



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

**REVISED AGENDA (REV. 1)**

**MONDAY, JUNE 17, 2019  
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 Board Secretary at (760) 999-2704 for assistance.*

*Writings that are public records distributed during a public meeting are available for public inspection at the meeting if prepared by the local agency or a member of its legislative body or after the meeting if prepared by some other person.*

**I. PRELIMINARY FUNCTIONS**

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENT

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

**II. CONSENT CALENDAR-----**(ITEMS A–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.*

- A. CONSIDER APPROVAL OF MINUTES
  - 1. May 20, 2019 Regular Board Meeting

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

- B. CONSIDER AUTHORIZATION OF NOTICE OF COMPLETION – JOB NO. 3089, COLLECTIONS PIPE MANHOLE RELINING AND REPAIR FY 2018-19

*Recommendation:* That the Board authorize staff to record the Notice of Completion, as shown in the staff memorandum, with the San Diego County Recorder.

- C. CONSIDER ADOPTION OF RESOLUTION NO. 4972 PLACING FIXED CHARGE SPECIAL ASSESSMENTS TO ADD DELINQUENT AND UNPAID CHARGES ON THE TAX ROLL

*Recommendation:* That the Board adopt Resolution No. 4972 placing fixed charge special assessments to add delinquent and unpaid charges on annual tax roll for 2019-20 by the San Diego County Treasurer-Tax Collector.

- D. CONSIDER ADOPTION OF ORDINANCE NO. 344 FIXING WATER STANDBY OR AVAILABILITY CHARGES FOR 2019-20

*Recommendation:* The Board adopt Ordinance No. 344 as prepared and authorize the Secretary of the Board of Directors to send a certified copy to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

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

- E. **PROPOSED FISCAL YEAR 2019-20 BUDGET**  
REVIEW OF PROPOSED BUDGET AND CONSIDER ADOPTION OF RESOLUTION NO. 4970 ADOPTING THE DISTRICT FISCAL YEAR 2019-20 RECOMMENDED ANNUAL BUDGET AND ADOPTION OF RESOLUTION NO. 4971 AMENDING ARTICLE 21 OF THE ADMINISTRATIVE CODE

*Recommendation:* That the Board adopt Resolution No. 4970 adopting the final budget for fiscal year 2019-20 and adopt Resolution No. 4971 amending Article 21 of the Administrative Code to reflect the new RTS charge.

- F. CONSIDER RENEWAL OF LAND LEASE TO MISSION RESOURCE CONSERVATION DISTRICT FOR THE FALLBROOK COMMUNITY GARDEN

*Recommendation:* That the Board authorize the General Manager to execute the lease agreement with Mission Resource Conservation District as proposed.

- G. CONSIDER APPROVAL OF INTER FUND TRANSFER POLICY

*Recommendation:* That the Board approve the Inter Fund Transfer Policy as proposed.

- H. CONSIDER APPROVAL OF MEMORANDA OF UNDERSTANDING (MOUS) WITH FPUDEA AND FMEA (EFFECTIVE JULY 1, 2019-JUNE 30, 2022); AND APPROVAL OF AMENDED SALARY SCHEDULE (EFFECTIVE JULY 1, 2019) FOR ALL DISTRICT EMPLOYEES EXCEPT THE GENERAL MANAGER BY ADOPTION OF RESOLUTION NO. 4973



*Recommendation: That the Board adopt Resolution No. 4973 approving the Memoranda of Understanding (MOUs) with FPUDEA and FMEA for July 1, 2019-June 30, 2022, and adoption of an amended salary schedule (effective July 1, 2019) for all District employees, except the General Manager.*

**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. Treasurer's Report
  - b. Budget Status Report
  - c. 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 1-2)**

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

*One (1) Potential Case*

2. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6

*Unrepresented Employee: General Manager*

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (As Necessary)

**VI. Adjournment of Meeting**

\* \* \* \* \*

### DECLARATION OF POSTING

I, Mary Lou West, Secretary of the Board of Directors 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, Mary Lou West, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

June 14, 2019  
Dated / Fallbrook, CA

  
Secretary, Board of Directors



MEMO

**TO:** Board of Directors  
**FROM:** Mary Lou West, Secretary *mlw*  
**DATE:** June 17, 2019  
**SUBJECT:** Consider 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. May 20, 2019 Regular Board Meeting

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

**MINUTES**

MONDAY, MAY 20, 2019  
4:00 P.M.

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

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**I. PRELIMINARY FUNCTIONS**

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President McDougal called the regular meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Paula de Sousa Mills, General Counsel  
Jack Bebee, General Manager  
Devin Casteel, System Operations Supervisor  
Jason Cavender, Operations Manager  
Audrey Cerame, Laboratory Technician  
Aaron Cook, Senior Engineer  
Mick Cothran, Engineering Technician  
Noelle Denke, Public Affairs Specialist  
Steve Stone, Field Services Manager  
Mary Lou West, Secretary

Also present were others, including, but not limited to: Bob Anderson, Paul Boughman, Sheri Cully, Milt Davies, Bert Hayden, Nora Hernandez, Martha Lennihan, Keith Lewinger, Evelyn McEwan, Larry McKinney, Courtney Provo, Eric Scherch, Dave Spencer, and Gordon Tinker.



## PLEDGE OF ALLEGIANCE

President McDougal led the Pledge of Allegiance.

## ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

## APPROVAL OF AGENDA

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

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

NOES: None

ABSTAIN: None

ABSENT: None

President McDougal announced that Items H and I would be moved to the front of the agenda.

## PUBLIC COMMENT

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

There were no public comments.

### A. EMPLOYEE OF THE QUARTER 1. Audrey Cerame

Audrey Cerame was commended for being selected the May 2019 Employee of the Quarter.

President McDougal announced that Item H would be considered next.

### H. FINAL COURT APPROVAL OF SANTA MARGARITA CONJUNCTIVE USE SETTLEMENT AND COMMENDATION OF SPECIAL LEGAL COUNSEL; RESOLUTION NO. 4966

General Manager Bebee reported the settlement agreement ending the 60-plus years of litigation with the United States of America was signed by the federal court judge. The following persons were recognized for their efforts in ending the litigation and securing a permanent, local water source for the community: Bob Anderson, retired board member; Milt Davies, retired board member; Bert Hayden, retired board member;

Keith Lewinger, retired general manager; and Gordon Tinker, retired general manager; Paul Baughman, legal counsel for Camp Pendleton; Martha Lennihan, special legal counsel; and Larry McKinney, former Camp Pendleton staff.

Martha Lennihan was presented with a plaque and a resolution commemorating her 23 years of service as special legal counsel to the District and for her tireless efforts leading to the finalization of the settlement agreement and securing permanent water rights on the Santa Margarita River.

MOTION: Director Wolk moved to adopt Resolution No. 4966; Director DeMeo seconded. Motion passed; VOTE:

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

President McDougal announced that Item I would be considered next.

I. CONSIDER THE FALLBROOK COMMUNITY GARDEN AS A COMMUNITY SERVICE WATER USER

*Recommendation: Staff supports the Board's direction. If approved, staff will provide an update on water usage at the end of each fiscal year.*

Sheri Cully, ESL Instructor at Palomar College, stepped to the podium and requested the District's support for the Fallbrook Community Garden where her students volunteer their time raising organic vegetables and maintaining the garden.

Courtney Provo, District Manager of Mission Resource Conservation District (MRCD), stepped to the podium and stated that MRCD owns the Fallbrook Community Garden and is requesting an allocation of community benefit water to help the local residents of Fallbrook.

General Manager Bebee clarified that the request is for the allocation of up to 2-acre feet of community benefit water per year.

MOTION: Director Gebhart moved to approve allocation of up to 2-acre feet per year of community benefit water for the Fallbrook Community Garden, donation of a shed, and renewal of the lease with Mission Resource Conservation District. (The lease will be brought back to the Board for final approval.); Director Endter seconded. Motion passed; VOTE:

AYES: Directors DeMeo, Endter, Gebhart, McDougal, and Wolk  
NOES: None



ABSTAIN: None  
ABSENT: None

President McDougal announced that Item E was pulled from the Consent Calendar and would be considered next.

E. CONSIDER MS. MCEWAN CLAIM FOR COST DUE TO HIGH WATER PRESSURE

*Recommendation:* That the Board denies the Claim and forward to ACWA JPIA for resolution.

Evelyn McEwan stepped to the podium and requested a credit in the amount of \$289.83 for the cost of water that was lost due to a leak. Mrs. McEwan alleged the leak was caused by excessive pressure in the District's system damaging her valves and causing the leak.

General Manager Bebee reported the leak occurred on the customer's side of the meter, and staff determined there were no pressure spikes in the District's system during that time. The Board offered Mrs. McEwan half the cost claimed, which she accepted.

MOTION: Director Gebhart moved to credit Mrs. McEwan's account for one-half of the cost of water claimed; Director Endter seconded. Motion passed; VOTE:

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

II. **CONSENT CALENDAR-----**(ITEMS B—F)

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

B. CONSIDER APPROVAL OF MINUTES

1. April 22, 2019 Regular Board Meeting
2. April 23, 2019 Special Board Meeting and Facilities Tour
3. May 15, 2019 Special Board Meeting

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

C. CONSIDER ADOPTION OF 2019-20 APPROPRIATION GROWTH RATE;  
RESOLUTION NO. 4967

*Recommendation:* That the Board adopt Resolution No. 4967 setting the tax appropriation limit for 2019-20 at \$3,184,351, which includes the Fallbrook and De Luz service areas and Improvement District "S".

D. CONSIDER AMENDMENT OF ADMINISTRATIVE CODE ARTICLE 14,  
DISTRICT PROCUREMENT PROCEDURES, WITH PROPOSED CHANGES TO  
SECTION 14.4; RESOLUTION NO. 4968

*Recommendation:* That the Board adopt Resolution No. 4968 amending Administrative Code Article 14, District Procurement Procedures, with the proposed changes to Section 14.4 due to recent staff changes.

Item E was pulled from the Consent Calendar for discussion by President McDougal.

F. CONSIDER MS. HERNANDEZ CLAIM FOR REPAIR TO PROPERTY DUE TO  
MOLD

*Recommendation:* That the Board denies the Claim and forward to ACWA JPIA for resolution.

MOTION: Director Wolk moved to approve the Consent Calendar as revised with the exclusion of Item E; Director Endter seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

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

G. ON-LINE CUSTOMER SATISFACTION SURVEY

*Presented by:* Noelle Denke, Public Affairs Specialist

Public Affairs Specialist Denke demonstrated a proposed on-line customer satisfaction survey, and the Board suggested using a numeric rating system of 1 through 5 instead of the rating system proposed.

President McDougal received a late speaker slip from Norma Hernandez who stepped to the podium and requested her Claim, Item F on the Consent Calendar, be paid by the District.



General Manager Bebee stated the Claim filed by Mrs. Hernandez was substantial, and due to the amount, should be sent to ACWA JPIA for resolution. Mrs. Hernandez was instructed to contact Larry Ragsdale, the District's Safety & Risk Officer, to follow up on the status of her Claim.

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

J. CONSIDER AMENDMENT OF ADMINISTRATIVE CODE ARTICLE 11, PERSONNEL REGULATIONS, WITH PROPOSED CHANGES TO EXISTING VACANT POSITIONS TO IMPROVE DISTRICT OPERATIONS; RESOLUTION NO. 4969

*Recommendation:* That the Board adopt Resolution No. 4969 amending Administrative Code Article 11, Personnel Regulations, with the proposed changes to the organizational chart and position descriptions to improve the efficiency of the overall operation of the District.

President McDougal reported the Personnel Committee reviewed the proposed amendments to Article 11 and has recommended the changes as proposed.

General Manager Bebee reported the proposal would reclassify two vacant positions: (1) Engineering Technician to Management Analyst and (2) Equipment Technician to Instrumentation, Electrical and Controls Technician. Additionally, the proposal would reclassify the current Instrumentation and Controls Specialist to Senior Instrumentation and Controls Specialist. The proposed changes would decrease the need for contracted services and save the District \$25,672 per year.

MOTION: Director Endter moved to adopt Resolution No. 4969 amending Administrative Code Article 11, Personnel Regulations, with the proposed changes to the organizational chart and position descriptions; Director Wolk seconded. Motion passed; VOTE:

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

K. CONSIDER DEVELOPMENT OF PIPELINE AND VALVE REPLACEMENT PROGRAM

*Recommendation:* That the Board either (1) request staff make updates internally to perform a higher level assessment of replacement needs or (2) enter into a professional services contract with HDR for a not to exceed amount of \$151,175 to develop a detailed predictive model to optimize capital cost expenditures for water and sewer infrastructure replacement needs.



General Manager Bebee stated two alternatives would be presented for the pipeline and valve replacement program.

Senior Engineer Cook provided a history of the District's pipeline replacement program and an overview of option one to manage the program by staff. The program would prioritize pipeline segments with the highest business risk estimate and with the most broken valves and angle stops and take into account field conditions and construction costs and coordinate valve replacements with pipeline replacements.

Dave Spencer and Eric Scherch of HDR provided an overview of their services to develop a detailed predictive model for a pipeline replacement program. The model would assist the District in evolving from an age based approach towards a performance and condition based approach. The expected results would identify decreased investment needs, prioritize investments, and would align with industry best practices, field conditions, and staff institutional knowledge. Although the model would be developed by HDR, it would be managed by District staff.

Lengthy discussion followed with Directors Endter, Gebhart, McDougal, and Wolk suggesting that HDR present quantifiable evidence to support their claim that the predictive model will expand and enhance the pipeline and valve replacement program and provide cost-savings to the District in the long term.

MOTION: Director Gebhart moved to enter into a professional services contract with HDR for a not to exceed amount of \$151,175 to develop a detailed predictive model to optimize capital cost expenditures for water and sewer infrastructure replacement needs; Director DeMeo seconded. Motion failed; VOTE:

AYES: Directors DeMeo

NOES: Directors Endter, Gebhart, McDougal, and Wolk

ABSTAIN: None

ABSENT: None

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

1. General Counsel
  - General Counsel de Sousa Mills provided an update of legislation affecting special districts.
2. SDCWA Representative Report
  - General Manager/SDCWA Representative Bebee reported that next year's rates and charges will increase by 5 percent and the infrastructure access charge will increase by 22 percent. The increase in the infrastructure access charge cannot be passed through since it is above what was identified in the Prop 218 process.
3. General Manager



- General Manager Bebee provided an update on the status of SRF funding expected from the state for the Santa Margarita River Conjunctive Use Project.
- a. Engineering and Operations Report
- 4. Assistant General Manager/Chief Financial Officer
  - a. Treasurer's Report (*Supplemental Materials*)
  - b. Budget Status Report (*Supplemental Materials*)
  - c. Warrant List
- 5. Public Affairs Specialist
  - Public Affairs Specialist Denke provided an update on recent outreach efforts to the community.
- 6. Notice of Approval of Per Diem for Meetings Attended
- 7. Director Comments/Reports on Meetings Attended
  - Vice-President DeMeo announced she attended Toastmasters and the ACWA JPIA Board of Directors meeting as the District's newly-appointed representative.
- 8. Miscellaneous

#### ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to Closed Session at 6:07 p.m. following an oral announcement by General Counsel de Sousa Mills of Closed Session Items VI. 1 and 2.

#### **VI. CLOSED SESSION ----- (ITEMS 1—2)**

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

*Discuss Performance Evaluation of General Manager*

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

*Discuss Performance Evaluation of General Counsel*

#### RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 7:10 p.m.

#### REPORT FROM CLOSED SESSION

There was no reportable action taken in Closed Session.

**VII. ADJOURNMENT OF MEETING**

There being no further business to discuss, President McDougal adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 7:11 p.m.


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

ATTEST:

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



**M E M O**

**TO:** Board of Directors  
**FROM:** Aaron Cook, Senior Engineer   
**DATE:** June 6, 2019  
**SUBJECT:** Notice of Completion – Job No. 3089, Collections Pipe & Manhole Relining & Repair FY18-19

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Purpose

To request that the Board of Directors authorize recordation of a Notice of Completion (Attachment A) for the Collections Pipe & Manhole Relining & Repair FY18-19 Project with the San Diego County Recorder.

Summary

The contract for the Collections Pipe & Manhole Relining & Repair Project, Job Number 3089, was completed on April 10, 2019. The contract was awarded to Insituform Technologies. The final total contract amount was \$169,158.36. The original contract amount was \$259,541.60. The lower total cost was due to a change order requiring 1.) Removal of mortar from 12-inch diameter segments, and 2.) Removal from scope of contract Bid Schedule item No.5: Sewer Lateral Lining – 6”, wherein the District determined not to line the lateral to the customer clean out, and the number of actual laterals was less than the bid schedule indicated.

Budgetary Impact

There is no budgetary impact to record the Notice of Completion. The adopted budget allocated \$140,000 for the project.

Recommended Action

That the Board authorize staff to record the Notice of Completion, as shown in the staff memorandum, with the San Diego County Recorder.

## **Attachment A**



**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 **April 10, 2019**.
8. The name of the original contractor, if any, for the work of improvement was: **Insituform Technologies**.  
The kind of work done or material furnished was for the **Collections Pipe Manhole Relining & Repair FY18-19**
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: **Shady Lane Lift Station**
10. The street address of the said property is: **Shady Lane, Fallbrook CA**

DATED: June 11, 2019

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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 June 11, 2019, at Fallbrook, California.

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Signature

## M E M O

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO   
**DATE:** June 17, 2019  
**SUBJECT:** Resolution No. 4972 Placing Fixed Charge Special Assessments to Add Delinquent and Unpaid Charges on the Tax Roll

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Purpose

To authorize the San Diego County Treasurer-Tax Collector to add delinquent and unpaid charges as a Fixed Charge Special Assessment to the annual 2019-20 tax roll.

Summary

Article 21, Section 21.8 of the Administrative Code provides that standby accounts with a delinquent balance greater than \$500 as of April 1 of each year may be sent notification to place delinquent and unpaid charges on the annual tax roll. The notification of intent must be sent by May 1, and it provides the property owner 60 days to bring the account current. If the amount is not brought current by July 1, the portion of the delinquency due may be reported to the County of San Diego for inclusion on the annual taxes levied on the property. Notification has been sent to property owners, and the final list of delinquent and unpaid charges for the 2019-20 annual tax roll will be finalized after the July 1 deadline.

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

Recommended Action

That the Board adopt Resolution No. 4972 placing fixed charge special assessments to add delinquent and unpaid charges on the annual tax roll for 2019-20 by the San Diego County Treasurer-Tax Collector.



**RESOLUTION NO. 4972**

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

\* \* \* \* \*

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

**WHEREAS**, Section 21.8 of the Administrative Code provides that delinquent and unpaid charges may be reported to the County of San Diego for inclusion on annual taxes levied on property; and

**WHEREAS**, the property owners of parcels on standby with a delinquent account balance greater than \$500 as of April 1, 2019, were notified by mail at least 60 days prior to July 1, 2019, that the delinquent amount may be reported to the San Diego County Treasurer-Tax Collector; and

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

**WHEREAS**, taxing agencies must submit a list of standby accounts with delinquencies to the San Diego County Treasurer-Tax Collector between July 1, 2019, and August 10, 2019.

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

1. On or before August 10, 2019, the Secretary of the Fallbrook Public Utility District shall provide to the San Diego County Treasurer-Tax Collector the following:
  - a. An electronic list of parcels with delinquent and unpaid charges as of July 1, 2019, that have remained unpaid as of the date of filing and whose property owners were notified at least 60 days prior to July 1, 2019, that the delinquent charges may be added to the property tax roll; and
  - b. A letter of certification signed by an official of the District.

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 17<sup>th</sup> day of June, 2019, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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

ATTEST:

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



**M E M O**

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO *DS*  
**DATE:** June 17, 2019  
**SUBJECT:** Ordinance No. 344 Fixing Water Standby or Availability Charges for 2019-20

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Purpose

To adopt the annual water standby or availability charges and provide a certified copy of Ordinance No. 344 to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

Summary

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

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

Recommended Action

The Board adopt Ordinance No. 344 as prepared and authorize the Secretary of the Board of Directors to send a certified copy to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

**ORDINANCE NO. 344**

**ORDINANCE OF THE BOARD OF DIRECTORS OF THE FALLBROOK  
PUBLIC UTILITY DISTRICT, SAN DIEGO COUNTY, CALIFORNIA,  
FIXING WATER STANDBY OR AVAILABILITY CHARGES AND  
REPEALING ORDINANCE NO. 342**

\* \* \* \* \*

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

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

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

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

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

1. Fallbrook Service Area

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



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

2. DeLuz Improvement District

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

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

4. Exemptions:

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

**SECTION III.** On or before August 10, 2019, the Secretary of this District shall furnish in writing to the Board of Supervisors of the County of San Diego and the Auditor and Controller of the County of San Diego a description of the land within the District upon which standby or availability charges are to be levied and collected together with the amount of the charges. At the time and in the manner required by law for the levying of taxes for County purposes, the Board of Supervisors shall collect, in addition to taxes it levies, water availability charges in the amounts fixed by this Ordinance for the respective parcels of land described in Section II of this Ordinance. All County officers charged with the duty of collecting taxes will collect the charges with the regular tax payments in the same form and manner as County taxes are collected. Such availability charges are a lien on the property with respect to which they are fixed.

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

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

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

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

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 17<sup>th</sup> day of June, 2019, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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

ATTEST:

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

## M E M O

**TO:** Board of Directors  
**FROM:** Fiscal Policy and Insurance (FP&I) Committee  
**DATE:** June 17, 2019  
**SUBJECT:** Review of Proposed Budget and Consider Adoption of Resolution No. 4970 Adopting the District Fiscal Year 2019-20 Recommended Annual Budget and Adoption of Resolution No. 4971 Amending Article 21 of the Administrative Code

Purpose

Consider the District's Fiscal Year 2019-20 Recommended Annual Budget (Budget) for approval (Attachment A). The District's Fiscal Year 2019-20 Budget Resolution (Attachment B) includes the appropriations for operations and capital improvement projects for the upcoming fiscal year. In addition, the District's Administrative Code will be amended, as shown in Attachment C, to reflect the Fiscal Year 2019-20 Readiness-To-Service (RTS) Charge, which is a Metropolitan Water District (MWD) charge passed through to the District by the San Diego County Water Authority (SDCWA). This charge is a fiscal year charge and is effective July 1, 2019.

Summary

The Fiscal Policy and Insurance Committee (Committee) has met and reviewed the Budget on April 29, 2019 and May 23, 2019. During these meetings, the Committee conducted a detailed line item review of the District's budgeted expenditures and revenues and identified cost savings opportunities. The attached Budget reflects these changes.

	FY 2017-18	FY 2018-19		FY 2019-20	Bgt to Bgt
	Actuals	Budget	Projected	Recommended	% Change
Labor Expense	5,325,657	5,366,812	5,135,410	5,324,861	-0.8%
Non-Labor Expense	4,317,670	4,281,685	4,580,069	4,509,670	5.3%
<b>Operating Expense Total</b>	<b>9,643,327</b>	<b>9,648,497</b>	<b>9,715,479</b>	<b>9,834,531</b>	<b>1.9%</b>
Benefits Expenditures (Ops)	2,939,973	3,270,046	3,270,046	3,425,369	4.7%
<b>Total</b>	<b>\$12,583,300</b>	<b>\$12,918,543</b>	<b>\$12,985,525</b>	<b>\$ 13,259,901</b>	<b>2.6%</b>

As shown in the summary table above, the Recommended Fiscal Year 2019-20 Budget is 2.6% higher than the prior year. The primary drivers of the increase are non-labor and benefit costs with labor costs slightly lower than the prior year. The increase in non-labor is largely due to increases in paving, legal and utility costs (See attachment D for details). The increase in benefits expenditures is driven by health insurance increases due insurance options elected by staff as opposed to increases in provider premiums.

Beginning last year, the District made significant changes to the accounting system to improve fiscal controls and transparency. These changes make it difficult to compare budget to budget line items in the Budget. The difficulty arises because the Adopted Fiscal Year 2018-19 Budget



did not use the recently implemented full chart of accounts. Since the chart of accounts is used to categorize all of the District expenses, in many instances large variations in budget to budget comparisons shown are due to how the expense is categorized under the new chart of accounts versus how it was categorized under the old work order structure. In most instances these large variations are due to changes in categorization and not due to some large change in budgeted financial resources. Attachment D provides the operating budget tables with line item budget to budget changes greater than  $\pm 25\%$  indexed to a user guide that provides details on the driver of the change. This information will also be discussed during the Budget presentation. The next Budget cycle will not have this issue, which will make budget to budget comparisons more useful.

Last year a new format for the District's budget was implemented to provide stakeholders with an understandable and transparent document in line with industry best management practices. The District's reformatted Fiscal Year 2018-19 Adopted Budget received the California Society of Municipal Finance Officers' Excellence Award and the Governmental Finance Officers Association's Distinguished Budget Presentation Award. The receipt of these awards illustrates the significant progress made by the District towards greater fiscal transparency and prudent financial management.

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

Board actions in June include:

- **Adopting the Budget Resolution** – This approves the Budget and authorizes the General Manager subject to the limitations provided in the resolution to execute the Budget and operate the District;
- **Administrative Code Amendment** – MWD has adopted its Fiscal Year 2019-20 RTS charge and SDCWA has published the draft monthly charge to the District. This action passes through the reduction in the RTS to customers effective for water use beginning on July 1, 2019.

#### Recommended Action

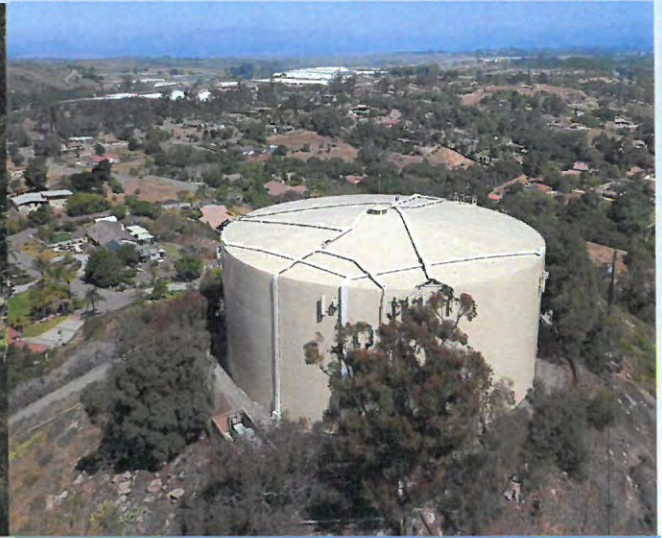
That the Board adopt Resolution No. 4970 adopting the final budget for fiscal year 2019-20 and adopt Resolution No. 4971 amending Article 21 of the Administrative Code to reflect the new RTS charge.

## **Attachment A**





**moving FORWARD**



**Fallbrook Public Utility District**  
Fiscal Year 2019-20 Recommended Annual Budget







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# Fallbrook Public Utility District

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



## Current Board of Directors:

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

## District Management:

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

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

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990 East Mission Road  
Fallbrook, California  
92028-2232  
[www.fpud.com](http://www.fpud.com)

(760) 728-1125

Board of Directors

Al Gebhart  
*Division 1*

Ken Endter  
*Division 2*

Jennifer DeMeo  
*Division 3*

Don McDougal  
*Division 4*

Charley Wolk  
*Division 5*

Staff

Jack Bebee  
*General Manager*

David Shank  
*Assistant General Manager/  
Chief Financial Officer*

Mary Lou West  
*Secretary*

General Counsel

Paula de Sousa Mills  
*Best Best & Krieger*

June 17, 2019

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

**Budget Message**

Enclosed is the Fiscal Year 2019-20 Adopted Operating and Capital Budget (Budget) for the Fallbrook Public Utility District (District). The District is focused on executing the Board of Directors' goals and objectives through the continued implementation of the District Strategic Plan, which is included at the beginning of the budget document. These objectives help the District meet its overall objective, which is to benefit the community of Fallbrook by leveraging sound business practices to provide efficient and reliable services. The Budget supports these goals and objectives.

**Water Affordability**

The District has been faced in the past with escalating wholesale water costs driven by major investments by the San Diego County Water Authority (SDCWA) in supply reliability. While the result of these investments is improved water supply reliability, it has also resulted in a corresponding increase in the District's water costs. The cost of the water we purchase is 50% of our total operating costs for our water enterprise. In addition to the regional investments in San Diego County supplies, there is a significant proposed statewide water project to fix the Bay-Delta State Water Project, also known as the WaterFix, which delivers our key water supplies from Northern California. While the impact on the price of water the WaterFix will have is not known and Governor Newsom has recently directed changes in the project scope, the original cost was expected to be more than \$16 billion. Since this cost is to be recovered on regional water rates, the project will cause an ongoing increase to wholesale water costs. With the additional increases in water costs due to WaterFix on the horizon, local water supply development, which will reduce our dependence on costly imported water, is one way to mitigate continued wholesale water rate increases.

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







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*Assistant General Manager/  
Chief Financial Officer*

Mary Lou West  
*Secretary*

General Counsel

Paula de Sousa Mills  
*Best Best & Krieger*

**Asset Management**

The District has implemented an asset management program that balances the cost of infrastructure rehabilitation with the cost of emergency repairs. Our critical buried infrastructure, such as water mains, have an average service life of 80 to 100 years. In the past, the District’s replacement cycle for buried assets was on a replacement cycle of 400 years. With this replacement cycle, the frequency of asset failures was expected to increase significantly over the near-term resulting in an increasing number of emergency water disruptions and property damage claims. In response, the District has proactively managed the renewal and rehabilitation program and is on a path to drive the system service life down from 400 years to 100 years. The recent decreased frequency of asset failures shows that some progress on this program has made, but this is a long-term program to meet the future replacement needs.

**Continuous Improvement**

This has been a year of transition for the District. With new leadership in the organization, significant changes to business processes and procedures and continued implementation of an Enterprise Resource Planning (ERP) system, the District is set on a course to adopt many industry-wide best management practices. The District is focused on improving the level of service to its customers in the most cost-effective manner and to continuously evaluate and modify operational practices to achieve this goal. This Budget document is an example of the District’s commitment to continuous improvement and improved financial management and transparency and received both the Government Finance Officers Association (GFOA) and California State Municipal Finance Officers (CSMFO) awards for budgeting. In addition, the District produced its first Comprehensive Annual Financial Report (CAFR), which is intended to further improve the District’s financial transparency.

**Looking Forward**

Long-term increases in water costs and infrastructure replacement needs will continue to be the two main challenges facing the District. The District is focused on taking the final step to a level of water independence this year by starting construction of the SMRCUP project. This project will provide a level of control on the cost of water the ratepayers are faced with. The District is also focused on continuing its infrastructure replacement program, while maintaining the District’s long-term fiscal sustainability.

Jack Bebee  
General Manager

David Shank  
Assistant General Manager/CFO





## Budget in Brief

### Fiscal Year 2018-19 Accomplishments



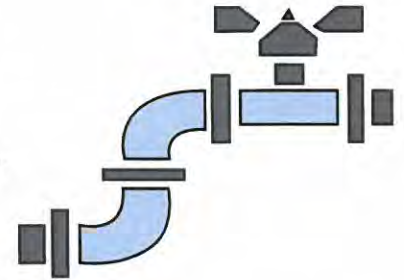
- Finalization of the District’s Santa Margarita water rights and court approval of the settlement agreement for SMRCUP.
- Completion of key pipeline replacement projects at Santa Margarita Drive, Old Stage & Highway 395 to maintain system reliability and improve the methodology for evaluating and prioritizing projects.
- Completed a series of wide scale enhancements to the financial accounting system operations and structure to streamline operations and enhance financial controls.
- **Completed the sale of the District’s Santa Margarita River properties for just under \$10 million helping to secure the District’s future fiscal sustainability.**
- Customer outreach has more than doubled the number of customers using their Smart meters (Advanced Metering Infrastructure (AMI) meters) to help them better monitor and manage water use and water costs.
- Produced the District’s first Comprehensive Annual Financial Report (CAFR) and an annual budget document that received the Government Financial Officers Association’s (GFOA) Distinguished Budget Presentation Award.



### Fiscal Year 2019-20 Goals

The Key Goals for the upcoming year include:

- Initiate construction of the SMRCUP Project with a goal of beginning deliveries of approximately 30% of our supply by 2022.
- Complete key pipeline replacement projects to maintain system reliability and improve the methodology for evaluating and prioritizing projects.
- Continue progress on replacing meters with smart meters (Advanced Metering Infrastructure (AMI) meters) and continue outreach to customers on how these meters can help them better monitor and reduce water use and water costs.
- Complete a series of enhancements to the financial accounting system operations and structure to streamline operations and enhance controls.
- Produce a Comprehensive Annual Financial Report (CAFR) and an annual budget document that meet the Government Financial Officers Association’s (GFOA) Distinguished Budget Presentation Award.
- Improve the District’s customer bill paying experience by enhancing Bill pay and notification options.



