for internal and external water quality compliance, and makes adjustments as needed to maintain adequate water quality and supply;
- Responds to customer service requests regarding flow rate, pressure, and water quality;

## SYSTEMS OPERATOR I/II/III

- Operates, monitors, and maintains pressure reducing/sustaining facilities, flow control facilities, and level control valves;
- Monitors reservoir levels and makes adjustments to valves to maintain the appropriate water levels and disinfectant residuals;
- Notifies supervisory or maintenance personnel of unusual or critical conditions, and creates service requests and work orders as-needed;
- Assists with planned and unplanned shutdowns, ~~and bypasses portions of the system during emergencies or planned maintenance;~~
- Follows established procedures for chemical disinfection application and safe handling;
- Calculates chemical disinfection usage and demands, makes feed rate adjustments;
- Completes documentation and reports required by regulatory agencies and the District;
- Monitors ~~the level of the Red Mountain Reservoir and adds copper sulfate to control algae;~~ makes adjustments to maintain water quality
- Monitor, maintains, and operates the UV Treatment Plant including the UV reactors, chemical injection equipment, and water quality analyzers;
- Monitors and adjusts UV reactor and chemical injection dosage to comply with state and federal regulations;
- Monitor, maintains, and operates the R.O. plant facility: Perform filter backwashes; Inspect plant equipment for proper performance; clean, paint, and calibrate water treatment equipment; and perform other related activities.
- Follows established procedures for the proper handling of chemical deliveries and ensure the appropriate uses for the treatment of potable drinking water.
- Journey level Operators will assist in the preparation of water quality compliance reports for internal and external reporting.
- ~~Assists the valve maintenance crew as needed;~~
- Performs stand-by/on-call duty as needed; and
- Performs other duties as assigned.

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## QUALIFICATIONS

### Knowledge of:

- Applicable Federal, State, and local laws, ordinances, regulations, and guidelines relevant to assigned duties.
- Operating concepts and complex, multi-faceted water ~~transmission-treatment~~ and distribution systems;
- ~~All water discharge permit conditions issued by regulatory agencies having jurisdiction, including but not limited to, the California Regional Water Quality Control Board, San Diego region, and state and local health departments;~~
- Operating principles of large ~~pumping equipment, associated motors and high voltage power systems;~~ pump stations, flow and pressure control facilities, and tanks.
- Principles and practices necessary in the operation of a water treatment facility including the operation and maintenance of Ultraviolet treatment plant and reverse osmosis treatment plant equipment and machinery.
- Record keeping requirements for both internal and regulatory reporting. ~~Operations record keeping procedures;~~

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## SYSTEMS OPERATOR I/II/III

- ~~The operation, capabilities, limitations, interrelationships and operating procedures of the District potable water distribution and treatment systems;~~
- Cla-valves, limitorque and a variety of valves;
- Complex ~~shop~~-mathematics applicable to water distribution and treatment;
- The operation and maintenance of chemical injection equipment and the safe handling of chemical disinfectants;
- Tools, equipment and methods used in the repair and maintenance of pumps, valves and pipeline equipment;
- English usage, oral and written;
- MS Word, Outlook, and Excel;
- Safety precautions pertaining to the work, particularly relating to the operation of large pumps and motors and high electrical voltages; and
- Basic principles of hydrology and hydraulics.
- Hazardous material and chemical safety requirements.

### Ability to:

- Perform skilled-level water systems operation work in the operation of potable and treatment distribution systems;
- Recognize unusual or dangerous operating conditions and take rapid appropriate action;
- Monitor and control pump station operations without readily available supervision;
- Maintain accurate records;
- Perform mathematical calculations related to the position;
- Troubleshoot potable water treatment and distribution system problems which require in depth understanding of the systems;
- Use tools and make repairs to pumps, valves and motors;
- Make accurate inspections of operating equipment;
- Operate a vehicle observing legal and defensive driving practices;
- Understand and carry out oral and written instructions; and
- Establish and maintain effective relationships with those contacted in the course of work.

### LICENSES AND CERTIFICATION

#### Systems Operator I

- Possession of a valid and appropriate California driver's license;
- Possession of certification as a Water Distribution Operator, Grade II (D2);
- Possession of certification as a Water Treatment Operator, Grade II (T2);

#### Systems Operator II/-& III

- Possession of a valid and appropriate California driver's license;
- Possession of certification as a Water Distribution Operator, Grade III (D3);
- Possession of certification as a Water Treatment Operator, Grade II (T2);
- ~~Certification of completion of an approved program in the operation and repair of Clay Automatic Valves is desirable.~~

### EDUCATION, TRAINING AND EXPERIENCE

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## SYSTEMS OPERATOR I/II/III

~~Any combination of training, education and experience which demonstrates possession of the knowledge and abilities stated above and the ability to perform the duties of the position.~~

~~A typical qualifying entrance background is journey level experience in the operation of a water and recycled water distribution system, including Cla valve operation, Cla valve and systems operation trouble shooting, and zone and valve adjustments to a system.~~

~~A typical qualifying entrance background is:~~

~~All positions listed require a high school diploma or GED.~~

- ~~Systems Operator I: This is the entry level position in the Systems Operator series. This position does not require significant previous work experience as a distribution or treatment operator, but at least 6 months of work experience in a closely related field is required, desirable.~~
- ~~Systems Operator II: This is the journey level position in the System Operator series. At least one year of related experience as a water distribution operator and/or water treatment operator. A Systems Operator II must have sufficient skills and knowledge, typically attained through a combination of formal training and on-the-job work experience, to operate the potable distribution and treatment systems and perform standby/on-call duties.~~
- ~~Systems Operator III: This is the advanced journey level position in the System Operator series. At least two years of related experience, preferably as a water distribution or water treatment operator. A Systems Operator III must have considerable skills and knowledge, typically attained through a combination of formal training and on-the-job work experience, to operate the potable distribution and treatment systems with minimal supervision and perform standby/on-call duties.~~

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### PHYSICAL DEMANDS

Walking:	Moves about on foot often through uneven terrain.
Carrying:	Transports objects by holding them in hands or arms.
Handling:	Seizes, holds or works with hands; specifically operating valves, adjusting control knobs, hand and power tools, computer, and calculator.
Lifting:	Raises and lowers pumps, motors, hoses and miscellaneous awkward objects.
Reaching:	Extends hands and arms in any direction.
Stooping:	Bends body downward and forward by bending at the knees or waist.
Climbing:	Ascends and descends ladders up to 50 feet in height.
Vision:	Reads work tickets, meter dials, reservoir levels, data sheets, video messages, scales and gauges and operates District vehicles.
Sitting:	Drives (often over rough terrain) and sits in District vehicles for up to four hours per day.
Talking:	Communicates by phone, radio and in person.

SYSTEMS OPERATOR I/II/III

Hearing: Hears well enough to receive communication by phone, radio and in person.

**PHYSICAL STRENGTH**

Lifting: Up to 100 pounds; infrequent exertion.

Dragging/Pushing: Up to 200 pounds; infrequent exertion.

**SALARY RANGE**

**Systems Operator I:**

22 – D2 or T2

23 – D2 and T2

**Systems Operator II:**

24a = D3 and T2

25a = D3, T2 + OTHER

**Systems Operator III:**

28a = D3 and T2

29a = D3, T2 + OTHER



**Attachment H**  
**(Proposed Changes to Operations Manager Job Description)**

## FALLBROOK PUBLIC UTILITY DISTRICT

### **OPERATIONS MANAGER**

#### **DEFINITION**

Under the general direction of the General Manager, performs management level duties to plan, organize and direct sections responsible for potable treatment and distribution, wastewater treatment and recycled water production; oversees departmental and capital improvement projects; develops and monitors budgets; plans and provides technical support; participates actively in the management team; and performs related duties as assigned.

#### **CLASS CHARACTERISTICS**

This position has managerial responsibility for the planning and administration of the sections responsible for potable water system operations, including treatment and distribution, and wastewater treatment. The incumbent exercises supervision over supervisory and technical positions including the Chief Plant Operator, Water Systems Supervisor, SCADA/Electrical & Maintenance Supervisor, and valve maintenance staff ~~in valve maintenance, instrumentation and controls, and electrical maintenance~~. This includes overseeing the operation of the UV Treatment Plant, the Groundwater Treatment Plant, the Water Reclamation Plant, and the potable distribution system.

#### **EXAMPLES OF DUTIES**

*Duties and responsibilities include, but are not limited to, the following:*

- Supervises, trains and evaluates the performance of operations staff;
- Recommends selection, promotion and discipline of personnel;
- Develops and directs the implementation of goals, objectives, and procedures for the department;
- Plans and prepares work schedules;
- Develops and administers the annual budget for the department;
- Stays current with Federal, State, County and District regulatory issues and permits inherent with potable water treatment, distribution systems and wastewater treatment and recycled water;
- Completes regulatory reports;
- Represents the District in a professional manner through involvement with industry organizations and committees;
- Inspects, monitors, makes adjustments, troubleshoots and controls the more complex water production and treatment issues;
- Drives a District vehicle in the course of daily duties;
- Provides assistance and guidance to staff regarding the operation of the potable treatment and distribution system, and wastewater treatment;
- Communicates with agents of the San Diego County Water Authority and other member agencies;
- Oversees District SCADA system and develops plans for improved automation and reporting;
- Oversees District valve exercise program;
- Ensures the completion of the calibration and maintenance of water and wastewater analytical equipment; and
- Performs other duties as assigned.

#### **QUALIFICATIONS**

## OPERATIONS MANAGER

### Knowledge of:

- Federal, State, County and District regulatory issues and permits inherent with potable water treatment and distribution systems, wastewater treatment and recycled water;
- Equipment, materials and terminology used in the operation of pumps, motors, generators, valves and pressure devices;
- Principles and practices relating to water production and distribution, and wastewater treatment;
- Principles, practices, and techniques relating to the operation, maintenance and development of SCADA based control systems;
- Principles and practices of supervision and management of staff;
- Computer software programs (email, MS Word and Excel); and
- Appropriate safety precautions and procedures.

### Ability to:

- Schedule and assign work relating to water treatment and distribution operations, valve maintenance, instrumentation and controls and electrical maintenance;
- Maintain accurate records and reports;
- Troubleshoot complex potable water treatment and distribution systems;
- Plan, budget and coordinate a variety of SCADA related activities while working closely with staff and outside vendors;
- Represent the District in a professional manner through involvement with industry organizations and committees;
- Operate a personal computer and common business software;
- Prepare written reports and verbal reports;
- Establish and maintain effective relationships with those contacted in the course of work; and
- Communicate clearly and concisely, orally and in writing.

### LICENSES AND CERTIFICATION

- Possession of a California driver's license.
- Possession of certification as a Water Distribution Operator Grade IV (D4), or higher.
- Possession of certification as a Water Treatment Operator, Grade III (T3) or higher, OR Grade III Wastewater Operator Grade III or higher.

### EDUCATION, TRAINING AND EXPERIENCE

- ~~The qualification guidelines generally describe the knowledge and ability required to enter the job in order to successfully perform the assigned duties. Any combination of experience and training that would provide the required knowledge, skills and abilities will be considered.~~
- An associate's/bachelor's degree in business management, business administration, or public works/administration, with coursework in water treatment, water distribution, wastewater treatment, and management, and five years of progressively responsible experience in water and/or wastewater operations, including lead, supervisory or management experience is desired/required. A bachelor's degree is highly desired.

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## OPERATIONS MANAGER

### **Physical Demands:**

- Walking: Moves about on foot often through uneven terrain.
- Carrying: Transports objects by holding them in hands or arms.
- Handling: Seizes, holds or works with hands; specifically operating valves, adjusting control knobs, and computer.
- Lifting: Raises and lowers pumps, motors, and miscellaneous awkward objects.
- Reaching: Extends hand and arms in any direction.
- Stooping: Bends body downward and forward by bending at the knees or waist.
- Climbing: Ascends and descends ladders up to 50 feet in height.
- Vision: Reads work tickets, meter dials, reservoir levels, data sheets, video messages, scales and gauges and operates District vehicles.
- Sitting: Drives, often through rough terrain and sits in District vehicles for up to four hours per day.
- Talking: Communicates by radio and in person.
- Hearing: Hears well enough to receive communication by radio and in person.

### **PHYSICAL STRENGTH**

- Lifting: Up to 100 pounds; infrequent exertion.
- Dragging: Up to ~~200~~ 150 pounds of dead weight.

### **SALARY RANGE**

51 – Associate's Degree

53a – Bachelor's Degree

**Attachment I**  
**(Proposed Reorganization Cost Estimate)**

**12-MONTH COST ESTIMATE  
JULY 2021 REORANIZATION**

<b>CURRENT TITLE &amp; SALARY</b>	<b>PROPOSED CHANGE</b>	<b>12-MONTH Cost/Savings</b>
<b>Sr. Instrumentaton &amp; Controls Specialist</b>	<b>SCADA, Electrical &amp; Maintenance Supervisor</b>	<b>\$11,731</b>
Range 40, \$43.46-\$54.28/hourly	Range 44 = \$47.98-\$59.92/hourly	
\$90,396-\$112,902/annually	\$99,798-\$124,633/annually	
	Utility Worker - Field Services	\$70,616
	Utility Worker -Valve Maintenance	\$70,616
	Systems Operator	\$88,628
	<del>Utility Technician</del>	<del>-\$84,365</del>
<b>TOTAL Approximate Salary Cost for 12 months</b>		<b>\$157,226</b>

|

**M E M O**

**TO:** Board of Directors  
**FROM:** Engineering & Operations Committee  
**DATE:** April 26, 2021  
**SUBJECT:** Award of Ross Lake PRV Project (Job 3103)

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Description

Request for Board approval to award the Ross Lake PRV Project to the lowest responsive bidder.

Purpose

As part of the District’s capital improvement program, specific De Luz Improvement District funds are allocated for maintaining and improving the distribution system in the De Luz area. The Ross Lake PRV will be a new pressure reducing station, allowing flow to move from the De Luz High Pressure Zone to the De Luz Aqueduct Pressure Zone. This facility will allow the District to use existing storage in the High zone to feed the lower pressure Aqueduct Zone. Currently the District has to continue to take water deliveries from SDCWA in order to maintain pressure in the lower pressure De Luz Aqueduct Pressure zone during low demand periods. In these periods of low demand after rain events demands, drop significantly in Deluz and existing storage in the Deluz High Zone can be used to meet demands in the Aqueduct Pressure zone using the proposed Ross Lake PRV. This approach will help with water quality in low demand periods by allowing water to be moved out of storage into the low zone through the PRV instead of being flushed onto the ground, which will save money on water deliveries.

District staff prepared the design package for the project and solicited for general contractor construction bids. The pressure control valves to be installed by the contractor have already been procured and will be supplied by the District. The bid opening was on April 14, 2021 and six bids were received. A summary of the bid results is below:

	<b>Company Name</b>	<b>Bid Amount</b>
1	Genesis Construction	\$51,444
2	Kay Construction	\$56,776
3	Gwinco Construction	\$65,000
4	Spiess Construction	\$74,000
5	TE Roberts	\$78,335
6	Kirtley Construction	\$82,000

Genesis Construction was the apparent lowest responsible bidder at \$51,444. Genesis has not performed any work for the District in the past but has over 40 years' experience working for water agencies in the Inland Empire area and has a track record of successfully completed projects.

#### Budgetary Impact

The approved capital budget for FY2020/21 included \$80,000 for De Luz Improvement District projects. Materials and inspection costs provided by the District are estimated to total approximately \$20,000, so the total project cost is anticipated to be within the planned amount included in the capital budget.

#### Recommended Action

That the Board authorize award of the Ross Lake PRV Project to the lowest responsible bidder, Genesis Construction, in the amount of \$51,444.



**M E M O**

**TO:** Board of Directors  
**FROM:** Engineering and Operations Committee  
**DATE:** April 26, 2021  
**SUBJECT:** Request for Approval to Purchase One 2020 Chevrolet Silverado 5500

---

Description

Due to a major repair issue, a vehicle will need to be procured urgently – this asset is a critical component of the construction support crew and with the estimated repair cost of \$9,708.67, staff has determined a new truck will be needed.

Staff are continuing to work, as part of the budget development, on a vehicle replacement program and new scoring system, which will be brought to the board as part of the CIP process and will help optimize using District funds for repair versus replacement decisions.

Purpose

Vehicle 1113 (2003 Ford F550) was recently diagnosed with a blown head gasket. The vehicle was placed on limited use on 4/7/21. Due to the way this engine is situated in the chassis, the entire passenger cabin of the vehicle would need to be removed to make the repair – estimated at \$9,708.67. This vehicle is 18 years old, has 55,000 miles on it, and has been consistently idled on job sites for years to run power tools. This vehicle is a critical support asset for construction operations. Based upon these factors, staff are recommending a replacement rather than repair.

Six total dealerships were contacted to provide an RFQ (2 Ford, 3 Chevrolet, 1 RAM), with only two actually able to provide a 1 ton vehicle with utility body before the end of our fiscal year on 6/30/21. Of those two dealerships, Paradise Chevrolet Cadillac came in with the low bid of \$69,737.93 compared to Sierra Truck Center's bid of \$75,529.45.

Budgetary Impact

This 1 ton heavy duty vehicle was not originally budgeted in the 20-21 fiscal year budget for fleet purchases. However, due to a delay in the delivery of both the crane and 2 pickup trucks previously approved by the board earlier this year, this vehicle will be able to be purchased out of the 20/21 fiscal year budget. The crane and 2 pickup trucks budget will be moved into the 21/22 fiscal year.

Of the original \$566,000 approved by the board in the 20-21 Adopted Annual Budget for fleet expenses, a total of \$62,499.59 has been used (\$23,564.45 on a 2020 Chevrolet Equinox, and \$38,935.14 on a 2021 Chevrolet Silverado 3500HD). After the purchase

of the 2020 Silverado 5500, we will achieve a projected savings of \$503,500.41 for FY 20-21.

Recommended Action

That the Board approve the purchase of one 2020 Chevrolet Silverado 5500 with Scelzi Utility Body from Paradise Chevrolet Cadillac.



**Vehicle/Equipment Evaluation Form**

**Vehicle VIN:** 1FDAF56P13EC35997

**Vehicle or Equipment #:** 1113

**Make:** Ford

**Model:** F550

**Year:** 2003

**Mileage:** 53323

**Hours of Operation:**

**Date of Evaluation:** 4/7/2021

System	Points	Comments
Mileage	3	Low miles but many idle hours
Annual Maintenance Cost	4	Estimated nearly \$10,000 to repair head gasket
Year	4	18 years old
Downtime	1	Not much downtime before current failure



POINT RANGES	
Under 3 points	Condition I : EXCELLENT
4 – 7 points	Condition II : GOOD
8 – 11 points	Condition III : QUALIFIES FOR REPLACEMENT
12 or more	Condition IV : IMMEDIATE ATTENTION NEEDED

Mileage:

Under 15,000 miles – 0 points  
 15,001 – 35,000 miles – 1 point  
 35,001 – 50,000 miles – 2 points  
 50,001 – 75,000 miles – 3 points  
 75,001 miles or more – 4 points

Annual Maintenance Cost:

Under \$1,500 – 0 points  
 \$1,501 - \$3,000 – 1 point  
 \$3,001 - \$5,000 – 2 points  
 \$5,001 - \$7,500 – 3 points  
 \$7,501 or more – 4 points

Year:

Less than 3 years old – 0 points  
 4 – 7 years old – 1 point  
 8 – 11 years old – 2 points  
 12 – 15 years old – 3 points  
 15 years old or more – 4 points

Downtime:

Less than 1 week out of 1 year – 0 points  
 More than 1 week but less than 2 weeks out of 1 year – 1 point  
 More than 2 weeks but less than 3 weeks out of 1 year – 2 points  
 More than 3 weeks but less than 4 weeks out of 1 year – 3 points  
 More than 4 weeks out of 1 year – 4 points

1. **MWD Issues**

MWD is preparing their Urban Water Management Plan (UWMP) and the Integrated Resource Plan (IRP). The IRP process is using a scenario planning approach to evaluate a wide range of future scenarios to determine the best mix of long-term supply investment needs and developing long-term strategies to address continued local supply development and declining demands.

2. **Regional Conveyance**

SDCWA is developing a 100 year projection of water supply needs. The current approach is based on using a Monte Carlo Projection based on a single projected baseline that will produce a statistical variation to show a range of outcomes. The baseline projection is using past growth in housing and job growth to project out the next 100 years.

3. **FPUD/RMWD Detachment**

SDCWA has not provided any open session updates on the process. The April Meeting was cancelled and the next LAFCO ad-hoc committee is scheduled for May 10<sup>th</sup> at 10 AM.

4. **Bond Rating**

As part of a recent refunding SDCWA received updated bond ratings reports from Moody's, Fitch and S&P). A copy of the reports is attached along with correspondence from SDCWA to LAFCO and a response from our District and Rainbow. SDCWA continues to press that the main cause for their future outlook being negative by S&P as the potential detachment of our District and Rainbow MWD instead of the primary items presented by S&P (High level of debt coupled with declining sales from conservation and local supply development)

5. **Key Upcoming Issues**

Some key issues for the upcoming year include:

- Developing a conservative low water demand projection for financial analysis and long-term planning.
- Reviewing the long-term fiscal sustainability of SDCWA and determining any structural changes to the rate structure.
- 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.



March 22, 2021

**Attention: Board of Directors**

**MEMBER AGENCIES**

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

**Subject: Rating Agency Reports**

As the Water Authority prepares for its upcoming bond transactions, each of the three rating agencies: Fitch Ratings, Standard & Poor's Rating Services, and Moody's Investor Service as customary have provided their ratings as well as their assessment of the credit quality of the Authority. In addition, as United States, California, and San Diego in particular experience's the COVID pandemic and its impact to the global and national economy, the rating agencies have provided further assessment of the associated financial risks and its impact to the Authority.

In general, each of the rating agencies expects California water utilities to maintain strong operational and financial performance over the next year, despite the effects of COVID. Credit quality for the sector is mixed given that Fitch and Moody's projects a stable outlook while Standard & Poor's forecasts a negative outlook not only for the sector but for the Water Authority in particular. Rating agencies monitor various factors to assess credit quality such as water supply and demand, diversity of water supply, drought response, rate management, financial strength of operations, debt service coverage, and other metrics.

A board presentation at the April Administration & Finance committee meeting will summarize each of the Rating Agencies' perspectives on the Water Authority highlighting credit risks, financial impacts, industry trends. In addition, I will provide the board a presentation on the results of the two upcoming note and bond transactions as they become available.