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

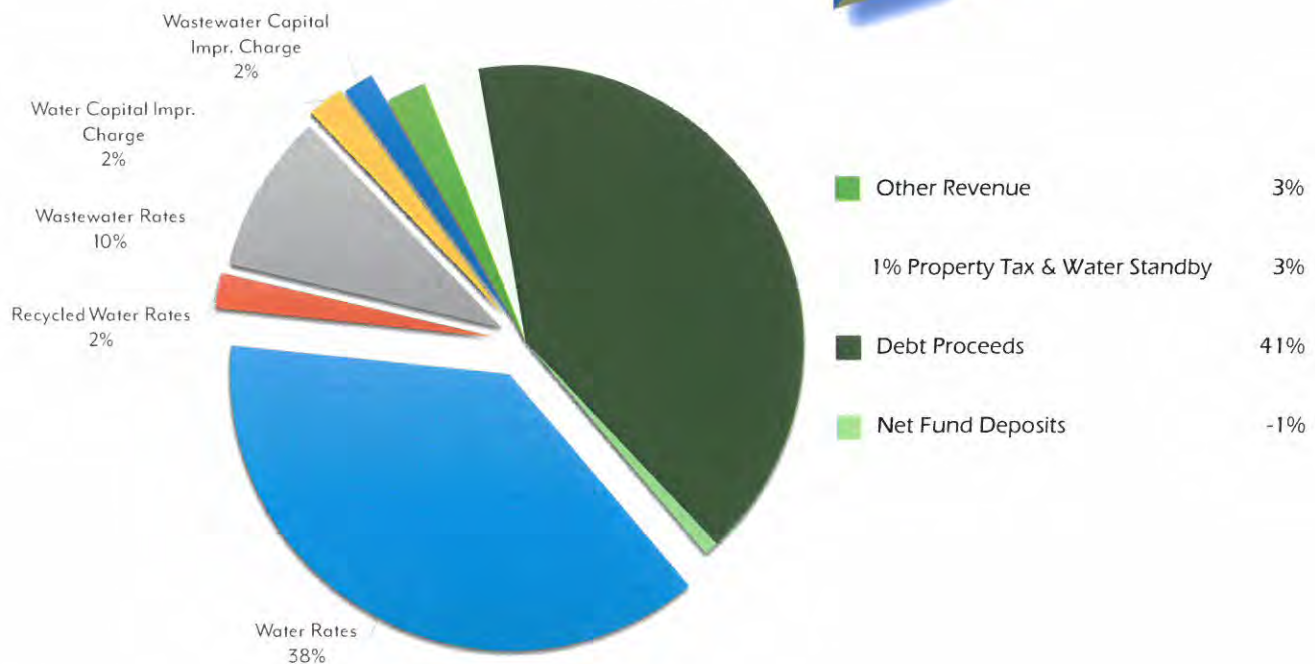


**Sources of Funds**

The water, recycled water and wastewater systems combined operating and non-operating revenues and net fund withdrawals are budgeted to be sufficient to fund the budgeted uses of funds. The budgeted 16.7% increase in total revenues is driven by increases in water sales, Fiscal Year 2018-19 was wet with low sales, and volume rates and charges. The water, recycled water and wastewater rate increases for the Budget are 8%, 8%, and 4.5%, respectively, for Calendar Years 2019 & 2020 and were approved during the Proposition 218 process. While these increases are in-line with the financial plan adopted by the Board, the Board will take action to adopt Calendar Year 2020 rates and charges in December of 2019. Appendix B shows the districts average water and wastewater bill compared to other local agencies

Chart 1 shows a breakdown of the District’s \$65.7 million budgeted sources of funds. Rate and charge revenues makes up 54% of the District’s total budgeted sources of funds. In addition, the District is going to be drawing down its State Revolving Funds (SRF) loan and using the proceeds to pay for the SMRCUP. Net fund deposits are budgeted this year to replenish the District’s reserves. The District plans to fund renewal and replacement Capital Improvement Program (CIP) projects that are funded with cash on a Pay-As-You-Go (PAYGO) basis.

**Chart #1 - Sources of Revenue Fiscal Year 2019-20**  
**Total Revenue \$65,718,090**





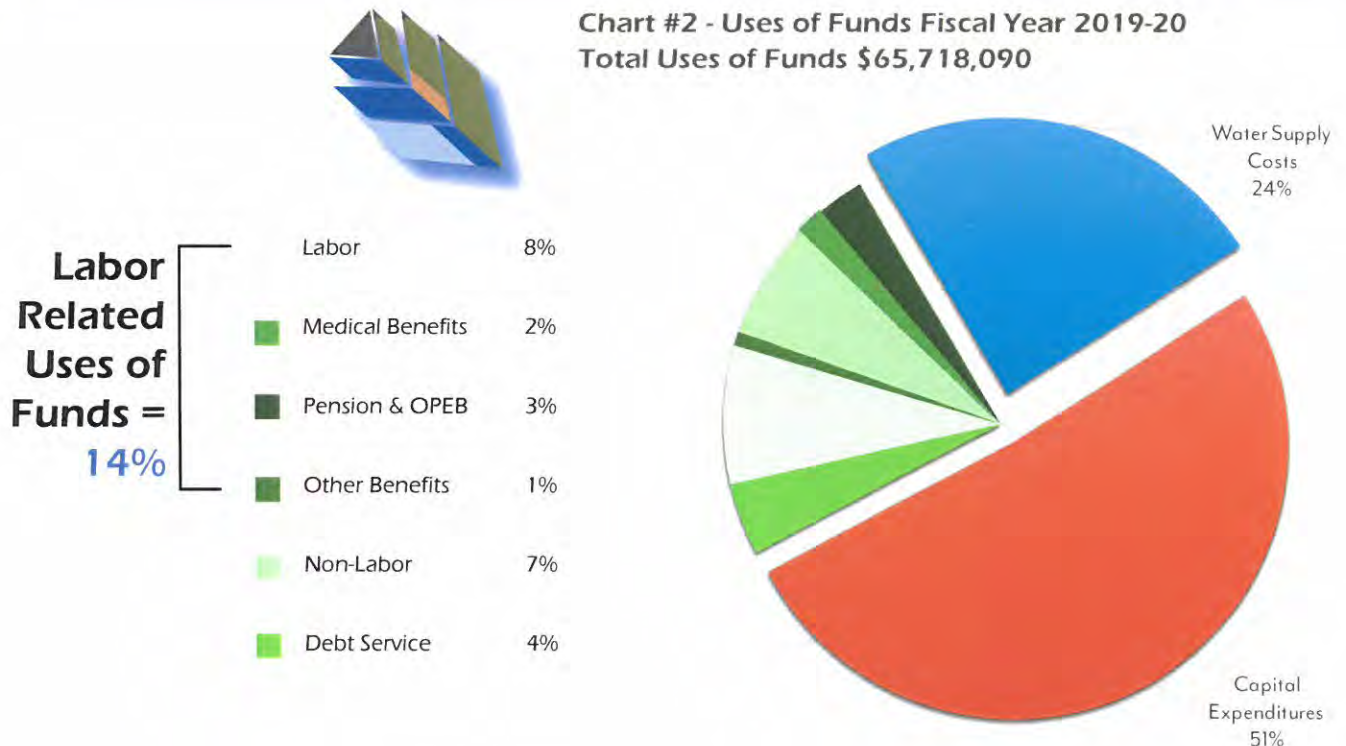
Use of Funds

The Adopted Operating Budget includes a 0.8% decrease in the salaries and a 5.3% increase in non-labor expenses. The budget to budget salary decrease, while small, is due to the Board’s cost containment efforts. The District’s successful cost control and judicious planning for pension and Other Post Retirement Benefits (OPEB) has effectively mitigated sharp increases in both pension and healthcare costs as shown by the overall increase of only 4.7%. The overall increase in the salaries, non-labor and benefit budget is 2.6%, which is in line with the rate of inflation.

Chart 2 shows the breakdown of the District’s total use of funds. Labor related uses of fund represent 14% of the District’s budgeted uses of funds. Eighty-six percent of the District’s uses of funds are for non-labor related expenditures. Water supply costs are the District’s single largest ongoing use of funds. Eighty-one percent of the CIP expenditures are due to SMRCUP and funded with a SRF loan.

Table #1 - Operating Budget Comparison, Salaries, Non-Labor and Benefits

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Salaries	\$ 5,325,657	\$ 5,366,812	\$ 5,135,410	\$ 5,324,861	-0.8%
Non-Labor (excludes cost of water)	4,317,670	4,281,685	4,580,069	4,509,670	5.3%
<b>Total Labor and Non-Labor Expenses</b>	<b>\$ 9,643,327</b>	<b>\$ 9,648,497</b>	<b>9,715,479</b>	<b>\$ 9,834,531</b>	<b>1.9%</b>
Benefits	2,939,973	3,270,046	3,270,046	3,425,369	4.7%
<b>Total Expense</b>	<b>\$12,583,300</b>	<b>\$ 12,918,543</b>	<b>\$ 12,985,525</b>	<b>\$ 13,259,901</b>	<b>2.6%</b>





**Capital Budget**

The District has implemented a capital program to improve the overall reliability of the water, wastewater and recycled systems. The most significant on-going component of the capital program is the replacement of aging infrastructure. In addition to rehabilitation, the construction of the \$51 million SMRCUP in Fiscal Years 2019-20 and 2020-21 will be the most significant single project for the next 15-20 years and will provide a long-term cost effective local water supply. The SMRCUP is funded with an SRF loan. Chart 3 shows the annual CIP expenditures by project type. Other projects are shown. The Capital Budget for Fiscal Year 2019-20 is \$33.7 million, with \$27.1 million funded with a SRF Loan.



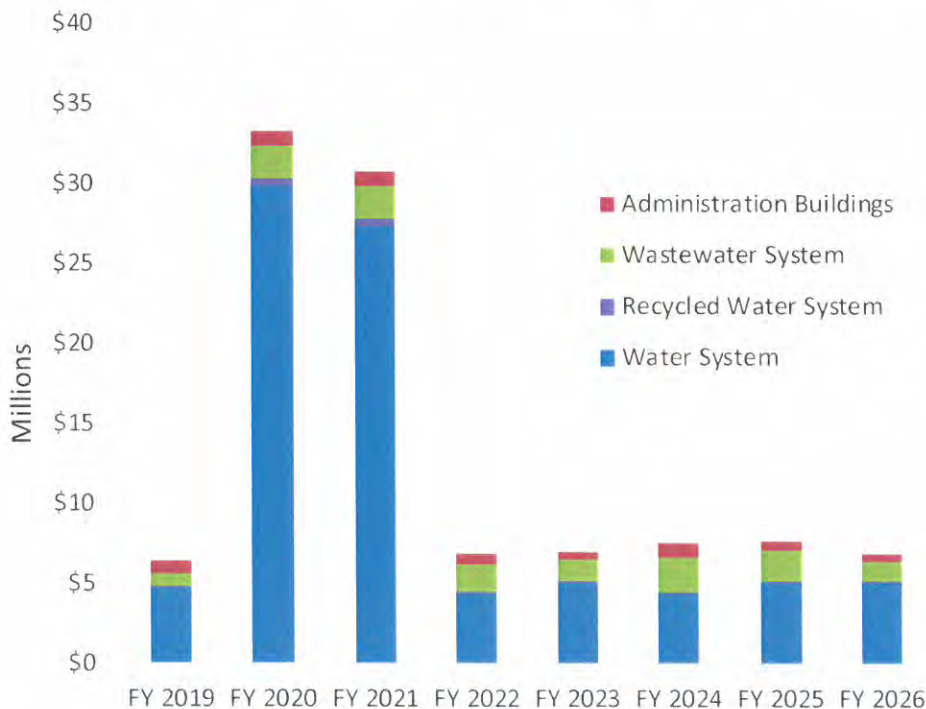
*Recycled water program*



*Pipeline relining program*



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



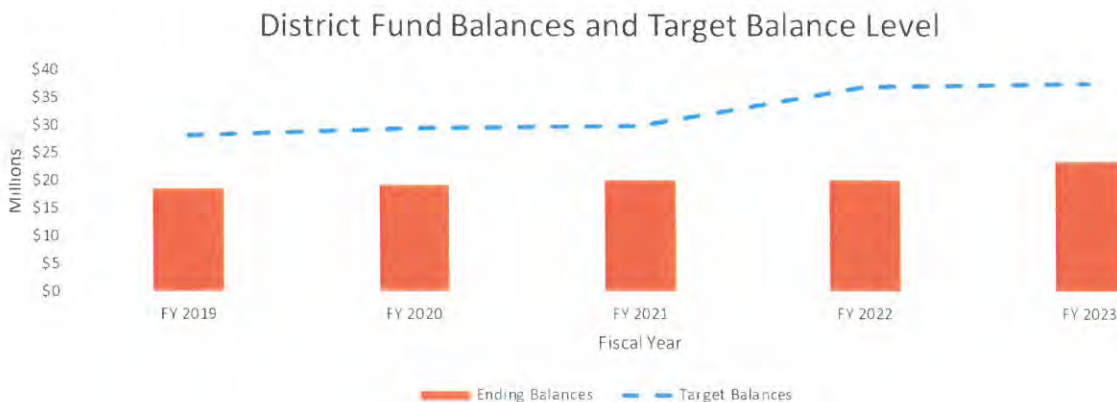
Financial Summaries

This is the first year in recent history that the District is projecting a net deposit of funds into reserves. The ability to generate sufficient funds to cover total annual expenditures, including PAYGO CIP, and begin to replenish reserves is due to the prudent financial plan implemented by the Board in 2017. As shown in Table 2, a budgeted reserve deposit of \$0.6 million is planned. Chart 4 shows the District's reserve balances are expected to remain stable but below the target fund levels. The District is projected to maintain a debt service coverage level in excess of its required 1.2x.

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

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>					
<b>Revenue from Rates</b>					
Water	\$ 20,581,498	\$ 25,265,762	\$ 26,868,354	\$ 28,801,664	\$ 31,393,806
Recycled Water	1,286,911	1,382,830	1,341,824	1,449,170	1,565,104
Wastewater	5,432,104	6,214,076	6,494,235	6,787,025	7,092,441
<b>Subtotal Revenue from Rates</b>	<b>\$ 27,300,513</b>	<b>\$ 32,862,667</b>	<b>\$ 34,704,413</b>	<b>\$ 37,037,860</b>	<b>\$ 40,051,351</b>
<b>Other Operating Revenue Subtotal</b>	<b>\$ 939,118</b>	<b>\$ 829,309</b>	<b>\$ 841,246</b>	<b>\$ 891,827</b>	<b>\$ 932,048</b>
<b>Non-Operating Revenue</b>	<b>\$ 5,269,508</b>	<b>\$ 5,423,056</b>	<b>\$ 5,557,433</b>	<b>\$ 5,696,698</b>	<b>\$ 5,880,773</b>
<b>Total Revenues</b>	<b>\$ 33,509,139</b>	<b>\$ 39,115,033</b>	<b>\$ 41,103,092</b>	<b>\$ 43,626,385</b>	<b>\$ 46,864,172</b>
<b>Total Operating Expenses</b>					
	\$ 26,532,961	\$ 29,247,787	\$ 30,071,125	\$ 31,150,474	\$ 30,697,796
<b>Net Operating Revenues</b>	<b>\$ 6,976,178</b>	<b>\$ 9,867,246</b>	<b>\$ 11,031,967</b>	<b>\$ 12,475,911</b>	<b>\$ 16,166,376</b>
<b>Total Debt Service</b>					
	\$ 2,760,020	\$ 2,761,270	\$ 2,762,239	\$ 5,690,223	\$ 5,690,578
<b>Total Capital Expenditures</b>					
	\$ 6,546,920	\$ 33,709,033	\$ 30,848,084	\$ 6,924,653	\$ 7,026,158
SRF Loan Proceeds	\$ -	\$ 27,179,100	\$ 23,543,908	\$ -	\$ -
<b>Change in Net Position</b>	<b>\$ (2,169,182)</b>	<b>\$ 576,043</b>	<b>\$ 965,553</b>	<b>\$ (138,966)</b>	<b>\$ 3,449,639</b>
Proceeds from SMR Property Sale	\$ 6,200,000	\$ -	\$ -	\$ -	\$ -
Beginning Balances	\$ 14,650,728	\$ 18,681,546	\$ 19,257,589	\$ 20,223,141	\$ 20,084,176
Ending Balances	\$ 18,681,546	\$ 19,257,589	\$ 20,223,141	\$ 20,084,176	\$ 23,533,815

Chart #4 - District's Fund Balances and Target Balance Level





Budget User Guidance

The District’s Fiscal Year 2019-20 Adopted Budget is organized and presented in a manner to better communicate the District’s financial operations. Through enhanced transparency stakeholders will be better able to understand the District’s costs and cost structure. The budget sections and a summary of the information provided in them is provided below:

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

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

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

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

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

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

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

\* Tables may not foot due to rounding.





**DISTINGUISHED BUDGET PRESENTATION AWARD**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Fallbrook Public Utility District  
California**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morill*

Executive Director

## About the District

### History

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



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

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

### Service Area / STATISTICS

- 44 square-mile service area
- Population: 35,000
- 9,100 water customers
- 5,000 sewer customers
- 16 recycled water customers
- 68 employees budgeted
- \$27 million operating revenues
- \$132 million in total assets
- 10,600 acre-feet sold annually

The District became a member of the San Diego County Water Authority (SDCWA) at its formation on June 9, 1944, and thus was eligible to receive a portion of Colorado River water that would be diverted by the Metropolitan Water District of Southern California (MWD). When Colorado River water became available in 1948, consumption within the District gradually increased to approximately 10,000 acre-feet per year by 1959. Then in 1978, MWD augmented its supply system with water from the California State Water Project and began delivering water from both systems to San Diego County. Today, the SDCWA provides virtually all of the District's potable water.

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

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



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

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

Then in January 2018, the District’s Board of Directors signed an agreement with Camp Pendleton in a landmark settlement, resolving the U.S. v. Fallbrook case and in April 2019, the federal court adopted the settlement. As part of the settlement, river water will flow to Camp Pendleton and be stored in recharge ponds that seep into an underground aquifer there. Then some of that water will be pumped out of the ground and piped back to the District when needed. Called the SMRCUP, it will provide a local supply, reducing dependence on expensive wholesale purchases from the SDCWA, and is expected to provide about 30% of the District’s water needs.

**Wastewater and Recycled Water History and Mergers**

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





## Services

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

### Water System

The District imports 99% of its water from the SDCWA with the remaining 1% coming from a local well. The District has four connections to the SDCWA's system. The District's water distribution system is comprised of 270 miles of pipeline, 6,800 valves, an ultraviolet disinfection water treatment plant, nine steel reservoirs, a 300-million-gallon treated water reservoir, five pump stations and plans for a groundwater treatment plant. District staff operate the system, and conduct all system maintenance and repairs. The District is in the middle of an Advanced Metering Infrastructure (AMI) system upgrade that will enable real-time meter reading and provide customers with real-time water use.

The District also recently finalized an agreement with U.S. Marine Corps Base Camp Pendleton to share local water in the Santa Margarita River, of the SMRCUP. The river is expected to provide 30% of the District's total water needs, reducing reliance on the SDCWA. Construction of a bi-directional pipeline and groundwater treatment plant is expected to begin in the Fall of 2019.

The District's five-year average annual water sales is 10,375 acre-feet. Residential and commercial customers represent 59% of sales, and agricultural customers make up the remaining 41%. The District's historic sales trend is down due to improved water efficiency for both residential and commercial indoor and outdoor use, combined with sharp decreases in agricultural water demands. The decrease in agricultural water demands is due to drought restrictions and the increases in water costs over the last decade driven by a sharp rise in the cost of the water we purchase. The District's agricultural water sales have reduced from 7,000 acre-feet in Fiscal Year 2008 to 3,200 in Fiscal Year 2017.

### Construction / BI-DIRECTIONAL PIPELINE and GROUNDWATER TREATMENT PLANT

Fallbrook Public Utility District anticipates having this project completed by 2020 and to begin having its own cost-effective supply that same year.



Rendering of the Fallbrook Groundwater Treatment Plant



## Wastewater System

The District's wastewater system is comprised of 78 miles of buried sewer lines and force mains, a 2.7 million gallon per day water reclamation plant, a 1-megawatt solar facility and a 23-mile ocean outfall line.

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

## Recycled Water System

The District's recycled water system includes 10.5 miles of buried pipe. Currently the District has 16 recycled water customers, and delivers an average of 0.6 million gallons per day to them. The District provides recycled water for nurseries, sports fields, home owners' associations, Fallbrook High School, street medians, and for freeway irrigation. In 2015, the District completed a \$27 million expansion and upgrade to the water reclamation plant to improve reliability of operation and provide storage for recycled water. The project was completed ahead of schedule and under budget.

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

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

## Governance and Organizational Structure

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

### Current Board of Directors:

**District #1 - Al Gebhart**

**District #2 - Ken Endter**

**District #3 - Jennifer DeMeo, Vice-President**

**District #4 - Don McDougal, President**

**District #5 - Charley Wolk**



## Service Area and Local Economy

San Diego County is the second-most populous county in the state and the fifth-most populous in the United States. The District is located in the north-east region of the county and is rural in character. The District's service area and pipeline is shown in the accompanying maps. The District is bordered to the west by the Naval Weapons Station and U.S. Marine Corps Base Camp Pendleton, making the District's service area a bedroom community for Camp Pendleton's active military and civilian-service workers. The service area's 2017 population is estimated to be 34,330 with 11,418 households. Fallbrook's population has remained relatively unchanged over the past several years.

Figure #1 - District Service Area

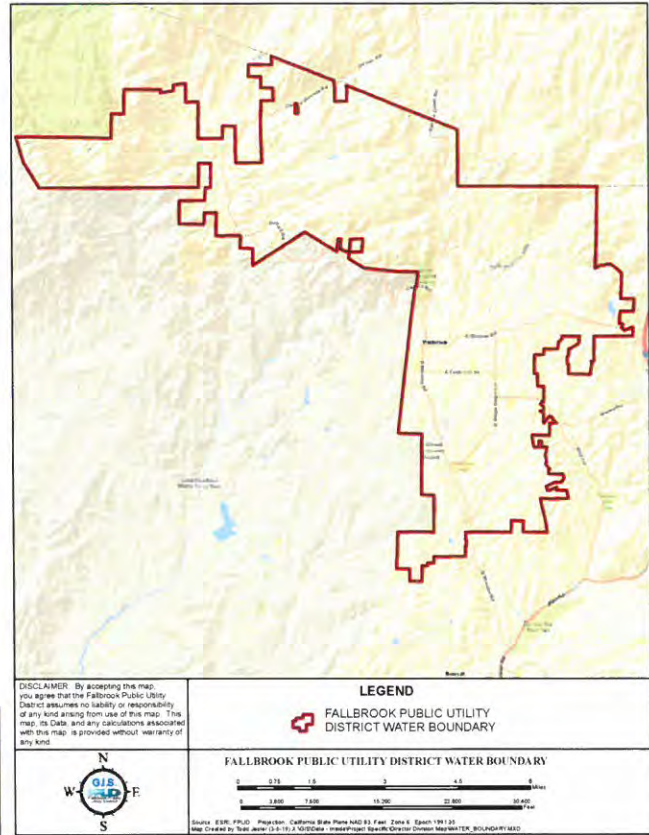
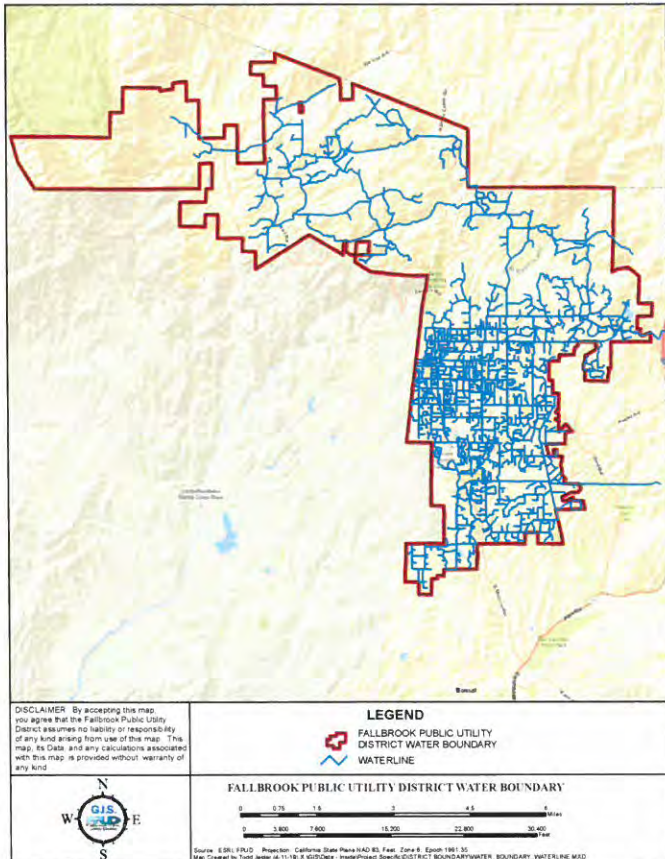


Figure #2 - District Pipelines



The median household income in Fallbrook was \$60,510, which is less than the state median of \$67,739 and slightly higher than the national average of \$59,039. San Diego County's unemployment rate is 3.7%, which is lower than the State's 4.3%.

The San Diego Association of Governments (SANDAG) projects that the County's population will approach 4.4 million residents in 2050, up from 3.3 million in 2016. The District's 2050 housing density is expected to increase slightly as housing demands increase. Employment is also expected to slightly increase by 2050.



## District's Strategic Plan for FY 2019/2020

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

### #1 Strategic Focus Area | Water Supply

**District Goal:** Provide a reliable, cost-effective water supply through implementation of local water supply projects.

**Fiscal Year 2019-20 District Objectives:**

1. Award and initiate construction of the SMRCUP in order to begin delivery of local water by 2022.
2. Implement partially grant funded Indirect Potable Reuse (IPR) pilot project with Camp Pendleton to lay the groundwork to increase the reliability and availability of local water supplies.

### #2 Strategic Focus Area | Infrastructure

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

**Fiscal Year 2019-20 District Objectives:**

1. Complete capital projects in accordance with approved budget and asset-management plan. Maintain utilization of District construction crews with proactive replacements versus reactive repairs.
2. Complete an update to the asset-management plan to help prioritize projects. This will help ensure lower cost alternatives are evaluated before full replacement of buried infrastructure.

### #3 Strategic Focus Area | Efficiency

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

**Fiscal Year 2019-20 District Objectives:**

1. Continue implementation and reporting of Key Performance Measures (KPIs) for engineering and operations. Develop KPIs for administration, finance and public outreach. Tie measures to nationally recognized Effective Utility Management (EUM) goals and measure against applicable national bench-marks.
2. Improve the efficiency of operations through mobile implementation of work order and service order processes through funding of a new Enterprise Asset Management (EAM) System.
3. Build off recently implemented regional collaboration programs to further evaluate reducing operating costs through sharing resources without reducing the level of service.

## #4 Strategic Focus Area | Community

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

### Fiscal Year 2019-20 District Objectives:

1. Continue to focus communications with customers using a customer perspective. Provide additional on-going training to staff on customer service.
2. Promote the District role in helping benefit the community. Lead overall Santa Margarita Watershed group meetings to support coordination among preservation activities. Look to expand high-school internship program. Evaluate opportunities to further expand services to support the community.
3. Hold additional workshops to promote the AMI “smart meter” implementation, and provide training for customers to learn how to use this service to help reduce water costs.
4. Continue to improve customer engagement through social media and quarterly newsletters.
5. Further improve the District budget to identify clearly to the public how costs are allocated and how resources are being managed. Continue to produce a CAFR and achieve a GFOA and California Society of Municipal Finance Officers (CSMFO) budget awards for the Fiscal Year 2019-20 Budget. Achieve District Transparency Certificate of Excellence from the California Special District’s Association.

## #5 Strategic Focus Area | Workforce

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

### Fiscal Year 2019-20 District Objectives:

1. Develop the framework for a formal program to identify future leaders in the organization and provide them training and a clearer sense of future opportunities. Look to leverage capabilities of existing staff and expand their responsibility when they show potential.
2. Continue to expand cross-training and external training program for staff, and provide new opportunities and challenges for motivated employees. Reconstitute programs and events to recognize employees and improve employee recognition program.
3. Participate in regional efforts to improve local education, training and internship programs to bring more qualified applications into the industry.
4. Participate in key local and national organizations in the water/wastewater industry, including participating in presentations on District and trainings to improve recognition of the District as an effectively managed and forward-looking utility.



## Budget Basis

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

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

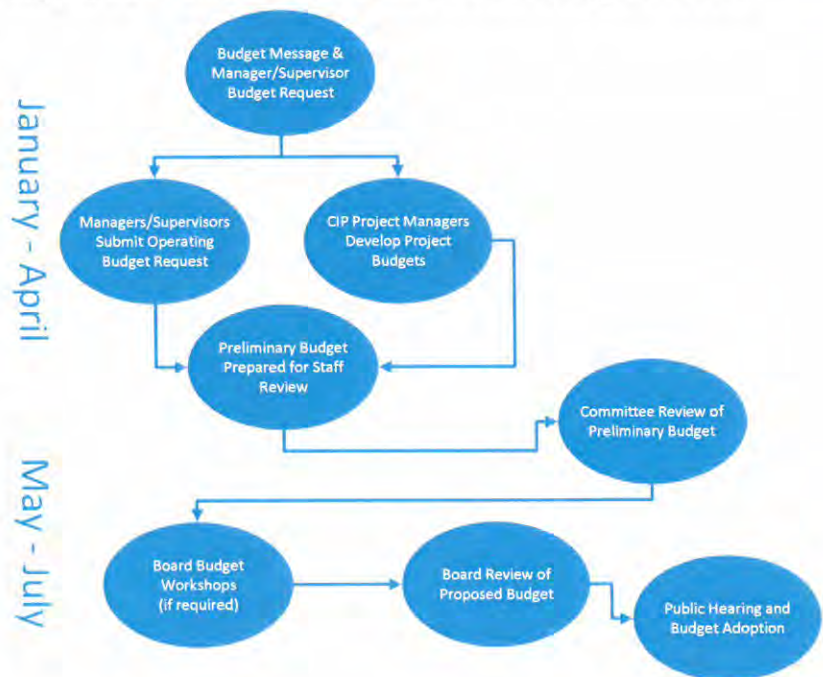
Budget adjustments are made if projects or expenditures are needed that fall outside the District’s adopted budget. These items are brought to the Board for approval and to appropriate the funds. A mid-year budget update is also provided to the Board each year to update spending trends and identify early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

## Budget Process

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

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

Figure #3 - Fallbrook District’s Annual Budget Process





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

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

### DISTRICT ORGANIZATIONAL CHART

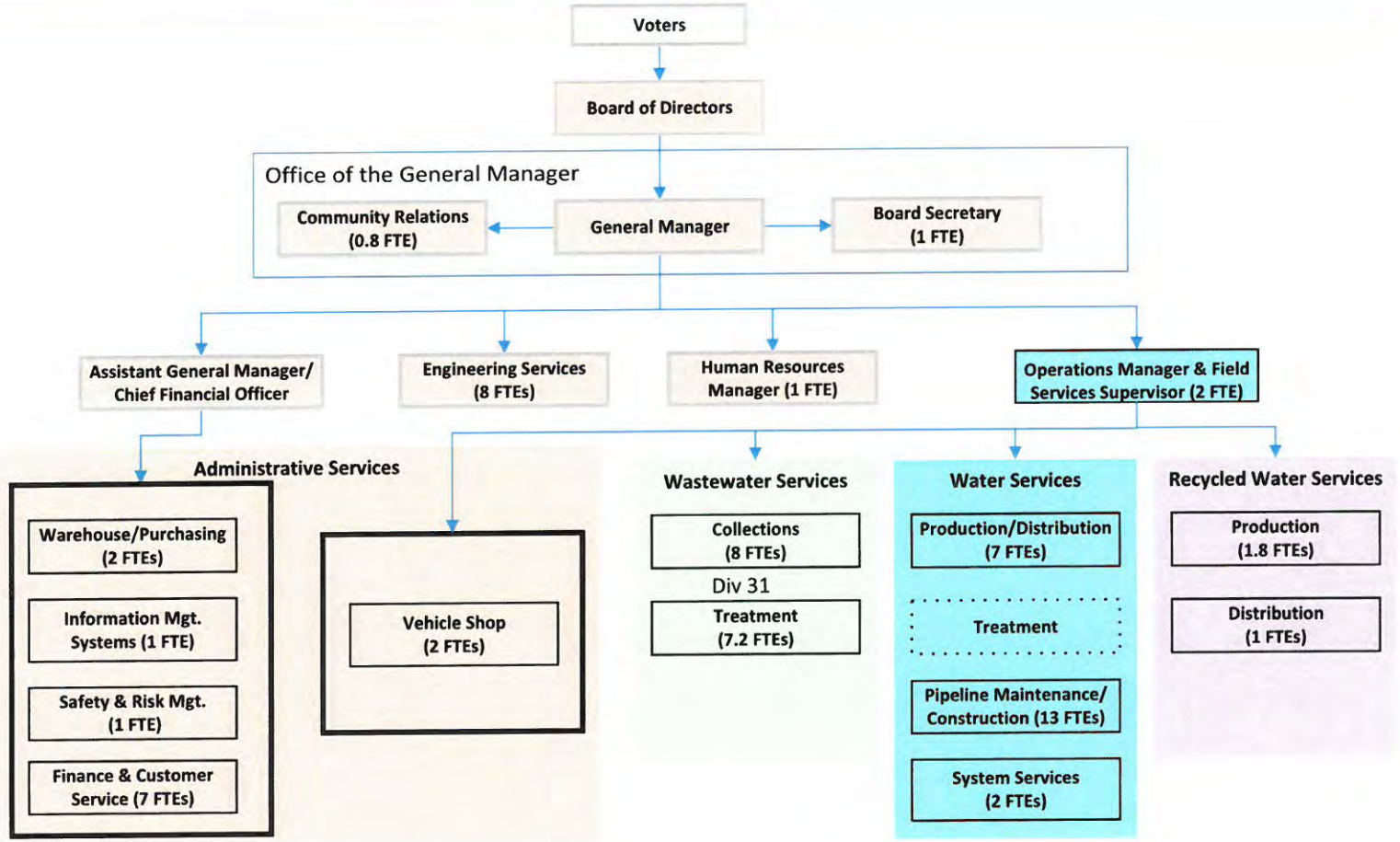
The District maintains an efficient level of staffing which requires an organizational structure that is very flat, with staff working across services and filling a variety of roles. The organizational chart provided is designed to illustrate the District's structure and staffing levels. The Proposed Budget includes 67.8 Full Time Equivalent (FTE), which was the FTE count in Fiscal Year 2019. The boxes under Administrative, Water, Wastewater and Recycled Water Services represent functional groups called Divisions. However, in some cases (Human Resources) a division is a single position. In these cases, the object is colored to illustrate that it is part of Administrative Services.

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

Water, Wastewater and Recycled Water Services are the District's other services. The Divisions within each of these services are shown on the organizational chart. Water services is comprised of three Divisions while the other services are broken into two Divisions. While the SMRCUP is not expected to be operating during this Budget, a place holder under Water Services for treatment has been inserted. The function of each division is discussed in the Operating Budget Section.

Figure #4 - Proposed Fiscal Year 2019-20 Organizational Structure<sup>1</sup>

**Fiscal Year 2019-2020 Organizational Structure**  
**Total Requested Regular FTE=67.8**



FTE = Full-Time Equivalent

Future Division excluded from FTE count



1. An FTE is the hours worked by one employee on a full-time basis for one year. This is equal to 2,080 hours.  
 \* Total Requested Regular FTE=67.8



## Fund Structure

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

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

### Water Services Funds

**Working Capital/Operating Fund:** To be established and maintained at a level of three months operating and maintenance expenses including water purchases. The primary source of funds for the Operating Fund are water sales, fixed service charge and pass-through charge revenues. The Operating Fund Target for Fiscal Year 2019-20 is \$5.8 million.