Sincerely,

Lisa Marie Harris  
Director of Finance/Treasurer

**OTHER REPRESENTATIVE**

County of San Diego

cc: Member Agency General Managers

Attachments:

- Attachment 1 – Moody's Rating Report
- Attachment 2 – Fitch Rating Report
- Attachment 3 – Standard and Poor's Rating Report

**CREDIT OPINION**

14 March 2021


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Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

# San Diego County Water Authority, CA

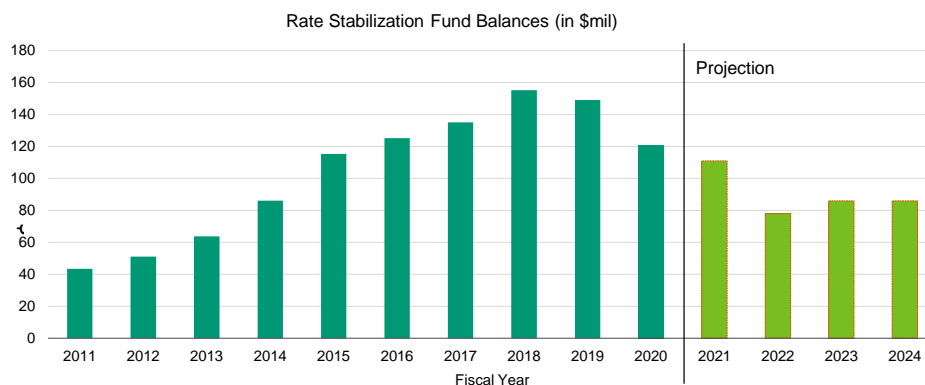
## Update to credit analysis

**Summary**

[San Diego County Water Authority](#) (Aa2 senior lien stable outlook; Aa3 subordinate lien stable outlook) benefits from a very large service area that incorporates 24 participating member agencies; increasingly diverse sources for water purchases; and conservative financial practices with adopted reserve and debt policies. Liquidity, including a rate stabilization fund, remains sound serving to insulate the Authority from risks associated with variable water supplies, including [California's](#) (Aa2 stable) current drought conditions, as well as unanticipated events such as the coronavirus pandemic.

Planned withdraws from the rate stabilization fund through fiscal 2022 will be required to maintain stable debt service coverage for all outstanding obligations. Ongoing conservation efforts contribute to water sale volumes that are projected to remain essentially flat and below historical peaks. However, the Authority's implementation of fixed charges to supplement user fees also serves to support satisfactory debt service coverage. The Authority's leverage remains elevated, driven by large-scale capital projects. Two member agencies' applications to detach from the Authority pose some uncertainty as do risks associated with the Carlsbad desalination plant, a P-3 venture for which the Authority is the sole user and financial obligor.

Exhibit 1

**Planned draws on the rate stabilization fund through fiscal 2022 will moderate rate increases**


Source: San Diego County Water Authority and audited financial statements

## Credit strengths

- » Position as the primary water wholesale provider to a very large and economically diverse service area
- » Management team that has maintained stable operations and adhered to adopted policies
- » Satisfactory unrestricted cash position with rate stabilization reserve that will help stabilize future rate increases
- » Desalinated water purchase agreement that has provided compensation for shortfalls in production

## Credit challenges

- » Expected future draws on rate stabilization reserve with modified rate increases for 2021 and 2022 in response to the coronavirus pandemic
- » Essentially flat demand driven by conservation practices and the acquisition of alternate water sources by member agencies
- » Maintaining support of member agencies in light of two applications on the part of smaller participants to detach
- » Increasing water purchase and production costs that will drive rate increases

## Rating outlook

The stable outlook reflects our expectation that the Authority's satisfactory operating performance will continue, supported by strong management practices in the face of challenges associated with variable water supplies, rising costs, and the coronavirus pandemic. The outlook also incorporates our expectation that the Authority will retain the capacity to raise rates as necessary to meet debt service coverage and adopted reserve targets.

## Factors that could lead to an upgrade

- » Sustained trend of favorable debt service coverage with defined coverage targets for fixed costs associated with all outstanding debt obligations
- » Completion of the Carlsbad intake project and demonstration that additional capital improvements are not required for contracted deliveries
- » Maintenance of improved reserve levels while supporting capital investments

## Factors that could lead to a downgrade

- » Significant declines in debt service coverage levels
- » Draws on the rate stabilization account that significantly exceed projections or overall weakening in liquidity
- » Detachment of member agencies that significantly reduces projected consumption levels

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.



## Key indicators

### Exhibit 2

San Diego County Water Authority, CA					
System Characteristics					
Asset Condition (Net Fixed Assets / Annual Depreciation)	54 years				
System Size - O&M (in \$000s)	\$500,778				
Service Area Wealth: MFI % of US median	117.82%				
Legal Provisions					
Rate Covenant (x)	1.2x				
Debt Service Reserve Requirement	None				
Management					
Rate Management	Aa				
Regulatory Compliance and Capital Planning	Aa				
Financial Strength					
	2016	2017	2018	2019	2020
Operating Revenue (\$000)	\$528,175	\$582,784	\$595,863	\$584,171	\$569,099
System Size - O&M (\$000)	\$430,230	\$485,802	\$486,228	\$500,143	\$500,778
Net Revenues (\$000)	\$200,056	\$177,449	\$201,382	\$177,725	\$165,266
Net Funded Debt (\$000)	\$1,947,677	\$1,889,136	\$1,833,195	\$1,766,570	\$1,719,587
Annual Debt Service (\$000)	\$121,344	\$134,343	\$137,332	\$134,735	\$133,269
Annual Debt Service Coverage (x)	1.6x	1.3x	1.5x	1.3x	1.2x
Annual Debt Service Coverage with Rate Stabilization Fund (x)	1.4x	1.4x	1.4x	1.4x	1.5x
Cash on Hand	171 days	148 days	157 days	165 days	151 days
Debt to Operating Revenues (x)	3.7x	3.2x	3.1x	3.0x	3.0x

Operations and Maintenance (O&M) is adjusted to reconcile actual changes in cash related to contributions for pensions and OPEB, consistent with our cross-sector Adjustments to Pension and OPEB Data Reported by GASB Issuers, including States and Local Governments Methodology. As a result, Annual Debt Service Coverage and Cash on Hand in the table both vary from metric reported by SDCWA. Annual debt service coverage figures do not include debt service on pipeline bonds.

Source: Audited financial statements, governmental data sources, Moody's Investors Service.

## Profile

As a wholesale water provider, the Authority provides around 75% of total consumption of 24-member agencies across 1,461 square miles of western [San Diego County](#) (Aaa stable) including its coastal areas, serving a growing population of close to 3.3 million people. Member agencies include six cities, seventeen special districts and a federal military installation. The Authority's service area accounts for roughly 97% of San Diego County's population, and the [City of San Diego's Water Enterprise](#) (senior water revenue bonds rated Aa2) is its largest member with a population of approximately 1.4 million representing close to half the Authority's total customers. Otay and Helix Water Districts represent the Authority's 2nd and 3rd most populous member agencies, respectively.

## Detailed credit considerations

### Service area and system characteristics: despite the challenges of the coronavirus pandemic, service area remains stable, supporting rate increases for diversified water supplies

Despite the near-term challenges associated with the coronavirus pandemic, the authority's service area remains stable, with continued population growth and income levels that remain above average. However, despite moderate customer growth, annual water sales are impacted by variable precipitation levels, and the authority is conservatively planning for conservation efforts to result in essentially flat consumption levels over a three-year projection period, with projected sales of 377,976 acre-feet (AF) in fiscal 2023 remaining generally in line with a recent low of 354,007 AF in fiscal 2020.

San Diego County has not been immune to the effects of the coronavirus pandemic, and county unemployment as of December 2020 is high at 8.0%, remaining in line with a state figure of 8.8%, but exceeding a national unemployment rate of 6.5% for the same time period, as the county's travel and hospitality sectors have been especially hard hit. Despite current challenges, as California's second

most populous county, San Diego County's economy is large and diverse, with residential wealth levels that approximate those of the state as a whole and an MFI equal to 117.8% of the U.S.

Improving resident income levels continue to support required rate increases covering rising water purchase prices and the Authority's continued efforts to diversify its sources of water purchases and increase reliability for the needs of a growing area. While not unanimous, the Board approved a 4.8% rate increase for untreated water in fiscal 2020, and a 4.9% rate increase for treated water. As a wholesale provider, the Authority is somewhat insulated from retail customer delinquencies, which have increased. However, no member agencies have missed any payments, and the Authority has taken steps to mitigate rate increases in 2021 and 2022. Notably, in August 2020, the Authority was awarded close to \$44.4 million stemming from litigation with [Metropolitan Water District](#) (MWD Aa1) on transportation and other charges between 2011-2014. This award was proportionately returned to member agencies.

Future water sale projections incorporate anticipated declines stemming from the City of San Diego's water reuse project beginning in fiscal 2025. Fallbrook Public Utilities District's and Rainbow Metropolitan Water District's applications to detach from the Authority represent another potential risk to future consumption levels. Together these two agencies accounted for a moderate 6.3% of the Authority's total water use in fiscal 2020, but the applications point to additional risks facing future consumption, and demonstrate the prudence of the Authority's use of conservative consumption forecasts.

The Authority's long-term strategy to diversify its water supply sources, while increasing the reliability of supplies, also contributes to the rising costs of purchased water. Most significantly, SDCWA continues to reduce its reliance on water provided by MWD, which equates to a cost of \$1,075/AF for treated water in 2021. While historically MWD provided almost all of the Authority's water, in fiscal 2020 MWD provided 82,844 AF, equal to 17.9% of supplies; the lowest amount on record. This figure is projected to decline further to just 10,000 AF (2%) by 2035.

The conserved Colorado River water from the Quantification Settlement Agreement (QSA) accounted for 50% of supplies in fiscal 2020. In calendar year 2021, QSA costs equate to \$1,049/AF, including transportation charges. This exceeds the cost of MWD's untreated water supplies at \$777/AF. Exclusive of transportation charges, however, the cost of QSA untreated water supplies is closer to \$515/AF as of 2021. MWD's increasing transportation charges have prompted the Authority to examine the feasibility of building its own pipeline or aqueduct to directly deliver its QSA supplies from the Imperial Valley to the San Diego region. With an estimated cost of \$5 billion, the proposed project will be evaluated against increases in MWD's cost of transporting water. MWD's future charges will be affected by planned capital projects such as Oroville Dam repairs and improvements to the Bay-Delta conveyance.

#### **Operations of desalination plant have stabilized, with minimum production commitment expected to be met in fiscal 2021**

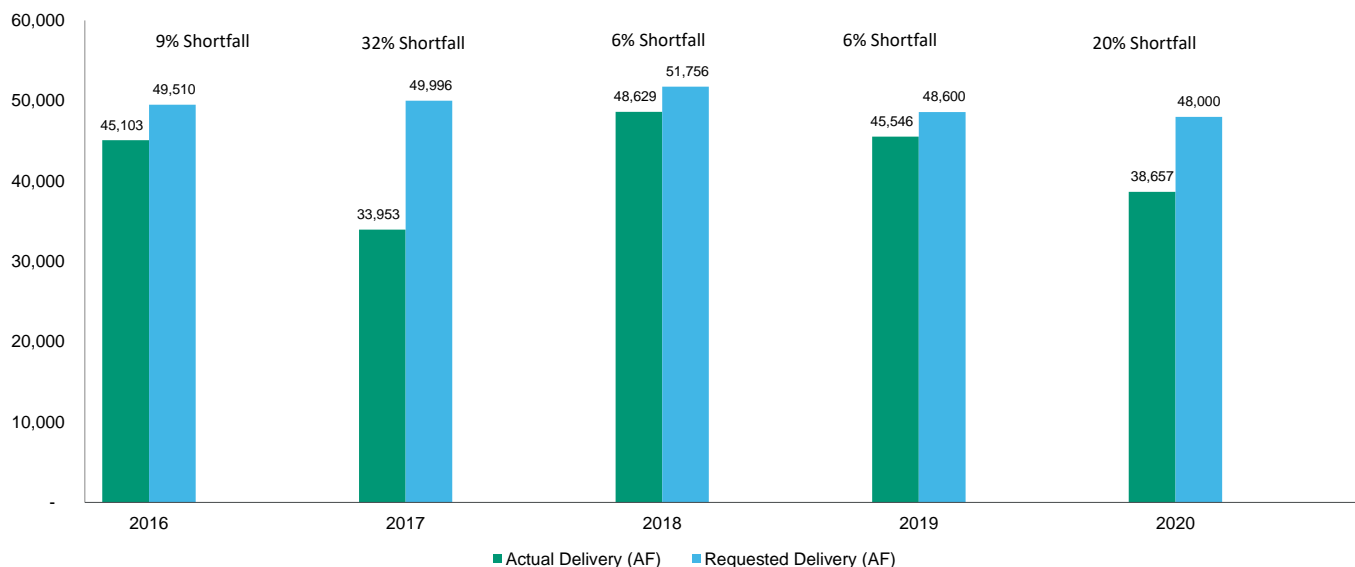
Desalinated water, which accounted for 8.3% of supplies in fiscal 2020, will remain SDCWA's most expensive source of treated water. In fiscal 2020, desalinated water cost, inclusive of debt service payments equaled approximately \$2,900 per AF for the Authority's required annual purchase of 48,000 AF. These costs will continue to rise as additional borrowing of close to \$117.9 million is undertaken to construct a modified seawater intake system, expected to be completed by 2023.

Production shortfalls since the plant's opening illustrate both the protections and risks associated with the Authority's water purchase agreement with Poseidon. Since its opening in December 2015 through the end of 2020, the plant has experienced a total of 35,974 AF of production shortfalls below its delivery obligations of 48,000 AF in each fiscal year. Under the Water Purchase Agreement, SDCWA receives shortfall payments for unexcused outages. In fiscal 2018, for example, SDCWA received a shortfall payment of \$1.9 million and an additional payment of \$5.3 million in annual true ups.

In contrast to unexcused shortfalls, excused shortfalls for water deliveries, while excused from purchases in that year, after applications of certain caps, must be purchased by SDCWA before expiration of the contract. Through the end of 2020, there is a balance of 14,469 AF.

Exhibit 3

### Mechanical failures and weather related events have contributed to shortfalls, but deliveries expected to meet minimum requirement in 2021



Source: Poseidon Resources (Channelside) LP Continuing Disclosure and San Diego County Water Authority

### Debt service coverage and liquidity: coverage and liquidity will remain satisfactory despite higher projected draws on rate stabilization fund through fiscal 2022

As projected, draws on the rate stabilization fund will continue through fiscal 2022 to help moderate rate increases while maintaining stable debt service coverage levels of around 1.5x inclusive of all outstanding obligations. With a balance of \$120.7 million at the end of fiscal 2020, subsequent draws on the rate stabilization reserve are now projected to reduce this balance to \$78.7 million at the end of fiscal 2022; falling below earlier projections of around \$100 million. In fiscal 2020, a 6.5% decline in water sales, resulting from wetter weather and the impacts of the coronavirus pandemic, drove a \$32 million draw against the rate stabilization reserve, exceeding a projection of \$20 million. Nevertheless, overall liquidity will remain adequate at over 100 days' cash; a critical factor supporting current credit quality.

Responding to the coronavirus pandemic, the Authority reduced a planned rate increase of 6.3% for fiscal 2021 to 4.8%, in part reflecting lower water purchase costs. For example, lower inflationary index adjustments to purchase prices for Imperial Irrigation District Transfers, which accounted for 31% of supplies in fiscal 2020, have been incorporated into the Authority's four-year forecast, supporting more moderate rate increases.

Fiscal 2021 coverage of total debt service of approximately \$108.4 million is expected to remain stable at close to 1.6x, inclusive of a projected 5.1% increase in the volume of water sales and a \$9.5 million draw on the rate stabilization fund. Debt service includes payments on senior, subordinate and 2019 Pipeline bonds, which are paid on a subordinate basis to the district's other debt obligations. Exclusive of this withdraw, coverage would equal 1.5x.

In fiscal 2020, costs of sales totaled \$505.1 million, including Desalination Installment Payments of \$10 million annually. Inclusive of the \$32 million draw on the rate stabilization fund, DSC approached 1.5x. Fiscal 2020 net revenues of \$193.9 million would provide 1.1x coverage of estimated maximum annual debt service (MADS) of \$180.3 million in fiscal 2020, inclusive of a planned new money issuance of \$200 million in fiscal 2021. Under Moody's adjustments to O&M to reconcile pension and OPEB contributions with changes in cash, discussed later in this report, O&M totaled \$500.8 million, and DSC of all obligations equaled 1.2x.

Following a decline of 2.4% in water sale revenues in fiscal 2020, fiscal 2021 water sales are projected to improve to a level consistent with fiscal 2018 results, prior to a wet year in 2019. Variable water sales, however, demonstrate the critical support that the Authority's fixed Water Standby Availability, Capacity and Infrastructure Access charges provide, accounting for around 10% of operating revenues.

Coverage of all fixed obligations, including the Authority's debt service payments on subordinate pipeline bonds, is expected to remain satisfactory at around 1.5x inclusive of \$42 million in draws against the stabilization fund in fiscal 2021 and 2022.

SDCWA's reserve balances and debt service coverage are also guided by policy, serving to ensure stable financial performance even during periods of significant stress. The rate stabilization fund, for example, is sized to withstand a 15% reduction in sales, approximating the 15.8% decline in water sales from fiscal 2017 to 2020. Favorable reserves insulate the Authority not only from interim shocks such as the coronavirus pandemic, but also longer term challenges including the introduction of the City of San Diego's water reuse supplies expected in fiscal 2023.

By policy, the Authority targets a debt service coverage level of 1.5x for senior lien obligations. While this falls below the debt service coverage median for Aa2 water utilities nationally that exceeds 2x, the consistency with which the Authority has successfully met targeted coverage levels strengthens this metric.

### Liquidity

Readily available, unrestricted reserves declined somewhat in fiscal 2020, totaling close to \$206.8 million (151 days) at the end of the fiscal year. Unrestricted cash and investments include balances in the rate stabilization, operating, and equipment replacement funds. Of these, the Rate Stabilization Fund, with an ending balance of \$120.7 million in fiscal 2020 is the most significant. While strong, days' liquidity is roughly one-half of a median figure of over 400 days for Aa-rated water utilities nationally. Three-year projections reflect a balance of \$223 million at the end of fiscal 2021, including pay-as-you-go capital, or over 150 days' cash. Greater utilization of the rate stabilization reserve or total available cash at under 100 days would materially pressure credit quality.

The Authority's operating fund has a low but meaningful target of 45 days of average annual operating expenditures. In addition to these highly liquid funds, the Authority also has a Pay-Go capital fund equal to \$35 million at the end of fiscal 2020, which could be utilized for debt service if needed.

### Debt and legal covenants: higher debt ratios reflect diversification of water purchase supplies and completion of major capital projects

The Authority's debt ratios will remain elevated but manageable, with an expected update of its Water Facilities Master Plan in 2023 laying out longer-term borrowing needs. The Authority's debt portfolio includes over \$1.4 billion in senior lien obligations and \$433.0 million in subordinate lien debt, of which \$345 million consists of the Authority's commercial paper program. At 53.2% at the end of fiscal 2020, the Authority's debt ratio exceeds that of similarly rated credits both within California and nationwide, and at 3.0x, debt to operating revenues also exceeds medians. The Authority plans to borrow \$200 million in the summer of 2021, with other capital projects expected to be largely cash funded.

Amortization of the Authority's long-term obligations is below average, with an approximate 10-year amortization rate of 40.2% of principal, again reflecting the challenge of completing sizeable capital projects while maintaining manageable rate increases.

In addition to debt obligations, the Authority has purchase obligations under the Water Purchase Agreement (WPA) that include the amount of the debt service associated with the construction of the Carlsbad desalination plant, the original budget for which was approximately \$718 million. Debt service on the Series 2012 Plant Bonds is paid from O&M charges in accordance with the Water Purchase Agreement. Debt service associated with the 2019 Pipeline bonds is paid from installment payments received by the Water Authority Financing Agency and paid by the Water Authority on a subordinate basis to the Authority's outstanding subordinate lien obligations.

In sum, the Water Authority will pay charges sufficient to cover debt service on the plant bonds, provide an equity return to the plant's operator, and cover both variable and fixed operating costs. At their peak in 2045, fixed costs associated with the plant and pipeline bonds are projected to approach \$66 million, or approximately 10% of fiscal 2020 gross revenues. In addition to outstanding obligations, an estimated \$118 million in additional funding will be required for a modified intake system for the desalination plant. These are expected to be funded from an interim \$45 million bank loan, which has already been issued, followed by an issuance of Private Activity Bonds.

**Legal security**

The senior lien bonds are secured by a senior lien pledge of the net revenues of the water system, and a rate covenant of 1.2x. Subordinate lien bonds manifest a rate covenant of 1.0x. While no debt service reserve will be funded for the refunding bonds, Moody's does not view this as a significant credit weakness given the Authority's targeted reserve levels for liquidity purposes.

**Debt structure**

The Authority has taken a proactive stance in managing its borrowing costs, undertaking strategic cash defeasances and managing its exposure to variable rate debt. The senior lien Series 2021B (Green Bonds) and Series 2021C water revenue refunding bonds will refund portions of the outstanding Series 2016A and 2016B bonds for net present value savings with no extension of amortization. The subordinate lien Series 2021S-1 water revenue refunding bonds will refund all of the Authority's outstanding Series 2016S-1 bonds and will refinance all of its \$100 million in Extendable Commercial Paper notes, Series 1, significantly reducing the Authority's exposure to potential dislocations in the extendable commercial paper market.

Senior lien revenue obligations are protected by a rate covenant and additional bonds test of 1.2x debt service. Subordinate lien obligations carry a 1.0x rate covenant. Revenues include any withdrawals from the Rate Stabilization Fund. The Authority's debt service is generally level with out-year declines that provide capacity for future borrowing. While outstanding senior lien bonds are not strictly identical legal structures given differing reserve requirements, these distinctions are not significant enough in themselves to merit rating distinctions.

**Debt-related derivatives**

The Authority has not entered into any derivative agreements. Conservatively, the Authority's recently adopted debt policy does not allow for the use of swap or derivative instruments.

**Pensions and OPEB**

SDCWA contributes to the California Public Employees' Retirement System (CalPERS). Positively, the Authority has been pro-active in its CalPERS pension management, and is making substantial additional discretionary payments to minimize future expense increases.

The board also adopted a pension policy in October 2018, which provides a policy framework designed to achieve a targeted pension funded ratio.

As of the water system's fiscal 2020 financial reporting, it reported a net unfunded pension liability of \$64.9 million, reflecting a reported discount rates of 7.15%. Under Moody's standard adjustments, the discount rate applied for fiscal 2020 equaled 3.5%, resulting in an adjusted net pension liability of \$227.1 million. The water system's contributions to the retirement system in fiscal 2020 approached \$7.6 million or a minimal 1.1% of operating revenues.

The Authority has also established a single-employer defined benefit retiree health care plan. Positively, the plan remains over funded, in large part reflecting a \$4.595 million contribution made from proceeds of a legal settlement. Due to the volatile nature of GASB accrual-based expenses for pension and OPEB liabilities, which can heavily reflect recognition of actuarial experience as opposed to actual financial performance, we calculate key financial performance measures such as debt service coverage using cash contributions for pensions and OPEB.

**ESG considerations****Environmental**

Environmental considerations represent a key rating driver for SDCWA, which serves as a wholesale water provider to a southern region of California that imports 72% of its water supply from outside of San Diego County. The service area is subject to drought as are the Authority's two water sources: the State Water Project and the Colorado River. Through February 3rd, Northern Sierra precipitation stood at 54% of normal levels, putting the state into drought, and while Colorado River snowpack equaled 72% of average, the snowpack is yielding less water due to climate change and more rapid melting. The Authority's concerted efforts to encourage conservation and to diversify purchased water supplies are a direct and continuing response to these long-term challenges.

### Social

Social considerations such as population and income levels are discussed in the Service Area section above. We regard the coronavirus pandemic as a social risk under our ESG framework given the substantial implications for public health and safety. The Authority has not experienced significant increases in operating costs or any disruptions in service as a result of the pandemic.

### Governance

In addition to diversifying its sources of purchased water, the Authority continues to plan for unavoidable increases in water prices and non-discretionary costs such as pension contributions. The Authority regularly updates its long-range planning tools including a recent update to its Cost of Service Study and the planned update to its Water Facilities Master Plan in 2023. The debt policy was reviewed and amended in 2018.

SDCWA has proactively implemented a rate structure that utilizes a combination of fixed and variable charges. Both Water Standby Availability and Treatment and System Capacity Charges are specifically directed toward cash and debt financing of capital projects. Fixed charges include the Storage, Customer Service, Supply Reliability and Infrastructure Access Charges. The Supply Reliability Charge, established in 2016, involved two years of planning and is designed to recover a portion of the costs associated with desalinated and IID transfer water supplies. In fiscal 2020, fixed charges accounted 10% of total operating revenues.

While both debt service coverage and liquidity levels are expected to remain relatively narrow for the rating level, the Authority's current ratings reflects our expectation that management will adhere to adopted policies and draws on the rate stabilization fund will not significantly exceed projections.

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**RATING ACTION COMMENTARY**

# Fitch Rates San Diego County Water Auth, CA Water Revs 'AA+'; Outlook Stable

Mon 15 Mar, 2021 - 11:45 AM ET

Fitch Ratings - San Francisco - 15 Mar 2021: Fitch Ratings has assigned a 'AA+' to the following obligations issued by the San Diego County Water Authority, CA (SDCWA, or the authority):

--\$101.1 million water revenue refunding bonds, series 2021B (green bonds);

--\$196.3 million water revenue refunding bonds, series 2021C;

--\$146 million subordinate lien water revenue refunding bonds, series 2021S-1.

SDCWA expects to price the series 2021S-1 bonds on or around March 23 via negotiation and the series 2021B and 2021C bonds in early April.

In addition, Fitch affirms the following obligations:

--\$918 million outstanding senior lien water revenue certificates of participation (COPs) and bonds, 'AA+';

--\$526.1 million senior lien water revenue bonds, series 2010B (taxable) issued by the San Diego County Water Authority Financing Agency (the agency) on behalf of the authority at

# RatingsDirect®

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## San Diego County Water Authority, California; CP; Note; Water/Sewer

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# San Diego County Water Authority, California; CP; Note; Water/Sewer

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US\$196.27 mil wtr rev rfdg bnds ser 2021C due 05/01/2038		
<i>Long Term Rating</i>	AAA/Negative	New
US\$145.965 mil wtr rev rfdg bnds ser 2021S-1 due 05/01/2028		
<i>Long Term Rating</i>	AA+/Negative	New
US\$101.055 mil wtr rev rfdg bnds (green bnds) ser 2021B due 05/01/2038		
<i>Long Term Rating</i>	AAA/Negative	New
San Diego Cnty Wtr Auth Wtr		
<i>Long Term Rating</i>	AAA/Negative	Outlook Revised

## Rating Action

S&P Global Ratings revised its outlook to negative from stable on San Diego County Water Authority, Calif.'s (the authority) existing debt. At the same time, S&P Global Ratings assigned its 'AAA' long-term rating to the authority's anticipated \$101 million series 2021B and \$196 million series 2021C senior lien water revenue refunding bonds, and assigned its 'AA+' long-term rating to the authority's anticipated \$146 million series 2021S-1 subordinate lien water revenue refunding bonds. Finally, S&P Global Ratings affirmed its:

- 'AAA' rating on the authority's existing senior-lien revenue bonds;
- 'AAA' rating on the authority's exiting certificates of participation (COPs);
- 'AA+' rating on the authority's existing subordinate-lien bonds; and
- 'A-1+' short-term rating on the authority's existing commercial paper (CP) debt.

The negative outlook reflects our view of the heightened business risks associated with potential projected declines in water sales volumes as new upcoming local potable reuse projects come online, further challenged by the authority's rising contractual costs and near-term forecasted financial metrics that we consider weak relative to those of its peers at the 'AAA' rating level. Like many utilities in Southern California, we anticipate the authority will continue to experience hydrological volatility and ongoing behavioral changes in customer water use that has been a source of declining water demand since the past decade. Affordability is already a credit vulnerability for the authority as its existing rates are elevated relative to those of its regional and national peers. We expect the authority to continue to rely on withdrawals from the rate stabilization fund through 2023, given its rising cost of service and a desire to moderate rate increases for members. Uncertainty resulting from two member agencies' applications to detach from the authority is an additional credit stressor.

The authority is issuing 2021S-1 medium term notes to refund extendable commercial paper and 2016S-1 bonds to reduce market exposure and increase cash flow savings. The 2021 B&C bonds will refinance outstanding series 2016

bonds. The bonds include a make whole call. They will be self-designated green bonds.

We base our 'AAA' rating on the authority's revenue base, which is primarily locally derived. This, coupled with operating expense flexibility, limits exposure to federal revenue.

### **Credit overview**

The authority has been successful establishing water supply control and diversification. Management has also demonstrated an ability to navigate volatile hydrological cycles through adopting rate increases as needed and building prudent financial reserves and storage to mitigate variability. The primary risk to the authority is the reduced consumption stemming from conservation, weather, economic contraction and the development of local supply by their member agencies. The reduced consumption introduces a financial challenge given that contractual water costs are increasing. Forecasted coverage is narrow relative to peers at the 'AAA' level and if rate increases are not sufficient to offset consumption declines, the rating could be lowered. We believe this will require a higher degree of fixed charges to meet fixed reliability objectives. In our view, management is taking important steps to mitigate this changing cost profile, including increasing the fixed charge component of the rate structure to capture contract costs and infrastructure contributions. Establishing the appropriate balance of fixed charges and maintaining ample cash is important given the nature of volatile hydrological conditions and the continued increases in local supply which will reduce the demand for the authority's supply. Maintaining historically strong coverage and liquidity levels will be a delicate balance of imposing rate increases while not burdening affordability. Astute long-term planning will be crucial to these efforts.

S&P Global Economics acknowledges a high degree of uncertainty related to the effects of COVID-19, including the rate of spread and peak of the outbreak. Nevertheless, we believe measures to contain COVID-19 have pushed the region and nation into economic contraction. While the approval and early administration of a number of vaccines is a positive development, it is merely the first step toward a return to social and economic normality; equally critical is the widespread availability of effective immunization, which could come by mid-2021. We use this assumption in assessing the economic and credit implications associated with the pandemic. As the situation evolves, we will update our assumptions and estimates accordingly.

The negative outlook reflects our view that there is a one-in-three chance that the authority's financial profile could realize diminished financial capacity that would no longer be consistent with a 'AAA' rating. A return to stable outlook would be incumbent on greater clarity regarding the authority's upcoming long-range financial plans and its ability to plausibly demonstrate that it can maintain healthy operating margins even with potentially reduced water sales.

### **Environmental, social, and governance factors**

Given its location in Southern California, we believe the authority faces elevated environmental risk due to the region's inherent water supply scarcity, sea level rise, wildfire and seismic exposure. In particular, its imported water supply (both the State Water Project and the Colorado River) remain susceptible to environmental scrutiny and risks related to climate change, rising temperatures, and shifting precipitation patterns. The authority has been effective in obtaining alternative higher reliability supply sources and management has a comprehensive resource plan, which has assisted in their ability to navigate different hydrological conditions. The water authority also faces climate risks associated with sea level rise and weather conditions that result in algae blooms, which would affect the desalination facility

operations. However, management notes that recent upgrade at the desalination facility have potentially mitigated the risk of operational shutdowns in the future. Management has a climate change action plan in place that is frequently updated and partners with Scripps Institution of Oceanography in climate change analysis and mitigation efforts.

With respect to seismic, wildfire, and cyber risks, management has robust emergency planning, including cyber policies and cyber insurance. The Integrated Contingency Plan (ICP), which is the emergency planning document, complies with the National Incident Management System and is compliant with state and federal regulations. The plan was updated in September 2020 as required by the America's Water Infrastructure Act. To prepare for a major emergency, the Water Authority regularly activates its Emergency Operations Center for planned event control, coordinates with member agencies on emergency preparedness issues, and participates in County of San Diego Operational Area exercises.

In addition to environmental risk, rising water costs contribute to elevated social risk as members have become increasingly sensitive to rising water costs, which has resulted in some member discord, lawsuits and potential detachment. Management continues to work with the members to address affordability concerns, including utilizing the rate stabilization fund to mitigate large rate increases. We understand management supports SB 222 which creates a framework for ratepayer support. Despite above-average ESG exposure, the management team is tenured and experienced with strong water supply leaders and maintains robust infrastructure maintenance and operational policies which contributes to a strong governance position.

## **Negative Outlook**

### **Downside scenario**

We could lower the ratings if consumption declines pressure water sales revenue by more than currently forecast--due to economic conditions or the development of significantly lower cost water supply alternatives or the loss of a major member--without being mitigated by reduced water purchases, rate increases, or an increased fixed-charge rate structure. In addition, the rating could be pressured if the authority further depletes the rate stabilization fund beyond the minimum target level established by the board or fails to implement rate increases to maintain financial metrics commensurate with a 'AAA' rating. The rating could also be pressured if the authority takes on a meaningful amount of additional leverage.

### **Return to stable scenario**

We could return the ratings to stable if the authority produces a credible financial plan that demonstrates stable financial results based on a stronger alignment of its cost structure with fixed revenue that we believe is commensurate with peers at a 'AAA' level.

## **Credit Opinion**

## **Enterprise Profile**

The authority is a primary and supplemental water provider for 24 member agencies throughout San Diego County. The level of dependence varies from 100% dependence to no utilization of authority supplies during above normal rainfall cycles. Since 1990, the water authority has provided an average of 85% percent of the water supply within its service area, ranging from a low of 75 percent and a high of 95%. Per capita water use has declined 46% over that same period, the result of conservation, local supply development, economic conditions, member use restrictions, and supply allocations. Year to date, consumption is flat relative to 2019, reflecting local weather conditions as well as ongoing pandemic related economic effects. Management expects consumption to increase incrementally during the forecast period, which we believe may be an aggressive assumption. New demand forecasting including a long-range financial plan will be released in September 2021. Overall, authority management has committed itself and its member agencies to managing through different hydrological conditions and has made the necessary rate increases to maintain consistent financial performance to support operational requirements. We view this as a credit positive, as discussed in the financial profile section. That said, continued declines in consumption will necessitate higher rate increases and we believe affordability is already a credit vulnerability.

The state is adopting new water-use objectives for retail water agencies for indoor and outdoor use, system water loss, variances, and potable reuse credit. The state expects to adopt these standards by June 2022. Such objectives could further reduce demand and lead to development of additional alternative local resources. We believe the continued development of local supply could further reduce the demand for authority supply. That said, diversification of supply is beneficial to the regional water supply picture and management does not expect local supply to negatively affect the authority's financial position. As major projects come on-line, such as the two regional recycled water projects, demand for water authority supply may decline but the authority will still be required to supply water when projects are offline. Reliability planning will become an even greater strategic focus for the authority. We believe the current water supply management team demonstrates considerable acumen in strategic supply planning. Further, member agencies are required to pay certain charges irrespective of whether they order water from the water authority in a given year. During the recent fiscal sustainability council, the authority adopted an even higher percentage of fixed charges, which we view positively given the authority's fixed cost profile and role as a supplemental supply provider. We believe integrating a higher percentage of fixed charges to meet fixed obligations is critical to maintaining the rating.

The authority has a higher degree of litigation and member discord than is standard in the sector, in our opinion. This includes ongoing rate litigation with Metropolitan Water District, some of which has been settled in the authority's favor and some of which is ongoing. In addition, the authority is currently resolving a \$6.1 million lawsuit with Vallecitos Water District regarding overcharges. Lastly, two member agencies have petitioned the Local Agency Formation Commission (LAFCO) for detachment from the authority because they believe they can receive their water supply more affordably directly from Metropolitan Water District (through an arrangement with Eastern Municipal Water). Given the geographic location of the members, they reportedly believe that they do not receive sufficient benefit from remaining with the authority. LAFCO may deny the detachments or approve the detachments with conditions. The authority's management reports that the LAFCO process will likely take up to two years with a draft

report anticipated in Spring 2021. The authority has hired a consultant to advise on the proceedings and the authority intends to seek reimbursement for associated debt and costs attributable to the two agencies. Management believes they could adjust supply requirements through resource planning. While we do not believe any of the aforementioned issues will have a financial effect in the near-term, we do believe ongoing litigation has associated costs and introduces potential longer term political risk--especially if an approved detachment sets a precedent if members can easily detach from the authority. This would be further exacerbated if the two members are not required to pay for their portion of the associated debt and infrastructure costs that the authority has undertaken to provide reliable water sources. Member support for the long-term strategic plan is important to the credit quality in our opinion.

The authority has been successful in their efforts to increase control over their supply and diversify the source of their supply. The majority of the authority's supply is via California's participation in the Colorado River Compact and related subsequent agreements (65%). The initial State Water Project allocation for 2021 is 10% due to below normal precipitation and snowfall in the Northern Sierra. As of March 9, 2021, precipitation is 49% of normal at the Northern Sierra Precipitation 8-Station Index and snow water equivalent is 58% of normal in the Northern Sierra. The Upper Colorado River snowpack is 82% of normal as of March 8 and five-year projections indicate an increased probability of shortage. The authority has made meaningful progress on the acquisition and control of the water supply portfolio through regional agreements and construction of the Carlsbad seawater desalination project. However, Metropolitan Water District of Southern California remains a significant imported water supply source for the water authority, which we consider credit neutral.

The authority's wholesale rates will continue to be pressured by rising purchased water costs and other pass-through obligations. Management's forecast shows the range for projected rates by 2023 to be \$1,716-\$2,800 (including desalinated water) with annual moderate rate increases each year. The authority's most expensive source of supply, which provides about 10% of its water, is the Carlsbad desalination plant. The facility achieved commercial operations in late 2015. Any deliveries of less than the minimum would lead to a true-up credit benefitting the authority, relatively insulating the authority from significant operating risk (other than energy price risk). This source of supply will be more expensive than initially projected because Poseidon (the plant developer and operator) is constructing new intake and discharge facilities that it estimates will cost as much as \$83 million by its 2023 completion. All costs of the intake system are a direct pass through to the authority. The authority prudently has adopted contractual fixed charges to cover a significant portion of these costs directly from pass through payments, which we view favorably.

The authority has a formal asset management program that addresses the long-term sustainability of its infrastructure and facilities. The program includes evaluating the condition and expected useful life of each asset and developing a strategy to rehabilitate and replace these assets. Management regularly communicates its strategic goals internally and to outside parties. Rate adjustments have been timely historically, and management undertakes periodic rate studies that are cost of service based. Drought management planning is strong, and management has generally succeeded in executing strategic plans, including complex capital planning.

San Diego County has a diversified economy based on tourism, international trade, military, and high-tech manufacturing. The economy has been affected by the COVID-19 related shelter-in-place requirements, which have led to business closures and elevated unemployment. Leading employers include the government, education, military,

and health care sectors, all of which, in our opinion, are relatively more stable. Tourism, trade, and retail are also economic drivers and those sectors have exhibited outsized exposure to the current economic contraction. Median household effective buying income is significantly higher than the U.S., helping to blunt the effect of the rising cost of water to the ultimate retail customers of member agencies.

## **Financial Profile**

The authority's financial position has historically been a credit strength although we believe the coverage and liquidity will be less robust during this upcoming forecast period as a result of consumption declines and rising contractual costs. We view favorably that management has, through fiscal sustainability efforts, recently increased the percentage of fixed charges associated with contract and infrastructure costs. We understand that there will be continued efforts to improve the rate structure to provide enhanced stability and cost recovery. In addition, there are no issues with member delinquencies and the authority has the ability to attach delinquencies to the property tax lien of a ratepayer which increases likelihood of collections.

Debt service coverage for all senior and subordinate obligations had consistently exceeded 1.4x, which we view as healthy for a wholesaler, including payments associated with the desalination plant which are technically below the line but we include for coverage purposes. For the forecasted 2021 through 2023, fixed charge coverage, excluding the rate stabilization fund is just over 1.3x, which is narrow in our view. Given the effects of the pandemic, weather, and economic contraction, water sales declined considerably in 2019 from \$595 million to \$582 million and again further in 2020 to \$568 million. Water sales are expected to slightly rebound in 2021 to \$597 million due to normal weather and as well as potential improvement in coronavirus-related business closures and other factors. Expenditures are increasing in forecast periods as well, resulting in fixed charge coverage declining, without the RSF included. We expect the authority to continue to rely on withdrawals from the rate stabilization fund through 2023, given the rising cost of services and a desire to moderate rate increases for members. If water sales continue to decline, with rate increases not keeping up with consumption declines, the current rating could be pressured. Under a stress scenario where there is an additional 5% decline in 2021 followed by no-growth in water sales revenue, the authority would breach sum sufficiency by 2023 without significant additional rate increases. Water consumption trends will continue to pressure rates with increases of just under 5% in 2021.

Management reports that despite the planned use of the rate stabilization fund, the fund will remain above the internal target through the forecast period, with \$81 million in 2023. Management changed the policy in January of 2021 to reflect a 15% drop in water sales. Maintaining the rate stabilization at the current level and continuing to implement reasonable rate increases is critical to maintaining the 'AAA' rating.

The liquidity position has been sufficient to cushion volatility and provide with manageable rate increases. The water authority has over \$265 million in cash and codified reserves in 2020, which is a decline from prior levels that were over \$300 million. After consistently adding to the rate stabilization fund (RSF) during periods of fiscal strength, the authority utilized the RSF in 2019 and expects to leverage those funds through 2023 without breaching the target level. Management also maintains an operating reserve equivalent to at least 45 days' of operating expenses (with \$5 million held for emergencies), and several funds designated for specific capital items. By 2023, liquidity is expected to drop to



just under \$230 million, which we still view as reasonable but is approaching levels that could pressure the rating. Liquidity is a critical to the authority's financial health, given variable hydrology conditions and the development of significant additional local supply.

Revenue and expenses assumptions are reasonable, and management provides interim financial reporting. The long-term planning process is rigorous, and the detailed forecast is updated annually. The authority's reserve policy is robust and articulates a rationale for maintaining its extremely strong liquidity position. Financial planning and operational information is transparent and periodically updated.

The authority's five-year capital improvement plan is manageable, in our view. However, there is discussion of a major capital investment for a regional conveyance system. We believe a project of that magnitude could have a material impact on the authority's leverage ratios which could pressure the rating given how highly leveraged the water authority currently is. The present CIP totals approximately \$1.3 billion. The authority expects to spend approximately \$387.2 million over the next five years on capital improvement projects, though a new long-range forecast plan that is "in progress" and expected to be finalized in September of 2021, one year later than was projected last year.

## Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of March 17, 2021)		
San Diego Cnty Wtr Auth sr lien wtr rev rfdg bnds		
<i>Long Term Rating</i>	AAA/Negative	Outlook Revised
San Diego Cnty Wtr Auth wtr COP (AGM)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Negative	Outlook Revised
San Diego Cnty Wtr Auth wtr (MBIA) (MBIA of Illinois)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Negative	Outlook Revised
San Diego Cnty Wtr Auth CP notes ser 10 due 12/31/2099		
<i>Short Term Rating</i>	A-1+	Affirmed
San Diego Cnty Wtr Auth Wtr (MBIA of Illinois)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Negative	Outlook Revised
San Diego Cnty Wtr Auth CP		
<i>Short Term Rating</i>	A-1+	Affirmed
San Diego Cnty Wtr Auth WTRSWR		
<i>Long Term Rating</i>	AA+/Negative	Outlook Revised

Many issues are enhanced by bond insurance.

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'AA+';

--\$87.7 million subordinate lien water revenue refunding bonds, series 2016S-1 at 'AA+' (pre-refunding);

--\$100 million extendable commercial paper (ECP) notes at 'F1+' (pre-refunding).

Additionally, Fitch affirms the 'AA+' Issuer Default Rating (IDR) for the SDCWA.

The Rating Outlook is Stable.

## **ANALYTICAL CONCLUSION**

The 'AA+' IDR and long-term issue ratings reflect the SDCWA's 'aa' financial profile assessment in the framework of strong revenue defensibility and low operating risks, both assessed at 'aa'. The SDCWA benefits from very strong purchaser credit quality, ability to fully reallocate costs, and independent rate raising ability. The large and diverse service area includes nearly all of San Diego County (the county, IDR AAA/Stable). In addition, operating costs are low and the life cycle ratio is moderate reflecting sustained capital investment.

Leverage, measured by net adjusted debt to funds available for debt service (FADS), is relatively high at over 9.0x primarily because of significant historical capital investment to diversify water supplies. Given SDCWA is through the peak of its capital program Fitch expects leverage to trend downward over the next several years. However, preservation of the exiting ratings will be highly dependent on leverage declining to around or below 8.0x over the next few years with further improvement thereafter. Greater clarity surrounding the authority's leverage expectations are anticipated following the finalization of its planning documents, including its Urban Water Management Plan (UWMP) and Long-Range Financing Plan (LRFP), by summer 2021. Potential large long-term projects could add a significant amount of debt and/or ongoing operating costs; however, the costs and timelines are uncertain and thus not included in the assessment.

The lack of notching between the senior and subordinate lien bonds reflects Fitch's view that the distinctions in the leverage between the two liens is not material enough to warrant a rating distinction. The senior lien obligations represent approximately 70% of total debt, the subordinate lien about 21%, and supersubordinate about 9%.

## CREDIT PROFILE

SDCWA provides wholesale water service to an estimated population of 3.3 million residents over 1,461 square miles in the western portion of the county. It sells water to 24 member agencies that provide retail service to the region. The largest member, the City of San Diego (senior lien water revenue bonds rated AA/Stable), represents about 42% of the total population of the SDCWA's service area and about 39% of its total operating revenues. Water sales have varied significantly over the years due to mandatory state-wide conservation related to the five-year state-wide drought that ended in 2017 and the resulting 'new normal' levels of water consumption, as well as variable weather conditions.

A majority of SDCWA's water supply is imported, including 31% from the Colorado River via imports from the Imperial Irrigation District (IID), 19% via the All American & Coachella Canal linings, and 18% from the Metropolitan Water District of Southern California (MWD, IDR AA+/Stable) in 2020. In addition, 8% was generated by the Carlsbad desalination plant. Local supplies include recycled water, groundwater and local surface water.