**Rate Stabilization Fund:** To prevent "spikes" and mid-year changes in rates because of net revenue shortfalls due to weather conditions, state or federal legislation or other future uncertainties. This fund was primarily established to buffer variability of water deliveries from the SMRCUP in dry years. The target level is set equal to two years of debt service payments on the SMRCUP financing. Transfers from the Operating Fund are the source of funds for the Rate Stabilization Fund (RSF). The RSF target and balance are \$0 until the SMRCUP is operational but has been prefunded with the \$6.2 from the sale of SMR Property.

### Wastewater Services Funds

**Working Capital/Operating Fund:** To be established and maintained at a level of three months operating and maintenance expenses. The primary source of funds for the Operating Fund are wastewater service charges and investment earnings. The Operating Fund Target for Fiscal Year 2019-20 is \$1.3 million.

**Rate Stabilization Fund:** To promote smooth and predictable rates and charges, a Rate Stabilization Fund is established with a target level equal to 10% of annual revenues. Transfers from the Operating Fund are the source of funds for the Rate Stabilization Fund. The Rate Stabilization Fund Target for Fiscal Year 2019-20 is \$0.9 million.

### Recycled Water Services Fund

**Working Capital/Operating Fund:** To be established at three months operating and maintenance expenses. The primary source of funds for the Operating Fund are water sales and fixed service charge revenues. The Operating Fund Target for Fiscal Year 2019-20 is \$0.2 million

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

**Water Services Capital Fund**

The primary source of funds are the Water and Pumping Capital Improvement charges, property tax and standby availability charge receipts, annexation fees, connection fees and meter fees. Target fund balance is set to the equivalent of three-year average expenditures on recurring capital projects (i.e. pipeline renewal/replacement). The Fiscal Year 2019-20 target balance for the Water Capital Fund is \$15.2 million.

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

**Wastewater Services Capital Fund**

The primary source of funds are Wastewater Capital Improvement charges, connection fees, property tax receipts, and meter fees. Target fund balance is set to the equivalent of three-year average expenditures on recurring capital projects (i.e. pipeline renewal/replacement). The Fiscal Year 2019-20 target balance for the Wastewater Capital Fund is \$5.3 million.

**Recycled Water Services Capital Fund**

Target fund balance is set to the equivalent of three-year average expenditures on recurring capital projects (i.e. pipeline renewal/replacement). Recycled Operating Fund transfers are the primary source of funds followed by a portion of the property tax receipts. The Fiscal Year 2019-20 target balance for the Water Capital Fund is \$0.7 million.

**Fund Summary**

The Districts total target fund balance for water, recycled water and wastewater and their projected Fiscal Year 2019-20 year-end balances are shown in the table below.

**Table #1 - Total Fund Balances**

Service	Target Balance (Millions)	Projected Fiscal Year 2019-20	
		Ending Balance (Millions)	
Water	\$ 21.0	\$	14.9
Recycled Water	\$ 0.9	\$	0.9
Wastewater	\$ 7.5	\$	3.4
<b>Total</b>	<b>\$ 29.4</b>	<b>\$</b>	<b>19.2</b>



## **Other Funds Maintained by the District**

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### **Section 115 Pension and OPEB Trust Fund**

This fund was set up in Fiscal Year 2016-17 as an irrevocable trust established for the benefit of the pension and Other Post-Employment Benefits (OPEB) beneficiaries. The fund is managed by Public Agency Retirement Services (PARS) and is restricted in its use to funding pension and OPEB expenditures. The funds restricted for OPEB and pension costs are tracked in the fund. The fund balance was \$1.4 million on March 31, 2018.

## **District's Financial Management Policies**

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

- Debt Management Policy – Defines the District's debt management (available on website).
- Investment Policy – Establishes permitted investments in compliance with State Code (Article 27 of the District's Administrative Code)
- Fund Balance Policies – Sets target balances for reserves and working capital (Article 15 of the District's Administrative Code)
- Capitalization Policy – Establishes the parameters for defining an operating or capital expenditure

These policies can be found on the District's website as standalone documents or as part of the District's Administrative Code. Appendix C also provides a copy of the District's Capitalization Policy, which is not available on the website, and other policies for ease of reference.

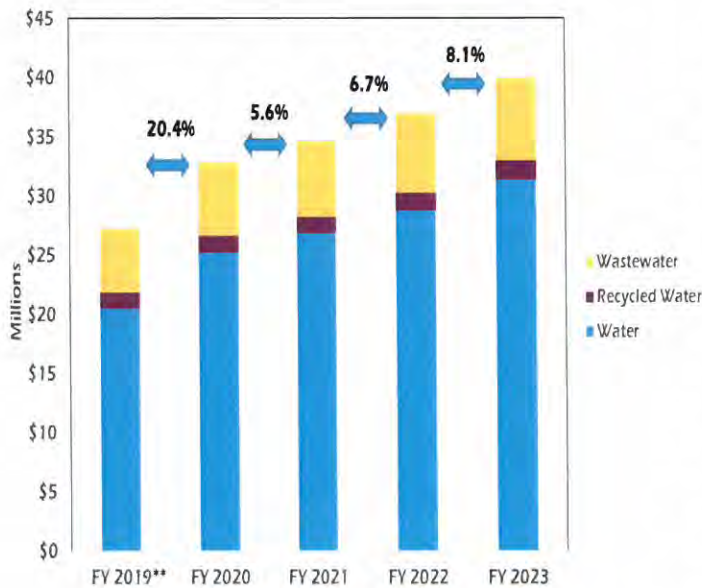
## Financial Summaries

The rate and charge increases included in the projections are in line with the increases approved by the Board in December 2017 as part of the 2017 Water, Recycled Water and Wastewater Rate Study Report and Proposition 218 process. Table 1 shows the approved increases through 2022. Because the rate and charge increases are effective for a calendar year, the impact of a rate increase spans two fiscal years. The projections take this into account and show revenues on a fiscal year basis with the approved rate increases. The Board will set the Calendar Year 2020 rates and charges in December 2019. Since no decision on the rate and charge increases has been made at this time, the Budget use the approved rate and charge increases to project revenues. Chart 1 shows the projected increase in revenues due to the rate adjustments. The large increase in Fiscal Year 2019-2020 is driven by a return to average water sales levels **Appendix A provides the detailed revenue, expense and fund balance projections for Water, Recycled Water, and Wastewater operations.**

Table #1 - Prop 218 Board Approved Maximum Rate Increases

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
<b>Water Rate increase</b>					
Approved Increase	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%
<b>Wastewater Rate increase</b>					
Approved Increase	(up to) 4.5%	(up to) 4.5%	(up to) 4.5%	(up to) 4.5%	(up to) 4.5%
<b>Recycled Water Rate increase</b>					
Approved Increase	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%	(up to) 8.0%

Chart #1 - Projected Total Rate Revenues \*



\* Total Rate Revenue increases shown

\*\* Projected revenues based upon current District sales projections

This section provides an overview of the Districts projected financial operations. Table 2 provides a detailed summary of the District’s revenues and expenditures and the projected year-end fund balances. Revenues from the District’s water, recycled water and wastewater services are projected to increase over the projection period driven by rate and charge increases. Non-operating revenues are projected to remain relatively stable. Projected costs are assumed to rise at rates of inflation in line with levels assumed in the 2017 Water, Recycled Water and Wastewater Rate Study Report. The cost of treated water is expected to increase by 4.3% next year based upon preliminary published wholesale water rate increases. In the following years, wholesale water rates are projected to increase annually at 10% driven by State and regional water supply reliability related costs. In Fiscal Year 2021-22 the

District is projecting deliveries from the SMRCUP and the related costs. The SMRCUP deliveries reduce the cost of purchased water as shown in Table 2 and in Fiscal Year 2021-22 reduce projected water costs by approximately \$1 million. For labor and non-labor, the result of the escalation is an average annual increase of 3.1%. This includes projected increase in the District’s pension and other benefits costs.



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

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>					
<b>Revenue from Rates</b>					
Water	\$ 20,581,498	\$ 25,265,762	\$ 26,868,354	\$ 28,801,664	\$ 31,393,806
Recycled Water	1,286,911	1,382,830	1,341,824	1,449,170	1,565,104
Wastewater	5,432,104	6,214,076	6,494,235	6,787,025	7,092,441
<b>Subtotal Revenue from Rates</b>	<b>\$ 27,300,513</b>	<b>\$ 32,862,667</b>	<b>\$ 34,704,413</b>	<b>\$ 37,037,860</b>	<b>\$ 40,051,351</b>
<b>Other Operating Revenue</b>					
<b>Pass-through Charges</b>					
MWD RTS Charge	\$ 340,390	\$ 310,753	\$ 325,807	\$ 341,976	\$ 359,288
SDCWA IAC Charge	436,668	457,553	504,439	538,851	561,760
AG Penalties	-	-	-	-	-
Sundry*	11,000	11,000	11,000	11,000	11,000
SDCWA Incentive	151,060	50,003	-	-	-
Class A Bio-solids Sales	-	-	-	-	-
<b>Other Revenue Subtotal</b>	<b>\$ 939,118</b>	<b>\$ 829,309</b>	<b>\$ 841,246</b>	<b>\$ 891,827</b>	<b>\$ 932,048</b>
<b>Non-Operating Revenue</b>					
Water Availability Charge**	\$ 203,000	\$ 203,000	\$ 203,000	\$ 203,000	\$ 203,000
1% Property Tax	1,908,753	1,918,296	1,927,888	1,937,527	1,947,215
Investment Earnings	220,444	284,544	296,105	302,305	327,135
Water CIP Charge	1,311,128	1,390,702	1,476,578	1,570,413	1,667,810
Pumping CIP Charge	31,000	37,000	37,000	37,000	37,000
Other Revenue	\$176,516	\$180,046	\$183,647	\$187,320	\$191,067
Water Capacity Fees	\$103,807	\$70,000	\$70,700	\$71,407	\$72,121
Wastewater CIP Charge	\$1,150,517	\$1,185,299	\$1,219,352	\$1,256,272	\$1,293,836
Wastewater Capacity fees	\$30,427	\$31,522	\$32,485	\$33,477	\$57,074
Federal Interest Rate Subsidy	\$133,917	\$122,647	\$110,677	\$97,977	\$84,516
<b>Subtotal Non-Operating Revenue</b>	<b>\$ 5,269,508</b>	<b>\$ 5,423,056</b>	<b>\$ 5,557,433</b>	<b>\$ 5,696,698</b>	<b>\$ 5,880,773</b>
<b>Total Revenues</b>	<b>\$ 33,509,139</b>	<b>\$ 39,115,033</b>	<b>\$ 41,103,092</b>	<b>\$ 43,626,385</b>	<b>\$ 46,864,172</b>
<b>Operating Expenses</b>					
<b>Water Supply Costs</b>					
Purchased Water Costs***	\$ 13,367,435	\$ 15,756,149	\$ 15,952,174	\$ 14,854,858	\$ 10,439,878
Pumping Costs	180,000	231,736	234,866	243,123	257,824
SMRCUP Treatment	-	-	-	1,621,824	5,000,213
Labor Costs	2,771,259	2,812,665	2,953,298	3,100,963	3,256,011
Fringe Benefits	1,674,937	1,809,326	1,926,932	1,994,375	2,064,178
Services, Materials & Supplies	2,249,110	2,230,400	2,297,312	2,366,231	2,437,218
Administrative Expenses	6,290,220	6,407,511	6,706,542	6,969,100	7,242,473
<b>Total Operating Expenses</b>	<b>\$ 26,532,961</b>	<b>\$ 29,247,787</b>	<b>\$ 30,071,125</b>	<b>\$ 31,150,474</b>	<b>\$ 30,697,796</b>
<b>Net Operating Revenues</b>	<b>\$ 6,976,178</b>	<b>\$ 9,867,246</b>	<b>\$ 11,031,967</b>	<b>\$ 12,475,911</b>	<b>\$ 16,166,376</b>

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

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

\*\*\*Detail on purchased water costs provided on page 44. Purchased water costs include MWD RTS Charge and SDCWA IAC Charge.

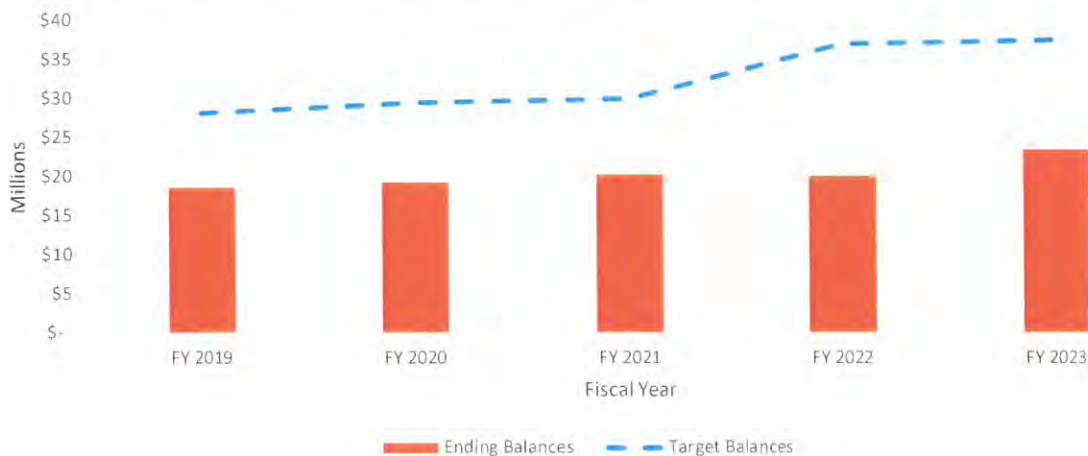
Table #2 - Fallbrook Public Utility District's Financial Projections, cont.

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Net Operating Revenues</b>	\$ 6,976,178	\$ 9,867,246	\$ 11,031,967	\$ 12,475,911	\$ 16,166,376
<b>Total Debt Service</b>	\$ 2,760,020	\$ 2,761,270	\$ 2,762,239	\$ 5,690,223	\$ 5,690,578
<b>Total Capital Expenditures</b>	\$ 6,546,920	\$ 33,709,033	\$ 30,848,084	\$ 6,924,653	\$ 7,026,158
<b>SRF Loan Proceeds</b>	\$ -	\$ 27,179,100	\$ 23,543,908	-	-
<b>Change in Net Position</b>	\$ (2,169,182)	\$ 576,043	\$ 965,553	\$ (138,966)	\$ 3,449,639
<i>Proceeds from SMR Property Sale</i>	\$ 6,200,000	-	-	-	-
<i>Beginning Balances</i>	\$ 14,650,728	\$ 18,681,546	\$ 19,257,589	\$ 20,223,141	\$ 20,084,176
<i>Ending Balance</i>	\$ 18,681,546	\$ 19,257,589	\$ 20,223,141	\$ 20,084,176	\$ 23,533,815

Debt service and capital expenditures are deducted from the District's Net Operating Revenues to determine the change in Net Position for the fiscal year. It is important to note that funds from the SRF Loan offset the use of the District's financial resources as shown in the table above. The Fiscal Year 2019-20 Change in Net Position shows the District is replenishing reserves in that particular fiscal year. In Fiscal Year 2019-20, the District is projecting the deposit of \$576,043 in reserves.

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

Chart #2 - District Fund Balances and Target Level





## Water Services Sources of Funds

The primary source of funds for water operations is water sales and monthly service fee revenues. Because Fallbrook is located in a semi-arid region of the United States and is subject to significant fluctuations in the level of water demands, each year careful attention is paid to the projected level of water sales. Heading into the Fiscal Year 2019-20 budget cycle, water supply conditions look good with reservoirs at or above average. Therefore, at this point in time, no water use restrictions are expected to be in place this summer and water sales are projected to be in line with the District's average sales level.

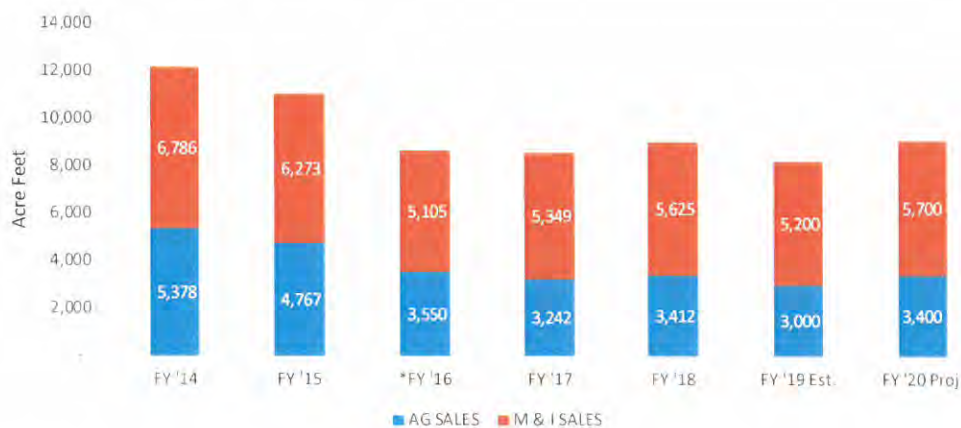
The District's sales over the last five years including the estimate for the current fiscal year and the projected water sales for the budget period. The table shows water production and total sales; production includes system losses, and water sales are units sold to customers. The sales are also split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

**Table #1 - Five-Year Production and Sales History**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 Estimated	FY 2019-20 Projected
<b>Production</b>	12,999	11,849	9,573	9,193	10,090	9,000	9,800
<b>Total Sales (adjusted for system losses)</b>	<b>12,164</b>	<b>11,040</b>	<b>8,656</b>	<b>8,592</b>	<b>9,269</b>	<b>8,200</b>	<b>9,100</b>
<b>AG Sales</b>	5,378	4,767	3,550	3,242	3,412	3,000	3,400
<b>M&amp;I Sales</b>	6,786	6,273	5,105	5,349	5,625	5,200	5,700

As the table and chart shows, recent years have been impacted by both restrictions in use levels as well as wet weather, both of which suppress water demands. With wet conditions currently present, Fiscal Year 2018-19 water demands are expected at or below the low levels seen in the last wet year, Fiscal Year 2016-17. The projected Fiscal Year 2019-20 water sales are shown at the average level.

**Chart#1 - Water Sales Trends**



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



The Water Services operating and non-operating revenues are shown in Table 2. Water sales revenues are those collected by the District for water usage during a billing cycle. Each of the District's customers are charged a fee based upon their user class and water purchased in that billing period. The monthly water fixed service charge revenues are an important revenue stream for the District because they are not subject to volatility in water demands. The District also passes through certain fixed charges from the MWD and the SDCWA. The revenue projection for Fiscal Year 2019-20 provided here include rate and charge increases in line what was approved by the Board. The primary driver of the 8.3% revenue increase budget to budget is the increase in water sales and the rate increases. Fiscal Year 2018-19 sales revenues are projected to be 10.7% below budgeted levels.

Table #2 - Water Services Sources of Revenue

Description	FY 2017-18 Actual	FY 2018-19		FY 2019-20 Budget	Budget to Budget Change (%)
		Budget	Projected		
<b>Operating Revenues:</b>					
Water Sales	\$ 16,318,670	\$ 16,148,015	\$ 14,040,258	\$ 18,260,895	13.1%
Water Fixed Service Charge	5,934,196	6,697,173	6,541,241	7,004,867	4.6%
MWD Readiness-to-Service Charge	357,204	340,390	340,390	310,753	-8.7%
SDCWA Infrastructure Access Charge	425,736	436,668	436,668	457,553	4.8%
Other Revenue	306,100	300,000	5,000	5,000	-98.3%
<b>Total Operating Revenue</b>	<b>\$ 23,341,906</b>	<b>\$ 23,922,246</b>	<b>\$ 21,363,556</b>	<b>\$ 26,039,068</b>	<b>8.8%</b>
<b>Non-Operating Revenues:</b>					
Water Capital Improvement Charge	\$ 1,235,150	\$ 1,309,424	\$ 1,311,128	\$ 1,390,702	6.2%
Property Tax	1,033,396	950,826	950,826	955,580	0.5%
Water Availability Charge	229,400	203,000	203,000	203,000	0.0%
Water Capacity Charges	120,870	103,807	103,807	70,000	-32.6%
Investment Earnings	18,188	152,470	152,470	213,394	40.0%
Pumping Capital Improvement Charge	39,073	39,073	31,000	37,000	-5.3%
Other Revenue	178,602	176,516	176,516	180,046	2.0%
<b>Total Non-Operating Revenue</b>	<b>\$ 2,854,679</b>	<b>\$ 2,935,117</b>	<b>\$ 2,928,747</b>	<b>\$ 3,049,723</b>	<b>3.9%</b>
<b>Total Revenues</b>	<b>\$ 26,196,585</b>	<b>\$ 26,857,363</b>	<b>\$ 24,292,303</b>	<b>\$ 29,088,790</b>	<b>8.3%</b>

Water sales revenues represent 70% of the District's operating revenues with the remaining 30% of revenues coming from other sources that are independent from water sales. This variable/fixed mix of revenue means that operating revenues are subject to volatility due to water sales levels. Managing this volatility requires good fiscal planning and the use of the Rate Stabilization Fund to make up shortfalls. The primary sources of non-operating revenues are the water Capital Improvement Charge, which is a fixed charge restricted to fund only capital projects, and property tax and Water Availability Charge revenues. Other revenues include pumping Capital Improvement Charge, investment earnings and other income.

The SMRCUP is being funded with a SRF loan. While not shown here as a source of funds, the expected \$51 million loan will provide funding for the project's costs. The project costs are expected to be \$27.2 million and \$23.5 million in Fiscal Years 2019-20 and 2020-21, respectively.



Chart #2 - Fiscal Year 2019-20 Water Services Operating Revenues

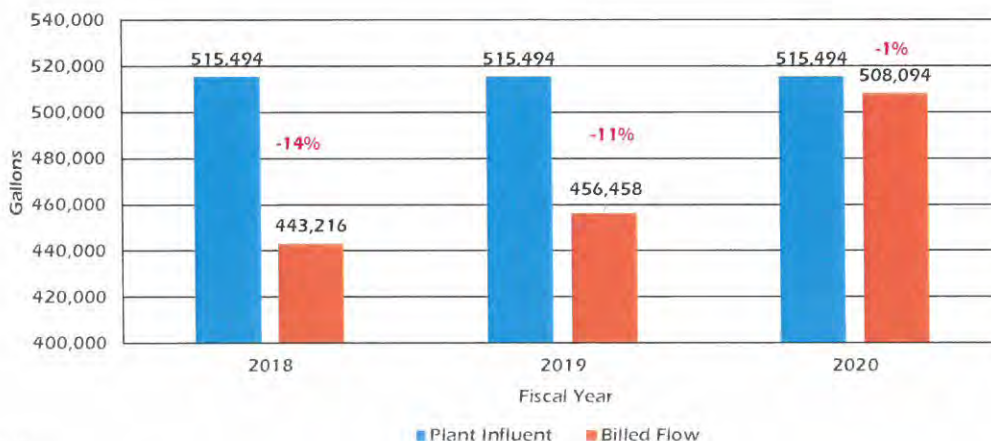


### Wastewater Services Sources of Funds

Wastewater revenue is relatively stable since it is billed upon return flow to the sewer system. To estimate the amount of water used that is returned to the sewer, a return to sewer factor is applied to each user class. For residential users, the return to sewer factor is applied to their two-year winter average (December, January, and February). The winter months, which are typically wet, allow indoor use to be estimated since outdoor/landscape use is at a minimum. However, even the winter average use is adjusted to reflect some level of residential outdoor/landscape, which is not returned to the sewer. This methodology limits the impact weather has on billable sewer flows. The revenue projection for Fiscal Year 2019-20 provided here includes rate and charge increases in line with what was approved by the Board and billable wastewater flows in line with historic wastewater flows at the District water reclamation plant.

Historic averages provide a good basis from which flows and revenue projections can be evaluated. The chart below shows the average annual flows at the plant (Plant Influent) and the billable wastewater flows projected for this budget period. The projection for Fiscal Year 2019-20 shows billable flows near average plant flow levels. Prior years show the District has consistently under billed wastewater flows. This is a pattern staff are focused on correcting while maintaining the current residential billable flow calculation methodology.

Chart #3 - Wastewater Services Average Annual Flows

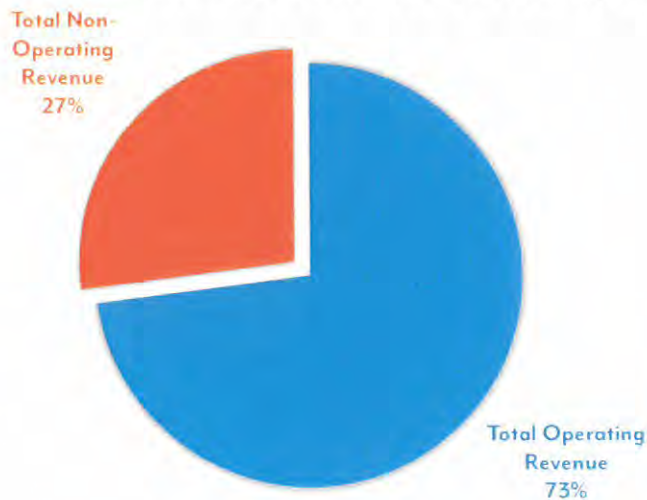


Wastewater Services operating and non-operating revenues are shown in Table 3. The primary source of operating revenue for Wastewater Services is the Wastewater Service Charge. The primary non-operating revenues are the Wastewater Capital Improvement charge, which, like the Water Capital Improvement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

Table #3 - Wastewater Services Sources of Revenue

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
<b>Operating Revenue</b>					
Wastewater Service Charges	\$ 5,258,183	\$ 6,016,613	\$ 5,432,104	\$ 6,214,076	3.3%
Sundry Other Revenue	(15,120)	1,102	1,000	1,000	-9.3%
<b>Total Operating Revenue</b>	<b>\$ 5,243,063</b>	<b>\$ 6,017,715</b>	<b>\$ 5,433,104</b>	<b>\$ 6,215,076</b>	<b>3.3%</b>
<b>Non-Operating Revenue</b>					
Wastewater Capital Improvement Charge	\$ 1,149,667	\$ 1,142,101	\$ 1,150,517	\$ 1,185,299	3.8%
Property Tax	903,366	907,883	907,883	912,422	0.5%
Wastewater Capacity Charges	290,904	30,427	30,427	31,522	3.6%
Investment Earnings	-	58,140	58,140	56,675	-2.5%
Federal Interest Rate Subsidy	144,517	133,917	133,917	122,647	-8.4%
<b>Total Non-Operating Revenue</b>	<b>\$ 2,488,454</b>	<b>\$ 2,272,469</b>	<b>\$ 2,280,884</b>	<b>\$ 2,308,565</b>	<b>1.6%</b>
<b>Total Revenues</b>	<b>\$ 7,731,517</b>	<b>\$ 8,290,184</b>	<b>\$ 7,713,987</b>	<b>\$ 8,523,641</b>	<b>2.8%</b>

Chart #4 - Fiscal Year 2019-20 Wastewater Services Operating Revenues





### Recycled Water Services Sources of Funds

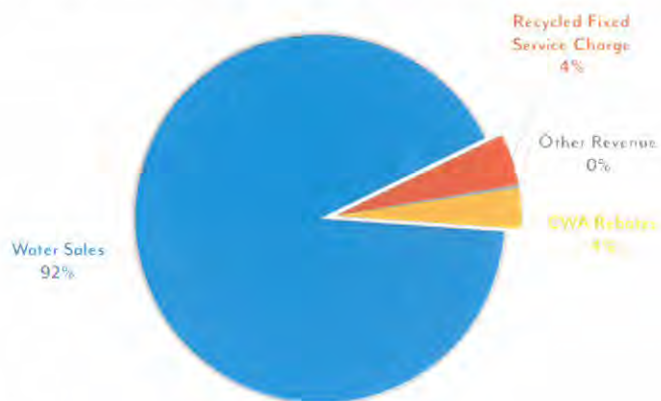
While recycled water sales are subject to weather driven water demands, these customers are not subject to use restrictions due to drought. It is for this reason that many have chosen to be a recycled water customer. While the District is expanding the distribution system, the customer base is relatively small and demands have remained static even with additional customers. Therefore, the historic average adjusted for a small level of growth provide a good basis from which revenues can be budgeted from. The accompanying chart shows the average annual recycled water sales and the sales projected for this budget period. The revenue projection for Fiscal Year 2019-20 provided here include rate and charge increases in line what was approved by the Board.

Recycled Water Services operating and non-operating revenues are shown in Table 4. The primary source of operating revenue for Recycled Water Services is water sales revenue. Recycled Water Services customers pay a per unit rate for recycled water. In addition, the District receives some financial support by the SDCWA to help mitigate the cost of processing the water since it offsets potable water usage and helps increase regional water supply reliability. This assistance will end in October and results in an over all reduction in revenues this year. Other operating revenues include the Fixed Recycled Water Charge. Investment earnings makes up the only non-operating revenues.

Table #4 - Recycled Water Services Sources of Revenue

	FY 2017-18 Actual	FY 2018-19 Budget      Projected		FY 2019-20 Budget	Budget to Budget Increase (%)
<b>Operating Revenues</b>					
Water Sales	\$ 1,281,487	\$ 1,271,796	\$ 1,275,854	\$ 1,318,476	3.7%
Recycled Fixed Service Charge	79,442	61,564	62,533	64,354	4.5%
Other Revenue	5,000	5,000	5,000	5,000	0.0%
CWA Rebates	162,448	151,525	151,060	50,003	-67.0%
<b>Total Operating Revenue</b>	<b>\$ 1,528,377</b>	<b>\$ 1,489,884</b>	<b>\$ 1,494,447</b>	<b>\$ 1,437,833</b>	<b>-3.5%</b>
<b>Non-Operating Revenues</b>					
Property Tax	-	50,043	50,043	50,294	0.5%
Investment Earnings	12,441	9,834	9,834	14,475	47.2%
<b>Total Non-Operating Revenue</b>	<b>\$ 12,441</b>	<b>\$ 59,878</b>	<b>\$ 59,877</b>	<b>\$ 64,768</b>	<b>8.2%</b>
<b>Total Revenues</b>	<b>\$ 1,540,818</b>	<b>\$ 1,549,762</b>	<b>\$ 1,554,325</b>	<b>\$ 1,502,602</b>	<b>-3.0%</b>

Chart #5 - Fiscal Year 2019-20 Recycled Water Services Operating Revenues





## Operating Budget

### Overview

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

This section provides a detailed breakdown of the District’s employer-paid employee benefits and debt-service costs. Each of the District’s Services are allocated a portion of the District’s benefits costs based upon the Services’ share of total labor costs. The allocation of the benefits’ costs is detailed in the benefit cost section and each of the Services’ operating budgets show the allocated benefits costs.

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

It should be noted that the District has restructured its accounting system and chart of accounts. As a result of these changes, year to year comparison of the line items may be difficult. Readers should use the totals for comparison purposes.

**Table #1 - Overview of Total Services Operating Budget**

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Total Labor *	\$ 5,325,657	\$ 5,366,812	\$ 5,135,410	\$ 5,324,861	-0.8%
Total Non-Labor	4,317,670	4,281,685	4,580,069	4,509,670	5.3%
<b>Operating Total</b>	<b>\$ 9,643,327</b>	<b>\$ 9,648,497</b>	<b>\$ 9,715,479</b>	<b>\$ 9,834,531</b>	<b>1.9%</b>
Benefits Expenses	2,939,973	3,270,046	3,270,046	3,425,369	4.7%
<b>Total Services Operating Budget</b>	<b>\$ 12,583,300</b>	<b>\$ 12,918,543</b>	<b>\$ 12,985,525</b>	<b>\$ 13,259,901</b>	<b>2.6%</b>

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

### Administrative Services

Administrative Services includes a wide range of functions that support the District’s core services: water, wastewater and recycled water. The Organizational Chart on page 19 shows the broad scope of functions captured in the Administrative Services budget. Administrative Service functions include:

- Manages District operations and capital projects
- Implements and maintains District policies and procedures
- Directs and maintains District documents and archives
- Supports activities of the Board of Directors
- Coordinates District legal activities
- Oversees the District’s financial management including debt management, budget, annual audit, treasury and other required financial reporting



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

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

**Table #2 - Administrative Services Approved Positions**

<b>Position</b>	<b>Actual FTE* FY 2017-18</b>	<b>Actual FTE FY 2018-19</b>	<b>Proposed FTE FY 2019-20</b>
General Manager	1.0	1.0	1.0
Board Secretary	1.0	1.0	1.0
Assistant General Manager/Chief Financial Officer	1.0	1.0	1.0
Human Resources Manager	1.0	1.0	1.0
Accounting Supervisor	1.0	-	-
Senior Accountant	-	1.0	1.0
Safety & Risk Officer	1.0	1.0	1.0
Information Systems Tech	1.0	1.0	1.0
Assistant General Manager/ Chief Engineer	1.0	-	-
Senior Engineer	-	1.0	1.0
Engineering Supervisor	1.0	1.0	1.0
Warehouse Purchasing Specialist	1.0	1.0	1.0
Administrative Office Specialist	1.0	1.0	1.0
Engineering Technician	3.0	4.0	4.0
Drought Management Coordinator	1.0	-	-
GIS Specialist	1.0	1.0	1.0
Operations Specialist	1.0	1.0	1.0
Public Affairs Specialist	0.8	0.8	0.8
Accounting Technician	2.0	2.0	2.0
Customer Service Specialist	1.0	2.0	2.0
Customer Service Representative	2.0	1.0	1.0
Purchasing Warehouse Supervisor	-	1.0	1.0
Warehouse Supervisor	1.0	-	-
Equipment Tech	1.0	1.0	1.0
Equipment Mechanic	1.0	1.0	1.0
<b>TOTAL FTE</b>	<b>25.8</b>	<b>25.8</b>	<b>25.8</b>

\*FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

**The Office of the General Manager**

- Oversees all District operations

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

**Finance and Customer Services**

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

**Warehouse and Purchasing**

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

**Human Resources**

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

**Information Management**

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

**Engineering Services**

- Oversee implementation of the District's Capital Improvement Program
- Maintain records of District easements, as-built facility drawings and facility location drawings
- Design, develop and maintain the District GIS program



- Provide customer service for water and sewer service
- Process water and sewer requests for new service
- Support outside developer and County projects
- Participation in County subdivision map process for new development
- Assess water and sewer availability and develop requirements
- Review and plan check developer water and sewer improvement plans
- Inspect and document developer installation of District facilities

**Vehicle Services/Shop**

- Service and repair small and large equipment and vehicles

**Safety and Risk**

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

**Table #3 - Administrative Services Total Operating Budget Summary**

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Total Labor*	\$ 2,520,550	\$ 2,617,900	\$ 2,364,151	\$ 2,512,198	-4.0%
Total Non-Labor	1,879,997	2,230,005	2,330,959	2,279,270	2.2%
<b>Services Operating Total</b>	<b>\$ 4,400,548</b>	<b>\$ 4,847,905</b>	<b>\$ 4,695,110</b>	<b>\$ 4,791,468</b>	<b>-1.2%</b>
Allocated Benefits Expenditures	1,406,543	1,595,110	1,595,110	1,616,043	1.3%
<b>Total Services Budget</b>	<b>\$ 5,807,091</b>	<b>\$ 6,443,015</b>	<b>\$ 6,290,220</b>	<b>\$ 6,407,511</b>	<b>-0.6%</b>

\* Total Labor does not include District's Benefits

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

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual*	Budget	Projected	Budget	
<b>Office of the General Manager</b>					
<b>Labor:</b>					
Salaries	\$ 541,860	\$ 458,983	\$ 470,527	\$ 449,438	-2.1%
<b>Non-Labor:</b>					
Director Expenses		52,000	27,064	40,000	-23.1%
General & Administrative		36,100	16,760	13,320	-63.1%
Materials/Services/Supplies		75,600	70,941	52,800	-30.2%
Professional Services		151,000	300,000	240,000	58.9%
Memberships/Training/Permits		77,835	88,942	94,400	21.3%
Santa Margarita Watermaster		91,670	115,807	115,000	25.4%
<b>Total Non-Labor</b>	<b>\$ 399,884</b>	<b>\$ 484,205</b>	<b>\$ 619,514</b>	<b>\$ 555,520</b>	<b>14.7%</b>
<b>Division Operating Total</b>	<b>\$ 941,744</b>	<b>\$ 943,188</b>	<b>\$ 1,090,041</b>	<b>\$ 1,004,958</b>	<b>6.5%</b>

<b>Finance &amp; Customer Service</b>					
<b>Labor:</b>					
Salaries	\$ 660,684	\$ 675,656	\$ 633,450	\$ 671,504	-0.6%
<b>Non-Labor:</b>					
Contractor Services		127,120	26,876	14,000	-89.0%
Equipment (Non Capital)		4,000	1,000	4,000	0.0%
Materials/Services/Supplies		71,300	190,646	193,200	171.0%
Professional Services		105,150	106,252	145,500	38.4%
Memberships/Training/Permits		1,500	1,308	3,000	100.0%
Utilities **		-	-	-	NA
<b>Total Non-Labor</b>	<b>\$ 459,115</b>	<b>\$ 309,070</b>	<b>\$ 326,082</b>	<b>\$ 359,700</b>	<b>16.4%</b>
<b>Division Operating Total</b>	<b>\$ 1,119,799</b>	<b>\$ 984,726</b>	<b>\$ 959,532</b>	<b>\$ 1,031,204</b>	<b>4.7%</b>

<b>Warehouse &amp; Purchasing</b>					
<b>Labor:</b>					
Salaries	\$ 203,748	\$ 166,563	\$ 164,476	\$ 162,550	-2.4%
<b>Non-Labor:</b>					
Contractor Services		105,200	114,217	108,000	2.7%
Equipment (Non Capital)		17,000	2,002	3,500	-79.4%
Materials/Services/Supplies		154,100	110,066	80,450	-47.8%
Professional Services		-	-	-	NA
Memberships/Training/Permits		-	162	1,000	NA
Utilities **		58,300	47,660	40,000	-31.4%
<b>Total Non-Labor</b>	<b>\$ 71,882</b>	<b>\$ 334,600</b>	<b>\$ 274,107</b>	<b>\$ 232,950</b>	<b>-30.4%</b>
<b>Division Operating Total</b>	<b>\$ 275,630</b>	<b>\$ 501,163</b>	<b>\$ 438,583</b>	<b>\$ 395,500</b>	<b>-21.1%</b>

\* Detailed line item expenditure not available for Fiscal Year 2017-18.