In an effort to reduce its reliance on imported water from MWD, SDCWA has pursued water supply investment and diversification projects over the last 25 years. Following the drought in California in the late 1980s, SDCWA's board of directors laid out a plan to improve water supply diversification and reduce risk related to a sole supplier (at the time MWD accounted for 95% of SDCWA's water supply). As a result, SDCWA now has water supply sources that include purchases of Colorado River water via IID resulting from a Quantification Settlement Agreement (QSA) for up to 75 years and via the All-American and Coachella canal lining projects for 110 years. Supply sources also include recycled water and conservation programs, increased local storage capacity and desalination. Significant investments in supply diversification have allowed SDCWA to continue to meet water demands in its service area but have also resulted in increases in water rates and leverage. SDCWA projects that MWD water as a proportion of its total supply will decrease to 2% by 2035 given a projected increase in potable reuse and desalinated water, as well as the IID transfers.

The authority's draft UWMP, which is subject to approval by the authority's board of directors, outlines water demands and sources for the following 25 years. The draft indicates that total water demand in its service area reached a record level in 2007 and has since declined about 38% due to continuing conservation efforts and water usage efficiencies and customer behavior response to the cost of water. The authority projects an

increase in overall demand of 36% from 2020 levels by 2045 including savings from future water conservation.

## Coronavirus Considerations

The ongoing coronavirus outbreak and related government containment measures worldwide create an uncertain global environment for the water and sewer sector. To date, SDCWA reports no material impact to its revenues or operations as a result of the virus. Its responses have included a proactive hiring freeze and some spending cuts. Management noted that it deferred about \$30 million out of \$162 million in planned capital spending over the fiscal 2020 and 2021 years. Fitch's ratings are forward-looking in nature; as such, Fitch will monitor developments in the sector as a result of the outbreak as they relate to severity and duration and incorporate revised expectations for future performance and assessment of key risks as needed.

Fitch has withdrawn its ratings on the bonds as listed above due to prerefunding activity.

## KEY RATING DRIVERS

### Revenue Defensibility 'aa'

Unconditional Cost Reallocation; Very Strong Purchaser Credit Quality

SDCWA's purchaser credit quality is very strong, with its largest member the City of San Diego's water system representing about 39% of operating revenues. The board is able to fully reallocate costs and maintains independent rate raising ability.

### Operating Risks 'aa'

Low Cost Burden; Manageable Capital Needs

The overall cost of water production is very low but increasing. Rising water purchase costs are somewhat mitigated by both the overall diversification in water supplies as well as the ability to reduce water purchases in conjunction with demand reductions. The system has completed the peak of its large supply diversification efforts, thus, its life cycle ratio is moderate and reflecting the ongoing investments. The authority plans to fund capital projects consistent with its target ratio of 70% debt financing and 30% cash.

## Financial Profile 'aa'

### Leverage to Gradually Decline

Leverage in the 9.0x range is considered high for the rating. However, given that SDCWA is through its significant capital program leverage is expected to trend downward to more moderate levels over time. Coverage of full obligations (COFO) and days cash on hand are both considered adequate and are neutral to the assessment.

## ASYMMETRIC ADDITIVE RISK CONSIDERATIONS

No asymmetric additive risk considerations affected this rating determination.

## RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--A sustained reduction in leverage to below 5.0x in Fitch's base and stress cases due to an increase in financial margins or decrease in debt provided stability in the revenue defensibility and operating risks assessments.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Failure to reduce leverage to at or below the 8.0x range in Fitch's base and stress cases by fiscal 2022 followed by continued lower trajectory thereafter provided stability in the revenue defensibility and operating risks assessments.

--Addition of significant new capital projects that materially increase leverage expectations.

--A significant decline in purchaser credit quality.

## **BEST/WORST CASE RATING SCENARIO**

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit [<https://www.fitchratings.com/site/re/10111579>].

## **SECURITY**

The water revenue bonds and COPs are payable from the authority's water system net revenues. The series 2016S-1 and 2021S-1 bonds are on parity with the CP program and ECP notes, and have a subordinate lien on net revenues.

## **REVENUE DEFENSIBILITY**

SDCWA's customers have strong purchaser credit quality, scoring a '1' on the Purchaser Credit Index (a weighted average score of purchaser credit quality relative to proportion of sales based on credit ratings). The largest member, the City of San Diego water system, accounts for 39% of revenues. Other customers representing between 3% and 10% of revenues include Otay Water District, Helix Water District (IDR AA+/Stable), City of Oceanside water system, Carlsbad Municipal Water District, Vallecitos Water District (IDR AA+/Stable), Valley Center Municipal Water District, Olivenhain Municipal Water District (IDR AAA/Stable), Rainbow Municipal Water District, and the Padre Dam Municipal Water District (IDR AA+/Stable). The remaining 19% of revenues are generated by Vista Irrigation

District, City of Escondido water system, City of Poway water system, and Fallbrook Public Utility District, among others.

The SDCWA's board able to fully reallocate costs amongst the members in the event of a failure to pay of one or more members. It has independent rate setting authority with water rates established by its board of directors made up of 36 members with each member agency having at least one voting representative. SDCWA bills its members for water deliveries by the tenth business day of every month for water purchased during the prior month. Rates include fixed storage, customer service, and supply reliability charges and variable transportation, treatment, and supply rates. After a series of double-digit rate increases about a decade ago to support the debt associated with the supply diversification program, water rates have increased more moderately in recent years. Untreated water rates increased 2.9% in calendar year (CY) 2019 and 4.8% in each of CYs 2020 and 2021. Rates are expected to continue to rise annually consistent with historical practice.

Approximately 2% of total revenues are generated by SDCWA's portion of the 1% ad valorem property tax levied and collected by the county. Other non-operating revenues include infrastructure access charges (IACs) comprising about 5% of total revenues. IACs are fixed charges adjusted annually and levied on each member based on the number and size of retail water meters within the agencies and the SDCWA's service area.

As noted, water sales have varied year-to-year, but the general trend over the last decade has been downward due to conservation-related declines, particularly as a result of a severe state-wide drought that ended in 2017 and which has significantly impacted ongoing usage patterns thereafter. The peak sales in 2008 of 619,000 af declined to approximately 354,000 af in fiscal 2020. Management indicated that sales are up about 7.5% yoy for fiscal 2021 and projects a 5.1% increase for the year versus a forecast decline of 0.6%. It has forecast modest growth of 0.8% in each of fiscals 2022 and 2023.

## **OPERATING RISKS**

SDCWA's operating risks are assessed at 'aa' supported by a very low, but increasing, operating cost burden as well as moderate life cycle investment needs. The operating cost burden, measured as total operating costs (including an adjustment for SDCWA's portion of capital-related expenses associated with purchased water) relative to water production, is low at \$4,950 per mg at fiscal year-end 2020. This metric has increased each of the last four years as spending has increased and water production has trended downward. Given expectations for relatively flat to modestly increasing water sales and rising water costs,



the operating cost burden is likely to increase at a gradual pace but should remain below Fitch's \$6,500 per mg threshold for the 'aa' subfactor assessment.

The largest cost to SDCWA is imported water from MWD. MWD water rates are set biannually and are currently expected to increase moderately over the next several years. This exposure is somewhat mitigated as the authority recovers its share of the MWD readiness-to-serve and capacity charges through a direct pass-through to members. IID water rates are set to increase based on inflationary factors through 2034. The authority's most expensive water source is desalinated water produced by Carlsbad under a 30-year agreement with Poseidon. Under the agreement, Poseidon owns, operates, and maintains the plant and the authority owns, operates, and maintains the 10-mile pipeline that delivers the desalinated water to the authority's distribution system.

SDCWA's life cycle ratio is 19%, well-below the 'aa' subfactor assessment threshold of 45%. The authority is in a downward phase of its capital cycle after having completed a variety of significant water diversification projects over the last couple of decades. The authority's 10-year capital improvement plan (CIP) for fiscal 2022 through 2031 indicates approximately \$983 million in spending. The focus of the CIP is on asset management. SDCWA is planning to complete several studies, including the UWMP and LRFPP by summer 2021 as well as the Water Facilities Master Plan by 2023, to identify infrastructure needs.

The peak of the capital cycle was reached in 2007 with annual spending of \$290 million. Significant projects completed over the last decade include the San Vicente Dam Raise, which increased regional capacity of emergency and carryover storage by 157,000 af, the Olivenhain Dam, Twin Oaks Water Treatment Plant, and pipeline relining. Also completed, but included as operating costs rather than CIP spending, was the Carlsbad Desalination Project. The Carlsbad facility is in the process of transitioning from an original water intake associated with a facility that stopped generating in 2018 to a standalone intake by the end of 2023. The plant operator, Poseidon Resources (IDR BBB/Stable), is responsible for the construction of the new intake and discharge facilities, with SDCWA financing some improvements. Poseidon will pass along capital and operating costs associated with the facilities through water price adjustments to SDCWA subject to certain price increase caps.

Potential additional long-term projects with significant possible impacts to the authority include the Bay-Delta Fix (i.e. one tunnel plan) and a Regional Conveyance Project. However, even if one or both of the projects move forward, the ultimate costs and timelines are currently unknown. The Bay-Delta Fix, estimated at a cost of \$15.9 billion, is the California Department of Water Resources (DWR) plan to construct a tunnel system under the San Francisco-San Joaquin Bay Delta to increase reliability of water supplies for State

Water Project contractors. The MWD board authorized a funding commitment of 47.2% of costs for preliminary design and planning activities. Design could take several years, DWR estimates construction to last approximately 13 years and it is expected that the project will face multiple lawsuits. The authority is also considering a Regional Conveyance Project, which would comprise construction of a pipeline to deliver the authority's QSA supplies as an alternative to paying MWD to deliver this water. The first phase completed in August 2020 determined that the project is technically feasible and cost competitive with other options. The next phase will further examine the project's financial feasibility and impacts on rates and is expected to be completed by summer 2022. The current estimated cost of the project is \$5 billion.

## FINANCIAL PROFILE

Leverage is on the higher end of the 'aa' assessment level at over 9.0x the last five years. It increased in fiscal 2020 to 9.6x from 9.2x in fiscal 2019 due in part to a decline in operating revenues as water sales volume declined 6.5%. However, it should improve modestly over the forward look given forecast rate increases and a 5% increase in sales volume in fiscal 2021 followed by modest annual increases. In addition, the authority is through its capital program and debt issuances are expected to be lower than historical levels.

Total long-term debt stood at \$2.24 billion at fiscal year-end 2020, and net adjusted debt, including capitalized fixed charges and pension liability adjusted to Fitch's 6% discount rate less available cash and funds restricted for debt service, stood at \$3.2 billion. Funds available for debt service (FADS) declined about 6.2% in fiscal 2020 due primarily to the operating revenue decline.

SDCWA's liquidity profile is adequate and considered neutral to the rating with COFO of approximately 1.1x in fiscal 2020; Fitch-calculated all-in debt service coverage was also 1.1x. For the same period, available cash totaled \$206.8 million, equal to 62 days current cash on hand.

### Fitch Analytical Stress Test (FAST)

The five-year forward look provided by FAST considers the potential trend of key ratios in a base case and a stress case. The stress case is designed to impose capital costs 10% above expected base case levels and evaluate potential variability in projected key ratios.

SDCWA's financial forecast, which includes assumed rate increases and a modest increase in water sales, growth in operating expenses due to purchased water costs, and \$200

million additional borrowing in fiscal 2022 followed by up to \$450 million in fiscal 2025, is the basis for Fitch's base case. Given these assumptions, leverage increases to around 9.8x-9.9x in the base and stress cases in fiscal 2022 but is then expected to decline to the 8.4x-8.5x range by fiscal 2025.

## SOURCES OF INFORMATION

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

## REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

## ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg).

### RATING ACTIONS

ENTITY/DEBT	RATING		PRIOR
San Diego County Water Authority (CA)	LT IDR	AA+ Rating Outlook Stable	Affirmed
			AA+ Rating Outlook Stable

Feedback

ENTITY/DEBT	RATING	PRIOR
<ul style="list-style-type: none"> <li>San Diego County Water Authority (CA) /Water</li> </ul>	LT AA+ Rating Outlook Stable	Affirmed AA+ Rating Outlook Stable

[VIEW ADDITIONAL RATING DETAILS](#)

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### APPLICABLE CRITERIA

[U.S. Water and Sewer Rating Criteria \(pub. 03 Apr 2020\) \(including rating assumption sensitivity\)](#)

Feedback

## ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

## ENDORSEMENT STATUS

San Diego County Water Authority (CA)

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Feedback



April 1, 2021

MEMBER AGENCIES

Carlsbad  
Municipal Water District

City of Del Mar

City of Escondido

City of National City

City of Oceanside

City of Poway

City of San Diego

Fallbrook  
Public Utility District

Helix Water District

Lakeside Water District

Olivenhain  
Municipal Water District

Otay Water District

Padre Dam  
Municipal Water District

Camp Pendleton  
Marine Corps Base

Rainbow  
Municipal Water District

Ramona  
Municipal Water District

Rincon del Diablo  
Municipal Water District

San Dieguito Water District

Santa Fe Irrigation District

South Bay Irrigation District

Vallecitos Water District

Valley Center  
Municipal Water District

Vista Irrigation District

Yuima  
Municipal Water District

OTHER

REPRESENTATIVE

County of San Diego

**VIA EMAIL AND U.S. MAIL**

Mr. Adam Wilson, Moderator  
San Diego County LAFCO  
(adwilson858@yahoo.com)

Re: Fallbrook/Rainbow Reorganization Applications

Dear Mr. Wilson:

For the upcoming Ad Hoc Committee meeting on April 5, 2021, we felt it important to inform LAFCO, the Committee, and Dr. Hanemann of the following important recent events, all of which pertain to the pending reorganization applications of Fallbrook and Rainbow. We ask that you distribute this letter to LAFCO and its staff, and all Committee members.

**A. State Water Project Shortages and MWD Statement**

The State of California recently reduced MWD's 2021 allocation of State Water Project deliveries to 5% due to dry conditions. In responding to this news, MWD issued a news release with a statement from its General Manager Kightlinger, which stated that though MWD has enough stored water to cover it for needs this year, MWD's future water reliability is uncertain without major investments. Mr. Kightlinger said:

“We need reinvestments in our water infrastructure to ensure the reliability of our imported supplies and new investments in local supply development.”

A copy of this news release is attached.

The Water Authority already has done exactly as Mr. Kightlinger suggested, investing billions of dollars in QSA and desalinated water supplies for the entire San Diego region. Those investments, which directly benefit Fallbrook, Rainbow, and all Water Authority member agencies, provide water reliability that is far more secure than the State Water Project on which MWD heavily relies, and which will be the sole source of water supply available to Fallbrook and Rainbow if they move to Eastern.

In fact, the Water Authority is often cited as a best practices example in statewide discussions of the Governor's goal and state policy mandate of moving to a “water portfolio” standard. The Water Authority's conservation investments in Imperial County have secured a right to QSA water that represents the region's cheapest and most reliable water. Those QSA rights are superior to MWD's Priority 4 rights to Colorado River water. As to our desalination facility in North County, this water is entirely immune to drought impacts. Similarly, our member agencies' local source

and potable water reclamation innovations (such as the City of San Diego's Pure Water Program) are on the cutting edge of international standards for sound and sustainable water stewardship.

In short, the Water Authority has already made investments that MWD is only now contemplating, the cost of which are estimated in the many billions of dollars for MWD but are not included in its near or long-term projected water rates.

**B. Fallbrook/Rainbow Detachments Are Cited By Standard and Poors As Financial Risk To Water Authority**

The Water Authority recently went to market to sell bonds, and it received a financial rating report from Standard and Poors which LAFCO must consider in its review of the pending applications. Though Standard and Poors continued to rate the Water Authority as AAA, it also gave the Water Authority a negative outlook. Attached is the S&P Report of March 17, 2021, and on page 2 is the negative outlook rating.

Standard & Poor's states in its Report that potential detachment is a key driver of financial concern. It states on page 2, "Uncertainty resulting from two member agencies' applications to detach from the authority is an additional credit stressor." It also states on page 6:

*"While we do not believe any of the aforementioned issues will have a financial effect in the near-term, we do believe ongoing litigation has associated costs and introduces potential longer term political risk -- especially if an approved detachment sets a precedent if members can easily detach from the authority. This would be further exacerbated if the two members are not required to pay for their portion of the associated debt and infrastructure costs that the authority has undertaken to provide reliable water sources."*

The above emphases are added because it is critical that LAFCO, the public, and other member agencies of the Water Authority fully understand the implications of the Fallbrook/Rainbow sought reorganizations. If LAFCO were to allow those agencies to leave the Water Authority without having to bear their share of the financial obligations incurred to provide a base load water supply, then not only would the ratepayers in the rest of San Diego County have to foot the bill for such detachments, but the Water Authority's credit could be adversely affected, raising borrowing costs for the rest of the County as well. This would be a compounding financial blow to all our member agencies.

The questions raised in the Standard and Poors analysis are directly attributable to the speculation and uncertainty created by the detachment filings and the comments regularly made associated with them, in which the proponents ask to be relieved of their share of their obligations for the very water reliability investments cited above. Such a precedent would not only damage the Water Authority, but any other similarly situated public agencies contemplating capital investments necessary to meet conservation, environmental, or local water resource development.

**C. Other Member Agencies May Seek Detachment If LAFCO Were To Approve The Fallbrook/Rainbow Applications**

The “slippery slope” risk articulated by Standard and Poors in their above Report was recently highlighted by Enrico Ferro, Vice President of the Valley Center Water District (“Valley Center”). His statements were made at a March 16, 2021, Farm Bureau Water Committee meeting attended by Water Authority staff members. In that meeting Mr. Ferro of Valley Center (which agency is adjacent to Rainbow) made clear that if the pending detachments were approved it would be a clear encouragement for other agencies to also leave. He said, “I applaud Fallbrook and Rainbow for doing this. I say to myself why aren’t more agencies doing this?” He also stated that he believes other agencies are going to seek detachment.

The simple fact is, as stated by both Standard and Poors and Valley Center Board Officer Ferro, that if agencies are simply allowed to walk away from their San Diego County water reliability obligations, exiting into Riverside County with a “free pass” from LAFCO, it will naturally encourage other agencies to do the same. This would not be prudent governance and would harm the rest of San Diego County water ratepayers.

In closing, we look forward to the meeting on April 5 where we can discuss these important matters with the rest of our Committee members. Thank you.

Sincerely,

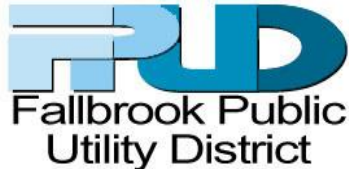


Sandra L. Kerl  
General Manager

Enclosures

cc via e-mail:

Jeffrey Kightlinger, General Manager, MWD  
Jack Bebee, General Manager, Fallbrook PUD  
Paula C. P. de Sousa, Counsel, Fallbrook PUD  
Nick Kanetis, Deputy General Manager, Eastern MWD  
Tom Kennedy, General Manager, Rainbow MWD  
Alfred Smith, Counsel, Rainbow MWD  
Water Authority Board of Directors  
Kristina Lawson, Counsel, Water Authority  
Mark J Hattam, General Counsel, Water Authority



April 6, 2021

Sandy Kerl  
General Manager  
San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA 92123

Dear Ms. Kerl,

While the Fallbrook Public Utility District and the Rainbow Municipal Water District have been complying with the request by San Diego LAFCO to provide a “quiet period” for Dr. Hanneman to complete his analysis without the on-going back and forth of additional correspondence, the San Diego County Water Authority (CWA) has, unfortunately, continued an on-going campaign of misinformation. Unlike CWA, which apparently has millions of public dollars to spend on disseminating incorrect information, we are not going to use our limited rate payer dollars to respond to every misleading statement CWA has made. That said, we cannot remain silent on CWA’s attempt to score political points with a grossly misleading press release about its credit rating and similarly misleading statements included in CWA’s most recent letter to LAFCO. We find CWA’s actions in this regard quite alarming.

We had hoped that CWA would understand that issuing a press release that misrepresents its own rating agency report by implying that the potential detachment of our two small agencies would be financially devastating to CWA (even though the Districts together only represent roughly 1.5% of the population served by CWA), would not be a good strategy for CWA to maintain its long term bond rating outlook. It appears CWA decided it would disseminate a press release, and subsequent letter to LAFCO, that deflected the change in its credit outlook by taking, out of context, the language from one of the three credit rating reports, instead of focusing on addressing the main reasons identified in the rating agency report for a negative outlook.

Specifically, the language in the S&P report describing why S&P changed its outlook on CWA is as follows:

*“The primary risk to the authority is the reduced consumption stemming from conservation, weather, economic contraction and the development of local supply by their member agencies. The reduced consumption introduces a financial challenge given that contractual water costs are increasing. Forecasted coverage is narrow relative to peers at the 'AAA' level and if rate increases are not sufficient to offset consumption declines, the rating could be lowered.”*

In summary, S&P identified the main credit risks to CWA to be reduced consumption of CWA supplies due to both conservation and local supply development. The S&P report also cites to the fact that CWA has a significant amount of debt and has contracted for expensive supplies, such as desalination. The loss of

approximately 17,000 water customers in the Fallbrook area was not identified as the primary concern for the change in outlook by S&P.

In addition, while S&P does describe specific concerns related to detachment, it also cites many other issues relative to the operation of CWA that resulted in the negative outlook. These include:

*“In addition, the rating could be pressured if the authority further depletes the rate stabilization fund beyond the minimum target level established by the board or fails to implement rate increases to maintain financial metrics commensurate with a 'AAA' rating. The rating could also be pressured if the authority takes on a meaningful amount of additional leverage.*

*“The authority has a higher degree of litigation and member discord than is standard in the sector, in our opinion.*

*“The authority's five-year capital improvement plan is manageable, in our view. However, there is discussion of a major capital investment for a regional conveyance system. We believe a project of that magnitude could have a material impact on the authority's leverage ratios which could pressure the rating given how highly leveraged the water authority currently is.”*

Some of the other secondary issues that S&P identified as drivers for the change in outlook include:

1. Potential for additional borrowing and challenges to maintain coverage ratios
2. The amount of litigation and discord between the Water Authority and its member agencies.
3. The fact that the Water Authority is spending millions of dollars on a regional conveyance project that has no possibility of being able to borrow money to actually build.

While we agree that the statement below was included in the S&P report as a secondary driver, CWA's press release and subsequent letter to LAFCO not only ignored some very specific language used by S&P, but also knowingly, to the potential detriment of CWA's financial position, failed to clarify that some of S&P noted potential financial risks are simply infeasible. Specifically, the excerpt from the S&P report set out below includes incorrect assumptions, which CWA clearly knows are incorrect, but which CWA has twisted for the singular purpose of inflating the financial impact of the proposed detachment:

*“While we do not believe any of the aforementioned issues will have a financial effect in the near-term, we do believe ongoing litigation has associated costs and introduces potential longer term political risk -- especially if an approved detachment sets a precedent if members can easily detach from the authority. This would be further exacerbated if the two members are not required to pay for their portion of the associated debt and infrastructure costs that the authority has undertaken to provide reliable water sources.”*

As CWA is well aware, the concept that if Fallbrook and Rainbow leave then other districts would follow suit is erroneous because our two districts are uniquely situated on the MWD aqueducts so that we can receive all our service directly from MWD. **No other** CWA member agency can now, or in the reasonably foreseeable future, obtain imported water without CWA and its infrastructure. This is not possible for other agencies and so it is clearly not something that would result in other agencies being able to “easily detach from the authority.”

While CWA continues to push the narrative that other member agencies will be leaving, the next closest agency to our two districts (Valley Center Municipal Water District) has clearly indicated that it is not financially viable for it to pursue detachment, given its need for CWA infrastructure. Even though CWA appears determined to mischaracterize statements by a Valley Center Municipal Water District Board member, in his personal capacity, as the position of Valley Center's Board of Directors, to support its misinformation campaign (see the attached statement made by Mr. Ferro as public comment to LAFCO on April 5, 2021) the fact that Valley Center is not connected to MWD infrastructure makes detachment of Valley Center financially unviable. In addition, the San Diego Farm Bureau had to send its own letter to correct other misstatements made in the same letter (see attached). We hope the issuance of these two corrections give you some pause before you send out future correspondence.

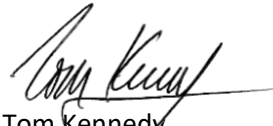
Finally, with regard to the portion of the S&P report excerpt above that our two districts should "pay for our portion of the associated debt and infrastructure costs," we understand the statement simply as a highlight, by S&P, of the need to make sure that all appropriate costs associated with CWA providing facilities for Fallbrook and Rainbow are addressed in the process. This would necessarily need to also include the value of the infrastructure the rate payers of our two districts have funded for decades, (that will be left behind for the benefit of the remaining CWA member agencies) the overwhelming majority of which, quite notably, do not actually serve Fallbrook and Rainbow. As you are aware, although Fallbrook and Rainbow have paid tens of millions of dollars for a portion of the Emergency Storage Project (ESP), the Authority has never completed the facilities to serve all Fallbrook and Rainbow customers. In fact, an analysis conducted by London Moeder and Associates shows we have paid roughly \$50 million more than we received in benefits from our past investments over the last decade.

Again, we do not plan to correct all misstatements in your recent correspondence and press release, but we are sufficiently concerned about CWA's quite alarming misstatements regarding S&P report that we felt the need to respond. CWA's actions to construe the impact of the proposed detachments of our two small districts as having any major impact on CWA's overall financial position is simply laughable.

The Fallbrook and Rainbow Boards are pursuing detaching from CWA because we believe it is in the best interest of our customers, and securing wholesale supplies through Eastern Municipal Water District is a more equitable arrangement for our customers that guarantees excellent supply reliability for our customers. We hope moving forward we can focus on providing relevant information to LAFCO in a factual manner to help facilitate the process and that the Water Authority will not continue to risk its own credit rating by continuing to politicize and mischaracterize its own rating reports.



Jack Bebee  
General Manager  
Fallbrook Public Utility District



Tom Kennedy  
General Manager  
Rainbow Municipal Water District

Enclosures

cc: SDCWA Board of Directors  
Adam Wilson, Moderator – San Diego County LAFCO



# FARM BUREAU San Diego County

**The Voice of Local Farmers**  
Serving San Diego agriculture since 1914

April 2, 2021

Mr. Adam Wilson, Moderator  
San Diego County LAFCO  
([adwilson858@yahoo.com](mailto:adwilson858@yahoo.com))

Re: County Water Authority April 1, 2021 email and U.S. Mail Re: Fallbrook/Rainbow Reorganization Applications

Dear Mr. Wilson:

On behalf of the San Diego County Farm Bureau and our Water Committee, I am writing to correct the record regarding an email and U.S. Mail provided to you by the San Diego County Water Authority, dated April 1, 2021 and regarding the Fallbrook/Rainbow Reorganization Applications. Specifically, I am writing to correct the text provided under Item C. Other Member Agencies May Seek Detachment If LAFCO Were To Approve The Fallbrook/Rainbow Applications, page 3 of 3.

Mrs. Sandy Kerl was not in attendance during this meeting, the meeting was not recorded and the discussion is being mischaracterized. The Farm Bureau was told this meeting was an opportunity for local farmers with a specific interest in water issues to ask questions to County Water Authority Staff regarding the detachment of Fallbrook and Rainbow. At no time were any local farmers speaking on behalf of any local water districts governing bodies. This point was clearly articulated during our hour long discussion.

We look forward to San Diego LAFCO providing a fair and unbiased review of the Fallbrook/Rainbow Applications for Deannexation. We find it disappointing that local farmers cannot ask honest and valid questions, such as "why aren't more agencies doing this?" without being used to further an organizational agenda. We still do not have a clear answer from the County Water Authority regarding how these applications will negatively impact agriculture in San Diego County. We look forward to LAFCO providing clear and honest answers during their review of the Fallbrook/Rainbow Applications.

Thank you for the opportunity to clarify the record.

Sincerely,

**HANNAH GBEH** *Executive Director*

420 S. Broadway, Ste. 200, Escondido, CA 92025

Office: 760.745.3023

[hannah@sdfarmbureau.org](mailto:hannah@sdfarmbureau.org)

Cell: 760-504-4109



*The Voice of Local Farming*

CC: Keene Simonds, Executive Director, San Diego LAFCO

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San Diego County LAFCO  
9335 Hazard Way  
Suite 200  
San Diego, CA 92123



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April 2, 2021

To Whom It May Concern,

I was made aware of a letter sent to San Diego LAFCO from the San Diego County Water Authority on April 1. The letter was sent to Mr. Adam Wilson for an Ad Hoc committee meeting on April 5 concerning the detachment of Rainbow and Fallbrook water agencies.

The letter exemplifies the way the CWA operates when they face any opposition. As stated in the letter CWA representatives had a meeting with the Farm Bureau water committee. They requested to come speak to the committee about the detachment of Rainbow and Fallbrook. What they failed to mention was that prior to the meeting they implied that they did not want the meeting recorded. At the beginning of the meeting (and any time I communicate with CWA) I stated that I was not making comments on behalf of the Valley Center Municipal Water District or San Diego County Farm Bureau. I was representing myself as one of their customers. I was very candid with them about my thoughts on the matter and while they correctly transcribed what I said it was taken completely out of context. I did not at any time consent to my words in our private meeting being used to further their case with LAFCO nor did I think they would make them public. Also, I have never discussed the way I feel about any of the actions being taken by CWA to either the VCMWD Board of Directors or the SDCFB Board of Directors.

I find the misuse of my words disturbing and as such I feel the need to fill in the gaps of the missing context. What I told CWA staff is that the actions taken by their board over the last couple of decades have severely impacted the agricultural areas of the county that rely on their supplies. I cited specific examples from my experiences since I began working in the county 24 years ago. I became a resident of San Diego County in 2004 after purchasing an avocado grove in Valley Center. When I started working in the county as a pest control adviser for citrus and avocado production, I had over 100 customers in the county. Groves were a big part of almost all of North County and it was a prolific industry. What I pointed out to CWA is that I am down to about 15 customers mostly in the Pauma Valley area who rely in part or entirely on ground water to irrigate their crops. I pointed out that I originally purchased my property for 24 thousand dollars an acre and 17 years later can sell it for 15 thousand an acre. I stated that now when I look out my window I am surrounded by dead or removed groves. And it is a verifiable fact that the change in landscape, the impact on grove management companies, on businesses supplying agriculture, on small farmers, and my own job can be attributed to the constantly increasing high cost of water. I pointed out that when I purchased my grove the cost of water was roughly the same as south Riverside County. I sold the grove located in the Riverside County part of De Luz to move to Valley Center. CWA will tell you that the high cost of water here in SD County is attributable to Metropolitan Water District of Southern California. But that is just another "alternative fact," fabrication, and distortion of the truth by CWA. If MET water is so expensive then why do Rainbow and Fallbrook want to detach and go to Eastern? I believe it is because Rainbow and Fallbrook want to restore their communities. VCMWD used to sell in excess of 50 thousand acre feet of water. Now it sells less than 16 thousand acre feet. The population has expanded from 10 thousand people to more than 25 thousand. Most of that water used to be sold to the farming community; not the residents.

I also stated that most of the counties water agencies have no voice when it comes to making decisions at CWA board meetings. Recently a vote was made as to whether or not continue moving forward with a study for a



regional conveyance system. Twenty of the board members voted against continuing wasting money on that venture and only 16 voted in favor. The voting system at CWA disenfranchises most of the water agencies in the county. Rainbow and Fallbrook or any of the other agencies would not lose any kind of voting power if they left CWA because they currently have none. These are just some of the points I made during the meeting and that is why I said what I was quoted as saying in the CWA letter to SD LAFCO. I am not surprised that Standard and Poors has a negative outlook on detachment as I already feel that the CWA is a sinking ship. Sincerely,

Enrico Ferro

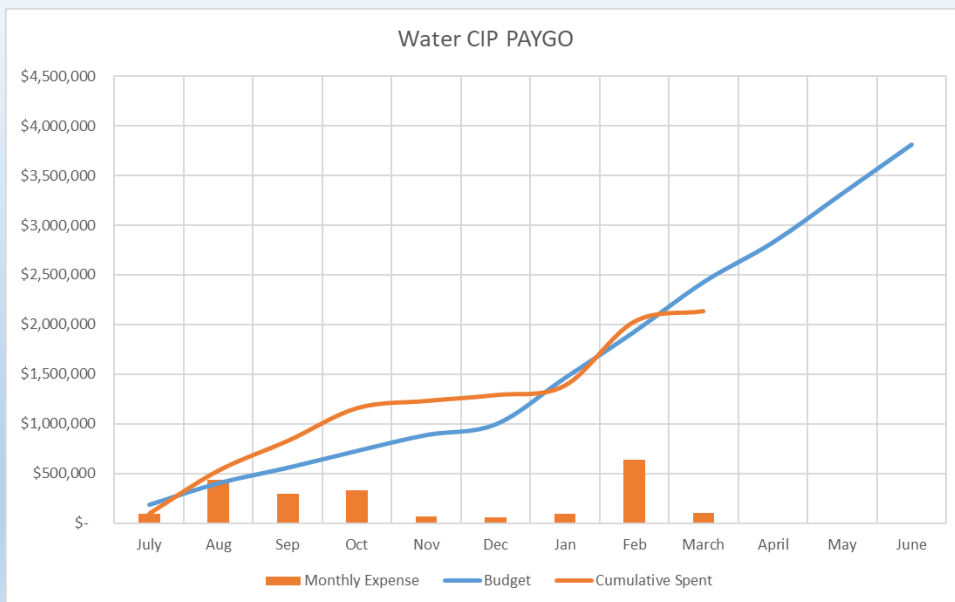


# Fallbrook Public Utility District

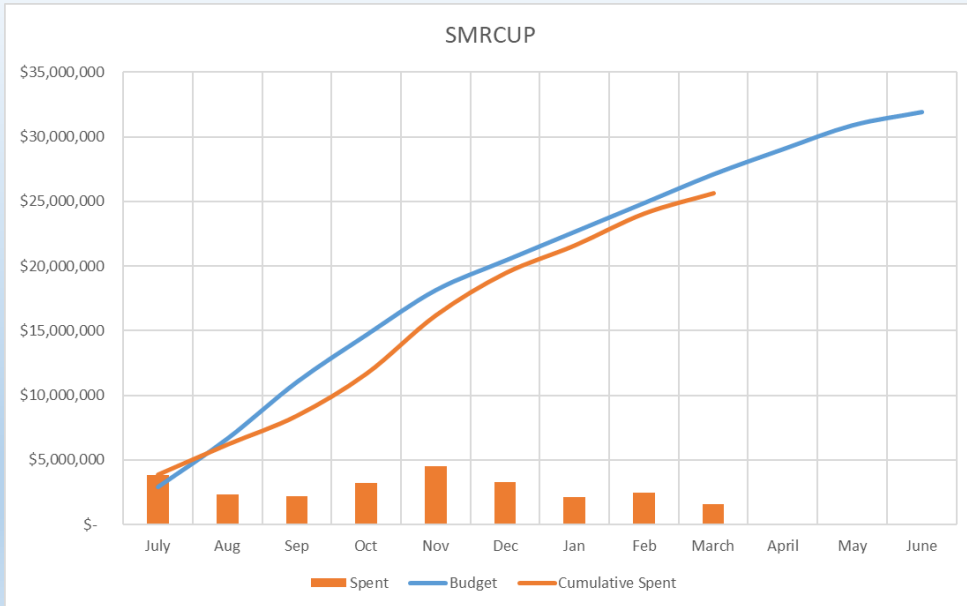
## Engineering and Operations FY21

Board Meeting April 2021

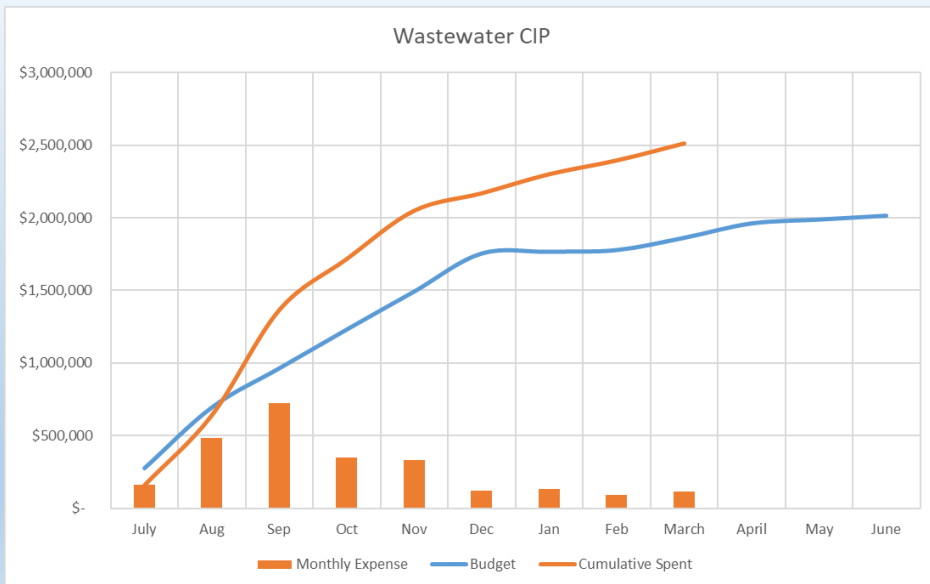
### Water PAYGO CIP FY21



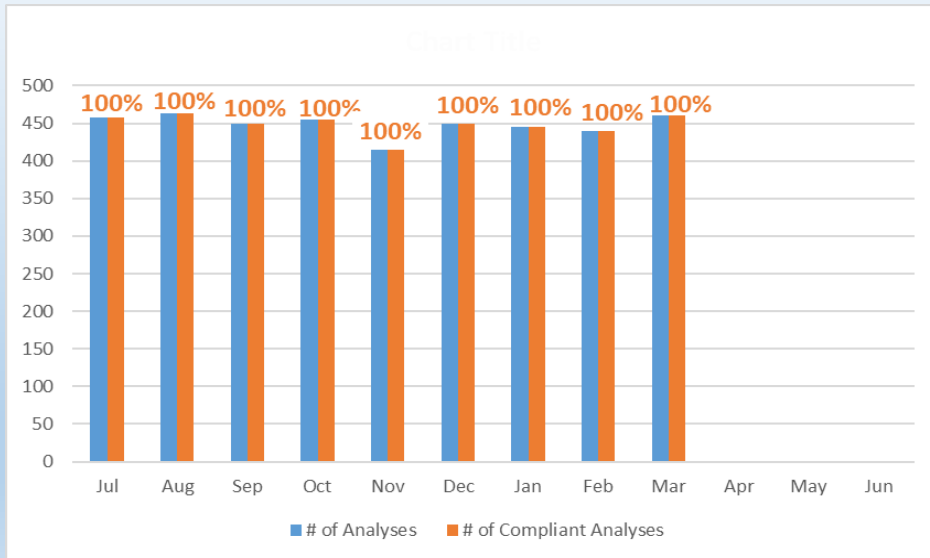
## Water SMRCUP CIP FY21



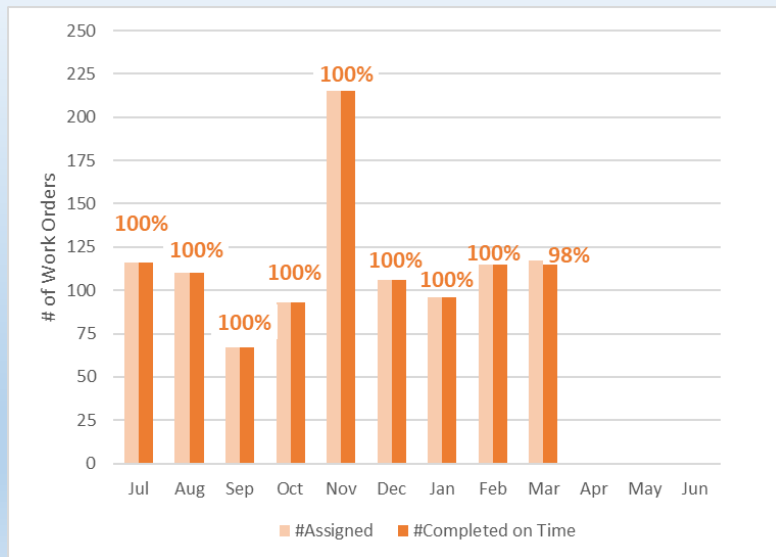
## Wastewater System CIP FY21



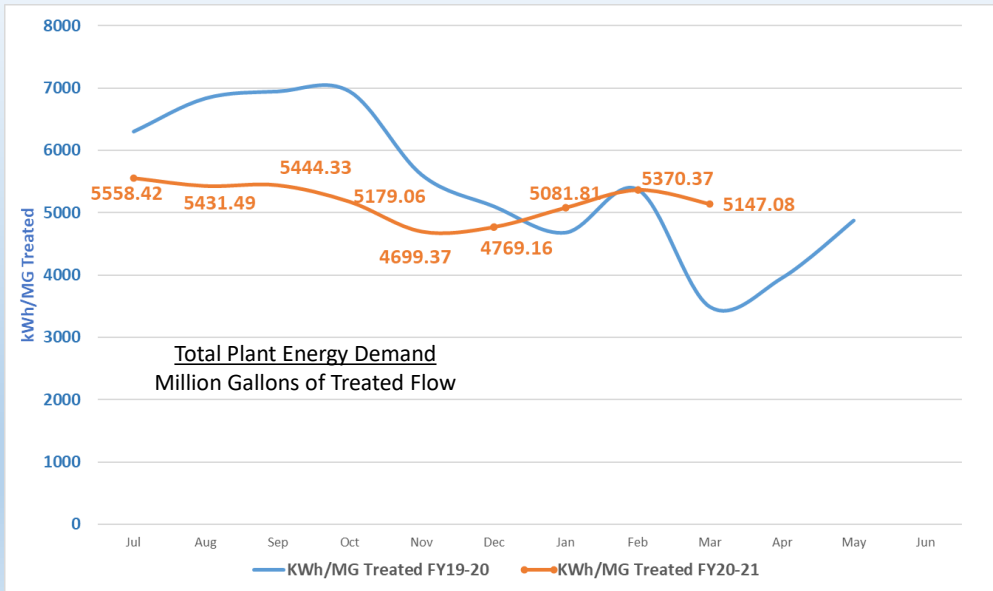
## Wastewater System Regulatory Compliance



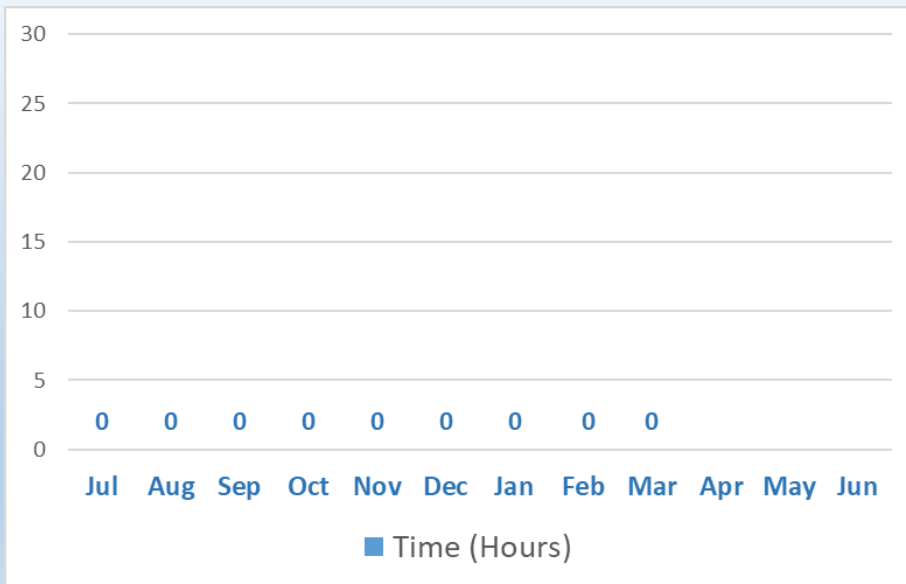
## Reclamation Plant – Preventative Maintenance Work Orders



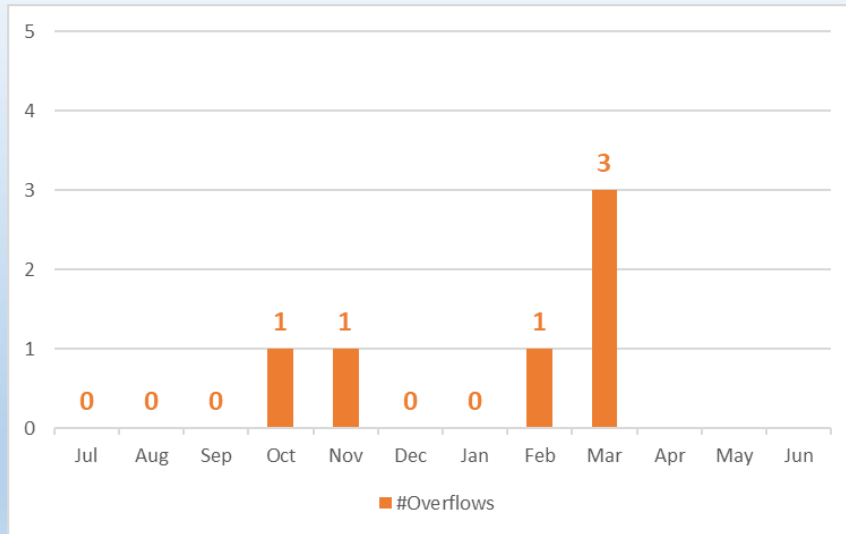
### Reclamation Plant – Energy Usage (KWh/MG Treated)