\*\*Utility cost increase driven by actual cost levels.



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

Description	FY 2017-18 Actual*	FY 2018-19		FY 2019-20 Budget	Budget to Budget Change (%)
		Budget	Projected		
<b>Human Resources</b>					
<b>Labor:</b>					
Salaries	\$ 217,769	\$ 212,081	\$ 237,878	\$ 169,083	-20.3%
<b>Non-Labor:</b>					
Contractor Services		12,200	26,848	43,200	254.1%
Equipment (Non Capital)		-	-	-	NA
Materials/Services/Supplies		21,700	24,677	21,300	-1.8%
Professional Services		-	8,786	10,000	NA
Memberships/Training/Permits		98,311	91,556	91,450	-7.0%
Education Funding		-	-	30,000	NA
Utilities **		-	-	-	NA
<b>Total Non-Labor</b>	<b>\$ 108,977</b>	<b>\$ 132,211</b>	<b>\$ 151,867</b>	<b>\$ 195,950</b>	<b>48.2%</b>
<b>Division Operating Total</b>	<b>\$ 326,746</b>	<b>\$ 344,292</b>	<b>\$ 389,745</b>	<b>\$ 365,033</b>	<b>6.0%</b>

<b>Information Management</b>					
<b>Labor:</b>					
Salaries	\$ 83,392	\$ 81,880	\$ 86,231	\$ 87,578	7.0%
<b>Non-Labor:</b>					
Contractor Services		122,450	109,696	28,150	-77.0%
Equipment (Non Capital)		25,000	20,000	25,000	0.0%
Materials/Services/Supplies		118,200	133,389	149,800	26.7%
Professional Services		-	-	-	NA
Memberships/Training/Permits		-	-	-	NA
Utilities **		-	-	-	NA
<b>Total Non-Labor</b>	<b>\$ 257,247</b>	<b>\$ 265,650</b>	<b>\$ 263,085</b>	<b>\$ 202,950</b>	<b>-23.6%</b>
<b>Division Operating Total</b>	<b>\$ 340,639</b>	<b>\$ 347,530</b>	<b>\$ 349,316</b>	<b>\$ 290,528</b>	<b>-16.4%</b>

<b>Engineering Services</b>					
<b>Labor:</b>					
Salaries	\$ 547,378	\$ 670,293	\$ 509,303	\$ 570,334	-14.9%
<b>Non-Labor:</b>					
Contractor Services		2,500	1,000	2,500	0.0%
Equipment (Non Capital)		-	-	-	NA
Materials/Services/Supplies		66,300	56,864	67,500	1.8%
Professional Services		-	-	-	NA
Memberships/Training/Permits		-	1,237	1,200	NA
Utilities **		-	-	-	NA
<b>Total Non-Labor</b>	<b>\$ 169,454</b>	<b>\$ 68,800</b>	<b>\$ 59,101</b>	<b>\$ 71,200</b>	<b>3.5%</b>
<b>Division Operating Total</b>	<b>\$ 716,832</b>	<b>\$ 739,093</b>	<b>\$ 568,404</b>	<b>\$ 641,534</b>	<b>-13.2%</b>

\* Detailed line item expenditure not available for Fiscal Year 2017-18.

\*\*Utility cost increase driven by actual cost levels.

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

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual*	Budget	Projected	Budget	
<b>Safety &amp; Risk</b>					
<b>Labor:</b>					
Salaries	\$ 160,702	\$ 186,300	\$ 154,904	\$ 205,226	10.2%
<b>Non-Labor:</b>					
Contractor Services		6,250	21,850	28,500	356.0%
Equipment (Non Capital)		45,569	52,826	35,000	-23.2%
Materials/Services/Supplies		24,150	3,596	11,500	-52.4%
Professional Services		265,000	265,000	270,000	1.9%
Memberships/Training/Permits		-	-	500	NA
Utilities**		-	-	-	NA
<b>Total Non-Labor</b>	<b>\$ 81,683</b>	<b>\$ 340,969</b>	<b>\$ 343,272</b>	<b>\$ 345,500</b>	<b>1.3%</b>
<b>Division Operating Total</b>	<b>\$ 242,385</b>	<b>\$ 527,269</b>	<b>\$ 498,176</b>	<b>\$ 550,726</b>	<b>4.4%</b>

<b>Vehicle Services &amp; Shop</b>					
<b>Labor:</b>					
Salaries	\$ 105,018	\$ 166,143	\$ 107,382	\$ 196,485	18.3%
<b>Non-Labor:</b>					
Contractor Services		20,500	19,634	20,500	0.0%
Equipment (Non Capital)		-	-	-	NA
Materials/Services/Supplies		274,000	274,297	295,000	7.7%
Professional Services		-	-	-	NA
Memberships/Training/Permits		-	-	-	NA
Utilities**		-	-	-	NA
<b>Total Non-Labor</b>	<b>\$ 331,755</b>	<b>\$ 294,500</b>	<b>\$ 293,931</b>	<b>\$ 315,500</b>	<b>7.1%</b>
<b>Division Operating Total</b>	<b>\$ 436,773</b>	<b>\$ 460,643</b>	<b>\$ 401,313</b>	<b>\$ 511,985</b>	<b>11.1%</b>

\*Detailed line item expenditure not available for Fiscal Year 2017-18.

\*\*Utility cost increase driven by actual cost levels.

### Fiscal Year 2018-19 Accomplishments

- Enhanced budget controls and financial system operations by restructuring the District's chart of accounts and budget process
- Updated the District's ERP and executed a training plan for key staff
- Streamlined and centralized procurement using a paperless system
- Reorganized the warehouse and storage yard to support better inventory management
- Secured the financing for the SMRCUP from the State at very attractive interest rates
- More than doubled the number of customers utilizing the WaterSmart website to manage their water use alerts



**Fiscal Year 2019-20 Goals and Objectives**

- Complete the financial system restructuring to better track labor and benefit costs for operations and capital projects
- Conduct a review of organizational structure
- Start construction of the SMRCUP
- Develop a policies and procedures manual for HR and update the District's performance evaluation process
- Develop CAD standards and drawing templates for improved CIP design

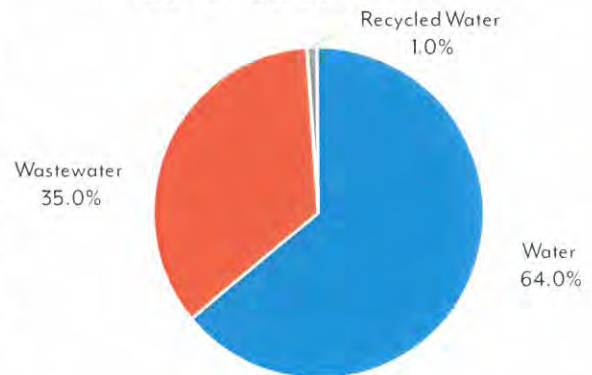
**Key Performance Indicators**

- Maintain an Experience Modification Rate below 1 for the District's workers compensation rate
- Maintain an average customer service call wait time of less than 3 minutes
- Maintain an inventory shrinkage rate of less than 1%
- Reduce the number of audit findings from one year to the next

**Cost Allocation of Administrative Services**

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

**Chart #1 - Administrative Services Cost Allocation**



**Total Number of Accounts: 14,309**

Water Services

The District provides Water Services to approximately 9,200 meters within the District’s service area. The largest component of the Water Services’ operating budget is the cost of water. The District buys 99% of its water from the SDCWA, which is the region’s wholesale water provider. Water Services provide the following functions:

- Manage the delivery of water from the District’s water supplier and the delivery of water to the District’s customers
- Manage an asset management program that optimizes life-cycle costs and maintains, repairs and replaces system assets
- Operate water system assets including reservoirs, valves, pump stations, control facilities
- Maintain the District’s Water Service’s rights of way
- Manage the District’s water meters and Smart Meter replacement program

Water Services is broken down into divisions that support a specific function. Water Services historic and proposed staffing levels are shown in Table 5.

Table #5 - Water Services Approved Positions

Position	Actual FTE FY 2017-18	Actual FTE FY 2018-19	Proposed FTE FY 2019-20
Construction/ Maintenance Supervisor	1.0	1.0	-
Field Services Manager	-	-	1.0
Utility Technician	4.75	4.75	4.75
Utility Worker I & II	9.5	9.5	9.5
System Service/ Shop Supervisor	1.0	1.0	1.0
System Operations Manager	1.0	-	-
Operations Manager	-	1.0	1.0
Lead Systems Operator	1.0	-	-
System Operations Supervisor	-	1.0	1.0
Systems Operator I/II	3.0	3.0	3.0
Instrumentation & Control Specialist	1.0	1.0	1.0
Maintenance Electrician	1.0	1.0	1.0
Backflow/ Cross Connection Tech	0.75	0.75	0.75
<b>TOTAL FTE</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>

\* FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

**Production and Distribution**

- Schedule and manages water deliveries to the District to meet customer demands
- Operate water system assets and monitors system conditions including water pressure and water quality
- Maintain crews to operate the system and respond to customer inquires

**Pipeline Maintenance and Construction**

- Maintain the District’s Water Services assets



## Operating Budget Section

## Fiscal Year 2019-20 Recommended Annual Budget

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

### System Services

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

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

Description	FY 2017-18 Actual	FY 2018-19		FY 2019-20 Budget	Budget to Budget Change (%)
		Budget	Projected		
Total Labor *	\$ 1,502,853	\$ 1,404,962	\$ 1,457,886	\$ 1,422,713	1.3%
Total Non-Labor	1,079,887	882,600	1,022,442	949,500	7.6%
<b>Operating Total</b>	<b>\$ 2,582,740</b>	<b>\$ 2,287,562</b>	<b>\$ 2,480,328</b>	<b>\$ 2,372,213</b>	<b>3.7%</b>
Allocated Benefits Expenditures	656,829	856,056	856,056	915,201	6.9%
<b>Total Direct Water Costs</b>	<b>\$ 3,239,569</b>	<b>\$ 3,143,618</b>	<b>\$ 3,336,384</b>	<b>\$ 3,287,415</b>	<b>4.6%</b>
Allocation of Administrative Services	3,077,758	4,144,338	4,144,338	4,100,807	-1.1%
<b>Total Services Budget</b>	<b>\$ 6,317,328</b>	<b>\$ 7,287,956</b>	<b>\$ 7,480,722</b>	<b>\$ 7,388,221</b>	<b>1.4%</b>

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

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

Description	FY 2017-18 Actual *	FY 2018-19		FY 2019-20 Budget	Budget to Budget Change (%)
		Budget	Projected		
<b>Production &amp; Distribution</b>					
<b>Labor:</b>					
Salaries	\$ 782,293	\$ 811,431	\$ 664,624	\$ 747,781	-7.8%
<b>Non-Labor:</b>					
Contractor Services		24,750	7,735	49,000	98.0%
Equipment (Non Capital)		24,000	-	14,000	-41.7%
Materials/Services/Supplies		290,300	221,651	217,000	-25.2%
Professional Services		-	-	-	NA
Memberships/Training/Permits		54,000	90,000	90,000	66.7%
Utilities **		56,000	60,333	65,000	16.1%
<b>Total Non-Labor</b>	<b>\$ 586,290</b>	<b>\$ 449,050</b>	<b>\$ 379,719</b>	<b>\$ 435,000</b>	<b>-3.1%</b>
<b>Division Operating Total</b>	<b>\$ 1,368,583</b>	<b>\$ 1,260,481</b>	<b>\$ 1,044,343</b>	<b>\$ 1,182,781</b>	<b>-6.2%</b>

\* Detailed line item expenditure not available for Fiscal Year 2017-18.

\*\*Utility cost increase driven by actual cost levels.

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

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to
	Actual *	Budget	Projected	Budget	Budget Change (%)
<b>Pipeline Maintenance &amp; Construction</b>					
<b>Labor:</b>					
Salaries	\$ 461,327	\$ 283,428	\$ 266,631	\$ 346,089	22.1%
<b>Non-Labor:</b>					
Contractor Services		12,000	94,900	111,000	825.0%
Equipment (Non Capital)		-	-	10,000	NA
Materials/Services/Supplies		120,000	51,557	32,000	-73.3%
Professional Services		-	-	-	NA
Memberships/Training/Permits		60,000	-	500	-99.2%
Utilities **		-	-	-	NA
<b>Total Non-Labor</b>	<b>\$ 262,109</b>	<b>\$ 192,000</b>	<b>\$ 146,457</b>	<b>\$ 153,500</b>	<b>-20.1%</b>
<b>Division Operating Total</b>	<b>\$ 723,436</b>	<b>\$ 475,428</b>	<b>\$ 413,088</b>	<b>\$ 499,589</b>	<b>5.1%</b>
<b>System Services</b>					
<b>Labor:</b>					
Salaries	\$ 259,233	\$ 310,103	\$ 526,631	\$ 328,844	6.0%
<b>Non-Labor:</b>					
Contractor Services		28,350	196,245	136,000	379.7%
Equipment (Non Capital)		-	962	-	NA
Materials/Services/Supplies		213,200	299,059	225,000	5.5%
Professional Services		-	-	-	NA
Memberships/Training/Permits		-	-	-	NA
Utilities **		-	-	-	NA
<b>Total Non-Labor</b>	<b>\$ 231,487</b>	<b>\$ 241,550</b>	<b>\$ 496,266</b>	<b>\$ 361,000</b>	<b>49.5%</b>
<b>Division Operating Total</b>	<b>\$ 490,720</b>	<b>\$ 551,653</b>	<b>\$ 1,022,897</b>	<b>\$ 689,844</b>	<b>25.1%</b>

\* Detailed line item expenditure not available for Fiscal Year 2017-18.

\*\* Utility cost increase driven by actual cost levels.

### Fiscal Year 2018-19 Accomplishments

- Improved SCADA radio communication between key sites
- Modified pump station control modes to improve efficiency and increase operational flexibility
- Automated flow and pressure control facilities throughout the distribution system
- Maintained 100% regulatory compliance for water quality sampling
- Replaced 80 water main valves and 120 feet of water mains. Target was 100 valves but priority was shifted from water valve replacements to water meter upgrades for several months, causing valve replacements to fall short of target range.
- On target to replace 1,476 meters meeting annual goal
- Exercised 1,753 valves through April slightly below target of 1,890. Did not meet target due to additional resource needs to address leaks.



**Fiscal Year 2019-20 Goals and Objectives**

- Upgrade the SCADA system to improve communication between critical sites
- Hardware and software improvement to UV Treatment facility to improve remote access and increase reliability
- Upgrade pressure/flow control facilities to better track flow rates and water loss
- Maintain 100% regulatory compliance for water quality sampling
- Replace 100 water main valves and 100 feet of water mains
- Replace 1,476 meters/ year

**Key Performance Indicators**

- 100% regulatory compliance for water quality sampling
- Exercise 189 valves/month as part of the valve exercise program
- Complete all preventative maintenances work orders on time
- Replace 100 valves/year
- Replace 1,476 meters/year

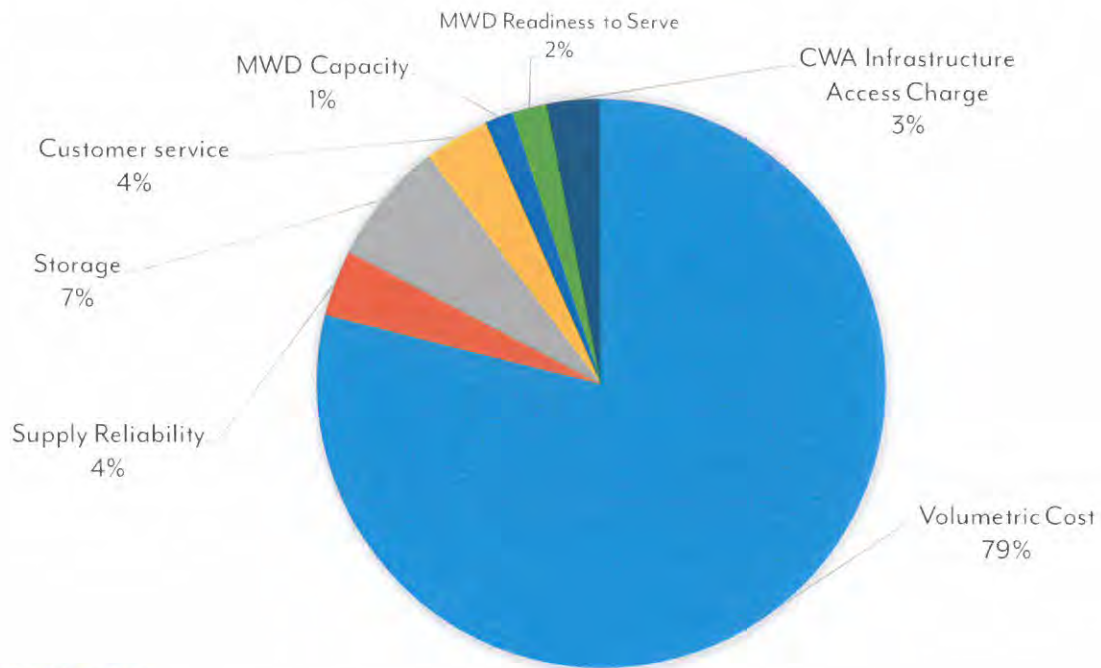
**Cost of Water**

The District’s cost of water is broken down into fixed and variable costs. Variable or Commodity costs vary depending on the amount of water purchased. Fixed charges are set regardless of the water consumed during the billing period. The fixed water costs are comprised of the SDCWA’s charges and MWD fixed charges that are pass through by SDCWA. The District’s variable and fixed water charges are summarized below:

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

	FY 2017-18 Actual	FY 2018-19		FY 2019-20 Budget	Budget to Budget Change (%)
		Budget	Projected		
<b>Variable Costs:</b>					
Variable Water Costs	\$ 11,086,286	\$ 11,198,586	\$ 10,045,158	\$ 12,427,091	11.0%
<b>Fixed Costs:</b>					
Supply Reliability		\$ 519,150	\$ 519,150	\$ 593,136	14.3%
Storage		1,133,928	1,133,928	1,110,090	-2.1%
Customer service	\$ 2,598,408	618,534	618,534	585,942	-5.3%
MWD Capacity		273,605	273,605	254,982	-6.8%
MWD Readiness to Serve	357,204	340,392	340,392	310,440	-8.8%
SDCWA IAC	411,331	436,668	436,668	474,468	8.7%
<b>Total Cost of Water</b>	<b>\$ 14,453,229</b>	<b>\$ 14,520,863</b>	<b>\$ 13,367,435</b>	<b>\$ 15,756,149</b>	<b>8.5%</b>

Chart #2 - Cost of Water Breakdown



**Fixed Costs**

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

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

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

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

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

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

Fixed Costs are 21% of the Total Cost of Water Purchased from SDCWA

**Variable Costs**

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

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

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

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

Variable Costs are 79% of the Total Cost of Water Purchased from SDCWA



Wastewater Services

The District provides Wastewater Services to approximately 5,000 meters within the District’s service area. The largest component of the Wastewater Services’ operating budget is the operating costs of the District’s water reclamation plant. Wastewater Services includes the following functions:

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

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

Table #9 - Wastewater Services Approved Positions

Position	Actual FTE FY 2017-18	Actual FTE FY 2018-19	Proposed FTE FY 2019-20
Collections Supervisor	1.0	1.0	1.0
Utility Technician	2.0	2.0	2.0
Utility Worker I & II	5.0	5.0	5.0
Chief Plant Operator	0.7	0.85	0.85
Lead Plant Operator	1.5	1.7	1.7
Plant Operator	1.4	1.7	1.7
Environmental Compliance Technician	0.5	0.5	0.5
Laboratory Technician	0.7	0.85	0.85
Mechanical Technician	0.6	0.8	0.8
Plant Maintenance Worker	0.6	0.8	0.8
<b>TOTAL FTE</b>	<b>14.0</b>	<b>15.2</b>	<b>15.2</b>

\*FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

Collections

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

**Treatment**

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

**Table #10 - Wastewater Services Operating Budget Summary**

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Total Labor *	\$ 1,039,398	\$ 1,124,410	\$ 1,174,629	\$ 1,190,718	5.9%
Total Non-Labor	1,140,692	910,930	940,779	1,018,400	11.8%
<b>Operating Total</b>	<b>\$ 2,180,089</b>	<b>\$ 2,035,340</b>	<b>\$ 2,115,408</b>	<b>\$ 2,209,118</b>	<b>8.5%</b>
Allocated Benefits Expenditures	722,393	685,113	685,113	765,963	11.8%
<b>Total Direct Wastewater Costs</b>	<b>\$ 2,902,482</b>	<b>\$ 2,720,453</b>	<b>\$ 2,800,521</b>	<b>\$ 2,975,082</b>	<b>9.4%</b>
Allocation of Administrative Services	2,438,978	2,266,435	2,266,435	2,242,629	-1.1%
<b>Total Services Budget</b>	<b>\$ 5,341,460</b>	<b>\$ 4,986,888</b>	<b>\$ 5,066,956</b>	<b>\$ 5,217,710</b>	<b>4.6%</b>

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

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

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual *	Budget	Projected	Budget	
<b>Collections</b>					
<b>Labor:</b>					
Salaries	\$ 446,613	\$ 410,267	\$ 462,756	\$ 434,419	5.9%
<b>Non-Labor:</b>					
Contractor Services		15,200	9,864	38,200	151.3%
Equipment (Non Capital)		-	-	5,000	NA
Materials/Services/Supplies		168,930	142,170	152,300	-9.8%
Professional Services		-	-	-	NA
Memberships/Training/Permits		-	1,847	900	NA
Utilities **		95,000	101,600	82,000	-13.7%
<b>Total Non-Labor</b>	<b>\$ 363,054</b>	<b>\$ 279,130</b>	<b>\$ 255,481</b>	<b>\$ 278,400</b>	<b>-0.3%</b>
<b>Division Operating Total</b>	<b>\$ 809,667</b>	<b>\$ 689,397</b>	<b>\$ 718,237</b>	<b>\$ 712,819</b>	<b>3.4%</b>

\* Detailed line item expenditure not available for Fiscal Year 2017-18.

\*\* Utility cost increase driven by actual cost levels.



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

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual *	Budget	Projected	Budget	
<b>Treatment</b>					
<b>Labor:</b>					
Salaries	\$ 592,785	\$ 714,143	\$ 711,873	\$ 756,299	5.9%
Non-Labor Expenses:					
Contractor Services		163,900	80,331	164,000	0.1%
Equipment (Non Capital)		9,950	60,097	13,000	30.7%
Materials/Services/Supplies		252,950	203,327	246,000	-2.7%
Professional Services		-	-	-	NA
Memberships/Training/Permits		56,500	65,162	65,000	15.0%
Utilities **		148,500	276,381	252,000	69.7%
<b>Total Non-Labor</b>	<b>\$ 777,638</b>	<b>\$ 631,800</b>	<b>\$ 685,298</b>	<b>\$ 740,000</b>	<b>17.1%</b>
<b>Division Operating Total</b>	<b>\$ 1,370,423</b>	<b>\$ 1,345,943</b>	<b>\$ 1,397,171</b>	<b>\$ 1,496,299</b>	<b>11.2%</b>

\* Detailed line item expenditure not available for Fiscal Year 2017-18.

\*\*Utility cost increase driven by actual cost levels.

### Fiscal Year 2018-19 Accomplishments

- Operated Water Reclamation Plant processes effectively from the headwork's to secondary treatment including solids handling to stay in compliance while optimizing operation.
- Met 100% compliance on all samples except 2 months that were 99.8% and 99.7% due to plant upsets. Target is 99.9% each month.
- Minimized power and chemical use and amount of overtime pay.
- Maintained Water Reclamation Plant equipment from the headwork's to secondary, including solids handling equipment using preventative and predictive measures.
- Kept Common Sewer Spills to 3 during the year, total gallons spilled 6,375, reduced 10 year average by more than 10%

### Fiscal Year 2019-20 Goals and Objectives

- Operate Water Reclamation Plant processes effectively from the headwork's to secondary treatment including solids handling to stay in compliance while optimizing operation.
- Minimize power and chemical use and amount of overtime pay.
- Maintain Water Reclamation Plant equipment from the headwork's to secondary, including solids handling equipment using preventative and predictive measures.
- Keep Common Sewer Spills to 3 during the year, keep spills under 9,075 gallons keeping 10 year average under 10%

### Key Performance Indicators

- Reduce 10-year average wastewater spills by 10% - Keep spills under 9,075 gallons
- Reduce the energy use by MG treated at the WRP by 15%.
- Meet 99.9% compliance with all samples each month

**Recycled Water Services**

The District provides Recycled Water Services to 33 meters within the District’s service area. The largest component of the Recycled Water Services’ operating budget is the operating costs of the District’s water reclamation plant. Recycled Water Services includes the following functions:

- Operate the Water Reclamation Plant, equipment and processes necessary to produce recycled water
- Liaise with recycled water customers to schedule deliveries and inspections of service connections
- Operate and maintain the District’s distribution system, which includes 10.5 miles of pipe and 14 customers in the Fallbrook service area , 1 customer off the District’s ocean outfall pipe in the City of Oceanside, and 1 customer that uses the fill station at the treatment plant.

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

**Table #12 - Recycled Water Services Approved Positions**

<b>Position</b>	<b>Actual FTE FY 2017-18</b>	<b>Actual FTE FY 2018-19</b>	<b>Proposed FTE FY 2019-20</b>
Chief Plant Operator	0.3	0.15	0.15
Lead Plant Operator	0.5	0.3	0.3
Plant Operator	0.6	0.3	0.3
Environmental Compliance Technician	0.5	0.5	0.5
Laboratory Technician	0.3	0.15	0.15
Mechanical Technician	0.4	0.2	0.2
Plant Maintenance Worker	0.4	0.2	0.2
Utility Technician	0.25	0.25	0.25
Utility Worker I	0.5	0.5	0.5
Backflow/ Cross Connection Tech	0.25	0.25	0.25
<b>TOTAL FTE</b>	<b>4.0</b>	<b>2.8</b>	<b>2.8</b>

\*FTE - Full-Time Equivalents

The divisions and their activities are summarized below.

**Production**

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

**Distribution**

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



Table #13 - Recycled Water Services Operating Budget Summary

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual	Budget	Projected	Budget	
Total Labor *	\$ 262,856	\$ 219,540	\$ 138,744	\$ 199,232	-9.3%
Total Non-Labor	217,094	258,150	285,889	262,500	1.7%
<b>Operating Total</b>	<b>\$ 479,950</b>	<b>\$ 477,690</b>	<b>\$ 424,633</b>	<b>\$ 461,732</b>	<b>-3.3%</b>
Allocated Benefits Expenditures	154,207	133,768	133,768	128,162	-4.2%
<b>Total Direct Recycled Water Costs</b>	<b>\$ 634,158</b>	<b>\$ 611,458</b>	<b>\$ 558,401</b>	<b>\$ 589,894</b>	<b>-3.5%</b>
Allocation of Administrative Services	290,355	64,755	64,755	64,075	-1.1%
<b>Total Services Budget</b>	<b>\$ 924,512</b>	<b>\$ 676,213</b>	<b>\$ 623,156</b>	<b>\$ 653,969</b>	<b>-3.3%</b>

\* Total Labor does not include District's Benefits

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

Description	FY 2017-18	FY 2018-19		FY 2019-20	Budget to Budget Change (%)
	Actual *	Budget	Projected	Budget	
<b>Production</b>					
<b>Labor:</b>					
Salaries	\$ 236,425	\$ 177,936	\$ 133,398	\$ 159,229	-10.5%
<b>Non-Labor:</b>					
Contractor Services		19,800	17,865	17,500	-11.6%
Equipment (Non Capital)		10,000	15	8,000	-20.0%
Materials/Services/Supplies		118,650	132,856	112,000	-5.6%
Professional Services		-	-	-	NA
Memberships/Training/Permits		-	-	-	NA
Utilities **		60,000	118,449	108,000	80.0%
<b>Total Non-Labor</b>	<b>\$ 169,454</b>	<b>\$ 208,450</b>	<b>\$ 269,185</b>	<b>\$ 245,500</b>	<b>17.8%</b>
<b>Division Operating Total</b>	<b>\$ 405,879</b>	<b>\$ 386,386</b>	<b>\$ 402,583</b>	<b>\$ 404,729</b>	<b>4.7%</b>

<b>Distribution</b>					
<b>Labor:</b>					
Salaries	\$ 26,431	\$ 41,604	\$ 5,346	\$ 40,003	-3.8%
<b>Non-Labor:</b>					
Contractor Services		17,000	-	-	-100.0%
Equipment (Non Capital)		-	-	-	NA
Materials/Services/Supplies		32,200	16,204	17,000	-47.2%
Professional Services		-	-	-	NA
Memberships/Training/Permits		-	-	-	NA
Utilities **		500	500	-	-100.0%
<b>Total Non-Labor</b>	<b>\$ 47,640</b>	<b>\$ 49,700</b>	<b>\$ 16,704</b>	<b>\$ 17,000</b>	<b>-65.8%</b>
<b>Division Operating Total</b>	<b>\$ 74,071</b>	<b>\$ 91,304</b>	<b>\$ 22,050</b>	<b>\$ 57,003</b>	<b>-37.6%</b>

\* Detailed line item expenditure not available for Fiscal Year 2017-18.

\*\*Utility cost increase driven by actual cost levels.

**Fiscal Year 2018-19 Accomplishments**

- Operating the Water Reclamation Plant recycled water facility while staying in compliance with the applicable recycled water permits: Title 22, State Recycled Water Policy and the State Recycled Water General Permit
- Maintaining the Water Reclamation Plant recycled water equipment in order to sustain mechanical integrity and processes throughout the recycled water process
- Maintained continuous recycled service except for a total of 27 hours of outages.

**Fiscal Year 2019-20 Goals and Objectives**

- Operate Water Reclamation Plant recycled water facility effectively to stay in compliance while reducing treatment costs -includes optimizing power and chemical use and reducing staff overtime
- Provide reliable recycled water production with no interruptions by maintaining equipment using preventative and predictive measures

**Key Performance Indicators**

- Maintain an overall compliance of > 99.9% each month from all samples associated with the Title 22 and WDR Permit
- Reduce recycled water out of service time by 15%



**Employee Benefits**

The District updates the cost of the benefits offered to District staff as part of the annual budget. The current Memorandum of Understanding (MOU) between the District and its employee association is set to expire in July 2022, the budget was developed based upon the terms of the current MOU. Table 15 shows the breakdown of the District's costs related to employee benefits. These cost estimates include expected increases in costs.