### Recycled Water – Time out of Service (Hours)

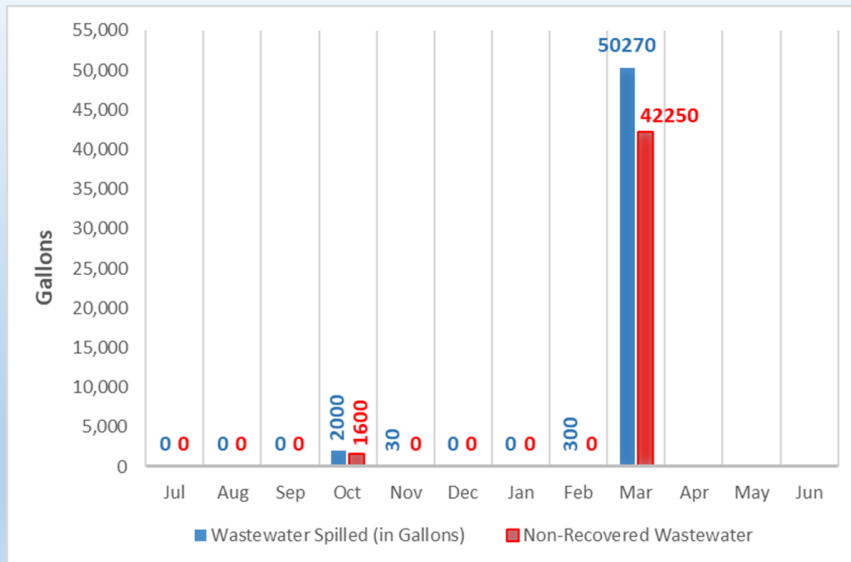


## Sewer Overflows

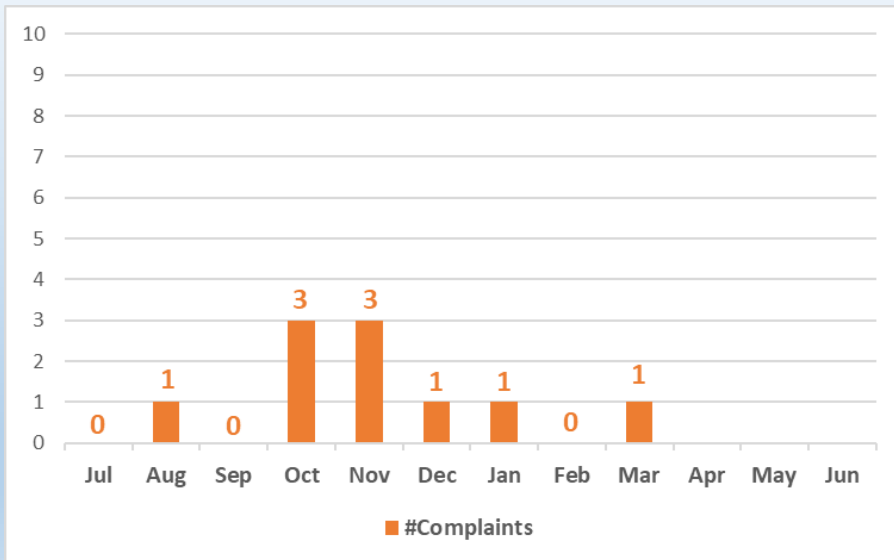


**NOTE: One of the spills for March was due to Contractor work on Overland Trail LS**

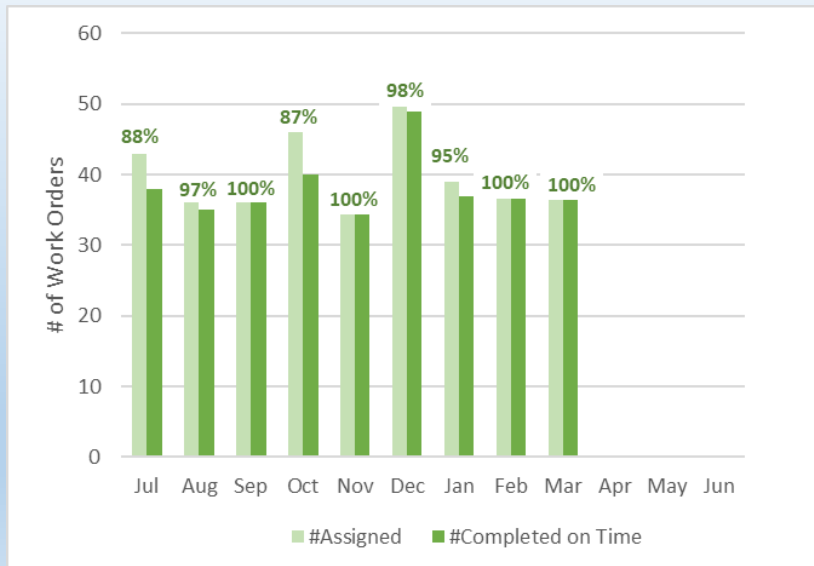
## Wastewater Spilled



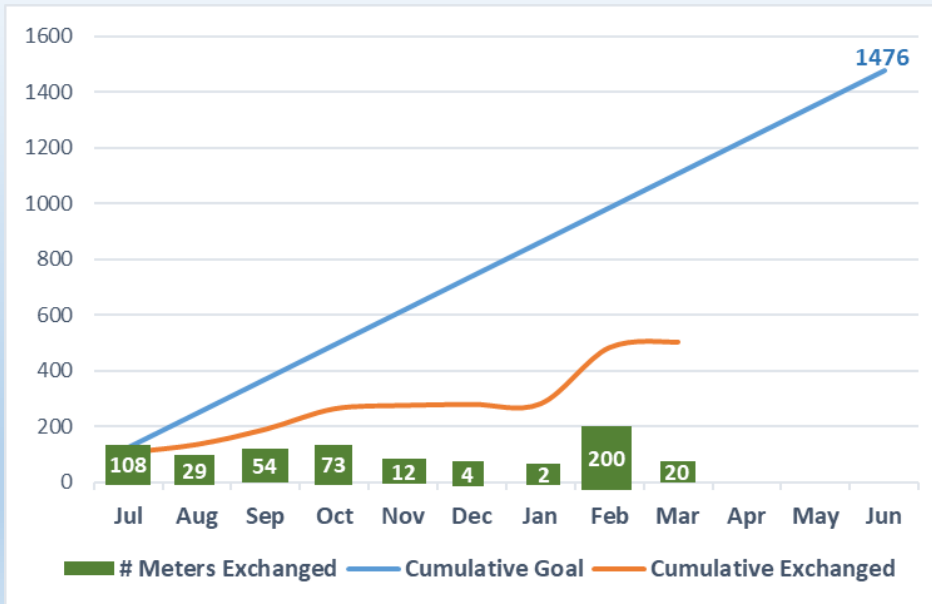
## Wastewater System Odor Complaints



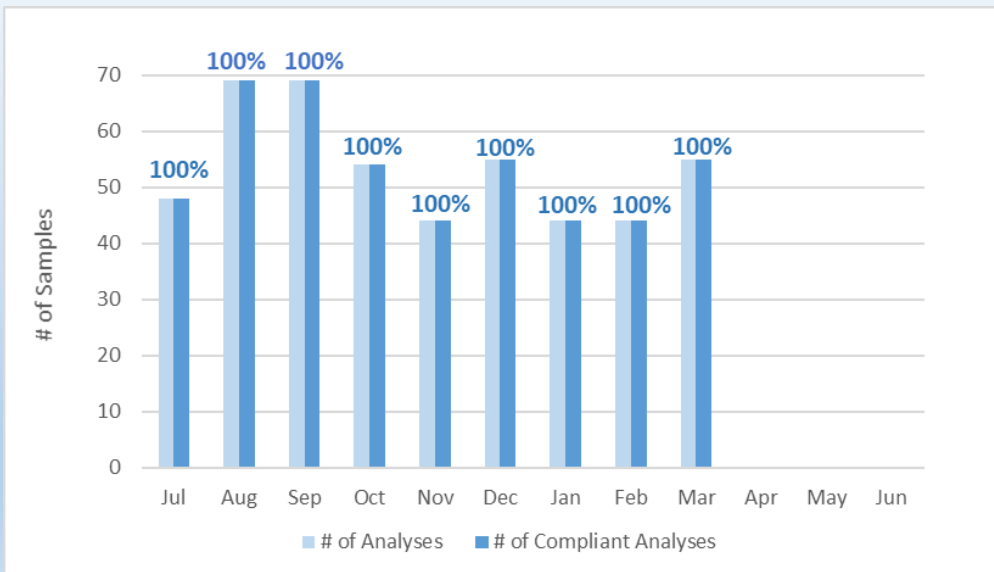
## Collections – Preventative Maintenance Work Orders



## Meter Exchange

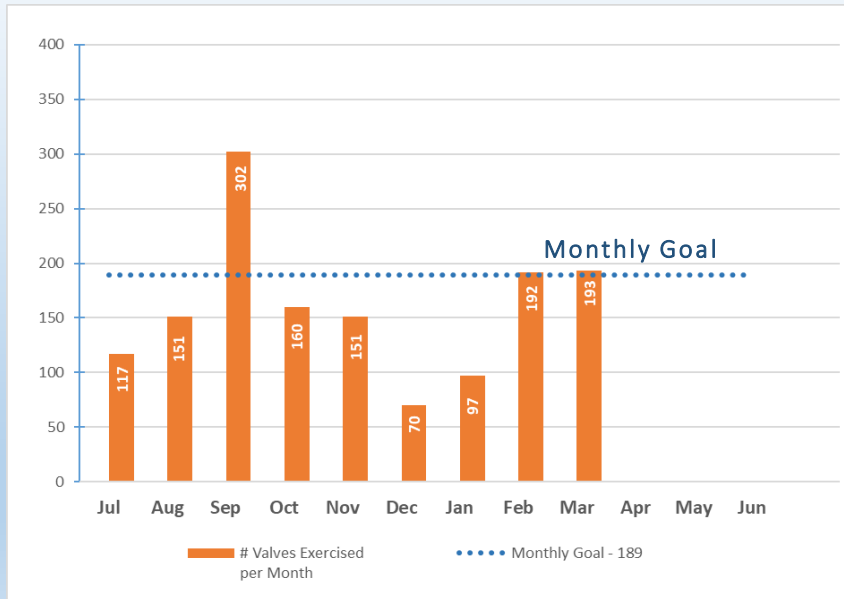


## Water System Regulatory Compliance

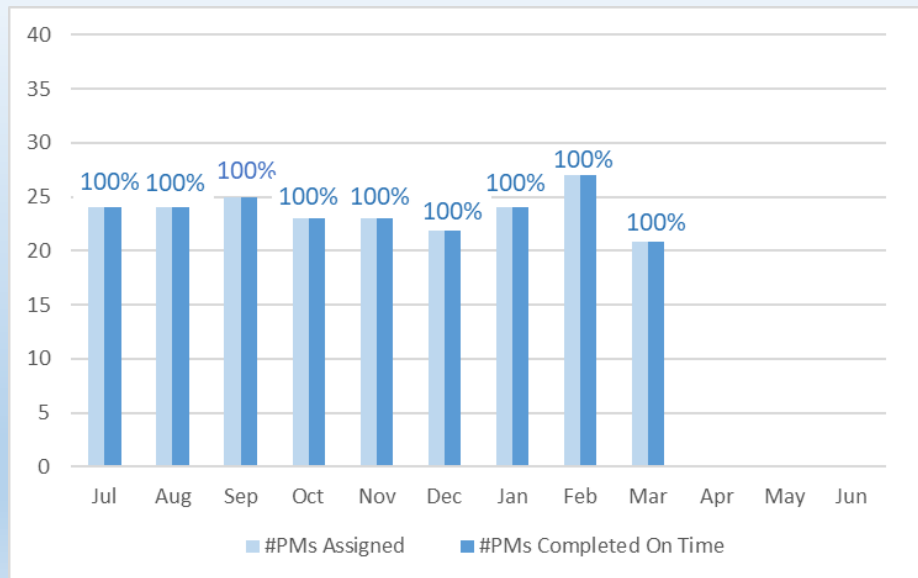




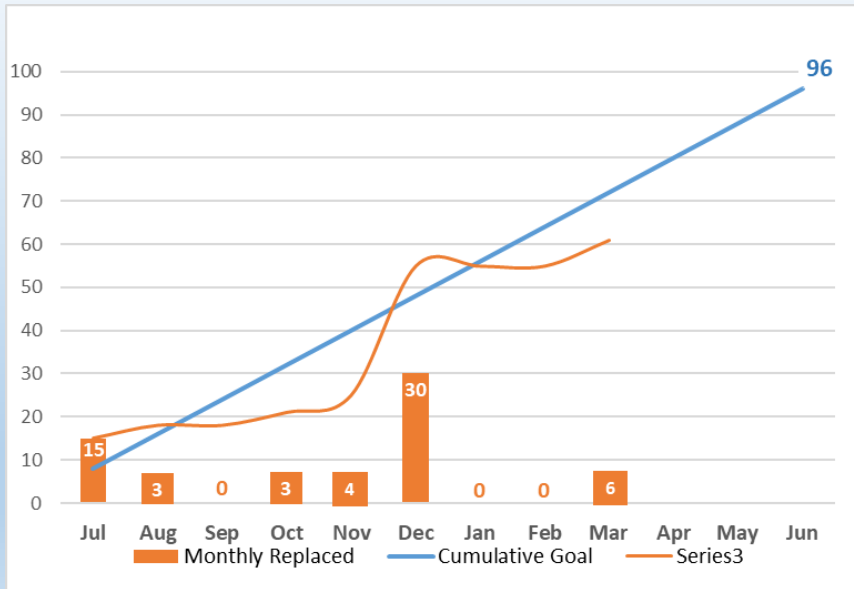
## Valve Exercise Program



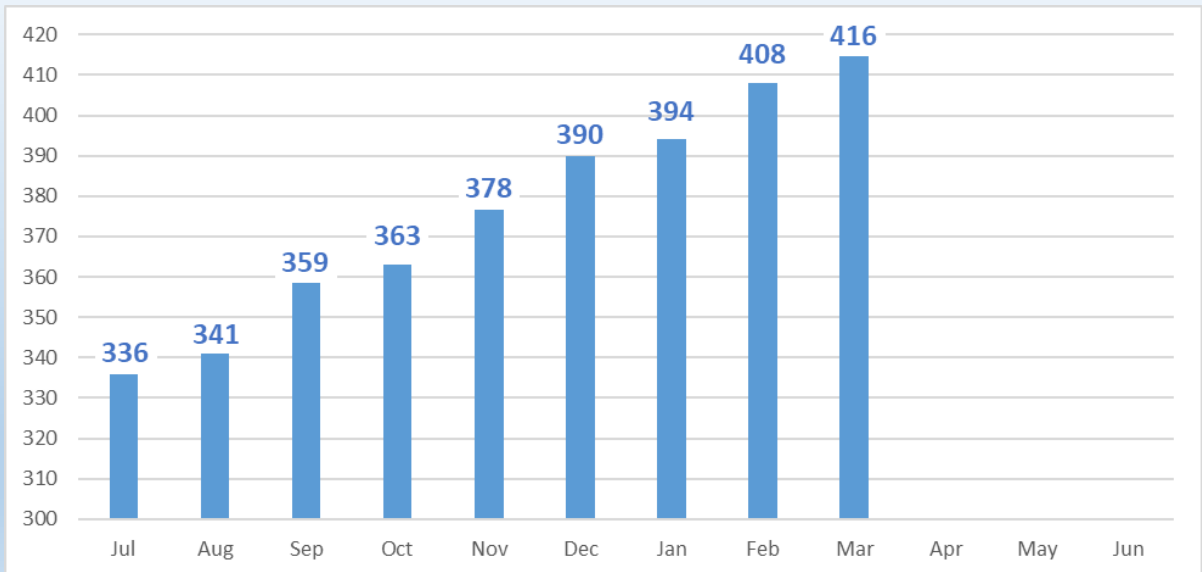
## Water Preventative Maintenance Work Orders



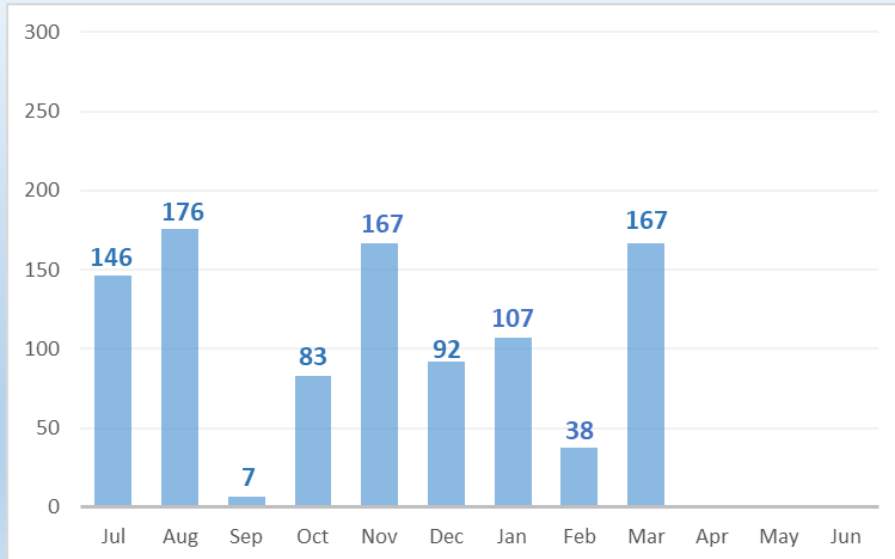
## Valves Replaced



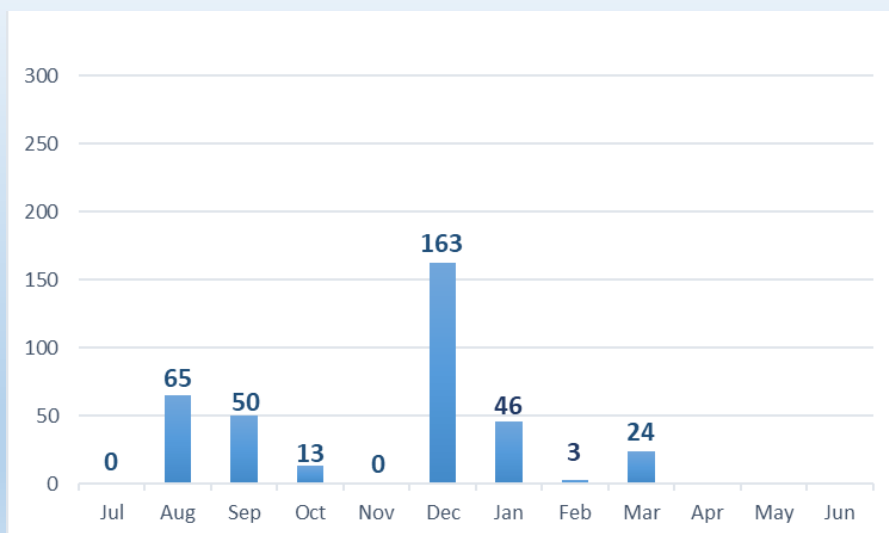
## Rolling Total Broken Valves



## 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:** April 26, 2021  
**SUBJECT:** Financial Summary Report – March

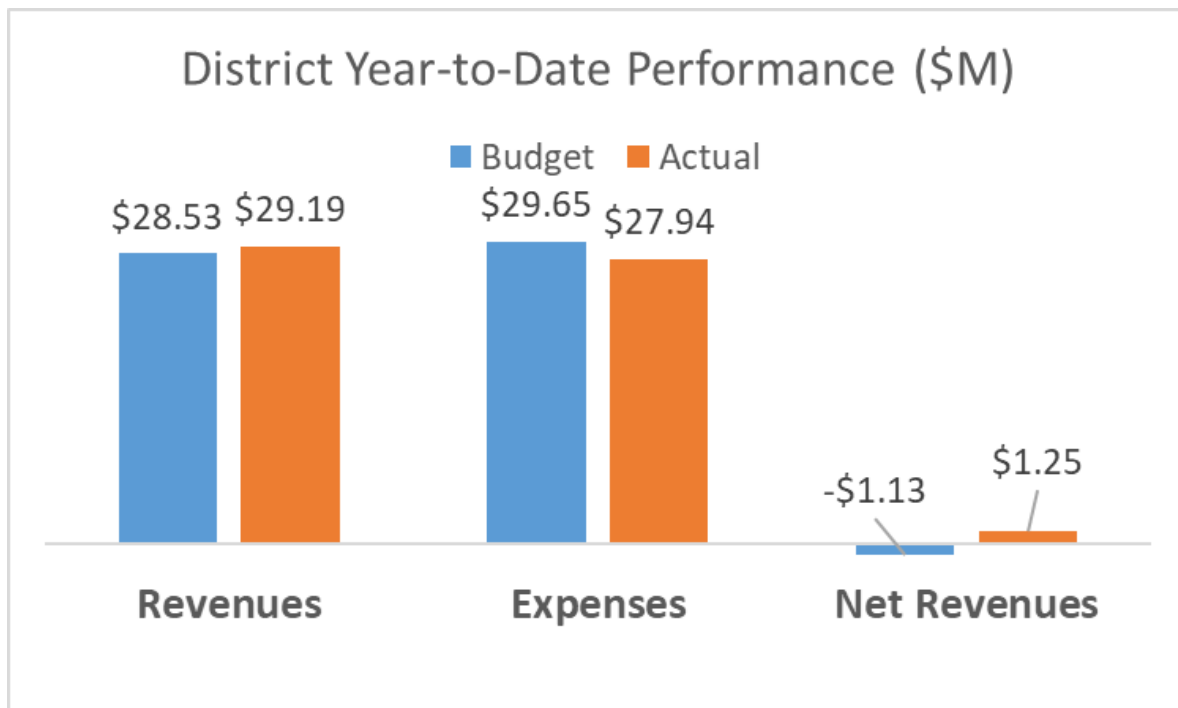
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### Purpose

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

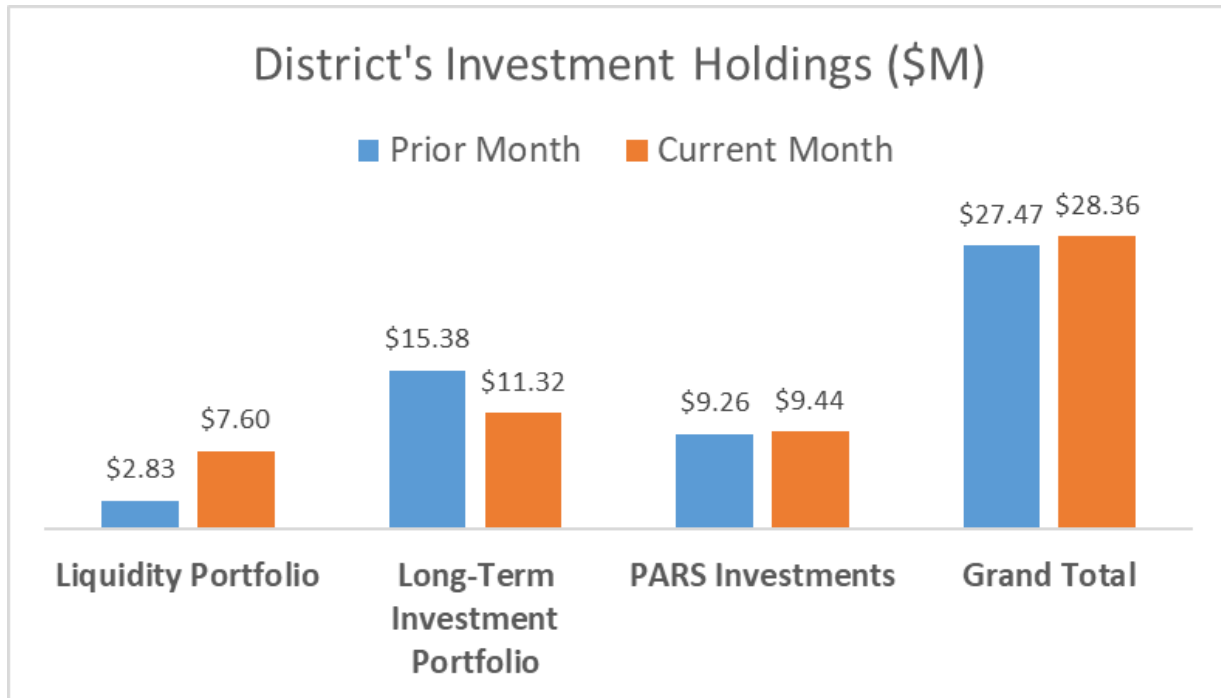
### Summary

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. These results include \$909,413 rebate of Districts payments to the San Diego County Water Authority as part of a lawsuit against the Metropolitan Water District. The overall financial performance, after adjusting for expected State reimbursement, is better than Budget. The District's financial performance is expected to outperform the Budget levels given the year to date performance.

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



Overall the District's financial position slightly improved this month. The Liquidity Portfolio increase is due to the deposit of \$4.1 million of State reimbursement funds that were slated for transfer to LAIF and the deposit of the \$909,314 San Diego County Water Authority refund. The lower Long-term Investment Portfolio ending balance reflects the fact that the \$4.1 million State reimbursement was received at the end of the month and not transferred from the Liquidity Portfolio prior to month end. The District transferred \$100,000 of the Budgeted \$500,000 to the PARS Trust this month bringing the total transferred amount to \$300,000. 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:** April 26, 2021  
**SUBJECT:** Treasurer's Report

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Purpose

Provide the March, 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 State's reimbursement for the Santa Margarita Conjunctive Use Project Treatment Plant was received at the end of the month. The Money Market account ending balance includes the \$4.1 million of State reimbursed expenditures that were slated for transfer to LAIF. The Money Market account also holds the \$909,314 in reimbursement funds from the San Diego County Water Authority. The District continues to carefully manage its working capital to ensure its ability to meet its financial commitments.

Summary

**Treasurer's Report March 31, 2021**

<b>Account</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>
Operating Fund	\$ 19,566	\$ 19,566
Money Market	\$ 996,710	\$ 5,766,600
CAMP Account	\$ 1,814,997	\$ 1,815,125
<b><i>District's Liquidity Portfolio</i></b>	<b>\$ 2,831,273</b>	<b>\$ 7,601,291</b>
PFM Managed Long-term Investment Portfolio*	\$ 11,276,926	\$ 11,276,454
LAIF (Long-term Reserves)	\$ 4,106,394	\$ 42,394
PARS (OPEB & Pension Trust)**	\$ 9,259,879	\$ 9,436,449
<b><i>District Accounts Total</i></b>	<b>\$ 27,474,472</b>	<b>\$ 28,356,588</b>

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

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



Dave Shank  
April 26, 2021



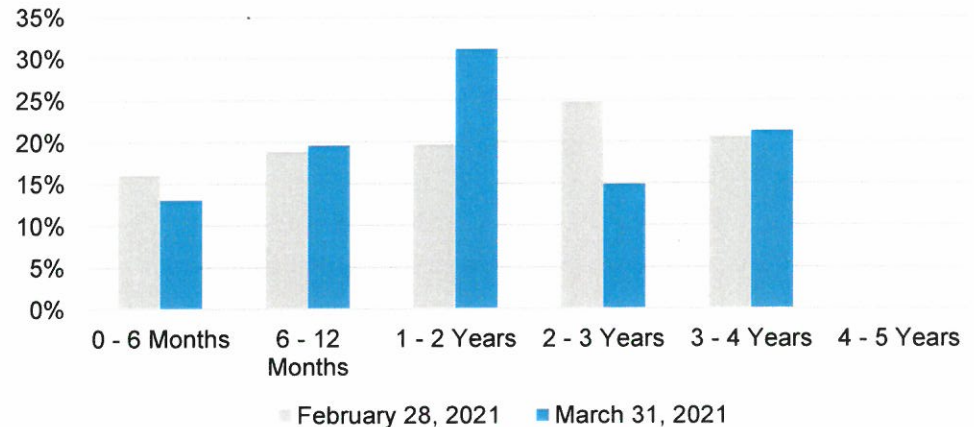
## Fallbrook Public Utilities District - Holdings Summary

Security Type	February 28, 2021	March 31, 2021	Change (\$)	Change (%)
U.S. Treasury	\$5,821,097.75	\$5,810,617.15	(\$10,480.60)	-0.2%
Municipal	\$170,367.20	\$170,000.00	(\$367.20)	-0.2%
Federal Agency CMO	\$112,987.44	\$112,298.96	(\$688.48)	-0.6%
Corporate Note	\$3,227,120.79	\$2,864,114.01	(\$363,006.78)	-11.2%
Asset-Backed Security	\$680,819.28	\$661,570.13	(\$19,249.15)	-2.8%
<b>Securities Total</b>	<b>\$10,012,392.46</b>	<b>\$9,618,600.25</b>	<b>(\$393,792.21)</b>	<b>-3.9%</b>
Money Market Fund	\$1,264,533.95	\$1,657,854.16	\$393,320.21	31.1%
<b>Total Investments</b>	<b>\$11,276,926.41</b>	<b>\$11,276,454.41</b>	<b>(\$472.00)</b>	<b>0.0%</b>

### Summary

FY 20-21 Accrual Earnings	\$167,886.60
Yield to Maturity at Cost	2.20%
Weighted Average Maturity (Years)	1.50

### Maturity Distribution



Security market values, excluding accrued interest, as on last day of month.



### Account Statement - Transaction Summary

For the Month Ending March 31, 2021

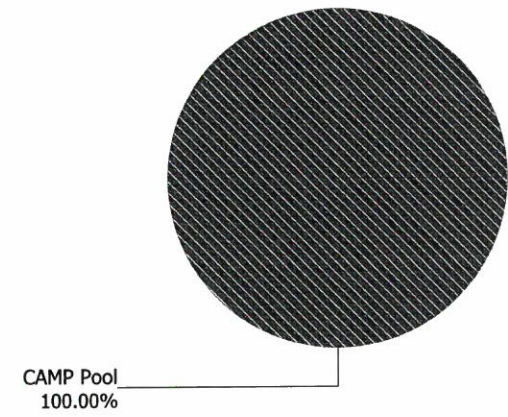
#### Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	1,814,996.54
Purchases	128.89
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$1,815,125.43</b>
Cash Dividends and Income	128.89

Asset Summary		
	March 31, 2021	February 28, 2021
<b>CAMP Pool</b>	1,815,125.43	1,814,996.54
<b>Total</b>	<b>\$1,815,125.43</b>	<b>\$1,814,996.54</b>

Asset Allocation	
CAMP Pool	100.00%







**Account Statement**

For the Month Ending **March 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
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>1,814,996.54</b>
03/31/21	04/01/21	Accrual Income Div Reinvestment - Distributions	1.00	128.89	1,815,125.43
<b>Closing Balance</b>					<b>1,815,125.43</b>

	Month of March	Fiscal YTD July-March
<b>Opening Balance</b>	1,814,996.54	2,562,568.92
<b>Purchases</b>	128.89	802,556.51
<b>Redemptions (Excl. Checks)</b>	0.00	(1,550,000.00)
<b>Check Disbursements</b>	0.00	0.00
<b>Closing Balance</b>	<b>1,815,125.43</b>	<b>1,815,125.43</b>
<b>Cash Dividends and Income</b>	128.89	2,556.51

<b>Closing Balance</b>	1,815,125.43
<b>Average Monthly Balance</b>	1,815,000.70
<b>Monthly Distribution Yield</b>	0.08%



**Managed Account Security Transactions & Interest**

For the Month Ending **March 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
<b>INTEREST</b>											
	03/01/21	03/01/21	CITIGROUP INC CORP NOTES DTD 02/20/2013 3.375% 03/01/2023	172967GL9	150,000.00	0.00	2,531.25	2,531.25			
	03/01/21	03/01/21	MONEY MARKET FUND	MONEY0002	0.00	0.00	9.43	9.43			
	03/01/21	03/25/21	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	109,568.89	0.00	282.14	282.14			
	03/15/21	03/15/21	MBALT 2019-B A3 DTD 11/20/2019 2.000% 10/17/2022	58769OAC5	60,000.00	0.00	100.00	100.00			
	03/15/21	03/15/21	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	14,156.30	0.00	31.14	31.14			
	03/15/21	03/15/21	UNITEDHEALTH GROUP INC CORP NOTES DTD 02/28/2013 2.875% 03/15/2023	91324PCC4	100,000.00	0.00	1,437.50	1,437.50			
	03/15/21	03/15/21	DCENT 2019-A3 A DTD 10/31/2019 1.890% 10/15/2024	254683CM5	120,000.00	0.00	189.00	189.00			
	03/15/21	03/15/21	COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	36,192.36	0.00	75.70	75.70			
	03/15/21	03/15/21	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	877.38	0.00	1.94	1.94			
	03/15/21	03/15/21	JDOT 2019-B A3 DTD 07/24/2019 2.210% 12/15/2023	477870AC3	30,000.00	0.00	55.25	55.25			
	03/15/21	03/15/21	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	285,000.00	0.00	408.50	408.50			
	03/16/21	03/16/21	GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	48,979.77	0.00	88.98	88.98			
	03/21/21	03/21/21	HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	72,673.12	0.00	152.61	152.61			
	03/31/21	03/31/21	US TREASURY NOTES DTD 10/02/2017 2.125% 09/30/2024	9128282Y5	400,000.00	0.00	4,250.00	4,250.00			
	03/31/21	03/31/21	US TREASURY NOTES DTD 09/30/2014 2.125% 09/30/2021	912828F21	215,000.00	0.00	2,284.38	2,284.38			
	03/31/21	03/31/21	US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	145,000.00	0.00	1,540.63	1,540.63			
	03/31/21	03/31/21	US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	250,000.00	0.00	2,187.50	2,187.50			



**Managed Account Security Transactions & Interest**

For the Month Ending **March 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
<b>INTEREST</b>											
	03/31/21	03/31/21	US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	750,000.00	0.00	5,625.00	5,625.00			
<b>Transaction Type Sub-Total</b>					<b>2,787,447.82</b>	<b>0.00</b>	<b>21,250.95</b>	<b>21,250.95</b>			
<b>MATURITY</b>											
	03/15/21	03/15/21	NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	60,000.00	60,000.00	870.00	60,870.00	66.60	0.00	
	03/25/21	03/25/21	GOLDMAN SACHS GRP INC CRP NT(CALLED, OMD DTD 04/25/2016 2.625% 03/25/2021	38141GVU5	290,000.00	290,000.00	3,171.87	293,171.87	(6,693.20)	0.00	
<b>Transaction Type Sub-Total</b>					<b>350,000.00</b>	<b>350,000.00</b>	<b>4,041.87</b>	<b>354,041.87</b>	<b>(6,626.60)</b>	<b>0.00</b>	
<b>PAYDOWNS</b>											
	03/01/21	03/25/21	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	202.82	202.82	0.00	202.82	(1.73)	0.00	
	03/15/21	03/15/21	JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	47788CAC6	877.38	877.38	0.00	877.38	0.06	0.00	
	03/15/21	03/15/21	JDOT 2019-B A3 DTD 07/24/2019 2.210% 12/15/2023	477870AC3	1,955.09	1,955.09	0.00	1,955.09	0.42	0.00	
	03/15/21	03/15/21	COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	2,459.91	2,459.91	0.00	2,459.91	0.50	0.00	
	03/15/21	03/15/21	HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	4,827.56	4,827.56	0.00	4,827.56	0.62	0.00	
	03/16/21	03/16/21	GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	2,774.09	2,774.09	0.00	2,774.09	0.34	0.00	
	03/21/21	03/21/21	HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	4,930.38	4,930.38	0.00	4,930.38	0.18	0.00	
<b>Transaction Type Sub-Total</b>					<b>18,027.23</b>	<b>18,027.23</b>	<b>0.00</b>	<b>18,027.23</b>	<b>0.39</b>	<b>0.00</b>	
<b>Managed Account Sub-Total</b>						<b>368,027.23</b>	<b>25,292.82</b>	<b>393,320.05</b>	<b>(6,626.21)</b>	<b>0.00</b>	
<b>Total Security Transactions</b>						<b>\$368,027.23</b>	<b>\$25,292.82</b>	<b>\$393,320.05</b>	<b>(\$6,626.21)</b>	<b>\$0.00</b>	

California State Treasurer  
**Fiona Ma, CPA**



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

April 01, 2021

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

FALLBROOK PUBLIC UTILITY DISTRICT

TREASURER  
P.O. BOX 2290  
FALLBROOK, CA 92088

[Tran Type Definitions](#)

**Account Number:** 85-37-001

March 2021 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
3/11/2021	3/10/2021	RW	1669050	N/A	DAVID SHANK	-4,064,000.00

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	4,106,394.43
Total Withdrawal:	-4,064,000.00	Ending Balance:	42,394.43

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

**Account Report for the Period  
3/1/2021 to 3/31/2021**

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

## Account Summary

Source	Balance as of 3/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 3/31/2021
OPEB	\$1,200,269.81	\$0.00	\$10,473.82	\$548.37	\$0.00	\$0.00	\$1,210,195.26
PENSION	\$8,059,608.90	\$100,000.00	\$70,301.97	\$3,657.34	\$0.00	\$0.00	\$8,226,253.53
<b>Totals</b>	<b>\$9,259,878.71</b>	<b>\$100,000.00</b>	<b>\$80,775.79</b>	<b>\$4,205.71</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,436,448.79</b>

## Investment Selection

### Source

OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

## Investment Objective

### Source

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

## Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	0.87%	2.29%	31.73%	9.31%	-	-	2/16/2017
PENSION	0.87%	2.29%	31.69%	9.23%	-	-	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:** April 26, 2021  
**SUBJECT:** Budget Status Report for Fiscal Year 2020-2021

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### Purpose

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

### Summary

The BSR shows the District's financial performance compared to the budget for the month of March, 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 2.3%, which is largely due to the SDCWA refund received this month. Year-to-date water sales are 2.1% over the year-to-date budget. Water sales, which as shown in the monthly water sales chart below, are now 2.7% over budget. Lower than Budgeted revenues were received by both the Wastewater and Recycled Water Services. While these numbers are below budget levels, they remain stable and are closer to budget than last year at this time.

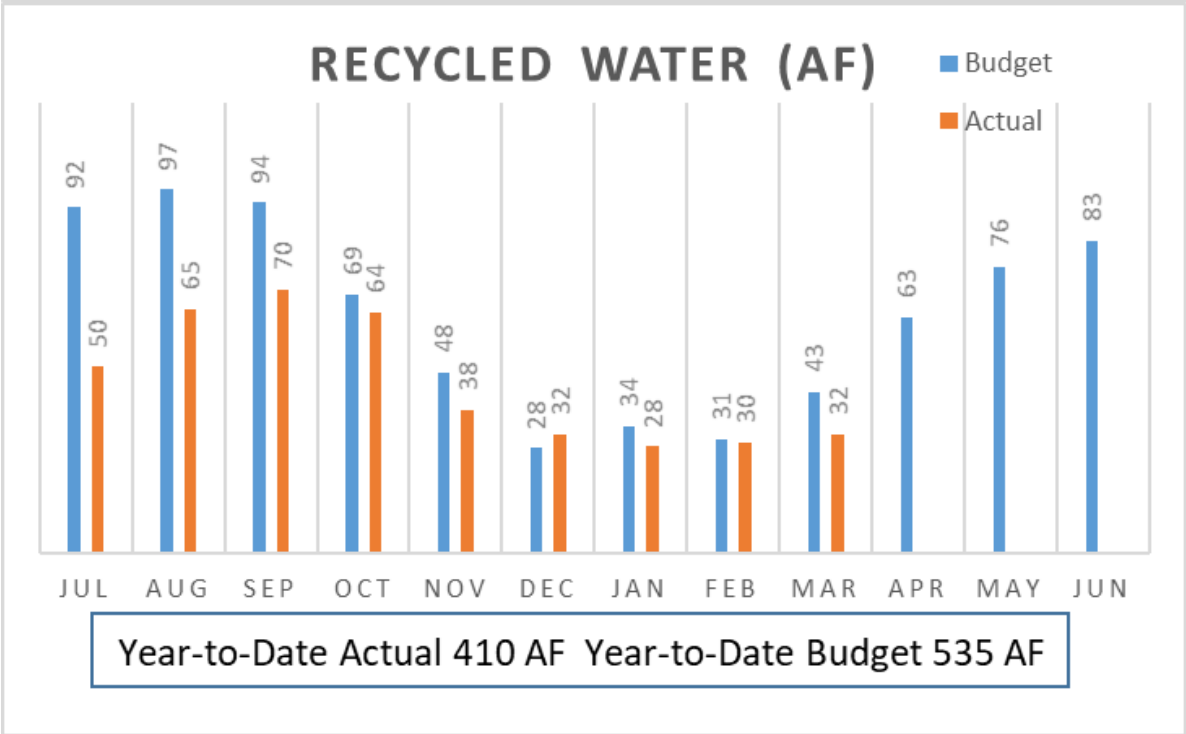
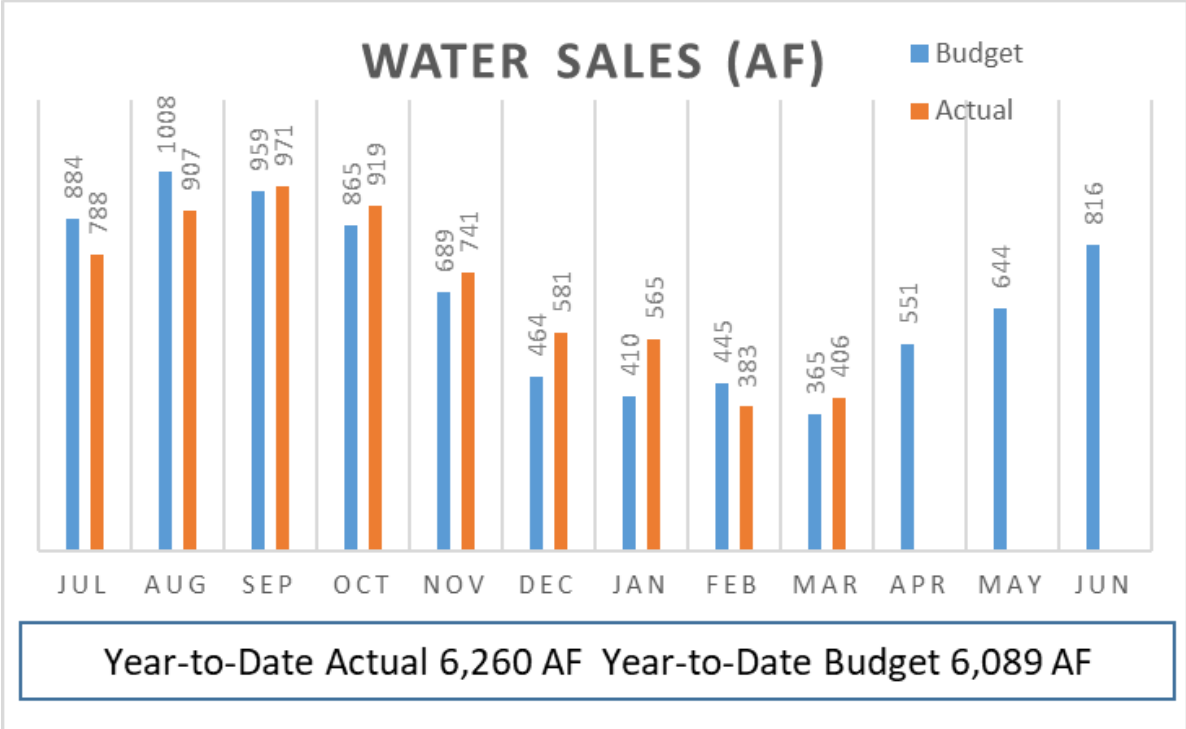
Non-operating revenues are over budget driven by the SDCWA Refund. Other non-operating revenues like County property tax and standby are lagging projections. Total non-operating revenues are expected to trend towards budget over the remainder of the year as interest earnings fall and the impact of one time other revenues diminishes.

The District's year-to-date total expenditures are under budget due to the lower than budgeted operating and debt service expenses. Vacant positions and non-operating expenditures below budget are driving this trend. Purchased water expense is slightly over budget as a result of higher water sales.