Chart #3 - Fiscal Year 2019-20 Benefits Breakdown

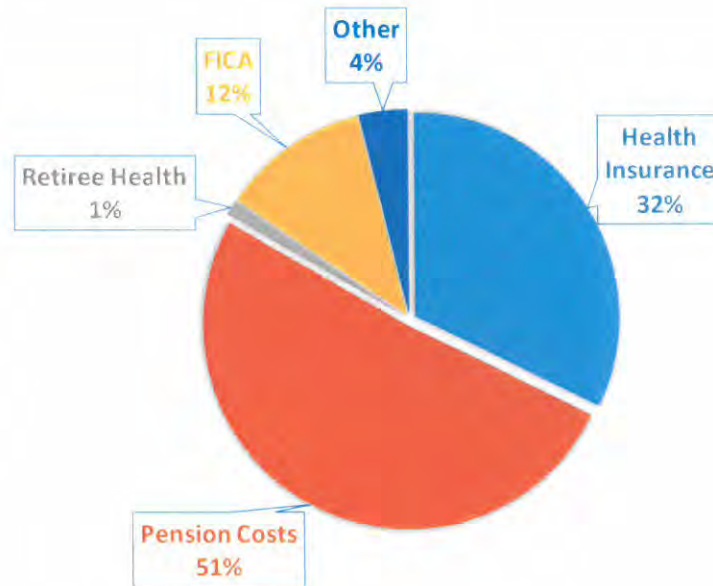
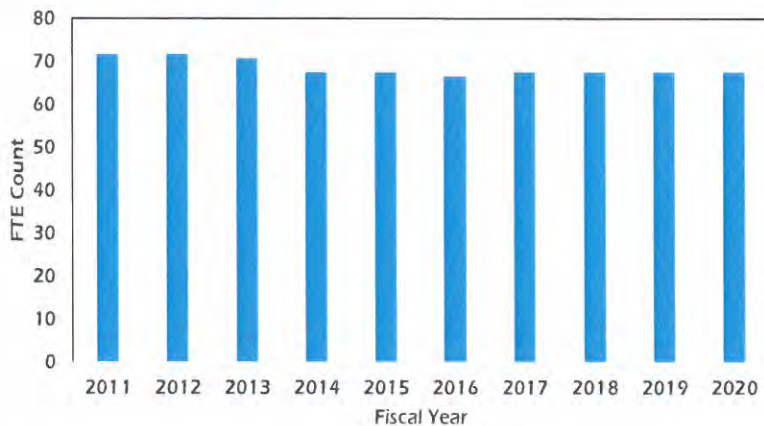


Table #15 - Breakdown of District's Employee Benefit Costs

Description	FY 2017-18 Actual	FY 2018-19		FY 2019-20 Budget	Budget to Budget Change (%)
		Budget	Projected		
Auto Allowance	\$ 12,269	\$ 14,500	\$ 14,500	\$ 14,500	0.0%
Insurance - Dental	70,096	74,535	70,918	70,701	-5.1%
Insurance - Vision	14,646	15,125	14,756	14,394	-4.8%
Insurance - Health	821,967	863,479	863,479	964,776	11.7%
Insurance - Life and Disability	40,866	47,070	47,070	41,555	-11.7%
Insurance - Worker's Comp	135,663	136,749	139,952	154,979	13.3%
Longevity Bonus	19,061	21,438	21,438	32,945	53.7%
FICA - Employer's share	415,692	437,751	437,751	447,152	2.1%
CalPERS Annual Contribution	487,279	581,681	581,681	593,480	2.0%
CalPERS Unfunded Liability Payment	572,257	730,682	730,682	881,796	20.7%
Pension/OPEB Liability Trust Payment	900,000	650,000	650,000	500,000	-23.1%
Employer's share (401 & 457)	14,437	19,285	18,000	50,411	5.8%
District Share of Retiree Medical Insurance	49,055	40,000	38,000	45,851	14.6%
Retiree Compensated Absence Payout	-	-	-	20,000	NA
Uniforms & Boots	20,840	38,401	30,000	31,396	-18.2%
<b>Total</b>	<b>\$ 3,574,128</b>	<b>\$ 3,670,695</b>	<b>\$ 3,658,227</b>	<b>\$ 3,863,936</b>	<b>5.3%</b>

Chart #4 - Fallbrook Public Utility District's Approved Full-Time Staffing Equivalent



The District's staffing levels remain unchanged as shown in Chart 4. The District participates in the California Public Employees' Retirement System (CalPERS). Recent changes to CalPERS accounting practices have caused pension costs for participating agencies to increase. The District's pension cost budget incorporates the costs determined by CalPERS for the next fiscal year. The recent change to the discount rate used to calculate the current cost of the pension benefits already earned by staff are driving up

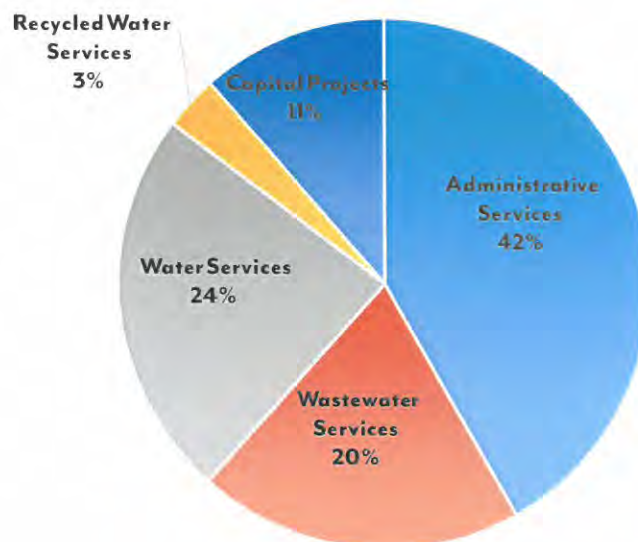
the Unfunded Liability Payment as seen by the 20.7% increase in this cost. The increase in the CalPERS Unfunded Liability Payment was offset by a reduction in the District's contribution to the Pension/OPEB Liability 115 Trust as part of the Board's strategy to mitigate the impacts of changing pension costs. Appendix D provides the District's CalPERS annual payment schedule for the Unfunded Actuarial Accrued Liability (UAAL).

The District's health insurance costs are budgeted to increase by 11.7% driven by a changes in the healthcare coverage elections made by new hires. The District's medical insurance premium increases were in line with inflation. The other major driver of the increase was the addition of a budget for Retiree Compensated Absence Payout. In the past, salary savings on vacant positions were assumed to negate the need to budget for compensated absences payouts. Changes to other benefits are shown on the table.

**Benefit Allocation**

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

Chart#5 - Fiscal Year 2019-20 Benefits Allocation





## Debt Service

The District currently has three outstanding long-term debt obligations, the Red Mountain State Revolving Fund Loan (2011 SRF Loan), the Wastewater Reclamation Plant State Revolving Fund Loan (2016 SRF Loan) and the Qualified Energy Conservation Revenue Bonds (2010 QECB).

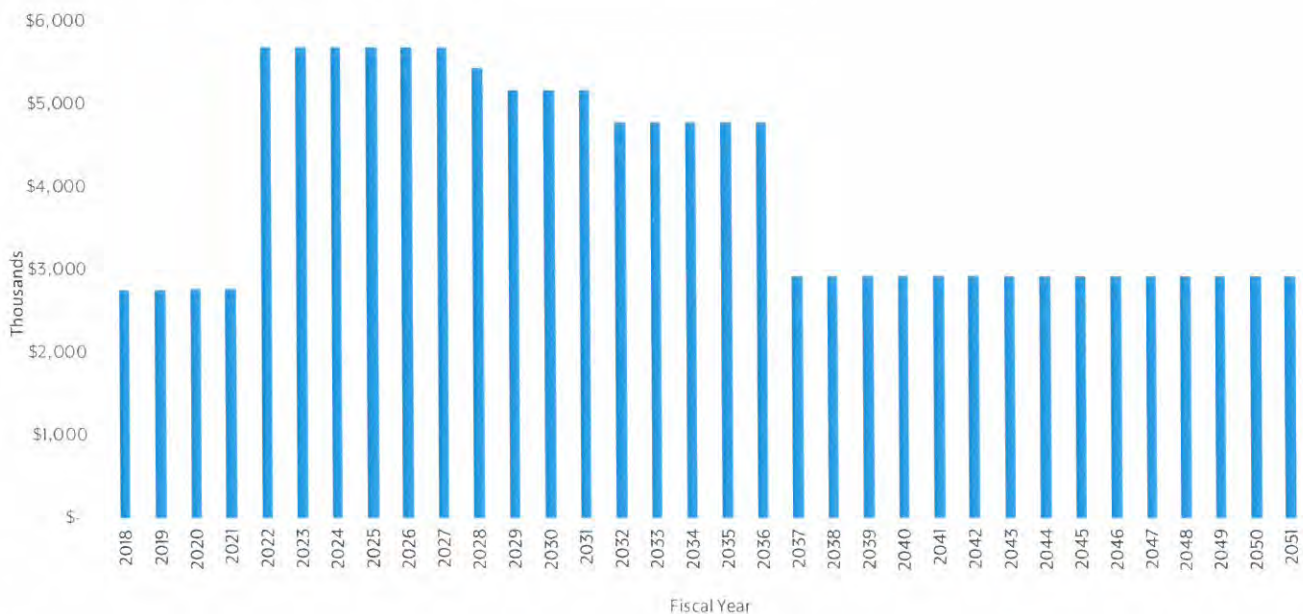
In addition, the District expects to issue approximately \$51 million in additional debt to finance the District’s SMRCUP with State Revolving Fund Loans. While the agreement has been approved, the final amount and payment schedule have not yet been determined. The table below shows the debt service payment schedule for each debt issuance. The debt service in Fiscal Year 2021-22 increases significantly because debt service payments for the SMRCUP loan begin.

Table #16 - Debt Service Budget Summary

Debt Issuance	Service			Total Debt Service
	Water	Wastewater	Recycled Water	
2011 SRF Loan	\$ 395,851	\$ -	\$ -	\$ 395,851
2016 SRF Loan*	-	1,292,022	553,724	1,845,746
2010 QECB	-	519,674	-	519,674
<b>Total</b>	<b>\$ 395,851</b>	<b>\$ 1,811,696</b>	<b>\$ 553,724</b>	<b>\$ 2,761,270</b>

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

Chart #6 - Annual Debt Service



Each debt issuance is linked to the Service that it was used to fund. In some cases, the debt service can be allocated to more than one service. The table below shows the debt service payments for Fiscal Year 2019-20 and the amount allocated to each service.

Table #17 - Fiscal Year 2019-20 Debt Service Schedule

Year Ending June 30	Red Mountain State Revolving Fund Loan		Water Reclamation Plant State Revolving loan		QECB Loan		SMRCUP State Revolving Fund	District Annual Debt Service
	Principle	Interest	Principle	Interest	Principle	Interest		
2013	\$ 245,212	\$ 150,639	-	-	\$ 575,745	\$ 378,821	-	\$ 1,350,417
2014	251,556	144,295	-	-	593,502	345,519	-	1,334,872
2015	258,064	137,786	-	-	611,992	311,188	-	1,319,031
2016	264,741	131,110	-	-	631,240	275,785	-	1,302,876
2017	271,590	124,260	1,197,952	647,793	270,430	244,706	-	2,756,731
2018	278,617	117,234	1,220,688	625,057	287,973	228,932	-	2,758,501
2019	285,826	110,025	1,247,544	598,202	306,282	212,141	-	2,760,019
2020	293,220	102,630	1,274,990	570,756	325,386	194,288	-	2,761,270
2021	300,807	95,044	1,303,039	542,706	345,316	175,326	-	2,762,238
2022	308,589	87,261	1,331,706	514,039	366,104	155,208	2,927,315	5,690,223
2023	316,573	79,277	1,361,004	484,742	387,783	133,884	2,927,315	5,690,578
2024	324,764	71,087	1,390,946	454,800	410,388	111,302	2,927,315	5,690,601
2025	333,166	62,685	1,421,547	424,199	433,953	87,409	2,927,315	5,690,273
2026	341,786	54,065	1,452,821	392,925	458,515	62,150	2,927,315	5,689,576
2027	350,628	45,222	1,484,783	360,963	484,114	35,465	2,927,315	5,688,490
2028	359,700	36,151	1,517,448	328,298	254,219	7,296	2,927,315	5,430,426
2029	369,006	26,844	1,550,832	294,914	-	-	2,927,315	5,168,911
2030	378,553	17,297	1,584,950	260,796	-	-	2,927,315	5,168,911
2031	388,347	7,503	1,619,819	225,927	-	-	2,927,315	5,168,911
2032	-	-	1,655,455	190,291	-	-	2,927,315	4,773,061
2033	-	-	1,691,875	153,871	-	-	2,927,315	4,773,061
2034	-	-	1,729,096	116,649	-	-	2,927,315	4,773,061
2035	-	-	1,767,136	78,609	-	-	2,927,315	4,773,061
2036	-	-	1,806,014	39,732	-	-	2,927,315	4,773,061
2037	-	-	-	-	-	-	2,927,315	2,927,315
2038	-	-	-	-	-	-	2,927,315	2,927,315
2039	-	-	-	-	-	-	2,927,315	2,927,315
2040	-	-	-	-	-	-	2,927,315	2,927,315
2041	-	-	-	-	-	-	2,927,315	2,927,315
2042	-	-	-	-	-	-	2,927,315	2,927,315
2043	-	-	-	-	-	-	2,927,315	2,927,315
2044	-	-	-	-	-	-	2,927,315	2,927,315
2045	-	-	-	-	-	-	2,927,315	2,927,315
2046	-	-	-	-	-	-	2,927,315	2,927,315
2047	-	-	-	-	-	-	2,927,315	2,927,315
2048	-	-	-	-	-	-	2,927,315	2,927,315
2049	-	-	-	-	-	-	2,927,315	2,927,315
2050	-	-	-	-	-	-	2,927,315	2,927,315
2051	-	-	-	-	-	-	2,927,315	2,927,315
2052	-	-	-	-	-	-	-	-



The District does not expect any debt service related to the SMRCUP during this budget period. Debt service for the State Revolving Fund loan is expected to begin in Fiscal Year 2021-22 and is shown in the summary table. The financial projections in this document include this debt service starting in Fiscal Year 2021-22.

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

Chart #7 - Debt Service Coverage Ratio



## Project Summary for Fiscal Year 2019-20

### District Capital Program

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

The annual Capital Improvement Budget is used to implement the District's long-range capital goals. These goals are developed using the District's Strategic Plan, Urban Water Management Plan, Asset Management Plan and Master Plans. These plans are utilized to develop the lowest lifecycle cost to meet water and wastewater needs and maintain system reliability for the District's customers.

Projects are selected based on weighing prioritized needs versus available capital funds. Individual project costs are estimated based on current construction cost information. While some projects are well into the design phase and costs can be fairly accurately estimated, others are based on early stage planning estimates. Additionally, unforeseen changes to priorities can result from changing materials and construction costs, pipeline failures, extreme weather, etc.

For Fiscal Year 2018-19, Table #1 shows budget vs projected actual expenses for each capital project category. Water Capital expenses were close to budgeted values. Due to timing of projects, the De Luz Road Pipeline Replacement project will not be completed until Fiscal Year 2019-20. Also, during design of the Toyon Pump Station, it was determined that relocating the facility to the Red Mountain site will improve long term operations. With this in mind, design is ongoing and the rehabilitation of the pump station has been postponed. Recycled Water Capital expenses were significantly under budget due to challenges identifying new customers in areas with potential for low cost distribution system expansion. Accordingly, funds budgeted for system expansion in Fiscal Year 2018-19 were not used. Staff is exploring alternative uses for treated effluent, which is described in more detail in the individual project description section. Wastewater Capital Expenses for the year were also under budget, primarily due to changes to the approach for the Overland Trail Lift Station. The planned rehabilitation is further explained in the project description section. Finally, administrative capital expenses were slightly under budget. The two most significant changes in this section of the budget were delayed implementation of the Enterprise Asset Management upgrades and deferring district yard facility improvements



Figure #1 - Fallbrook District facilities.



## Capital Project Summary for Fiscal Year 2019-20

The District has implemented a capital program to improve the overall reliability of the water, wastewater and recycled systems. The most significant on-going component of the capital program is replacement of aging infrastructure. In addition to rehabilitation, the construction of the \$51 million SMRCUP in Fiscal years 2019-20 and 2020-21 will be the most significant single project for the next 15-20 years and will provide a long-term cost effective local water supply. The key capital projects scheduled for Fiscal Year 2019-20 are summarized on the following pages.

### Water Capital Projects

District construction staff will continue with valve replacement projects to reduce outage impacts of breaks and failures. The District implemented an escalating capital improvement charge to ensure the District is meeting pipeline infrastructure replacement needs. The major pipeline projects for Fiscal Year 2019-20 include:

- Completion of the De Luz Road Pipeline Replacement Project started in Fiscal Year 18-19.
- Replacement of 1,820 linear feet of 12" piping along Winter Haven Road, a portion of which will be relocated out of an inaccessible right of way into the existing street and adding 680 linear feet of 6" pipe in Lorenzo Drive Drive to relocate inaccessible service connections.

The SMRCUP project is currently being advertised for bids and is expected to be awarded for construction towards the first part of the year. Construction will begin shortly thereafter and will take two years to complete.

In accordance with the Meter Replacement Program Budget, the District will complete the fifth year of a six year program to replace existing Automatic Meter Reading (AMR) meters with Advanced Metering Infrastructure (AMI) meters to provide for real time data collection and alerts.

### Wastewater/ Recycled Capital Projects

As part of the long-term sewer system replacement plan, the focus will be on lining deteriorating manholes and constructing needed upgrades to the Overland Trail Lift Station (OTLS). The OTLS improvements design was completed in Fiscal Year 2018-19 and will address needed maintenance while improving operational efficiencies by eliminating the Anthony's Corner Lift Station.

At the Water Reclamation Plant (WRP), a new solids waste storage structure will replace the old barn to be demolished as part of the SMRCUP project. The deteriorated headworks covers will be replaced and a condition assessment of the headworks structure will be conducted.

For the recycled water system, 12 failing air/vacuum valves will be replaced. Due to challenges identifying potential new users within cost effective expansion areas and with the addition of the SMRCUP facilities, staff have also begun looking into the feasibility of using treated WRP effluent for ground water augmentation in the Santa Margarita River Aquifer. Grant funds have been applied for, and if received, will be used along with CIP matching funds to conduct pilot treatment studies to determine the feasibility for reuse.



	FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	
	Budget	Projected								
<b>Water Capital Projects</b>										
Pipelines & Valve Replacement Projects by District	\$ 755,000	\$ 587,063	\$ 720,000	\$ 581,457	\$ 587,272	\$ 593,144	\$ 704,177	\$ 605,066	\$ 611,117	
Pipeline Replacement Projects by Contractors	1,683,888	1,660,729	1,303,9330	1,324,090	2,507,237	3,615,579	3,168,795	3,014,717	3,216,406	
Deluz ID Projects	100,000	50,000	80,000	102,010	103,030	104,060	105,101	106,152	107,214	
Pump Stations	515,000	500,854	-	243,549	175,151	52,030	52,551	53,076	53,607	
Meter Replacement	700,000	700,000	675,000	688,568	618,181	52,030	21,020	21,230	21,443	
Pressure Reducing Stations	70,000	85,000	90,000	50,500	20,606	20,812	21,020	21,230	-	
Red Mountain Reservoir Improvements	70,000	70,000	70,000	40,804	41,212	364,211	52,551	95,537	53,607	
Steel Reservoir Improvements	786,000	888,554	-	664,085	70,060	10,406	10,510	849,216	696,888	
Treatment Plant R&R	-	-	-	-	206,060	208,121	210,202	212,304	214,427	
SCADA Upgrades/ Security/Telemetry	144,000	65,000	130,000	132,613	97,879	93,654	89,336	111,460	112,574	
<b>Total PAYGO Water Capital Projects</b>	<b>\$ 4,823,888</b>	<b>\$ 4,607,200</b>	<b>\$ 3,068,933</b>	<b>\$ 3,827,675</b>	<b>\$ 4,426,688</b>	<b>\$ 5,114,048</b>	<b>\$ 4,435,262</b>	<b>\$ 5,089,989</b>	<b>\$ 5,087,282</b>	
Santa Margarita Conjunctive Use Project Construction	\$ 12,095,000	\$ 173,000	\$ 27,179,100	\$ 23,543,908	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Water Capital Projects</b>	<b>\$ 16,918,888</b>	<b>\$ 4,780,200</b>	<b>\$ 30,248,033</b>	<b>\$ 27,371,583</b>	<b>\$ 4,426,688</b>	<b>\$ 5,114,048</b>	<b>\$ 4,435,262</b>	<b>\$ 5,089,989</b>	<b>\$ 5,087,282</b>	
<b>Recycled Water Capital Projects</b>										
Recycled Water Improvements	\$ 580,000	\$ 80,000	\$ 406,000	\$ 473,326	\$ 117,454	\$ 118,629	\$ 119,815	\$ 121,013	\$ 175,830	
<b>Total Recycled Water Capital Projects</b>	<b>\$ 580,000</b>	<b>\$ 80,000</b>	<b>\$ 406,000</b>	<b>\$ 473,326</b>	<b>\$ 117,454</b>	<b>\$ 118,629</b>	<b>\$ 119,815</b>	<b>\$ 121,013</b>	<b>\$ 175,830</b>	
<b>Wastewater Capital Projects</b>										
WRP Improvements	\$ 200,000	\$ 200,000	\$ 240,000	\$ 234,623	\$ 257,575	\$ 208,121	\$ 998,460	\$ 796,140	\$ 428,854	
Collection System Improvements	1,115,000	607,909	1,740,000	1,774,974	1,372,361	1,071,822	1,080,438	1,050,905	525,346	
Outfall Improvements	80,000	20,000	80,000	81,608	82,424	52,030	52,551	53,076	268,034	
<b>Total Wastewater Capital Projects</b>	<b>\$ 1,395,000</b>	<b>\$ 827,909</b>	<b>\$ 2,060,000</b>	<b>\$ 2,091,205</b>	<b>\$ 1,712,360</b>	<b>\$ 1,331,973</b>	<b>\$ 2,131,448</b>	<b>\$ 1,900,121</b>	<b>\$ 1,222,234</b>	
<b>Administrative Capital Projects</b>										
Administrative Upgrades	\$ 30,000	\$ 38,029	\$ 20,000	\$ 23,462	\$ 15,455	\$ 26,015	\$ 446,679	\$ 26,538	\$ 26,803	
Engineering & Operations Information Systems	155,000	25,000	125,000	30,603	30,909	31,218	31,530	31,846	32,164	
Facility Improvements/Upgrades/Security	90,000	120,000	70,000	76,508	128,788	88,451	26,275	26,538	26,803	
District Yard Improvements	110,000	1,310	220,000	224,422	51,515	-	52,551	53,076	-	
Vehicles and Heavy Equipment	616,000	616,000	560,000	556,975	441,484	315,823	387,297	497,322	395,082	
<b>Total Administrative Capital Projects</b>	<b>\$ 1,001,000</b>	<b>\$ 800,339</b>	<b>\$ 995,000</b>	<b>\$ 911,969</b>	<b>\$ 668,150</b>	<b>\$ 461,508</b>	<b>\$ 944,333</b>	<b>\$ 635,320</b>	<b>\$ 480,853</b>	
<b>Total Capital Budget Projects</b>	<b>\$ 7,799,888</b>	<b>\$ 6,315,448</b>	<b>\$ 6,529,933</b>	<b>\$ 7,304,176</b>	<b>\$ 6,924,653</b>	<b>\$ 7,026,158</b>	<b>\$ 7,630,858</b>	<b>\$ 7,746,443</b>	<b>\$ 6,966,199</b>	
<b>Total all Capital Projects (Including SMRCUP)</b>	<b>\$ 19,894,888</b>	<b>\$ 6,488,448</b>	<b>\$ 33,709,033</b>	<b>\$ 30,848,084</b>	<b>\$ 6,924,653</b>	<b>\$ 7,026,158</b>	<b>\$ 7,630,858</b>	<b>\$ 7,746,443</b>	<b>\$ 6,966,199</b>	

Table #1 - Capital Improvements Projects Summary Table



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## Pipeline and Valve Replacement Projects by District

### Project Description:

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



The proposed purchases and costs for Fiscal Year 2019-20 also include

- Update to the long-term asset management plan
- Rehabilitation of District easements that require significant rebuilding of the existing access roads
- Surveying of sections of the district for existing small leaks

### Supports Strategic Goals:

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

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$720,000
Total Capital:	\$720,000





## DeLuz Road 8" Pipeline Replacement

### Project Description:

This project was started in Fiscal Year 2018-19 and will replace 2,116 feet of old 8" steel water line. The pipe is failing and has been the location of numerous leaks.

### Supports Strategic Goals:

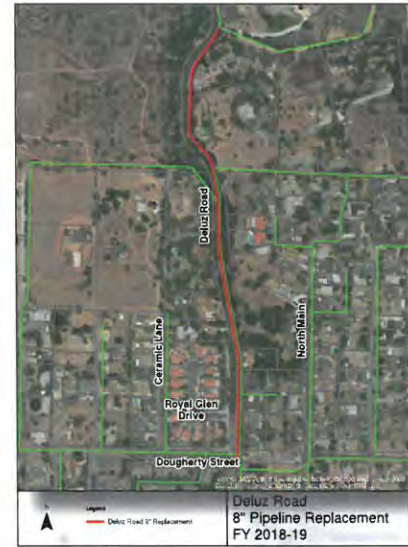
Continue implementation of an asset-management program to improve system reliability by replacing existing aging infrastructure before its failure in an effort to avoid service disruptions and property damage.

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$464,653
Total Capital:	\$890,000



## Winter Haven Road 12” Pipeline Replacement

### Project Description:

This project will replace and relocate portions of 1,820 feet of old steel water line that was concrete lined in the 1968. It will also include approximately 680 feet of new 6” water line in Lorenzo Drive in order to relocate services that are currently difficult to access. The pipe is failing, has been the location of numerous leaks, and is located outside the existing road in a difficult to access wooded area.

### Supports Strategic Goals:

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

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$839,280
Total Capital:	\$839,280





## DeLuz Area Projects

### Project Description:

Capital Projects in the DeLuz Improvement District using Deluz Improvement District Funds. Projects include pipeline extension to specified parcels per adopted policy and rehabilitation of existing infrastructure. Projects for Fiscal Year 2019-20 include a new Pressure Reducing Station at Ross Lake and rehabilitation of the Lynda Lane PRV.

### Supports Strategic Goals:

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

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$80,000
Total Capital:	\$80,000



## Meter Replacement Program

### Project Description:

In accordance with the Meter Replacement Program Budget, the District will complete the third of a five-year program to replace existing Automatic Meter Reading (AMR) meters with Advanced Metering Infrastructure (AMI) meters to provide for real time data collection and alerts.

### Supports Strategic Goals:

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

### Operating Impacts:

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



### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$675,000
Total Capital:	\$2,380,000





## Pressure Reducing Station Rehabilitation

### Project Description:

Replace two 12-inch pressure reducing valves at Yarnell Pressure Reducing Station and add telemetry to monitor flow and pressure. Make minor improvements to improve operation of Sachse Pressure Reducing Station and UV Plant operations.

### Supports Strategic Goals:

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



### Operating Impacts:

This project will reduce operations and maintenance cost for the facility by replacing the equipment that is at the end of its useful life. There will be additional SCADA controls added for monitoring flow and pressure to optimize operation and reduce staffing needs for operating this facility.

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$90,000
Total Capital:	\$90,000



## Red Mountain Reservoir Facility Improvements

### Project Description:

Replace the existing UPS batteries. The uninterruptible power supply batteries have exceeded their useful life and need to be replaced.

### Supports Strategic Goals:

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

### Operating Impacts:

The UPS is critical in that it enables the UV plant to continue operating in the event of a power outage while power is switched over to the on-site backup generator. There is no impact on operation costs.



### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$70,000
Total Capital:	\$70,000





## Santa Margarita River Conjunctive Use Project

### Project Description:

Development of a new groundwater treatment plant to treat water delivered by Camp Pendleton per the executed settlement agreement of US vs FPUD. Projected to provide on average 3,100 acre-feet per year of local water. The project construction is expected to take 24 months. It is anticipated construction will start in July 2019 and be completed in June 2021.

### Supports Strategic Goals:

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

### Operating Impacts:

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



### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$27,179,100
Total Capital:	\$53,000,000



## SCADA and Security

### Project Description:

Projects includes improvements to SCADA network to improve remote monitoring and control of District facilities, additional remote security improvements to improve monitoring of remote sites and additional water quality monitoring in the distribution system.

### Supports Strategic Goals:

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

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$130,000
Total Capital:	\$130,000





## Collections System Projects

### Project Description:

Projects include replacements and major repairs to existing sewer infrastructure.

The proposed purchases and costs for Fiscal Year 2019-20 include:

- Replacement of sewer section at creek and culvert crossing by District staff to prevent spills into waterbodies
- Relining of manholes to extend the life of these facilities
- Additional telemetry for operation of the lift stations and collections system



### Supports Strategic Goals:

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

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$240,000
Total Capital:	\$240,000



## Overland Trail Lift Station Rehabilitation

### Project Description:

The Overland Trail Lift Station is in need of mechanical, electrical and structural improvements due to its age and condition. The project includes replacement of the pumps, recoating of the wet well and replacement of electrical gear. The project will also include the elimination of Anthony's Corner Lift Station and diversion of flows to Overland Trail Lift Station. Design was completed in Fiscal Year 2018-19. Due to the extensive rehabilitation planned, the construction is anticipated to span Fiscal Year 2019-20 into Fiscal Year 2020-21.



### Supports Strategic Goals:

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

### Operating Impacts:

Rehabilitation of the lift station will improve reliability which is critical in reducing the number of spills and potential fines. Eliminating Anthony's Corner Lift Station will simplify operations. The planned projects do not require any additional operating budget funds, and are expected to reduce emergency repair and maintenance costs.

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$1,500,000
Total Capital:	\$3,300,000





## Water Reclamation Plant

### Project Description:

The project includes on-going repair and replacement of key components of the Water Reclamation Plant (WRP). These include replacement or addition of facilities as needed to maintain reliable operation. The projects for Fiscal Year 2019-20 include:

- Replacement of Bio Solids Storage Shed – the existing barn is in very poor condition and will be demolished as part of the SMRCUP project to make space for the new treatment facilities.
- Replacement of the headworks cover
- Conduct a detailed condition assessment of the headworks in preparation for future rehabilitation

### Supports Strategic Goals:

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

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$240,000
Total Capital:	\$240,000



## Outfall Rehabilitation

### Project Description:

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

### Supports Strategic Goals:

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

### Operating Impacts:

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



### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$80,000
Total Capital:	\$80,000





## Recycled System Rehabilitation

### Project Description:

The project includes replacement of old defunct air and vacuum valves on the reclaimed system mainlines.

### Supports Strategic Goals:

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

### Operating Impacts:

On-going replacement of the tertiary systems is critical to ensure reliable operation of the WRP. There is no impact to the operating budget.



### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$56,000
Total Capital:	\$56,000



## Groundwater Augmentation Pilot Project

### Project Description:

Due to challenges identifying potential new users for recycled water within cost effective expansion areas, alternative uses for treated WRP effluent need to be explored. With the addition of the SMRCUP facilities, the infrastructure needed to extract and treat ground water from the Lower Santa Margarita River Aquifer will be in place. Staff have begun looking into the feasibility of using treated WRP effluent for ground water augmentation in the aquifer. Grant funds have been applied for, and if received, will be used along with CIP matching funds to conduct pilot treatment studies to determine the feasibility for reuse. The pilot project is expected to take two years.

### Supports Strategic Goals:

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

### Operating Impacts:

The pilot studies would not have any operating impacts. If groundwater augmentation is considered feasible, full scale implementation would increase local water supply, eliminate the majority of discharges to the ocean, and improve operations by increasing utilization of the SMRCUP infrastructure.

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$350,000
Total Capital:	\$700,000





## District Yard Facilities

### Project Description:

Projects consist of on-going improvements at the District Yard to maintain the facility. Projects include removal of eucalyptus trees that are a fire and safety hazard, sealing, striping and landscaping of the parking lot area, and replacement of cracked curbs and sidewalks.



### Supports Strategic Goals:

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

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$220,000
Total Capital:	\$220,000



## Fleet and Heavy Equipment

### Project Description:

Having reliable heavy equipment is key to both maintaining reliable service and also replacing and maintaining critical infrastructure. The District has adopted a fleet replacement plan to minimize overall fleet and heavy equipment operating costs by reducing owner equipment to just critical higher use assets, replace vehicles when the cost of repairs for continued ownership is no longer economical and replace older engines to meet California Air Quality requirements.



Since November 2016, the overall fleet and heavy equipment inventory has been reduced by eight transportation vehicles, one backhoe and one trencher.

The proposed purchases and costs for Fiscal Year 2019-20 include:

- Replacement of two fleet vehicles based on criteria established in the Fleet Replacement Plan
- Replacement of an electrician truck
- Replace loader and backhoe
- Purchase a portable safety equipment trailer and fuel trailer
- Other miscellaneous field equipment including a hydraulic cut off saw

### Supports Strategic Goals:

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

### Operating Impacts:

Maintaining a reliable fleet and heavy equipment helps reduce overall operating costs and improves overall reliability of the District operation.

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$560,000
Total Capital:	\$560,000





## Administration Capital Projects

### Project Description:

The project includes capital projects for administration facilities to help maintain efficient operation of the administration facility and departments.

The projects include the following:

- Replacement and addition of new hardware and software to support the business systems, including system to provide remote back-up of District electronic files, and backup uninterruptible power supply.
- Upgrades to the Geographic Information System (GIS) software and hardware to improve tracking and monitoring on District assets.
- Implementation of a new Enterprise Asset Management System (EAM) to better track work orders and resources and provide for more efficient deployment of District staff.
- Additional improvements to the administration building including additional security cameras, replacement of deteriorated office furniture, and rehabilitation to the construction yard restroom facilities.