Total revenue is \$29,189,369 or 2.3% over budget and total expenditures are \$22,817,861 or 5.8% under budget. PAYGO CIP expenditures are 5.8% 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 March

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date				Annual Budget		
	Actual	Budget	Actual	Budget	Variance	%	Budget	Remaining Balance	%
<b>Operating Revenues:</b>								Year remaining	25.0%
Water Sales	937,244	869,410	13,309,913	13,031,375	278,537	2.1%	17,660,076	4,350,164	24.6%
Water Meter Service Charges	640,338	653,171	5,543,706	5,588,240	(44,534)	-0.8%	7,547,752	2,004,046	26.6%
Wastewater Service Charges	482,198	486,537	4,526,447	4,726,719	(200,272)	-4.2%	6,186,330	1,659,883	26.8%
Recycled Water Revenues	65,049	72,524	764,437	824,989	(60,552)	-7.3%	1,188,242	423,804	35.7%
Other Operating Revenue	-	917	-	8,250	(8,250)	-100.0%	11,000	11,000	100.0%
Total Operating Revenue	2,124,829	2,082,558	24,144,503	24,179,573	(35,070)	-0.1%	32,593,400	8,448,897	25.9%
<b>Non Operating Revenues:</b>									
Water Capital Improvement Charge	119,790	121,273	1,055,422	1,091,461	(36,039)	-3.3%	1,455,281	399,859	27.5%
Wastewater Capital Improvement Charge	98,003	100,594	881,792	905,349	(23,557)	-2.6%	1,207,132	325,340	27.0%
Property Taxes	70,457	460,445	1,421,042	1,770,528	(349,486)	-19.7%	2,022,485	601,442	29.7%
Water Standby/Availability Charge	7,019	15,220	129,040	139,751	(10,711)	-7.7%	204,000	74,960	36.7%
Water/Wastewater Capacity Charges	-	7,083	78,423	63,750	14,673	23.0%	85,000	6,577	7.7%
Portfolio Interest	20,031	11,792	192,974	106,125	86,849	81.8%	141,500	(51,474)	-36.4%
Pumping Capital Improvement Charge	658	2,730	15,890	24,567	(8,677)	-35.3%	32,756	16,866	51.5%
Federal Interest Rate Subsidy	-	-	57,690	56,445	1,245	2.2%	110,677	52,986	47.9%
SDCWA Refund	909,413	-	909,413	-	909,413	NA	-	(909,413)	NA
Facility Rents	39,178	18,333	184,892	165,000	19,892	12.1%	220,000	35,108	16.0%
Other Non-Operating Revenues	6,961	2,500	118,287	22,500	95,787	425.7%	30,000	(88,287)	-294.3%
Total Non Operating Revenues	1,271,510	739,970	5,044,866	4,345,476	699,390	16.1%	5,508,830	463,964	8.4%
<b>Total Revenues</b>	<b>3,396,339</b>	<b>2,822,529</b>	<b>29,189,369</b>	<b>28,525,049</b>	<b>664,320</b>	<b>2.3%</b>	<b>38,102,230</b>	<b>8,912,861</b>	<b>23.4%</b>
<b>Expenditures</b>									
Purchased Water Expense	869,770	790,491	10,336,092	10,500,901	164,809	1.6%	14,012,905	3,676,813	26.2%
Water Services*	306,020	245,871	2,104,888	2,458,714	353,826	14.4%	3,196,328	1,091,440	34.1%
Wastewater Services*	287,264	250,104	2,293,491	2,501,037	207,546	8.3%	3,251,348	957,857	29.5%
Recycled Water Services*	49,481	41,884	293,363	418,842	125,478	30.0%	544,494	251,131	46.1%
Administrative Services*	634,185	497,336	4,911,153	4,973,358	62,205	1.3%	6,465,365	1,554,212	24.0%
Total Operating Expenses	2,146,719	1,825,686	19,938,988	20,852,851	913,863	4.4%	27,470,440	7,531,452	27.4%
<b>Debt Service Expenses</b>									
SMCUP SRF	411,558	800,810	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	-	1,845,746	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	58,700	58,700	0	0.0%	58,700	0	0.0%
QECB Solar Debt	-	-	261,993	261,993	-	0.0%	520,642	258,649	49.7%
Total Debt Service	470,258	2,705,256	2,878,873	3,363,100	484,226	14.4%	3,621,748	742,875	20.5%
Total Expenses	2,616,977	4,530,942	22,817,861	24,215,951	1,398,089	5.8%	31,092,189	8,274,327	26.6%
<b>Net Revenue/(loss) From Operations and Debt Service</b>	<b>779,362</b>	<b>(1,708,413)</b>	<b>6,371,507</b>	<b>4,309,098</b>	<b>2,062,409</b>	<b>47.9%</b>	<b>7,010,041</b>	<b>638,534</b>	<b>9.1%</b>
<b>Capital Investment</b>									
<b>Capital Investment</b>									
Construction Expenditures	365,927	646,667	5,120,539	5,438,333	317,795	5.8%	7,221,750	2,101,211	29.1%
SMCUP Expenditures***	1,697,149	2,226,889	25,741,053	27,085,970	1,344,917	5.0%	31,900,000	6,158,947	19.3%
SRF Loan Proceeds Draw (Capital Project Funds)****	(1,697,149)	(2,226,889)	(25,741,053)	(27,085,970)	(1,344,917)	5.0%	(31,900,000)	(6,158,947)	19.3%
<b>Net Revenue/(Loss)</b>	<b>413,434</b>	<b>(2,355,080)</b>	<b>1,250,969</b>	<b>(1,129,235)</b>	<b>2,380,204</b>	<b>-210.8%</b>	<b>(211,709)</b>	<b>(1,462,677)</b>	<b>690.9%</b>

\*Includes share of \$300,000 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.



03/31/2021

Treasurer's Warrant No. March

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 - 03/2021

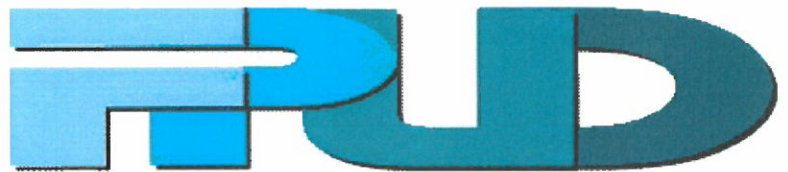
### Computer Check Register

Payroll #1	\$143,098.25
Payroll #2	<u>\$143,929.42</u>
	<u>\$287,027.67</u>

# Accounts Payable

## Checks by Date - Summary by Check Date

User: annaleceb  
Printed: 3/31/2021 2:16 PM



### Fallbrook Public Utility District

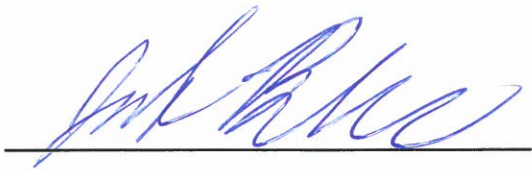
Purchasing Dept. Phone: (760) 728-1151, Fax: (760) 728-8491  
Main Office Phone: (760) 728-1125, Fax: (760) 728-6029

Check No	Vendor No	Vendor Name	Check Date	Check Amount
85529	91256	AFP	03/04/2021	650.00
85530	91286	AMAZON CAPITAL SERVICES, INC.	03/04/2021	2,071.18
85531	02805	ASBURY ENVIRONMENTAL SERVICES	03/04/2021	1,068.10
85532	02743	BEST BEST & KRIEGER	03/04/2021	24,487.41
85533	05615	BOOT WORLD INC.	03/04/2021	126.06
85534	91429	BSK ASSOCIATES	03/04/2021	1,460.00
85535	03134	CALIFORNIA WATER ENVIRONMENT	03/04/2021	192.00
85536	04128	CUES, INC	03/04/2021	324.63
85537	02925	DATA NET SOLUTIONS	03/04/2021	588.75
85538	05192	DIAMOND ENVIRONMENTAL SERVIC	03/04/2021	350.65
85539	91585	LAUREN ECKERT	03/04/2021	39.38
85540	03391	ELECTRICAL SALES INC	03/04/2021	39.98
85541	05588	ESCONDIDO METAL SUPPLY	03/04/2021	217.12
85542	05987	FALLBROOK GARAGE & QWIK LUBE	03/04/2021	918.96
85543	04494	FEDERAL EXPRESS CORPORATION	03/04/2021	59.49
85544	01432	FERGUSON WATERWORKS #1083	03/04/2021	810.35
85545	91606	FIRE SERVICE CORP	03/04/2021	1,062.50
85546	91198	FIRST BANKCARD	03/04/2021	1,199.00
85547	91200	FIRST BANKCARD	03/04/2021	2,968.45
85548	91201	FIRST BANKCARD	03/04/2021	222.20
85549	91225	FIRST BANKCARD	03/04/2021	608.88
85550	91235	FIRST BANKCARD	03/04/2021	119.88
85551	91313	FIRST BANKCARD	03/04/2021	377.62
85552	91540	FIRST BANKCARD	03/04/2021	1,444.37
85553	02170	GRAINGER, INC.	03/04/2021	657.40
85554	02767	GRANGETTO FARM & GARDEN SUPPI	03/04/2021	165.57
85555	03161	IDEXX DISTRIBUTION, INC.	03/04/2021	209.54
85556	06577	INFOSEND INC	03/04/2021	1,286.78
85557	91169	JOYE JOHNSON	03/04/2021	24.90
85558	91573	LIFT-IT MANUFACTURING CO, INC.	03/04/2021	895.37
85559	91130	LINCOLN NATIONAL LIFE INSURANC	03/04/2021	3,424.02
85560	90887	LLOYD PEST CONTROL	03/04/2021	137.00
85561	91077	MULTI SERVICE TECHNOLOGY SOLU	03/04/2021	309.65
85562	01406	NORTH COUNTY WELDING SUPPLY	03/04/2021	7.74
85563	91461	OCEANSIDE SECURITY AGENCY	03/04/2021	2,231.00
85564	06298	ONESOURCE DISTRIBUTORS, LLC	03/04/2021	10,634.69
85565	01267	PACIFIC PIPELINE	03/04/2021	9,072.55
85566	04900	PARADISE CHEVROLET CADILLAC	03/04/2021	636.40
85567	91094	SCADA INTEGRATIONS	03/04/2021	5,192.25
85568	06064	SOLENIS LLC	03/04/2021	10,346.59
85569	90929	SOUTHWEST ANSWERING SERVICE, I	03/04/2021	604.48
85570	91385	VERONICA TAMZIL	03/04/2021	60.00
85571	91598	TCI BUSINESS CAPITAL	03/04/2021	3,358.32
85572	91255	TOP-LINE INDUSTRIAL SUPPLY L.L.C.	03/04/2021	231.96
85573	00724	UNDERGROUND SERVICE ALERT	03/04/2021	88.98
85574	00233	WAXIE SANITARY SUPPLY	03/04/2021	1,309.09
85575	02206	STATE WATER RESOURCES CONTROL	03/04/2021	411,557.56

Check No	Vendor No	Vendor Name	Check Date	Check Amount
			Total for 3/4/2021:	503,848.80
ACH	00152	FPUD EMPL ASSOCIATION	03/11/2021	455.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	03/11/2021	3,520.00
ACH	06758	US TREASURY - PAYROLL TAXES	03/11/2021	52,861.98
ACH	06759	STATE OF CA - PR TAXES	03/11/2021	7,937.31
ACH	06760	STATE OF CA - SDI	03/11/2021	2,519.02
ACH	06761	LINCOLN FINANCIAL GROUP	03/11/2021	7,251.81
ACH	06763	PERS - PAYROLL	03/11/2021	36,778.79
ACH	91508	CALIFORNIA STATE DISBURSEMENT	03/11/2021	346.15
ACH	00152	FPUD EMPL ASSOCIATION	03/11/2021	34.00
ACH	06758	US TREASURY - PAYROLL TAXES	03/11/2021	3,647.77
ACH	06759	STATE OF CA - PR TAXES	03/11/2021	634.56
ACH	06760	STATE OF CA - SDI	03/11/2021	156.78
ACH	06761	LINCOLN FINANCIAL GROUP	03/11/2021	466.05
ACH	06763	PERS - PAYROLL	03/11/2021	2,233.13
85578	91499	FILANC ALBERICI A JOINT VENTURE	03/11/2021	3,803,774.67
85579	91312	TERRAPIN GROUP	03/11/2021	60,073.00
85580	91500	US BANK NATIONAL ASSOCIATION	03/11/2021	200,198.67
85581	00231	SAN DIEGO COUNTY WATER AUTH	03/11/2021	885,368.33
85582	91513	ALCHEMY CONSULTING GROUP	03/11/2021	7,500.00
85583	91286	AMAZON CAPITAL SERVICES, INC.	03/11/2021	624.24
85584	91490	AMAZON WEB SERVICES, INC.	03/11/2021	1,015.98
85585	05088	AT&T	03/11/2021	836.29
85586	03978	CAMERON WELDING SUPPLY	03/11/2021	916.98
85587	02176	CORELOGIC SOLUTIONS, LLC	03/11/2021	225.00
85588	05953	CORODATA RECORDS MANAGEMENT	03/11/2021	821.04
85589	05177	DOWNEY BRAND, LLP	03/11/2021	1,956.74
85590	03391	ELECTRICAL SALES INC	03/11/2021	127.88
85591	04122	EVOQUA WATER TECHNOLOGIES LLC	03/11/2021	4,072.36
85592	09523	FALLBROOK EQUIP RENTALS	03/11/2021	1,640.50
85593	01099	FALLBROOK IRRIGATION INC	03/11/2021	59.64
85594	00169	FALLBROOK OIL COMPANY	03/11/2021	2,446.50
85595	02411	FALLBROOK PRINTING CORP	03/11/2021	3,160.80
85596	00170	FALLBROOK WASTE & RECYCLING	03/11/2021	838.81
85597	01432	FERGUSON WATERWORKS #1083	03/11/2021	9,177.21
85598	04958	GOSCH FORD TEMECULA	03/11/2021	674.22
85599	05380	HACH CO	03/11/2021	2,248.64
85600	91544	HAZEN AND SAWYER, D.P.C.	03/11/2021	3,902.75
85601	05034	HOSSEIN NAWAEY	03/11/2021	2,456.70
85602	04027	JOES HARDWARE	03/11/2021	1,547.31
85603	06156	LOMACK SERVICE CORPORATION	03/11/2021	1,338.40
85604	91192	MISSION LINEN SUPPLY	03/11/2021	979.36
85605	90932	NAPA AUTO PARTS	03/11/2021	684.17
85606	03201	NATIONAL SAFETY COMPLIANCE INC	03/11/2021	50.00
85607	00370	NUTRIEN AG SOLUTIONS, INC.	03/11/2021	201.23
85608	06298	ONESOURCE DISTRIBUTORS, LLC	03/11/2021	1,871.61
85609	00216	PINE TREE LUMBER	03/11/2021	1.90
85610	91538	PUDGIL & COMPANY	03/11/2021	5,000.00
85611	91546	QUADIENT FINANCE USA, INC.	03/11/2021	800.00
85612	00232	SAN DIEGO GAS & ELECTRIC	03/11/2021	49,951.33
85613	91218	DAVID SHANK	03/11/2021	460.89
85614	06401	SONSRAY MACHINERY LLC	03/11/2021	587.66
85615	91598	TCI BUSINESS CAPITAL	03/11/2021	2,351.16
85616	00724	UNDERGROUND SERVICE ALERT	03/11/2021	417.43
85617	04290	VILLAGE NEWS, INC.	03/11/2021	495.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
85618	91286	AMAZON CAPITAL SERVICES, INC.	03/11/2021	247.77
85619	04995	AMERICAN MESSAGING	03/11/2021	87.20
85620	02805	ASBURY ENVIRONMENTAL SERVICES	03/11/2021	160.00
85621	06303	EXECUTIVE LANDSCAPE INC.	03/11/2021	770.00
85622	00182	GLENNIE'S OFFICE PRODUCTS, INC	03/11/2021	930.14
85623	04958	GOSCH FORD TEMECULA	03/11/2021	71.25
85624	06380	JANI-KING OF CALIFORNIA, INC - SA	03/11/2021	2,995.24
85625	06243	JIM'S SIGN SHOP	03/11/2021	320.00
85626	06338	MYTHOS TECHNOLOGY INC	03/11/2021	1,705.22
85627	91155	QUALITY GATE COMPANY, INC	03/11/2021	125.00
85628	04075	RAYNE WATER SYSTEMS	03/11/2021	170.00
85629	05936	SAN DIEGO COUNTY RECORDER	03/11/2021	50.00
85630	91486	SATELLITE PHONE STORE	03/11/2021	46.82
85631	91107	SPECTRUM BUSINESS	03/11/2021	127.15
85632	91123	STREAMLINE	03/11/2021	550.00
85633	91082	TELETRAC, INC	03/11/2021	2,084.27
85634	01359	WATERMASTER	03/11/2021	29,100.39
Total for 3/11/2021:				5,219,237.70
85635	91550	AMERICAN BUSINESS BANK	03/18/2021	3,645.73
85636	91608	AT&T MOBILITY LLC	03/18/2021	1,472.74
85637	91160	AVI SYSTEMS, INC.	03/18/2021	7,785.40
85638	06675	CORODATA SHREDDING, INC	03/18/2021	64.37
85639	91597	COURTESY CHEVROLET CENTER	03/18/2021	23,564.45
85640	91596	CRIDER PUBLIC RELATIONS, INC.	03/18/2021	1,700.00
85641	02925	DATA NET SOLUTIONS	03/18/2021	1,758.25
85642	01155	FALLBROOK WASTE/RECYCLING	03/18/2021	248.50
85643	02972	FISHER SCIENTIFIC COMPANY LLC	03/18/2021	72.04
85644	06577	INFOSEND INC	03/18/2021	2,223.53
85645	06267	J2 GLOBAL IRELAND LIMITED	03/18/2021	59.91
85646	91224	KEN WEINBERG WATER RESOURCES	03/18/2021	10,560.00
85647	06555	LIEBERT CASSIDY WHITMORE	03/18/2021	392.50
85648	06156	LOMACK SERVICE CORPORATION	03/18/2021	749.80
85649	03944	MISSION RESOURCE CONSV DISTRICT	03/18/2021	183.50
85650	91522	PACIFIC HYDROTECH CORP	03/18/2021	69,268.46
85651	05403	SAN DIEGO UNION-TRIBUNE CO.	03/18/2021	623.50
85652	06737	SIMPSON SANDBLASTING & SPECIAL	03/18/2021	524,671.70
85653	91223	STERLING ADMINISTRATION	03/18/2021	125.00
85654	00101	ACWA JPIA	03/18/2021	104,853.49
85655	91286	AMAZON CAPITAL SERVICES, INC.	03/18/2021	1,420.90
85656	05958	BAMM! PROMOTIONAL PRODUCTS, I	03/18/2021	3,560.39
85657	04178	CALOLYMPIC SAFETY CO., INC.	03/18/2021	704.80
85658	01719	MICKEY M. CASE	03/18/2021	60.00
85659	91241	LISA CHAFFIN	03/18/2021	60.00
85660	91272	KEVIN COLLINS	03/18/2021	60.00
85661	06299	D & H WATER SYSTEMS, INC	03/18/2021	10,208.60
85662	91593	D LOWEN ELECTRIC	03/18/2021	4,154.09
85663	02925	DATA NET SOLUTIONS	03/18/2021	1,472.50
85664	05192	DIAMOND ENVIRONMENTAL SERVIC	03/18/2021	234.96
85665	03391	ELECTRICAL SALES INC	03/18/2021	2,055.58
85666	02582	EMPLOYMENT DEVELOPMENT DEPT	03/18/2021	450.00
85667	04494	FEDERAL EXPRESS CORPORATION	03/18/2021	163.24
85668	91302	ALEX GALLOWAY	03/18/2021	60.00
85669	91612	JESUS GARCIA	03/18/2021	96.00
85670	06286	GARDA CL WEST, INC.	03/18/2021	315.56
85671	00182	GLENNIE'S OFFICE PRODUCTS, INC	03/18/2021	116.21

Check No	Vendor No	Vendor Name	Check Date	Check Amount
85672	04958	GOSCH FORD TEMECULA	03/18/2021	9.82
85673	02170	GRAINGER, INC.	03/18/2021	1,588.73
85674	06577	INFOSEND INC	03/18/2021	1,374.72
85675	00190	JCI JONES CHEMICALS INC.	03/18/2021	3,554.16
85676	05065	JOHNSON CONTROLS SECURITY SOL	03/18/2021	570.68
85677	04926	KONICA MINOLTA PREMIER FINANCE	03/18/2021	1,983.67
85678	90916	KELLY LAUGHLIN	03/18/2021	148.10
85679	91077	MULTI SERVICE TECHNOLOGY SOLU'	03/18/2021	482.78
85680	91610	NATIONAL SAFETY SERVICES INC	03/18/2021	10,498.86
85681	04900	PARADISE CHEVROLET CADILLAC	03/18/2021	1,045.84
85682	04075	RAYNE WATER SYSTEMS	03/18/2021	170.00
85683	05936	SAN DIEGO COUNTY RECORDER	03/18/2021	50.00
85684	06643	SAN DIEGO LAFCO	03/18/2021	50,000.00
85685	02927	TIM STERGER	03/18/2021	60.00
85686	91598	TCI BUSINESS CAPITAL	03/18/2021	3,246.60
85687	91613	TINOSI	03/18/2021	1,340.00
85688	91489	VEGA AMERICAS, INC.	03/18/2021	3,480.33
85689	06495	WRECK N' BALL ENTERPRISES	03/18/2021	49.50
Total for 3/18/2021:				858,869.49
ACH	00152	FPUD EMPL ASSOCIATION	03/25/2021	34.00
ACH	06758	US TREASURY - PAYROLL TAXES	03/25/2021	3,603.38
ACH	06759	STATE OF CA - PR TAXES	03/25/2021	622.44
ACH	06760	STATE OF CA - SDI	03/25/2021	155.36
ACH	06761	LINCOLN FINANCIAL GROUP	03/25/2021	466.05
ACH	06763	PERS - PAYROLL	03/25/2021	2,233.13
ACH	00152	FPUD EMPL ASSOCIATION	03/25/2021	455.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	03/25/2021	3,520.00
ACH	06758	US TREASURY - PAYROLL TAXES	03/25/2021	52,869.26
ACH	06759	STATE OF CA - PR TAXES	03/25/2021	7,784.76
ACH	06760	STATE OF CA - SDI	03/25/2021	2,528.60
ACH	06761	LINCOLN FINANCIAL GROUP	03/25/2021	7,251.81
ACH	06763	PERS - PAYROLL	03/25/2021	37,657.37
ACH	91508	CALIFORNIA STATE DISBURSEMENT	03/25/2021	346.15
Total for 3/25/2021:				119,527.81
Report Total (187 checks):				6,701,483.80



Jack Bebee

General Manager

FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: **COWU APRIL 2021 Meeting**

Date(s) of Attendance: Tuesday, April 20, 2021

Purpose of Function: Education

Sponsoring Organization: Metropolitan Water Dist, Lani Lutar

Summary of Conference or Meeting:

COWU meeting attended by more than 50 member agencies to hear a presentation by Deven Upadhyay, COO of MWD. Deven covered a history of the Regional Water System compared to today which was very comprehensive and interesting. Beginning in the 1920's through 40s starting with 15 member agencies and limited infrastructure to today's comprehensive system serving the whole SoCal region. He also covered their continual projection of Lake Mead Elevations and MWD's efforts to develop supply to cover the effect of another drought allocation.

They are considering the effect of local development on the need for future delivery as there will be more population creating more demand in the near future. Deven updated us on the Regional Recycled Water program to replenish groundwater and provide more supply to the more than 1.5 million homes.

There is a plan in development to extend LRP's through Board approval of individual projects. Overall, the presentation was great and followed with good Q&A.

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



Date: 04/20/2021

*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: Dave Baxter

Name & Location of Function: Council of Water Utilities – ZOOM Meeting due to COVID

Date(s) of Attendance: April 4, 2021

Purpose of Function: Presentation provided by Metropolitan Water

Sponsoring Organization: Metropolitan Water

Summary of Conference or Meeting:

Met provided a detailed presentation spanning their operations.

The discussed then led into the actual results of conservation efforts dating back to 1985.

Further, we discussed the additional water demand as the population continues to increase in

California. Where is the water going to come from, what is required in terms of new

infrastructure to support coupled with a review of existing funded project and projects not yet

funded.

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

Date: April 20, 2021

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