### Supports Strategic Goals:

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

### Operating Impacts:

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

### Projects Cost:

Fiscal Year 2019-20 Expenditures:	\$215,000
Total Capital:	\$215,000



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

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

**AG** - Agricultural Customers

**AMI** – Advanced Meter Infrastructure

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

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

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

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

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

**CAFR** - Comprehensive Annual Financial Report

**CalPERS** - California Public Employee Retirement System

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

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

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

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

**CEQA** - California Environmental Quality Act

**CFS** - Cubic Feet per Second



**CMMS** - Computerized Maintenance Management System

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

**Disbursements** - Payments made on obligations.

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

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

**DSCR** - Debt Service Coverage Ratio

**DWR** - California Department of Water Resources

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

**EIR/EIS** - Environmental Impact Report/Environmental Impact Statement

**EMU** - Effective Utility Management

**EPA** - Environmental Protection Agency

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

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

**FCF** - Flow Control Facility

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

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

**FTE** - Full Time Equivalent

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

**GFOA** - Government Financial Officers Association

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

**GPS** - Global Positioning System

**IAC** - Infrastructure Access Charge

**IAWP** - Interim Agricultural Water Program

**IRWM** - Integrated Regional Water Management Program

**KPI** - Key Performance Indicator

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

**LRP** - MWD's Local Resource Program

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

**M&I** - Municipal and Industrial

**Master Plan** - Regional Water Facilities Master Plan

**ME** - Meter Equivalent

**MWD** - Metropolitan Water District of Southern California

**MG** - Million Gallon

**MGD** - Million Gallons per Day

**MOU** - Memorandum of Understanding



**MW** - Megawatt

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

**NPDES** - National Pollutant Discharge Elimination System

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

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

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

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

**QECB** - Qualified Energy Conservation Revenue Bond

**PARS** - Public Agency Retirement Services

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

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

**ROW** - Right of Way

**RSF** - Rate Stabilization Fund

**RTS** - Readiness to Service charge

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

**SANDAG** - San Diego Association of Governments

**SAWR** - Transitional Special Agricultural Water Rate

**SCADA** - Supervisory Control and Data Acquisition

**SD** - San Diego

**SDCWA** - San Diego County Water Authority

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

**SMRCUP** - Santa Margarita River Conjunctive Use Project

**SpringBrook** - The District's ERP.

**SR** - State Route

**SRF** - State Revolving Fund

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

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

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

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

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

**UWMP** - Urban Water Management Plan

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

**Cost of Water** - The cost of purchasing water from SDCWA.

**WRP** – Water Reclamation Plant



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

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>					
<b>Revenue from Rates</b>					
Water	\$ 20,581,498	\$ 25,265,762	\$ 26,868,354	\$ 28,801,664	\$ 31,393,806
Recycled Water	1,286,911	1,382,830	1,341,824	1,449,170	1,565,104
Wastewater	5,432,104	6,214,076	6,494,235	6,787,025	7,092,441
<b>Subtotal Revenue from Rates</b>	<b>27,300,513</b>	<b>32,862,667</b>	<b>34,704,413</b>	<b>37,037,860</b>	<b>40,051,351</b>
<b>Other Operating Revenue</b>					
<b>Pass-through Charges</b>					
MWD RTS Charge	\$ 340,390	\$ 310,753	\$ 325,807	\$ 341,976	\$ 359,288
SDCWA IAC Charge	436,668	457,553	504,439	538,851	561,760
Sundry	11,000	11,000	11,000	11,000	11,000
MWD/CWA Incentive	151,060	50,003	-	-	-
Class A Bio-Solids Sales	-	-	-	-	-
<b>Subtotal Other Operating Revenues</b>	<b>\$ 939,118</b>	<b>\$ 829,309</b>	<b>\$ 841,246</b>	<b>\$ 891,827</b>	<b>\$ 932,048</b>
<b>Non-Operating Revenue</b>					
Water Availability Charge	\$ 203,000	\$ 203,000	\$ 203,000	\$ 203,000	\$ 203,000
1% Property Tax	1,908,753	1,918,296	1,927,888	1,937,527	1,947,215
Investment Earnings	220,444	284,544	296,105	302,305	327,135
Water CIP Charge	1,311,128	1,390,702	1,476,578	1,570,413	1,667,810
Pumping Charge (Cap. Impr part)	31,000	37,000	37,000	37,000	37,000
Facility Rent	176,516	180,046	183,647	187,320	191,067
Water Capacity Fees	103,807	70,000	70,700	71,407	72,121
Wastewater CIP Charge	1,150,517	1,185,299	1,219,352	1,256,272	1,293,836
Wastewater Capacity Fees	30,427	31,522	32,485	33,477	57,074
Federal Interest Rate Subsidy	133,917	122,647	110,677	97,977	84,516
<b>Subtotal Non-Operating Revenue</b>	<b>\$ 5,269,508</b>	<b>\$ 5,423,056</b>	<b>\$ 5,557,433</b>	<b>\$ 5,696,698</b>	<b>\$ 5,880,773</b>
<b>Total Revenues</b>	<b>\$ 33,509,139</b>	<b>\$ 39,115,033</b>	<b>\$ 41,103,092</b>	<b>\$ 43,626,385</b>	<b>\$ 46,864,172</b>
<b>Operating Expenses</b>					
<b>Water Supply Costs</b>					
Purchased Water Costs	\$ 13,367,435	\$ 15,756,149	\$ 15,952,174	\$ 14,854,858	\$ 10,439,878
Pumping Costs	180,000	231,736	234,866	243,123	257,824
SMRCUP Treatment	-	-	-	1,621,824	5,000,213
Labor Costs	2,771,259	2,812,665	2,953,298	3,100,963	3,256,011
Fringe Benefits	1,674,937	1,809,326	1,926,932	1,994,375	2,064,178
Services, Materials & Supplies	2,249,110	2,230,400	2,297,312	2,366,231	2,437,218
Allocated Admin Expenses	6,290,220	6,407,511	6,706,542	6,969,100	7,242,473
<b>Total Operating Expenses</b>	<b>\$ 26,532,961</b>	<b>\$ 29,247,787</b>	<b>\$ 30,071,125</b>	<b>\$ 31,150,474</b>	<b>\$ 30,697,796</b>
<b>Net Operating Revenues</b>	<b>\$ 6,976,178</b>	<b>\$ 9,867,246</b>	<b>\$ 11,031,967</b>	<b>\$ 12,475,911</b>	<b>\$ 16,166,376</b>
<b>Debt Service</b>					
<b>Total Debt Service</b>	<b>\$ 2,760,020</b>	<b>\$ 2,761,270</b>	<b>\$ 2,762,239</b>	<b>\$ 5,690,223</b>	<b>\$ 5,690,578</b>
<b>Capital Expenditures</b>					
<b>Total Capital Expenditures</b>	<b>\$ 6,546,920</b>	<b>\$ 33,709,033</b>	<b>\$ 30,848,084</b>	<b>\$ 6,924,653</b>	<b>\$ 7,026,158</b>
SRF Loan Proceeds	\$ -	\$ 27,179,100	\$ 23,543,908	\$ -	\$ -
<b>Change in Net Position</b>	<b>\$ (2,169,182)</b>	<b>\$ 576,043</b>	<b>\$ 965,553</b>	<b>\$ (138,966)</b>	<b>\$ 3,449,639</b>
Proceeds from SMR Property Sale	\$ 6,200,000	\$ -	\$ -	\$ -	\$ -
Beginning Balances	\$ 14,650,728	\$ 18,681,546	\$ 19,257,589	\$ 20,223,141	\$ 20,084,176
Ending Balances	\$ 18,681,546	\$ 19,257,589	\$ 20,223,141	\$ 20,084,176	\$ 23,533,815



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

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>					
<b>Revenues from Rates</b>					
Revenues from Current Rates	\$ 20,581,498	\$ 24,294,001	\$ 23,921,256	\$ 23,743,062	\$ 23,962,900
Proposed Revenue Adjustments	-	971,760	2,947,099	5,058,602	7,430,907
<b>Subtotal Operating Revenues</b>	<b>\$ 20,581,498</b>	<b>\$ 25,265,762</b>	<b>\$ 26,868,354</b>	<b>\$ 28,801,664</b>	<b>\$ 31,393,806</b>
<b>Other Operating Revenues</b>					
<b>Pass-through Charges</b>					
MWD RTS Charge	\$ 340,390	\$ 310,753	\$ 325,807	\$ 341,976	\$ 359,288
SDCWD IAC Charge	436,668	457,553	504,439	538,851	561,760
Sundry	5,000	5,000	5,000	5,000	5,000
<b>Subtotal Other Operating Revenues</b>	<b>\$ 782,058</b>	<b>\$ 773,306</b>	<b>\$ 835,246</b>	<b>\$ 885,827</b>	<b>\$ 926,048</b>
<b>Non-Operating Revenue</b>					
Water Availability Charge	\$ 203,000	\$ 203,000	\$ 203,000	\$ 203,000	\$ 203,000
1% Property Tax	950,826	955,580	960,358	965,160	969,986
Investment Earnings	152,470	213,394	237,813	250,925	271,292
Water Capital Improvement Charge	1,311,128	1,390,702	1,476,578	1,570,413	1,667,810
Pumping Charge (Cap. Impr part)	31,000	37,000	37,000	37,000	37,000
Other Revenue	176,516	180,046	183,647	187,320	191,067
Water Capacity Fees	103,807	70,000	70,700	71,407	72,121
<b>Subtotal Non-Operating Rev</b>	<b>\$ 2,928,747</b>	<b>\$ 3,049,723</b>	<b>\$ 3,169,097</b>	<b>\$ 3,285,224</b>	<b>\$ 3,412,275</b>
<b>Total Revenues</b>	<b>\$ 24,292,303</b>	<b>\$ 29,088,790</b>	<b>\$ 30,872,697</b>	<b>\$ 32,972,716</b>	<b>\$ 35,732,129</b>
<b>Operating Expenses</b>					
<b>Water Supply Costs</b>					
Purchased Water Costs	\$ 13,367,435	\$ 15,756,149	\$ 15,952,174	\$ 14,854,858	\$ 10,439,878
Pumping Costs	180,000	231,736	234,866	243,123	257,824
SMRCUP Treatment	-	-	-	1,621,824	5,000,213
Labor Costs	1,457,886	1,422,714	1,493,850	1,568,542	1,646,969
Fringe Benefits	856,056	915,201	974,689	1,008,803	1,044,111
Services, Materials & Supplies	1,022,442	949,500	977,985	1,007,325	1,037,544
Allocated Administrative Expenses	4,025,741	4,100,807	4,292,187	4,460,224	4,635,183
<b>Total Operating Expenses</b>	<b>\$ 20,909,560</b>	<b>\$ 23,376,107</b>	<b>\$ 23,925,751</b>	<b>\$ 24,764,699</b>	<b>\$ 24,061,724</b>
<b>Net Operating Revenue</b>	<b>\$ 3,382,744</b>	<b>\$ 5,712,683</b>	<b>\$ 6,946,946</b>	<b>\$ 8,208,017</b>	<b>\$ 11,670,406</b>
<b>Debt Service</b>					
<b>Total Debt Service</b>	<b>\$ 395,851</b>	<b>\$ 395,851</b>	<b>\$ 395,851</b>	<b>\$ 3,323,166</b>	<b>\$ 3,323,166</b>
<b>Capital Expenditures</b>					
<b>Total Capital Expenditures</b>	<b>\$ 5,521,157</b>	<b>\$ 31,114,141</b>	<b>\$ 28,220,878</b>	<b>\$ 5,010,766</b>	<b>\$ 5,505,628</b>
SRF Loan Proceeds	\$ -	\$ 27,179,100	\$ 23,543,908	\$ -	\$ -
Change In Net Position	\$ (2,372,685)	\$ 1,381,791	\$ 1,874,125	\$ (125,914)	\$ 2,841,613
Proceeds from SMR Property Sale	\$ 6,200,000	\$ -	\$ -	\$ -	\$ -
Beginning Balances	\$ 9,708,028	\$ 13,535,343	\$ 14,917,134	\$ 16,791,259	\$ 16,665,345
Ending Balances	\$ 13,535,343	\$ 14,917,134	\$ 16,791,259	\$ 16,665,345	\$ 19,506,958

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





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

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>					
<b>Revenues from Rates</b>					
Revenues from Current Rates	\$ 5,432,104	\$ 6,077,336	\$ 6,077,828	\$ 6,078,320	\$ 6,078,320
Proposed Revenue Adjustments	-	136,740	416,407	708,705	1,014,121
<b>Subtotal Operating Revenues</b>	<b>\$ 5,432,104</b>	<b>\$ 6,214,076</b>	<b>\$ 6,494,235</b>	<b>\$ 6,787,025</b>	<b>\$ 7,092,441</b>
<b>Other Operating Revenues</b>					
Class A Bio-solids Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Sundry	1,000	1,000	1,000	1,000	1,000
<b>Subtotal Other Operating Revenues</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>
<b>Non-Operating Revenue</b>					
Wastewater Capital Improvement Charge	\$ 1,150,517	\$ 1,185,299	\$ 1,219,352	\$ 1,256,272	\$ 1,293,836
Wastewater Capacity Fees	30,427	31,522	32,485	33,477	57,074
1% property Tax - IDS	907,883	912,422	916,985	921,569	926,177
Federal Interest Rate Subsidy	133,917	122,647	110,677	97,977	84,516
Investment Earnings	58,140	56,675	47,100	41,579	43,489
<b>Subtotal Non-Operating Revenues</b>	<b>\$ 2,280,884</b>	<b>\$ 2,308,565</b>	<b>\$ 2,326,598</b>	<b>\$ 2,350,874</b>	<b>\$ 2,405,093</b>
<b>Total Revenues</b>	<b>\$ 7,713,987</b>	<b>\$ 8,523,641</b>	<b>\$ 8,821,833</b>	<b>\$ 9,138,900</b>	<b>\$ 9,498,534</b>
<b>Operating Expenses</b>					
Labor Costs	\$ 1,174,629	\$ 1,190,719	\$ 1,250,255	\$ 1,312,768	\$ 1,378,406
Fringe Benefits	685,113	765,963	815,751	844,302	873,852
Services, Materials & Supplies	940,779	1,018,400	1,048,952	1,080,421	1,112,833
Allocated Administrative Expenses	2,201,577	2,242,629	2,347,290	2,439,185	2,534,866
<b>Total Operating Expenses</b>	<b>\$ 5,002,098</b>	<b>\$ 5,217,711</b>	<b>\$ 5,462,247</b>	<b>\$ 5,676,675</b>	<b>\$ 5,899,957</b>
<b>Net Operating Revenue</b>	<b>\$ 2,711,889</b>	<b>\$ 3,305,930</b>	<b>\$ 3,359,586</b>	<b>\$ 3,462,225</b>	<b>\$ 3,598,577</b>
<b>Debt Service</b>					
<b>Total Debt Service</b>	<b>\$ 1,810,445</b>	<b>\$ 1,811,696</b>	<b>\$ 1,812,664</b>	<b>\$ 1,813,334</b>	<b>\$ 1,813,689</b>
<b>Capital Expenditures</b>					
<b>Total Capital Expenditures</b>	<b>\$ 934,781</b>	<b>\$ 2,171,803</b>	<b>\$ 2,146,046</b>	<b>\$ 1,785,924</b>	<b>\$ 1,393,161</b>
Change in Net Position	\$ (33,337)	\$ (677,568)	\$ (599,124)	\$ (137,033)	\$ 391,727
Beginning Balances	\$ 4,150,471	\$ 4,117,134	\$ 3,439,566	\$ 2,840,442	\$ 2,703,409
Ending Balances	\$ 4,117,134	\$ 3,439,566	\$ 2,840,442	\$ 2,703,409	\$ 3,095,136

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

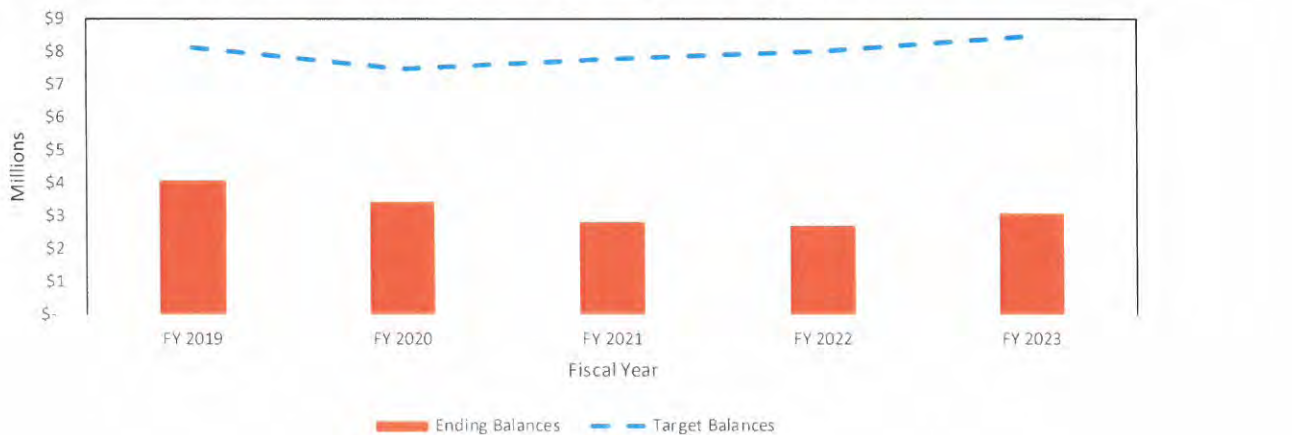


Table #4 Fallbrook Public Utility District's Recycled Water Projections

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>					
<b>Revenues from Rates</b>					
Revenues from Current Rates	\$ 1,286,911	\$ 1,329,644	\$ 1,194,644	\$ 1,194,644	\$ 1,194,644
Proposed Revenue Adjustments	-	53,186	147,180	254,526	370,460
<b>Other Operating Revenues</b>					
SDCWA Incentive	\$ 151,060	\$ 50,003	\$ -	\$ -	\$ -
Sundry	5,000	5,000	5,000	5,000	5,000
<b>Subtotal Other Operating Revenues</b>	<b>\$ 156,060</b>	<b>\$ 55,003</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>Non-Operating Revenue</b>					
1% Property Tax	\$ 50,043	\$ 50,294	\$ 50,545	\$ 50,798	\$ 51,052
Investment Earnings	9,834	14,475	11,192	9,801	12,354
<b>Subtotal Non-Operating Revenue</b>	<b>\$ 59,877</b>	<b>\$ 64,768</b>	<b>\$ 61,738</b>	<b>\$ 60,599</b>	<b>\$ 63,405</b>
<b>Total Revenue</b>	<b>\$ 1,502,848</b>	<b>\$ 1,502,602</b>	<b>\$ 1,408,562</b>	<b>\$ 1,514,769</b>	<b>\$ 1,633,509</b>
<b>Operating Expenses</b>					
Labor Costs	\$ 138,744	\$ 199,232	\$ 209,194	\$ 219,653	\$ 230,636
Fringe Benefits	133,768	128,162	136,493	141,270	146,214
Services, Materials & Supplies	285,889	262,500	270,375	278,486	286,841
Allocated Administrative Expenses	62,902	64,075	67,065	69,691	72,425
<b>Total Operating Expenses</b>	<b>\$ 621,303</b>	<b>\$ 653,969</b>	<b>\$ 683,127</b>	<b>\$ 709,100</b>	<b>\$ 736,116</b>
<b>Net Operating Revenue</b>	<b>\$ 881,545</b>	<b>\$ 848,633</b>	<b>\$ 725,435</b>	<b>\$ 805,669</b>	<b>\$ 897,393</b>
<b>Debt Service</b>					
<b>Total Debt Service</b>	<b>\$ 553,724</b>	<b>\$ 553,724</b>	<b>\$ 553,724</b>	<b>\$ 553,724</b>	<b>\$ 553,724</b>
<b>Capital Expenditures</b>					
<b>Total Capital Expenditures</b>	<b>\$ 90,982</b>	<b>\$ 423,089</b>	<b>\$ 481,161</b>	<b>\$ 127,963</b>	<b>\$ 127,370</b>
Change in Net Position	\$ 236,840	\$ (128,180)	\$ (309,449)	\$ 123,982	\$ 216,300
Beginning Balances	\$ 792,229	\$ 1,029,069	\$ 900,889	\$ 591,439	\$ 715,422
Ending Balances	\$ 1,029,069	\$ 900,889	\$ 591,439	\$ 715,422	\$ 931,721

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

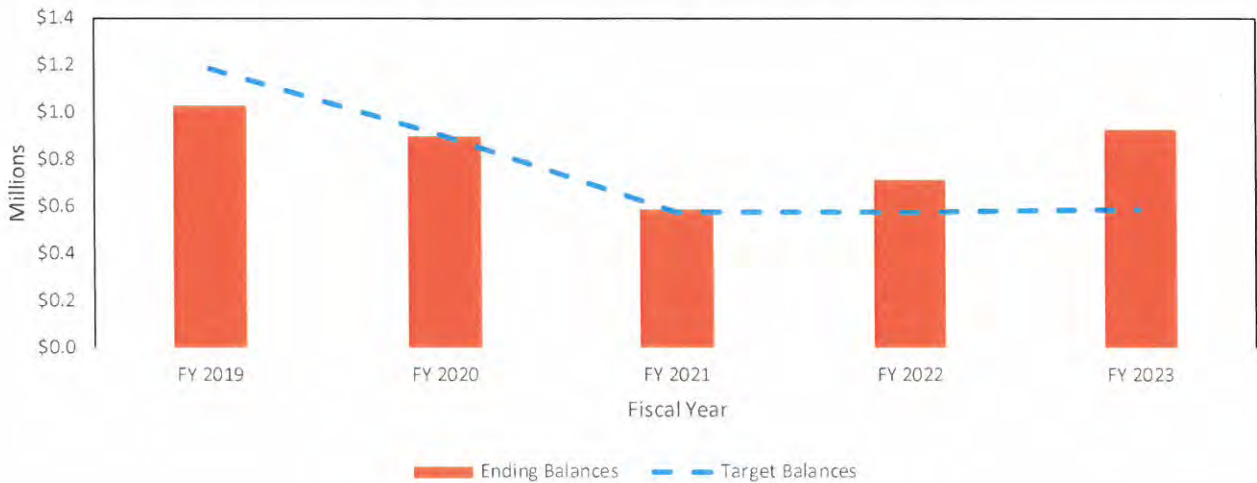




Table #5 - Changes in Net Position and Net Position by Component, Last Ten Fiscal Years

	FY 2008-09	FY 2009-10	FY 2010-11
<b>Changes in Net Position:</b>			
Operating Revenues	\$ 21,252,330	\$ 21,795,259	\$ 21,255,448
Operating Expenses	(22,452,094)	(24,347,069)	(24,175,989)
Other Operating Revenues	-	142,229	363,564
<b>Operating Income (loss)</b>	<b>\$ (1,199,764)</b>	<b>\$ (2,409,581)</b>	<b>\$(2,556,977)</b>
<b>Non-Operating Revenues (expenses)</b>			
Property Taxes Ad-Valorem	\$ 1,753,229	\$ 1,602,551	\$ 1,549,625
Capital Improvement Charges	-	-	404,175
California Solar Initiative Rebate	-	-	-
Investment income	515,239	490,664	147,486
Water Availability Charges	200,748	201,397	200,944
Lease Revenue	188,810	215,154	184,983
Intergovernmental Revenue - Federal Interest Subsidy	-	-	-
Connection Fees	154,798	108,631	112,499
Federal Grants	14,097	-	-
Gain on Impairment	-	-	-
Other Non-Operating Revenues	762,228	748,834	102,704
Other Non-Operating Expenses	(358,671)	(276,937)	(508,849)
<b>Total Non-Operating Revenues(expenses), net</b>	<b>\$ 3,230,478</b>	<b>\$ 3,090,294</b>	<b>\$ 2,193,567</b>
<b>Net income Before Capital Contributions</b>	<b>\$ 2,030,714</b>	<b>\$ 680,713</b>	<b>\$ (363,410)</b>
Capital Contributions	508,887	211,782	3,094,483
Capital Grant - Proposition 50	-	-	-
Capital Grant - Proposition 84	-	-	-
Extraordinary Items	-	-	-
<b>Changes in Net Position</b>	<b>\$ 2,539,601</b>	<b>\$ 892,495</b>	<b>\$ 2,731,073</b>
<b>Net Assets</b>			
<b>Beginning, as restated</b>	<b>\$ 64,609,869</b>	<b>\$ 67,149,470</b>	<b>\$ 68,041,965</b>
Adjustments to restate balance	-	-	-
<b>Ending, as restated</b>	<b>\$ 67,149,470</b>	<b>\$ 68,041,965</b>	<b>\$70,773,038</b>

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

(2) Accumulative effect of change in accounting principals.

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

Source: FPUD Finance Department

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

FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
\$ 23,661,715	\$ 27,582,160	\$ 28,955,183	\$ 27,483,881	\$ 25,356,017	\$ 27,256,065	\$ 29,882,022
(26,140,572)	(28,007,733)	(33,062,764)	(29,367,701)	(27,921,351)	(30,678,705)	(33,319,799)
279,560	439,560	681,876	-	-	-	-
<b>\$(2,199,297)</b>	<b>\$ 13,987</b>	<b>\$(3,425,705)</b>	<b>\$(1,883,820)</b>	<b>\$(2,565,334)</b>	<b>\$(3,422,640)</b>	<b>\$(3,437,777)</b>
\$ 1,552,911	\$ 1,582,219	\$ 1,694,090	\$ 1,719,296	\$ 1,815,734	\$ 1,889,808	\$ 1,984,543
414,910	1,252,501	1,981,822	2,134,025	2,224,529	2,283,558	2,476,452
534,835	779,786	843,714	729,519	740,125	234,930	-
87,217	30,507	209,175	141,433	324,126	63,861	18,188
200,906	201,037	200,779	200,810	200,808	200,730	229,400
177,095	181,100	183,641	185,770	185,220	166,012	178,602
-	-	-	-	185,040	238,765	145,338
190,932	247,607	118,581	208,521	131,894	238,124	411,744
-	-	-	-	-	-	-
-	-	-	-	-	-	(273,396)
109,261	81,008	69,816	162,913	91,361	32,729	-
(294,462)	(291,721)	(344,730)	(321,941)	(690,409)	(385,483)	(959,015)
<b>\$ 2,973,605</b>	<b>\$ 4,064,044</b>	<b>\$ 4,956,888</b>	<b>\$ 5,160,346</b>	<b>\$ 5,208,428</b>	<b>\$ 4,963,034</b>	<b>\$ 4,211,886</b>
<b>\$ 774,308</b>	<b>\$ 4,078,031</b>	<b>\$ 1,531,183</b>	<b>\$ 3,276,526</b>	<b>\$ 2,643,094</b>	<b>\$ 1,540,394</b>	<b>\$ 774,109</b>
273,825	595,205	76,746	153,790	75,299	59,509	73,661
338,331	-	828,598 <sup>(1)</sup>	224,596 <sup>(1)</sup>	874,040 <sup>(3)</sup>	773,163	-
-	-	-	-	682,428	-	67,100
-	-	-	-	-	-	-
<b>\$ 1,386,464</b>	<b>\$ 4,673,236</b>	<b>\$ 2,436,527</b>	<b>\$ 3,654,912</b>	<b>\$ 4,274,861</b>	<b>\$ 2,373,066</b>	<b>\$ 914,870</b>
<b>\$70,773,038</b>	<b>\$72,159,502</b>	<b>\$76,678,353</b>	<b>\$79,114,880</b>	<b>\$75,034,991</b>	<b>\$79,309,852</b>	<b>\$85,168,437</b>
-	(154,385)	-	(7,734,801) <sup>(2)</sup>	-	-	-
<b>\$72,159,502</b>	<b>\$76,678,353</b>	<b>\$79,114,880</b>	<b>\$75,034,991</b>	<b>\$79,309,852</b>	<b>\$81,682,918</b>	<b>\$86,083,307</b>



Chart #1 - Operating Expenses by Activity

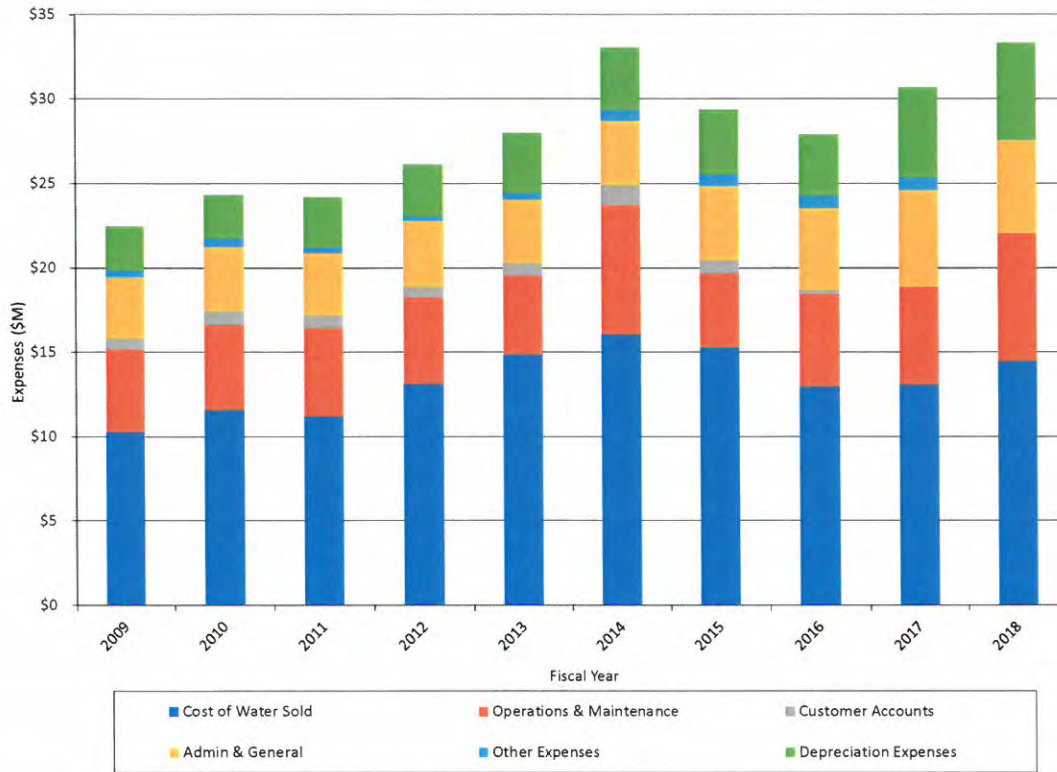


Chart #2 - Operating Revenues by Source

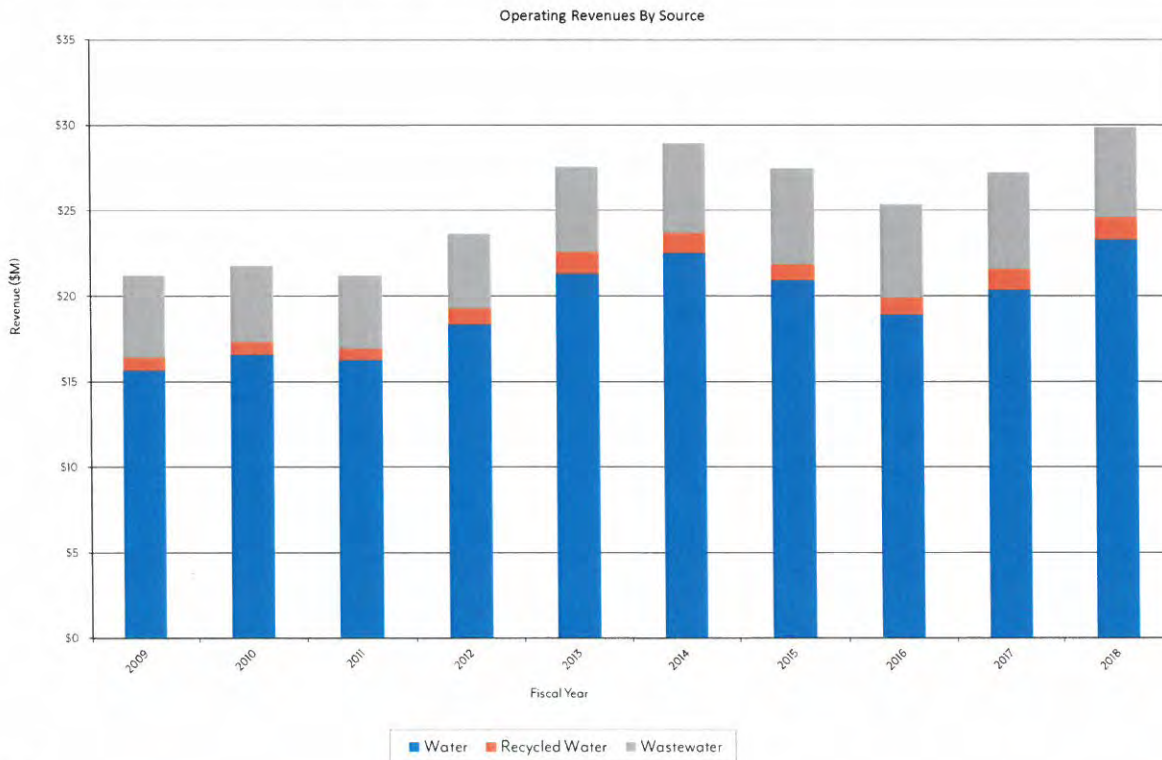


Chart #3 - Projected Water Bill for Fiscal Year 2019-20, Based on 11 Kgal Water Use (FPUD Domestic Monthly Average) With a 3/4" Meter \*

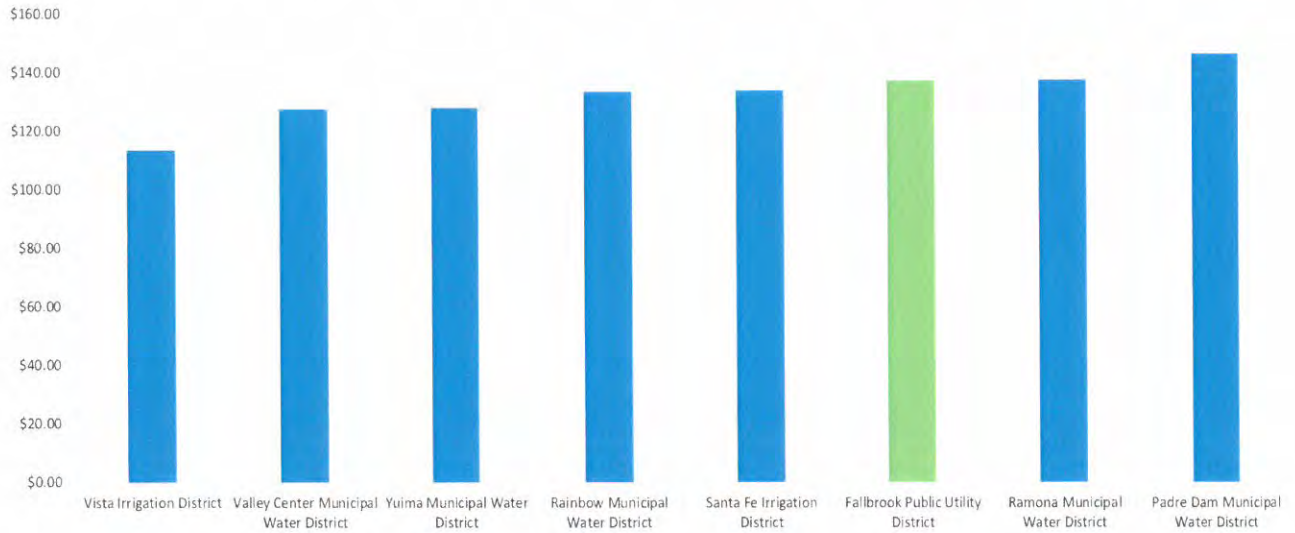
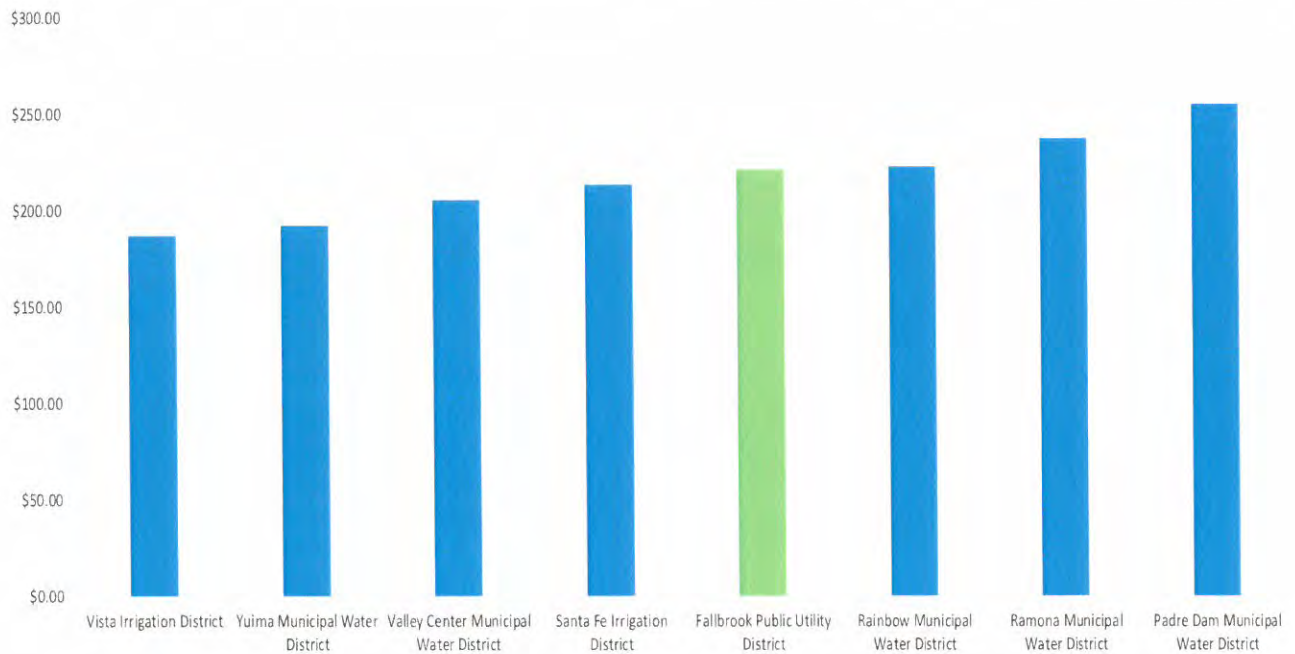


Chart #4 - Projected Water Bill for Fiscal Year 2019-20 Based on 20 Kgal Water Use (FPUD Large Domestic Monthly Average) With a 1" Meter \*



\* Figures based on data available for proposed Calendar Year 2020 rates. Final rates are subject to change.



Chart #5 - Projected Water Bill for Fiscal Year 2019-20, Based on 156 Kgal water use (FPUD TSAWR Monthly Average) With a 1 1/2" Meter \*

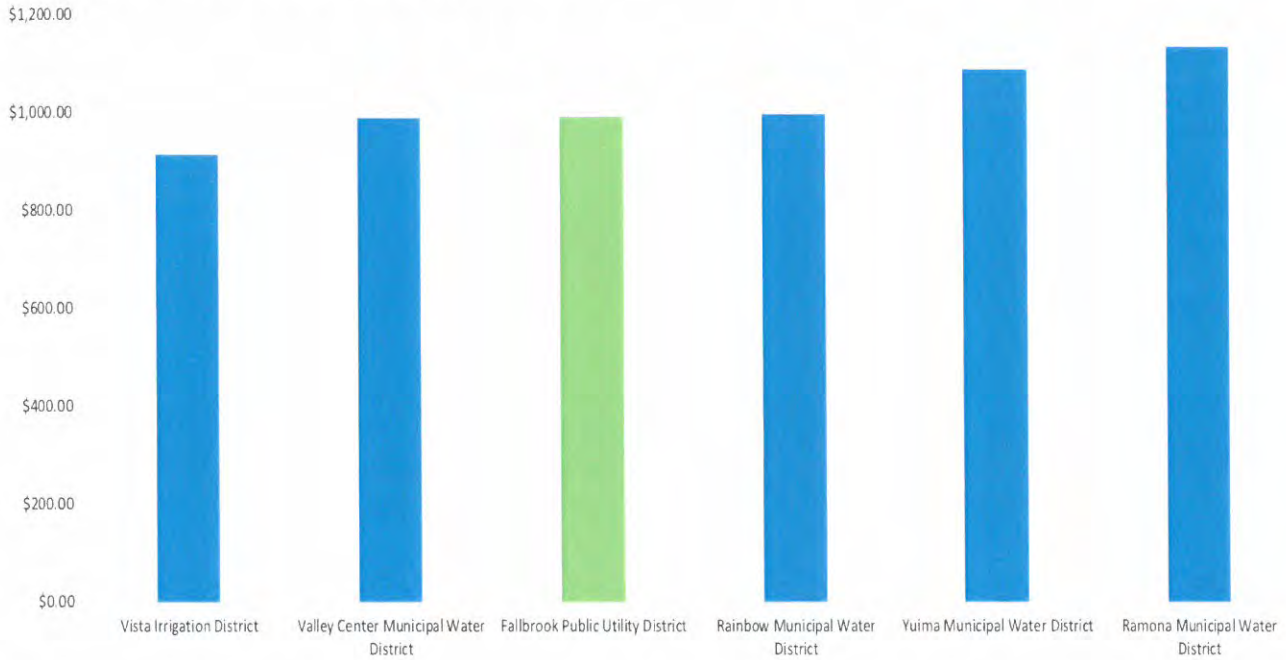
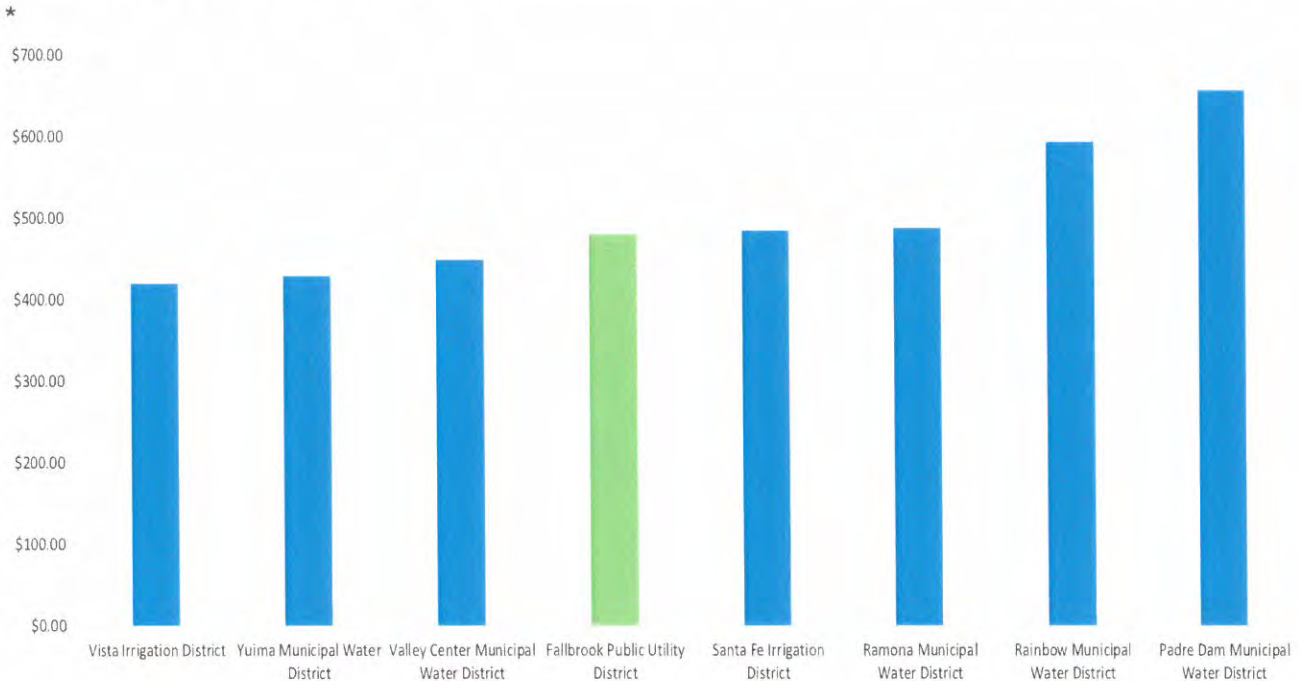


Chart #6 - Projected Water Bill for Fiscal Year 2019-20 Based on 50 Kgal Water Use (FPUD Commercial Ag Monthly Average) and 1 1/2" Meter



\* Figures based on data available for proposed Calendar Year 2020 rates. Final rates are subject to change.

## Fallbrook Public Utility District 's Capitalization Policy

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

**Purpose:**

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

**Personnel:**

Accounting and Supervisors

**Policy:**

**General Policy**

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

**Definitions**

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

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

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

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

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

**Capital Projects**

A. Construction Projects

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



**B. Plant Equipment**

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

**C. Office Equipment**

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

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## Fallbrook Public Utility District 's Fund Balance Policy

### Article 15. Budget and Fund Management

#### Sec. 15.1 District's Annual Budget.

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

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

##### 15.1.1 Annual Budget Resolution.

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

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

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

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

#### Sec. 15.2 Treasurer's Fund.

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

#### Sec. 15.3 General Fund.

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

#### Sec. 15.4 Utility Funds.

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



Sec. 15.5 Capital Funds.

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

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

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

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

Sec. 15.6 Equipment Fund.

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

Sec. 15.7 Debt Service Funds.

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

Sec. 15.8 Appropriated Fund Balances.

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

15.8.1 Utility Funds Appropriated Fund Balances.

1. Water.

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

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

2. Wastewater.

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

3. Recycled Water.

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

15.8.2 Utility Capital Funds Appropriated Fund Balances.

1. Water Capital Fund.

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

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

2. Wastewater Capital Fund.

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

3. Recycled Water Capital Fund.

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

15.8.3 Debt Service Funds.

Each borrowing activity is maintained within a separate Debt Service fund. Some indentures require the establishment of a reserve fund and the District must comply with any creditor



imposed requirements. Since sources of funding to repay each debt instrument varies, the possibility of that inflow being interrupted is likely/possible with different issues in differing circumstances. Because of the possibility of this interruption, each Debt Service Fund should establish an Appropriated Fund Balance equal to the next year's total debt service (principal and interest).

Sec. 15.9 Petty Cash.

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

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

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

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

<b>ARTICLE 15</b>
Sec. 15.8 - Rev.74/97
Sec. 15.4 & 15.5 – Rev. 4/03
Sec. 15.8 added 4/03
Sec. 15.1 & 15.9 – Rev. 6/06
Sec. 15.9 – Rev. 8/08
Sec. 15.6 – Rev. 9/09
Sec. 15.8.1 – Rev. 12/09
Secs. 15.1, 15.5, 15.8.1, 15.8.2, 15.8.4, 15.9 – Rev. 1/18
Secs. 15.1.1, 15.8.1 – Rev. 2/19
Sec. 15.1.1 – Rev. 4/19

## Fallbrook Public Utility District 's Investment Policy

### Article 27. Investment Policy

#### Sec. 27.1 General.

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

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

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

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

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

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



investments as part of an overall strategy, investments may be acquired as authorized by law.”

Sec. 27.2 Treasurer’s Annual Statement of Investment Policy.

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

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

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

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

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

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

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

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

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

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

Sec. 27.3 Internal Controls.

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

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

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

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

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

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

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



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

Sec. 27.4 Permissible Investments.

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

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

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

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

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

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

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

Minimum Credit Requirement: None.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

Minimum Credit Requirements: None

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

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

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

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

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

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

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

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 27.4.10 and 27.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 27.4.10 and 27.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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



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

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

Minimum Credit Requirement: None.

27.4.13 Money Market Mutual Funds.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 27.5 Maturity/Limit of Investments.

With the exception of U.S. Treasury and Federal Agency securities, the maturity of a give investment will not exceed five (5) years, without prior board approval per Section 27.2.4.

Sec. 27.6 Reporting Requirements.

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

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

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



**ARTICLE 27**

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

27-10

## District's Pension Benefits

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

### CalPERS Unfunded Actuarial Accrued Liability (UAAL):

The AUL is portion of the pension liability that has been earned but has not been fully funded. The liability is estimated by an actuary based upon many different underlying assumptions. CalPERS amortizes these existing liabilities over a 30-year period. The payment schedule for the Unfunded Liability is shown below for both Classic and PEPRA. The District's net pension liability in Fiscal Year 2016-17 was \$12.2 million. In Fiscal Year 2015-16, the latest CalPERS valuation date, the District's pension liability was 74% funded for Classic employees and 96% funded for PEPRA employees, excluding funds held in the District's 115 pension trust.

	Classic	PEPRA	Total
FY 2018-19	\$ 730,148	\$ 534	\$ 730,682
FY 2019-20	877,520	4,276	881,796
FY 2020-21	987,000	5,000	992,000
FY 2021-22	1,106,000	5,800	1,111,800
FY 2022-23	1,188,000	6,600	1,194,600
FY 2023-24	1,249,000	7,500	1,256,500
FY 2024-25	1,314,000	8,500	1,322,500

### Current Normal Cost

The Normal Cost Rate (NCR) is the percentage of payroll that is contributed to CalPERS to pay for the benefit earned by employees in the current year. This rate is expressed as a percent of payroll. The NCR for Classic employees for Fiscal Year 2019-20 is 12.142% of payroll, which is up from the Fiscal Year 2018-19 rate of 11.419%. The NCR for PEPRA employees is 7.072% of payroll in Fiscal Year 2019-20 and was 7.266% in Fiscal Year 2018-19.



## District's 115 Pension Trust

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In 2016, the District established a 115 Trust to fund the District's pension obligations that is distinct and separate from CalPERS. By establishing a separate Trust, the District was able to diversify investment managers, the trust is managed by Public Agency Retirement Services (PARS), and have more control over how the funds are both invested and utilized for pension costs. Over the last three years, the District has made a series of deposits into the trust. On April 30, 2019, the balance of the pension trust was \$6,032,691. Future deposits to the trust are planned with the goal of achieving a 90% funded level for the District's pension liability.

## District's Other Post-Employment Benefits (OPEB)

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The District provides a retiree healthcare benefit to employees who have ten years of service and are 50 or older. Under the OPEB benefit the District pays for half of the employees' health insurance premium until the beneficiary is 65-years old. The employee must contribute the other half of the insurance premium. The District has established the Section 115 Pension and OPEB Trust Fund (See Fund Structure Section) to fund the District's OPEB liabilities. The District's OPEB liability is 87.5% funded based upon an actuarial valuation report as of June 30, 2018. Based upon district policy, the OPEB Trust Fund will be maintained at or above a target of 90%. The balance in the trust on April 30, 2019 was

## **Attachment B**



**RESOLUTION NO. 4970**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
FALLBROOK PUBLIC UTILITY DISTRICT APPROVING AND  
ESTABLISHING THE DISTRICT'S FISCAL YEAR 2019-20 BUDGET  
FOR OPERATIONS, MAINTENANCE, WATER PURCHASES, CAPITAL  
IMPROVEMENTS, EQUIPMENT, AND DEBT SERVICE AND  
APPROPRIATING \$65,718,090 CONSISTENT WITH THE APPROVED  
BUDGET**

\* \* \* \* \*

**WHEREAS**, the Fiscal Policy and Insurance Committee has reviewed and considered the Recommended Fiscal Year 2019-20 Budget during publicly noticed meetings on April 29, 2018 and May 23, 2018; and

**WHEREAS**, the Board has reviewed and considered the Recommended Fiscal Year 2019-20 Budget during a publicly noticed meeting on June 17, 2019.

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

1. The District's Fiscal Year 2019-20 Budget, as presented to the Board of Directors at the publicly noticed meeting on June 17, 2019, is hereby approved.
2. Expenditure under the District's approved Fiscal Year 2019-20 Budget is hereby appropriated as follows:

For administration, operations, and maintenance:.....	\$13,259,902
For water purchases: .....	\$15,987,885
For PAYGO capital improvements, and equipment: .....	\$ 6,529,933
For Santa Margarita Conjunctive Use Project capital improvements: .....	\$27,179,100
For Revenue Bonds, State Revolving Fund, and interest and principal: .....	\$ 2,761,270
	_____
TOTAL .....	<u>\$65,718,090</u>

3. Expenditure of appropriated funds shall be consistent with the approved Budget. Except as provided in this Resolution, no increases or decreases to the Budget shall occur except upon prior approval by the Board.
4. Notwithstanding the total appropriations, set forth herein, the General Manager is authorized subject only to the total appropriations to exceed the expenditure amount designated in the approved Budget for water purchases to meet the District's water demands.
5. The annual Liquidity Fund Level target for Fiscal Year 2019-20 is kept at the current level of \$3.7 million and no draws from the District's long-term investment portfolio is planned.
6. No draws from the District's long-term investments are planned, and any unanticipated draws will go to the Board for approval.

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 17<sup>th</sup> day of June, 2019, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

---

President, Board of Directors

ATTEST:

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Secretary, Board of Directors



## **Attachment C**

Monthly Service Charges for each meter (\$/meter size):

	Water Fixed Charges	Recycled Water Charges	Standby Service Charge	Private Fire Services Charge
3/4 inch meter	\$46.75	\$20.98	\$20.98	NA
1 inch meter	\$71.37	\$28.41	\$28.41	NA
1-1/2 inch meter	\$132.88	\$46.97	\$46.97	NA
2 inch meter	\$206.71	\$69.24	\$69.24	\$10.19
3 inch meter	\$403.57	\$128.66	\$128.66	\$10.87
4 inch meter	\$625.05	\$195.50	\$195.50	\$12.04
6 inch meter	\$1,240.26	\$381.15	\$381.15	\$16.22
8 inch meter	NA	NA	NA	\$23.44

NA- Not applicable

For construction meters, a service charge of \$310.07 per month or fraction thereof will be made in addition to the cost of water consumed. This rate is calculated using a factor of 1.5 times the fixed charge for a 2” water meter.

The foregoing fixed charges for water service through various sized meters that are installed or upgraded will be effective commencing the day of installation, regardless of the amount of water used, as long as the consumer's property is actually connected with the District's distribution system. In addition, any request to down size a meter properly filed with the District will receive a fixed charge commensurate with the meter size effective the next billing cycle.

Billings for water furnished to all accounts will be on a monthly basis.

A monthly service charge to cover the District's cost for annual inspection, maintenance, repair and replacement of backflow prevention devices will be made as follows (\$/meter size):

For each 3/4 inch device	\$5.16
For each 1 inch device	\$6.07
For each 1-1/2 inch device	\$11.23
For each 2 inch device	\$13.47
For each 3 inch device	\$26.92
For each 4 inch device	\$42.06
For each 6 inch device	\$84.10

Sec. 21.3 MWD Readiness-to-Serve Charge (RTS) and SDCWA Infrastructure Access Charge (IAC).

Effective ~~January~~July 1, 2019, the following monthly charges are established and shall be collected by the District for the Metropolitan Water District of Southern California’s Readiness-to-Serve (the “RTS”) charge and San Diego County Water Authority’s Infrastructure Access Charge (the “IAC”).



Monthly charges for each meter (\$/meter size):

	RTS	IAC
3/4 inch meter	\$2.2305	\$3.01
1 inch meter	\$3.7242	\$5.03
1-1/2 inch meter	\$76.4183	\$10.02
2 inch meter	\$110.8693	\$16.04
3 inch meter	\$2321.7487	\$32.12
4 inch meter	\$3734.1017	\$50.18
6 inch meter	\$7468.1733	\$100.32

Sec. 21.4 Water Capital Improvement Charge.

For each water account, an additional \$9.12 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, 2019. This charge is solely dedicated to funding water capital improvement projects. The Water Capital Improvement Charge (the “CIC”) was implemented to provide a partial funding source for capital projects like the UV treatment facility at the Red Mountain Reservoir and to fund pipeline replacement projects.

Water Capital Improvement Charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, plus 3% not to exceed 10%. Staff will report back to the Board of Directors no less than every five (5) years with analysis of its necessity. The Capital Improvement Charge will be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

Fallbrook Public Utility District’s Equivalent Meter Unit (EMU) is associated with meter size as listed below.

Meter Size	FPUD EMU	Water CIC	Water CIC (Standby Service)
3/4 inch meter	1.0	\$9.12	\$4.14
1 inch meter	1.67	\$15.20	\$6.89
1-1/2 inch meter	3.33	\$30.40	\$13.78
2 inch meter	5.33	\$48.64	\$22.05
3 inch meter	10.67	\$97.29	\$44.08
4 inch meter	16.67	\$152.01	\$68.88
6 inch meter	33.33	\$304.02	\$137.75

An additional, a Water CIC Pumping charge of \$.10 per 1,000 gallons is charged and allocated to capital improvements for the DeLuz High Pressure service area and Toyon Heights zone. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10% annually.

## ARTICLE 21

Sec. 21.1 – Rev. 7/02  
Sec. 21.2-21.8.2 – Rev. 9/96  
Sec. 21.3 – Rev. 10/96  
Sec. 21.4 & 21.9 – Rev. 6/97  
Sec. 21.4 – Rev 7/02  
Sec. 21.9 – Rev. 10/97  
Sec. 21.9 – Rev. 6/04  
Sec. 21.9 – Rev. 1/05  
Sec. 21.1, 21.3, 21.4, 21.9 – Rev. 6/05  
Sec. 21.1, 21.2, 21.4, & 21.9 – Rev. 6/06  
Sec. 21.9, Flat Rate + Metered Flow – Rev. 7/06  
Sec. 21.9 (Flat Rate classification) – Rev. 10/06  
Sec. 21.4 (construction meters), Sec. 21.5 & Sec. 21.6 – Rev. 12/06  
Sec. 21.5 – Rev. 3/07  
Sec. Sec. 21.1, 21.2, 21.4, 21.10, 21.10.1 – Rev. 6/07  
Sec. 21.5 – Added 6/07  
Sec. 21.10.2 – Deleted 6/07  
Sec. 21.11 – Added 10/07  
Sec. 21.4.1 – Added 12/07; Sec. 21.7 renamed and addition of flow restrictors – Rev. 12/07  
Sec. 21.1, 21.2, 21.4, 21.5, 21.7, 21.10, and 21.11 – Rev. 6/08  
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2 (added), 21.5, 21.7, 21.10 (new table), 21.10.1, - Rev. 6/09  
Sec. 21.4, 21.10 – Rev. 12/09  
Sec. 21.6, 21.9 – Rev. 5/10  
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 – Rev. 6/10  
Sec. 21.9.1 (added) – Rev. 9/10  
Sec. 21.1, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 - Rev. 6/11  
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/12  
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/13  
Sec. 21.1, 21.2, 21.4, 21.5, 21.9.1, 21.10, 21.10.1 – Rev. 6/14  
Sec. 21.1, 21.2, 21.5 – Rev. 1/15  
Sec. 21.1, 21.2, 21.3, 21.4, 21.4.2, 21.5, 21.10, 21.10.1 Rev 6/15  
Sec. 21, 21.1 – Rev. 11/15  
Secs. 21, 21.2, 21.4, 21.5, 21.7, 21.10, 21.10.1 – Rev. 7/16  
Secs. 21, 21.1 - Rev. 12/16  
All Secs. – Rev. 12/17  
Sec. 21.3 – Rev. 6/18  
Secs. 21.1, 21.2, 21.3, 21.4, 21.9, 21.10, 21.10.1 – Rev. 12/18  
Sec. 21.3 – Rev. 6/19



**Resolution No. 4971 Making Pass-through  
Adjustments to the Readiness-to-Serve Charge**

**RESOLUTION NO. 4971**

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

\* \* \* \* \*

**WHEREAS**, the Fallbrook Public Utility District ("District") is a public utility district organized and operating pursuant to the Public Utility Districts Act, commencing with section 15501 of the California Public Utilities Code; and

**WHEREAS**, the District is authorized to fix and collect charges for the provision of services and facilities including water, recycled water, and wastewater services; and

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

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

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

**WHEREAS**, MWD has adopted a decrease in the RTS, and the CWA has adjusted the District's RTS charge effective July 1, 2019, as set forth in Exhibit A hereto; and

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

**WHEREAS**, the Board of Directors is authorized to amend Article 21 of the District's Administrative Code to reflect the Pass-through Adjustment proposed;

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



1. Incorporation of Recitals:

The Recitals set forth above are made findings of this Board of Directors and are incorporated herein and made an operative part of this Resolution.

2. Inconsistency with other Fees:

To the extent any Charges, including the drought rates and Pass-through Adjustments, established by this Resolution are inconsistent with the Charges, drought rates, or any other fee or charge previously adopted by the Board of Directors; it is the explicit intention of the Board of Directors that the Charges, including the drought rates and Pass-through Adjustments, adopted pursuant to this Resolution shall prevail.

3. Authorization:

The General Manager is hereby authorized and directed to take all actions necessary to implement and collect the Charges, including the drought rates and any Pass-through Adjustments, as set forth herein. The General Manager, or his or her authorized designee, is hereby authorized and directed to revise Article 21 of the District's Administrative Code as set forth in Exhibit B and as approved by the Board of Directors pursuant to this Resolution.

4. CEQA Compliance:

The Board of Directors finds that the administration, operation, maintenance, and improvements of the District's water, recycled water, and wastewater systems, which are to be funded by the Charges, including the drought rates and the Pass-through Adjustments, and set forth herein, are necessary to maintain service within the District's existing water, recycled water, and wastewater service areas as described herein. The Board of Directors further finds that the administration, operation, maintenance and improvements of the District's water, recycled water, and wastewater systems, to be funded by the Charges, including the drought rates and the Pass-through Adjustments, will not expand the District's water, recycled, and wastewater systems. The Board of Directors further finds that the adoption of the rates for the Charges, including the drought rates and the Pass-through Adjustments, is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District water, recycled water, and wastewater systems. Based on these findings, the Board determines that the adoption of the Charges, including the drought rates and the Pass-through Adjustments, established by this Resolution are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the District, 990 E Mission Rd, Fallbrook, CA 92028. The custodian for these records is the secretary of the District.

5. Severability:

If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

6. Effective Date of Resolution:

This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 17<sup>th</sup> day of June, 2019, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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

ATTEST:

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



## EXHIBIT A

### MONTHLY WATER MWD RTS

Monthly MWD RTS Charge (\$/meter size)	
Effective July 1, 2019	
Meter Size	MWD RTS
3/4"	\$2.05
1"	\$3.42
1 1/2"	\$6.83
2"	\$10.93
3"	\$21.87
4"	\$34.17
6"	\$68.33

**EXHIBIT B**

**REVISIONS TO ARTICLE 21 OF THE  
FALLBROOK PUBLIC UTILITY DISTRICT  
ADMINISTRATIVE CODE  
EFFECTIVE JULY 1, 2019**



**Article 21.**

**Water and Sewer Rates and Service Charges.**

Water and sewer rates and charges are set to fully recover the District's costs. In order to help stabilize the revenue of the District during increasing or decreasing sales, the District has established a policy to collect approximately 80% of the District's fixed water operating costs through the monthly fixed charges and collect the remaining approximately 20% of the District's fixed operating cost through volumetric water rates. The rates and charges are set based upon cost of service principals that meet legal requirements and industry standards.

Effective January 1, 2019, the following rates for water deliveries to each class of service are established:

Sec. 21.1 Volumetric Water, Recycled Water and Pumping Rates.

For purposes of determining water rates, one unit equals 1,000 gallons:

Domestic (D), Large Lot Domestic (LD).

1-5 units per month .....	\$5.96 per unit
6-30 units per month .....	\$6.05 per unit
Over 30 units per month .....	\$7.37 per unit

Commercial (C).

All usage .....	\$6.14 per unit
-----------------	-----------------

Multi-Unit (M) (Tier ranges factor residential units, per Article 19.1).

1 - 5 units per month .....	\$5.96 per unit
6 - 30 units per month .....	\$6.05 per unit
Over 30 units per month .....	\$7.37 per unit

Government (G).

All usage .....	\$6.04 per unit
-----------------	-----------------

Irrigation Only (I).

All usage .....	\$6.15 per unit
-----------------	-----------------

SAWR - Ag Only (AS).

All usage .....	\$4.42 per unit
-----------------	-----------------

SAWR - Ag & Home (AT).

1-5 units per month .....	\$5.96 per unit
6-20 units per month .....	\$5.12 per unit
Over 20 units per month .....	\$4.42 per unit

Commercial Ag (CA).

All usage .....	\$5.12 per unit
-----------------	-----------------

Commercial Ag Domestic (CB).

1-5 units per month .....	\$5.96 per unit
Over 5 units per month .....	\$5.12 per unit

Drought Rates

In order to prepare and manage future periods of water shortage and mandatory conservation, the District adopted a water shortage contingency plan called the Water Shortage Response Program (the "Program"). Pursuant to the Program, the District established four Water Shortage Response Levels. Article 26 Water Shortage Response Program provides information on the program and the applicable water use rates.

Volumetric Recycled Water Rate.

Recycled water furnished within the District service area for any appropriate purpose will be billed at \$5.10 per 1,000 gallons. Recycled water sold outside the District service area will be sold by contract with specific customers. For San Diego County Water Authority and Metropolitan Water District rebate purposes, reclaimed water rates must be set at higher of 85 percent of lowest applicable potable water rate or 80 percent of the average of Tier 1 and Tier 2 rates.

Construction Meter.

Water furnished for construction purposes will be billed at \$7.60 per 1,000 gallons.

Volumetric Pumping Charges. (DSA and Toyon only)

Pumping charges for the DeLuz High Pressure Service Area and Toyon Heights shall be furnished at \$0.73 per 1,000 gallons to recover the cost of electricity.

Sec. 21.2 Monthly Fixed Charges.

Effective January 1, 2019, the following rates and charges are established and shall be collected by the District for water and recycled water service:



Monthly Service Charges for each meter (\$/meter size):

	Water Fixed Charges	Recycled Water Charges	Standby Service Charge	Private Fire Services Charge
3/4 inch meter	\$46.75	\$20.98	\$20.98	NA
1 inch meter	\$71.37	\$28.41	\$28.41	NA
1-1/2 inch meter	\$132.88	\$46.97	\$46.97	NA
2 inch meter	\$206.71	\$69.24	\$69.24	\$10.19
3 inch meter	\$403.57	\$128.66	\$128.66	\$10.87
4 inch meter	\$625.05	\$195.50	\$195.50	\$12.04
6 inch meter	\$1,240.26	\$381.15	\$381.15	\$16.22
8 inch meter	NA	NA	NA	\$23.44

NA- Not applicable

For construction meters, a service charge of \$310.07 per month or fraction thereof will be made in addition to the cost of water consumed. This rate is calculated using a factor of 1.5 times the fixed charge for a 2" water meter.

The foregoing fixed charges for water service through various sized meters that are installed or upgraded will be effective commencing the day of installation, regardless of the amount of water used, as long as the consumer's property is actually connected with the District's distribution system. In addition, any request to down size a meter properly filed with the District will receive a fixed charge commensurate with the meter size effective the next billing cycle.

Billings for water furnished to all accounts will be on a monthly basis.

A monthly service charge to cover the District's cost for annual inspection, maintenance, repair and replacement of backflow prevention devices will be made as follows (\$/meter size):

For each 3/4 inch device	\$5.16
For each 1 inch device	\$6.07
For each 1-1/2 inch device	\$11.23
For each 2 inch device	\$13.47
For each 3 inch device	\$26.92
For each 4 inch device	\$42.06
For each 6 inch device	\$84.10

Sec. 21.3 MWD Readiness-to-Serve Charge (RTS) and SDCWA Infrastructure Access Charge (IAC).

Effective July 1, 2019, the following monthly charges are established and shall be collected by the District for the Metropolitan Water District of Southern California's Readiness-to-Serve (the "RTS") charge and San Diego County Water Authority's Infrastructure Access Charge (the "IAC").

Monthly charges for each meter (\$/meter size):

	RTS	IAC
3/4 inch meter	\$2.05	\$3.01
1 inch meter	\$3.42	\$5.03
1-1/2 inch meter	\$6.83	\$10.02
2 inch meter	\$10.93	\$16.04
3 inch meter	\$21.87	\$32.12
4 inch meter	\$34.17	\$50.18
6 inch meter	\$68.33	\$100.32

Sec. 21.4 Water Capital Improvement Charge.

For each water account, an additional \$9.12 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, 2019. This charge is solely dedicated to funding water capital improvement projects. The Water Capital Improvement Charge (the “CIC”) was implemented to provide a partial funding source for capital projects like the UV treatment facility at the Red Mountain Reservoir and to fund pipeline replacement projects.

Water Capital Improvement Charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, plus 3% not to exceed 10%. Staff will report back to the Board of Directors no less than every five (5) years with analysis of its necessity. The Capital Improvement Charge will be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

Fallbrook Public Utility District’s Equivalent Meter Unit (EMU) is associated with meter size as listed below.

Meter Size	FPUD EMU	Water CIC	Water CIC (Standby Service)
3/4 inch meter	1.0	\$9.12	\$4.14
1 inch meter	1.67	\$15.20	\$6.89
1-1/2 inch meter	3.33	\$30.40	\$13.78
2 inch meter	5.33	\$48.64	\$22.05
3 inch meter	10.67	\$97.29	\$44.08
4 inch meter	16.67	\$152.01	\$68.88
6 inch meter	33.33	\$304.02	\$137.75

An additional, a Water CIC Pumping charge of \$.10 per 1,000 gallons is charged and allocated to capital improvements for the DeLuz High Pressure service area and Toyon Heights zone. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10% annually.



Sec. 21.5 Billing Periods.

Billing periods end on the 10<sup>th</sup>, 20<sup>th</sup>, and 30<sup>th</sup> of the month depending on meter location in the District. All charges for water and sewer service and water usage during any billing period are due and payable when rendered and become delinquent on either the 10<sup>th</sup>, 20<sup>th</sup>, or 30<sup>th</sup> of the month, as noted on the bills. Bills paid prior to becoming delinquent will be credited with a discount. Accounts not paid by the delinquent date are sent special delinquent notices and the meters are subject to lock-up for non-payment. Delinquent accounts are subject to a pre lock-up notice implemented by a door hanger on the property, which is delivered a minimum of 48 hours before the meter is locked. Such accounts accrue a \$30 lock-up notice fee upon the District's preparation of the final pre lock-up notice report, regardless of when the actual door hanger is placed on the property. Accounts not paid within 30 days after lock-up and accounts that have tampered with the meter to obtain water illegally are subject to removal of meters and permanent disconnection of water service. Standby charges will continue to accrue after the meter has been removed.

If a meter has been locked for non-payment for a period of 90 days, it may be placed on Standby Service by FPU. Standby Service charges will accrue from that time until an application for service restoration has been received by the District.

The District must be notified in a timely manner with the name and mailing address of the new owner or tenant and the upcoming date of transfer. Notification of the transfer of property ownership, or tenancy, is the responsibility of the owner/seller. The District is not responsible for the proration of the final billing if notification is not received prior to the date of sale, or change of tenancy.

Sec. 21.6 Meter Locks and Restrictors.

If for any reason, other than District convenience, a water meter shall be locked by the District, the water may not be again turned on to serve the property through such meter until all past due charges plus a turn-on charge of Fifty Dollars (\$50) shall have been paid to the District. There shall be a fee of \$30 to process and deliver Pre-Lock Notices and a fee of \$100 for broken or damaged locks. Damage to corporation or angle stop in attempt to restore services locked for non-payment will be billed at actual time and material and added to the water bill.

If flow restrictors are required for any reason in order to implement policies within this Administrative Code, the fees are as follows:

<u>Meter Size</u>	<u>Installation Fee</u>
3/4" and 1" Meters .....	\$137
1-1/2" and larger .....	\$582

Sec. 21.7 Meter Not Registering.

Whenever, for any reason, a meter fails to register correctly, the consumer will be charged an amount for the previous billing period increased or decreased by the percentage change in total billing by the District for all consumers for the two billing periods.

Sec. 21.8 Water Rates or Service Charges Lien on Property.

In addition to any other remedy provided therein or by law for the collection of any water rate, charges or account, all rates or service charges provided for in this Administrative Code shall be charged and become a charge against the property on which the water is furnished and against the owner thereof, and all charges for water so served to a property shall be and become a lien against the premises upon which the water is used or served.

Standby accounts with a delinquent balance greater than \$500 as of April 1<sup>st</sup> of each year may be sent notification of intent to place delinquent and unpaid charges on the annual tax roll. The notification will be sent by May 1<sup>st</sup> and provides the customer 60 days to bring the account current. If the amount is not brought current by July 1<sup>st</sup>, the portion of the delinquency due as of the prior April 1<sup>st</sup> may be reported to the County Treasurer for inclusion on the annual taxes levied on the property.

If for any reason or cause the sums of money owing for such water services are not paid as required by the terms and provisions of this Administrative Code, the District shall have the right to shut off such water, and in no case shall service of water be resumed on the same property until all such delinquencies and additional turn-on charges shall have been paid in full. Delinquent bills from former owners or tenants are the responsibility of the present owner.

Sec. 21.8.1 Theft of Water.

Water is defined as stolen from the customer if the water is stolen from the customer's side of the meter. Water stolen from a mainline, hydrant, District pipeline, appurtenance, or tampering with a customer's meter is defined as water being stolen from the District.

Water Stolen from Customer.

Customers who have reported water theft to the District must also notify local law enforcement agencies. The District will require proof of theft from a law enforcement agency that a theft of water occurred. Customer's asking for credit on the bill for water theft will be processed by account type. If a full price M&I customer, the District may discount the estimated amount of water stolen and charge the District's wholesale cost of water for the amount stolen. An estimate of the amount of water stolen will be made by District staff using that customer's usage history. Water sold to agricultural customers, SAWR, and Commercial Ag/Commercial Ag Domestic, is sold at District cost so no discount may be applied. If the stolen water caused the customer's allocation bank to be adversely affected, the District will restore the estimated amount stolen to the customer's allocation bank. If the water theft resulted in an overuse penalty, the District will credit the penalty to the customer for the estimated amount of water stolen.

Water Stolen from District.

Any theft of water from the District will be reported to law enforcement agencies. If the theft is due to meter tampering, the customer will be



charged a \$250 fee for tampering with the meter plus time and materials to place the meter back into proper position. If a water theft from the District due to meter tampering occurs again on the same meter, the customer will be charged a \$500 fee for tampering and an item will be brought forward to the Board of Directors to consider discontinuance of service. An estimate of the amount of water stolen will be calculated and billed to the customer's account. Collection of said fees are subject to all District regulations regarding collection of past due accounts.

Sec. 21.9 Volumetric Wastewater Charges.

Wastewater service charges are established upon each property within the District that is connected to a sewer line of the District whether said premises are occupied or unoccupied. Volumetric Wastewater Charges are applied to estimated billable wastewater flows, which are based upon adjusted water deliveries. The charge per killogallon of wastewater flow is shown below:

User Class	Volumetric Wastewater Charge (\$/kgal)
Ag. Domestic	\$ 9.86
Commercial Ag. Domestic	\$ 9.86
Residential (Single , Multi-family)	\$ 9.86
Government	\$ 9.79
School	\$ 9.79
Church	\$ 9.79
Commercial – Low Strength*	\$ 9.79
Commercial – Medium Strength*	\$ 12.09
Commercial – High Strength*	\$ 15.09

Appendix A to this Article provides commercial effluent classification.

For the purpose of determining the billable wastewater flows, water deliveries must be converted to wastewater flows returned to the sewer system. To do this conversion, a Return to Sewer Factor is applied. The Return to Sewer factor adjusts the water received by the meter to the estimated flows from the residence or entity into the sewer system. The Return to Sewer Factor applied to the different customer classes are shown below:

Cusomer Class	Return to Sewer Factor
Residential (Multi-Family, Single Family)	75%
Non-Residential/Commercial	90%
Low / Medium / High	90%
Government	
Low / Medium / High	90%
Schools	80%
Churches	80%
Special	

Customer Class	Return to Sewer Factor
Low / Medium / High	100%
Special 10% RTS (1-10%)	
Low / Medium / High	10%
Special 20% RTS (11-20%)	
Low / Medium / High	20%
Special 30% RTS (21-30%)	
Low / Medium / High	30%
Special 40% RTS (31-40%)	
Low / Medium / High	40%
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%
Special 70% RTS (61-70%)	
Low / Medium / High	70%
Special 80% RTS (71-80%)	
Low / Medium / High	80%

Non-residential customers with higher outdoor are evaluated on a case by case basis.

For those Single Family Residences (D, LD, AT, CB), volumetric charges are calculated as follows:

1. The 2-year average winter use is calculated based upon prior year water deliveries that include December, January and February. The average used for wastewater billing is capped at 21.33 units.
2. 75% of this water is assumed to be returned to sewer/billable flow.
3. The Volumetric Wastewater Charge (\$/kgal) is applied to this flow.
4. Consumption analysis is performed annually. Appeal for consumption is available.
5. No prior history customer (new customer) will be placed at that customer class median of 5. For customers with at least one winter of use data, that data will be used for the their winter average.
6. Use must be > 0 unless customer is on standby.

For those Multi-Family Residences (M), volumetric charges are calculated as follows:

7. The average winter use is calculated based upon prior year water deliveries that include December, January and February.
8. 75% of this water is assumed to be returned to sewer/billable flow.
9. The Volumetric Wastewater Charge (\$/kgal) is applied to this flow.
10. Consumption analysis is performed annually. Appeal for consumption is available.
11. No prior history customer (new customer) will addressed on a case by case basis.

All other water customer classes (G, C, A,, AS, CA), with the exception of public elementary and public junior high schools:

1. Monthly sewer bill based on actual water sold.
2. The Return to Sewer factor applied to determine the billable flow. Appeals for irrigation and/or water usage which does not get returned to the sewer is available.



3. Customer is classified as high, medium, or low strength (based upon BOD and SS). See attached Appendix A. Appeal for strength classification is available.
4. The applicable Wastewater Volumetric Charge is applied to the billable flow.

Public elementary and public junior high schools:

1. Monthly sewer bill based on per person, per month charge.
2. The public elementary and / or public junior high school district to provide a report each October that documents the number of students and faculty at each site.
3. CY 2019 public elementary school rate is \$1.16 per student and \$1.69 per staff, per month.
4. CY 2019 public junior high school and administrative offices rate is \$1.69 per person, per month.
5. Rates to be increased by the overall percentage increase in wastewater revenues each year.

Sec. 21.10 Monthly Fixed Wastewater Charge.

For each sewer account, Effective January 1, 2019, the Monthly Fixed Wastewater Charge shall be \$9.70 per month per Equivalent Dwelling Unit (EDU). EDUs will be calculated per Administrative Code Sections 20.7.2, 20.7.3, or 20.7.4.

Sec. 21.10.1 Wastewater Capital Improvement Charge.

For each account, an additional \$11.53 per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge Effective January 1, 2019. This charge is dedicated to Wastewater Debt Service and Wastewater Capital Improvements. The Wastewater Capital Improvement Charge has been implemented to partially fund the debt service payments for upgrades to the Wastewater Treatment Plant. EDUs will be calculated per Administrative Code Sections 20.7.2, 20.7.3, or 20.7.4. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10%. Staff will report back to the Board of Directors every five (5) years with analysis of its necessity. The Capital Improvement Charge will only be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

**ARTICLE 21**

Sec. 21.1 – Rev. 7/02  
Sec. 21.2-21.8.2 – Rev. 9/96  
Sec. 21.3 – Rev. 10/96  
Sec. 21.4 & 21.9 – Rev. 6/97  
Sec. 21.4 – Rev 7/02  
Sec. 21.9 – Rev. 10/97  
Sec. 21.9 – Rev. 6/04  
Sec. 21.9 – Rev. 1/05  
Sec. 21.1, 21.3, 21.4, 21.9 – Rev. 6/05  
Sec. 21.1, 21.2, 21.4, & 21.9 – Rev. 6/06  
Sec. 21.9, Flat Rate + Metered Flow – Rev. 7/06  
Sec. 21.9 (Flat Rate classification) – Rev. 10/06  
Sec. 21.4 (construction meters), Sec. 21.5 & Sec. 21.6 – Rev. 12/06  
Sec. 21.5 – Rev. 3/07  
Sec. Sec. 21.1, 21.2, 21.4, 21.10, 21.10.1 – Rev. 6/07  
Sec. 21.5 – Added 6/07  
Sec. 21.10.2 – Deleted 6/07  
Sec. 21.11 – Added 10/07  
Sec. 21.4.1 – Added 12/07; Sec. 21.7 renamed and addition of flow restrictors – Rev. 12/07  
Sec. 21.1, 21.2, 21.4, 21.5, 21.7, 21.10, and 21.11 – Rev. 6/08  
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2 (added), 21.5, 21.7, 21.10 (new table), 21.10.1, - Rev. 6/09  
Sec. 21.4, 21.10 – Rev. 12/09  
Sec. 21.6, 21.9 – Rev. 5/10  
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 – Rev. 6/10  
Sec. 21.9.1 (added) – Rev. 9/10  
Sec. 21.1, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 - Rev. 6/11  
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/12  
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/13  
Sec. 12.1, 21.2, 21.4, 21.5, 21.9.1, 21.10, 21.10.1 – Rev. 6/14  
Sec. 21.1, 21.2, 21.5 – Rev. 1/15  
Sec. 21.1, 21.2, 21.3, 21.4, 21.4.2, 21.5, 21.10, 21.10.1 Rev 6/15  
Sec. 21, 21.1 – Rev. 11/15  
Secs. 21, 21.2, 21.4, 21.5, 21.7, 21.10, 21.10.1 – Rev. 7/16  
Secs. 21, 21.1 - Rev. 12/16  
All Secs. – Rev. 12/17  
Sec. 21.3 – Rev. 6/18  
Secs. 21.1, 21.2, 21.3, 21.4, 21.9, 21.10, 21.10.1 – Rev. 12/18  
Sec. 21.3 – Rev. 6/19



Low Strength

Soft Water Service  
 Office With Public Access  
 Car Wash  
 Veterinarian  
 Business Equipment Rental  
 Business Services – Other  
 Office (Finance, Insurance, etc.)  
 Office (No Public Access)  
 Office (Medical Services)  
 Personal Services (Other)  
 Photo & Portrait Studios  
 Manufacturing – Textile Mill Products  
 Schools  
 Laundromat – Public  
 Landscaping Services  
 Amusement & Recreation:  
 Indoor & Out  
 Auto Parking  
 Barber Shop  
 Beauty Shop  
 Church (No Kitchen)  
 Grocery Market (No Butcher or Baker)  
 Health Spa  
 Kennel  
 Malls/ Dept. Stores (No Food Svcs)  
 Manufacturing (Other)  
 Manufacturing (Apparel & Other Textiles)  
 Membership Organizations  
 Museum/Art Gallery  
 Nursery/Greenhouse  
 Office (Construction)  
 Massage Parlor  
 Retail Apparel and Accessory Store  
 Retail Bldg. (Materials & Gardening)

Retail (Packaged) Food (No Sewer Disposal)  
 Retail Furniture & Home Furnishings  
 General Merchandise – Retail/Wholesale  
 Retail Trade – Misc. (Except Food/Drink)  
 Storage, Warehouse & Outdoor  
 Studio/Recording Sound  
 Stage  
 Theater/Auditorium (No Food)  
 Convalescent Homes  
 Hospital  
 Other Health Services  
 Transp. & Utilities (SIC 400 through 489)  
 Agricultural Production  
 Agricultural Services – Other  
 Bar Without Restaurant  
 Restaurant – Preprocessed Only  
 Social Services

Medium Strength

Hotel (No Restaurant)  
 Prison with Food Service  
 Auto Repair (No Steam Cleaning)  
 Auto Service Station (No Steam Cleaning)  
 Agricultural Services – Animal  
 Auto/Vehicle Sales  
 Repair Services – Misc.  
 Manufacturing – Rubber/Plastic Products  
 Manufacturing – Instruments  
 Manufacturing – Fabricated Metal Products  
 Manufacturing – Transport Equipment

Laundromat, Commercial,  
 Transportation – Bus/Air Terminal  
 Malls/Shopping (Including Food Sales)  
 Manufacturing – Machine Shops  
 Manufacturing – Metal Industry  
 Manufacturing – Lumber & Wood Products  
 Manufacturing – Stone, Clay, Glass Products  
 Reproduction/Mailing Service  
 Hotel (With Restaurant)  
 Manufacturing – Paper/Containers  
 Manufacturing – Printing & Publishing  
 Laundry (Industrial)

High Strength

Agricultural Production – Livestock  
 Mortuary  
 Grocery (w/ Butcher or Baker)  
 Manufacturing – Baked Foods  
 Restaurant/Bar (w/ Food Preparation)  
 Manufacturing – Beverages  
 Manufacturing – Paint  
 Manufacturing – Other Chemical Products  
 Manufacturing – Dairy Products  
 Steam Cleaning – Auto  
 Manufacturing – Other Food Products  
 Septage

Compilation of Published Data on Sewer User Strength Classifications

User Classification Description	SIC Code	Proposed Strength (mg/l)			Percent of Single Family	Data Source
		BOD	SS	Weighted Average		
Strength Weighting Factor		50%	50%			
Residential Single Family	881	200	200	200	100%	SWRCB
<b>LOW STRENGTH CLASSIFICATION</b>						
<b>Low I Strength:</b>						
Soft Water Service	494	3	55	29	15%	SWRCB
Office With Public Access	738	80	80	80	40%	SWRCB
Car Wash	550	20	150	85	43%	SWRCB
Veterinarian	74	130	80	105	53%	Los Angeles
Business Equipment Rental	735	130	80	105	53%	Los Angeles
Business Services -- Other	730	130	80	105	53%	Los Angeles
Office (Finance, Insurance, etc.)	600	130	80	105	53%	Los Angeles
Office (No Public Access)	871	130	80	105	53%	SWRCB
Office (Medical Services)	807	130	80	105	53%	Los Angeles
Personal Services (Other)	720	130	80	105	53%	Los Angeles
Photo & Portrait Studios	722	130	80	105	53%	Los Angeles
Manufacturing - Textile Mill Products	220	115	115	115	58%	Metcalf & Eddy
Schools	821	130	100	115	58%	SWRCB
<b>Low II Strength:</b>						
Laundromat-Public	721	150	110	130	65%	SWRCB
Landscaping Services	70	150	150	150	75%	Los Angeles
Amusement & Recreation: Indoor & Out	790	150	150	150	75%	Los Angeles
Auto-Parking	752	150	150	150	75%	Los Angeles
Barber Shop	724	150	150	150	75%	Los Angeles
Beauty Shop	723	150	150	150	75%	Los Angeles
Church (No Kitchen)	866	150	150	150	75%	Los Angeles
Community Center (No Kitchen)	864	150	150	150	75%	Los Angeles
Grocery Market (No Butcher or Baker)	541	150	150	150	75%	Los Angeles
Health Spa	805	150	150	150	75%	Los Angeles
Kennel	75	150	150	150	75%	Los Angeles
Malls/Dept. Stores (No Food Svcs)	531	150	150	150	75%	SWRCB
Manufacturing (Other)	200	150	150	150	75%	Los Angeles
Manufacturing (Apparel & Other Textiles)	230	150	150	150	75%	Los Angeles
Manufacturing (Furniture)	250	150	150	150	75%	Los Angeles
Membership Organizations	860	150	150	150	75%	Los Angeles
Museum/ Art Gallery	840	150	150	150	75%	Los Angeles
Nursery/Greenhouse	526	150	150	150	75%	Los Angeles
Office (Construction)	150	150	150	150	75%	Los Angeles
Massage Parlor	805	150	150	150	75%	Los Angeles
Retail Apparel and Accessory Store	560	150	150	150	75%	Los Angeles
Retail Bldg. (Materials & Gardening)	320	150	150	150	75%	Los Angeles
Retail (Packaged) Food (No Sewer Disposal)	540	150	150	150	75%	Los Angeles
Retail Furniture & Home Furnishings	570	150	150	150	75%	LACSD
General Merchandise -- Retail/Wholesale	530	150	150	150	75%	SWRCB



Compilation of Published Data on Sewer User Strength Classifications

User Classification Description	SIC Code	Proposed Strength (mg/l)			Percent of Single Family	Data Source
		BOD	SS	Weighted Average		
Retail Trade – Misc. (Except Food/Drink)	590	150	150	150	75%	SWRCB
Storage, Warehouse & Outdoor	422	150	150	150	75%	Los Angeles
Studio/Recording Sound Stage	781	150	150	150	75%	Los Angeles
Theater/Auditorium (No Food)	780	150	150	150	75%	Los Angeles
<b>Low III (Residential) Strength:</b>						
Convalescent Homes	836	250	100	175	88%	SWRCB
Hospital	806	250	100	175	88%	SWRCB
Other Health Services	800	250	100	175	88%	SWRCB
Transp. & Utilities (SIC 400 through 489)	400	200	150	175	88%	Metcalf & Eddy
Agricultural Production	10	150	250	200	100%	Metcalf & Eddy
Agricultural Services - Other	70	250	150	200	100%	Metcalf & Eddy
Bar Without Restaurant	581	200	200	200	100%	SWRCB
Restaurant – Preprocessed Only	581	200	200	200	100%	Los Angeles
Social Services	830	200	200	200	100%	SWRCB
<b>MEDIUM STRENGTH CLASSIFICATION</b>						
<b>Medium I Strength:</b>						
Hotel (No Restaurant)	700	310	120	215	108%	SWRCB
Prison With Food Service	704	310	120	215	108%	Los Angeles
Auto Repair (No Steam Cleaning)	753	180	280	230	115%	SWRCB
Auto Service Station (No Steam Cleaning)	554	180	280	230	115%	SWRCB
Agricultural Services – Animal	75	350	150	250	125%	Metcalf & Eddy
Auto/Vehicle Sales	550	300	200	250	125%	Metcalf & Eddy
Repair Services – Misc.	760	250	250	250	125%	Metcalf & Eddy
Manufacturing – Rubber/Plastic Products	300	200	350	275	138%	Metcalf & Eddy
<b>Medium II Strength:</b>						
Manufacturing – Electric/Electronic Equip	360	300	350	325	163%	Metcalf & Eddy
Manufacturing - Instruments	380	300	350	325	163%	Metcalf & Eddy
Manufacturing – Fabricated Metal Products	340	300	350	325	163%	Metcalf & Eddy
Manufacturing – Transport Equipment	370	400	250	325	163%	Metcalf & Eddy
Laundromat, Commercial	721	450	240	345	173%	SWRCB
Transportation – Bus/ Air Terminal	417	350	350	350	175%	Metcalf & Eddy
<b>Medium III Strength:</b>						
Malls/Shopping (Including Food Sales)	541	400	400	400	200%	Los Angeles
Manufacturing – Machine Shops	350	290	550	420	210%	Los Angeles
Manufacturing – Metal Industry	330	290	550	420	210%	Los Angeles
Manufacturing – Lumber & Wood Products	240	431	431	431	216%	Los Angeles
Manufacturing – Stone, Clay, Glass Product	320	200	700	450	225%	Metcalf & Eddy
Reproduction/Mailing Service	733	500	400	450	225%	Metcalf & Eddy
Hotel (With Restaurant)	701	500	600	550	275%	SWRCB
Manufacturing – Paper/Containers	260	700	500	600	300%	Metcalf & Eddy
Manufacturing – Printing & Publishing	270	700	500	600	300%	Metcalf & Eddy
Laundry (Industrial)	721	670	680	675	338%	SWRCB

*Compilation of Published Data on Sewer User Strength Classifications*

User Classification Description	SIC Code	Proposed Strength (mg/l)			Percent of Single Family	Data Source
		BOD	SS	Weighted Average		
<b>HIGH STRENGTH CLASSIFICATION</b>						
<b>High I Strength:</b>						
Agricultural Production - Livestock	20	1,200	350	775	388%	Metcalf & Eddy
Mortuary	726	800	800	800	400%	SWRCB
Grocery (W/Butcher or Baker)	542	800	800	800	400%	SWRCB
Manufacturing -- Baked Foods	205	1,000	600	800	400%	SWRCB
Restaurant/Bar (W/Food Preparation)	581	1,000	600	800	400%	SWRCB
Manufacturing -- Beverages	208	1,500	300	900	450%	Metcalf & Eddy
Manufacturing -- Paint	285	1,300	1,100	1,200	600%	Metcalf & Eddy
Manufacturing -- Other Chemical Products	280	1,300	1,100	1,200	600%	Metcalf & Eddy
<b>High II Strength:</b>						
Manufacturing -- Dairy Products	202	2,369	922	1,646	823%	Los Angeles
Steam Cleaning -- Auto	754	1,150	2,150	1,650	825%	SWRCB
Manufacturing -- Other Food Products	209	2,213	1,453	1,833	917%	Los Angeles
<b>High III Strength:</b>						
Septage	495	5,400	12,000	8,700	4350%	SWRCB



## **Attachment D**

## Summary of significant changes in budgeted expense by Category

(See attached for location of each item in budget summary)

### Administrative Services

#### Office of the General Manager

- a. The budget has been reduced to reflect current level of spending.
- b. Reduction in Contractor Services based on updating based on actual costs for 3<sup>rd</sup> party software primarily Streamline (website) and water audit services provided by MRCD.
- c. Reduction in Materials/Services/Supplies based upon updated projected costs.
- d. Increase in Professional Services due to anticipated additional legal services for upcoming year.

#### Finance and Customer Services

- e. Reduction in Contractor Services is based on re-characterization of costs associated with billing such as fed-ex notifications, call services etc. into materials/services and supplies.
- f. Increase in professional services includes an update excel based rate model to ensure accurate projections.
- g. Increase in Memberships/Training/Permits is due to increased participation in regional customer service and finance related workgroups.

#### Warehouse and Purchasing

- h. Reduction in equipment (non-capital) and Materials/Services/Supplies is due to better allocation of these materials purchased through the warehouse into the appropriate enterprise (water/wastewater/recycled). Some of the increase in materials/services and supplies in those enterprises is off-set by this reduction. This makes sure the cost of materials used by an enterprise is fully allocated directly to that enterprise.
- i. Reduction in Utilities is due to better budget forecasting for this meter and improved performance of the solar array.

#### Human Resources

- j. Increase in Contractor Services is due to additional legal support services specific to Human Resources.

#### Information Management

- k. Reduction in Contractor services is based due to completion of the Springbrook accounting work.
- l. The increase aligns the projected expenditures with the budget.

#### Safety and Risk

- m. Increase in Contractor services is based on need for outside support to finalize emergency response plans, vulnerability study and complete training for the District for items such as wildfire response.



- n. Decrease in materials/services and supplies was decreased based on a better projection of actual costs.

## **Water Services**

### **Production and Distribution**

- o. Increase in Contractor Services is due to costs associated with services from a third parties being budgeted under contractor services instead of a spread between contractor services and materials/services and supplies. These costs include annual UV reactor maintenance, UPS maintenance and Pressure Reducing Valve service.
- p. Reduced Equipment budget is driven by actual expenditures.
- q. The increase in Membership/Training/Permits is due to the consolidation of permit expenditures into this Division.

### **Pipeline Maintenance & Construction**

- r. Increase in labor is due to increased labor allocation to this department to meet required repair work. Repair work needs have been higher than previously projected.
- s. Increase in Contractor services is due to allocation of paving costs under this item instead of materials/services and supplies.
- t. Reduction in membership/training/permits is due to permit related costs moving to Division 31.

### **System Services**

- u. Increase in Contractor Services is based on allocation of paving costs under this item. Paving for meter service related leaks was significantly under-budgeted in the past.

## **Wastewater Services**

### **Collections**

- v. Contractor Services increase is due to allocation of some costs from Information Services for existing software previously budgeted under information systems. These items include the software that manages the sewer camera system data and videos and monitors the district smartcovers. This is not new software just reallocation of costs from Information Systems.

### **Treatment**

- w. Increase in Equipment aligns the budget with actual expenditures better.
- x. Increase in Utilities is due to actual power costs. Targeted reduction was not able to be met and staff is still working to reduce power consumption but treatment needs has not allowed for projected reduction. Additional solar production will also be re-evaluated.

## **Recycled Water Services**

### **Production**

- y. Increase in Utilities is due to actual power costs. Targeted reduction was not able to be met and staff is still working to reduce power consumption but treatment needs has not allowed for projected reduction.

### Distribution

- z. Reduction in Contractor Services and utilities is due to determination that no budget is necessary for these items and Equipment/Materials/Services is adjusted down to better match projected expenditures.



**FPUD Expense Summary**  
**Fiscal Year 2019-20 Operating Budget**

Description	Div	FY 2017-18		FY 2018-19		FY 2019-20	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
<b>Administrative Services</b>							
<b>Office of the General Manager</b>	50						
<b>Labor Expenses:</b>							
Salaries		\$ 541,860	\$ 458,983	\$ 470,527	\$ 449,438		-2%
<b>Non-Labor Expenses:</b>							
Director Expenses			52,000	27,064	40,000		-23% a
Contractor Services			36,100	16,760	13,320		-63% b
Materials/Services/Supplies			75,600	70,941	52,800		-30% c
Professional Services			151,000	300,000	240,000		59% d
Memberships/Training/Permits			77,835	88,942	94,400		21%
Santa Margarita Watermaster			91,670	115,807	115,000		25%
<b>Total Non-Labor</b>		<u>\$ 399,884</u>	<u>\$ 484,205</u>	<u>\$ 619,514</u>	<u>\$ 555,520</u>		15%
				\$ 135,309			
<b>Division Operating Total</b>		<u>\$ 941,744</u>	<u>\$ 943,188</u>	<u>\$ 1,090,041</u>	<u>\$ 1,004,958</u>		7%
<b>Finance &amp; Customer Service</b>	53/54						
<b>Labor Expenses:</b>							
Salaries		\$ 660,684	\$ 675,656	\$ 633,450	\$ 671,504		-1%
<b>Non-Labor Expenses:</b>							
Contractor Services			127,120	26,876	14,000		-89% e
Equipment (Non Capital)			4,000	1,000	4,000		0%
Materials/Services/Supplies			71,300	190,646	193,200		171% e
Professional Services			105,150	106,252	145,500		38% f
Memberships/Training/Permits			1,500	1,308	3,000		100% g
Utilities			-	-	-		NA
<b>Total Non-Labor</b>		<u>\$ 459,115</u>	<u>\$ 309,070</u>	<u>\$ 326,082</u>	<u>\$ 359,700</u>		16%
<b>Division Operating Total</b>		<u>\$ 1,119,799</u>	<u>\$ 984,726</u>	<u>\$ 959,532</u>	<u>\$ 1,031,204</u>		5%
<b>Warehouse &amp; Purchasing</b>	60						
<b>Labor Expenses:</b>							
Salaries		\$ 203,748	\$ 166,563	\$ 164,476	\$ 162,550		-2%
<b>Non-Labor Expenses:</b>							
Contractor Services			105,200	114,217	108,000		3%
Equipment (Non Capital)			17,000	2,002	3,500		-79% h
Materials/Services/Supplies			154,100	110,066	80,450		-48% h
Professional Services			-	-	-		NA
Memberships/Training/Permits			-	162	1,000		NA
Utilities			58,300	47,660	40,000		-31% i
<b>Total Non-Labor</b>		<u>\$ 71,882</u>	<u>\$ 334,600</u>	<u>\$ 274,107</u>	<u>\$ 232,950</u>		-30%
<b>Division Operating Total</b>		<u>\$ 275,630</u>	<u>\$ 501,163</u>	<u>\$ 438,583</u>	<u>\$ 395,500</u>		-21%
<b>Human Resources</b>	70						
<b>Labor Expenses:</b>							
Salaries		\$ 217,769	\$ 212,081	\$ 237,878	\$ 169,083		-20%
<b>Non-Labor Expenses:</b>							
Contractor Services			12,200	26,848	43,200		254% j
Equipment (Non Capital)			-	-	-		NA
Materials/Services/Supplies			21,700	24,677	21,300		-2%
Professional Services			-	8,786	10,000		NA
Memberships/Training/Permits			98,311	91,556	91,450		-7%
Education Funding			-	-	30,000		NA
Utilities			-	-	-		NA
<b>Total Non-Labor</b>		<u>108,977</u>	<u>132,211</u>	<u>151,867</u>	<u>195,950</u>		48%
<b>Division Operating Total</b>		<u>\$ 326,746</u>	<u>\$ 344,292</u>	<u>\$ 389,745</u>	<u>\$ 365,033</u>		6%

**FPUD Expense Summary**  
**Fiscal Year 2019-20 Operating Budget**

Description	Div	FY 2017-18		FY 2018-19		FY 2019-20	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
<b>Administrative Services</b>							
<b>Information Management</b>	51						
<b>Labor Expenses:</b>							
Salaries		\$ 83,392	\$ 81,880	\$ 86,231	\$ 87,578		7%
<b>Non-Labor Expenses:</b>							
Contractor Services			122,450	109,696	28,150		-77% k
Equipment (Non Capital)			25,000	20,000	25,000		0%
Materials/Services/Supplies			118,200	133,389	149,800		27% l
Professional Services			-	-	-		NA
Memberships/Training/Permits			-	-	-		NA
Utilities			-	-	-		NA
<b>Total Non-Labor</b>		<u>\$ 257,247</u>	<u>\$ 265,650</u>	<u>\$ 263,085</u>	<u>\$ 202,950</u>		-24%
<b>Division Operating Total</b>		<u>\$ 340,639</u>	<u>\$ 347,530</u>	<u>\$ 349,316</u>	<u>\$ 290,528</u>		-16%
<b>Engineering Services</b>	52						
<b>Labor Expenses:</b>							
Salaries		\$ 547,378	\$ 670,293	\$ 509,303	\$ 570,334		-15%
<b>Non-Labor Expenses:</b>							
Contractor Services			2,500	1,000	2,500		0%
Equipment (Non Capital)			-	-	-		NA
Materials/Services/Supplies			66,300	56,864	67,500		2%
Professional Services			-	-	-		NA
Memberships/Training/Permits			-	1,237	1,200		NA
Utilities			-	-	-		NA
<b>Total Non-Labor</b>		<u>\$ 169,454</u>	<u>\$ 68,800</u>	<u>\$ 59,101</u>	<u>\$ 71,200</u>		3%
<b>Division Operating Total</b>		<u>\$ 716,832</u>	<u>\$ 739,093</u>	<u>\$ 568,404</u>	<u>\$ 641,534</u>		-13%
<b>Safety &amp; Risk</b>	57						
<b>Labor Expenses:</b>							
Salaries		\$ 160,702	\$ 186,300	\$ 154,904	\$ 205,226		10%
<b>Non-Labor Expenses:</b>							
Contractor Services			6,250	21,850	28,500		356% m
Equipment (Non Capital)			45,569	52,826	35,000		-23%
Materials/Services/Supplies			24,150	3,596	11,500		-52% n
Professional Services			265,000	265,000	270,000		2%
Memberships/Training/Permits			-	-	500		NA
Utilities			-	-	-		NA
<b>Total Non-Labor</b>		<u>\$ 81,683</u>	<u>\$ 340,969</u>	<u>\$ 343,272</u>	<u>\$ 345,500</u>		1%
<b>Division Operating Total</b>		<u>\$ 242,385</u>	<u>\$ 527,269</u>	<u>\$ 498,176</u>	<u>\$ 550,726</u>		4%
<b>Vehicle Services &amp; Shop</b>	65						
<b>Labor Expenses:</b>							
Salaries		105,018	166,143	107,382	196,485		18%
<b>Non-Labor Expenses:</b>							
Contractor Services			20,500	19,634	20,500		0%
Equipment (Non Capital)			-	-	-		NA
Materials/Services/Supplies			274,000	274,297	295,000		8%
Professional Services			-	-	-		NA
Memberships/Training/Permits			-	-	-		NA
Utilities			-	-	-		NA
<b>Total Non-Labor</b>		<u>\$ 331,755</u>	<u>\$ 294,500</u>	<u>\$ 293,931</u>	<u>\$ 315,500</u>		7%
<b>Division Operating Total</b>		<u>\$ 436,773</u>	<u>\$ 460,643</u>	<u>\$ 401,313</u>	<u>\$ 511,985</u>		11%
<b>Total Labor</b>		2,520,550	2,617,900	2,364,151	2,512,198		-4%
<b>Total Non-Labor Expenses</b>		1,879,997	2,230,005	2,330,959	2,279,270		2%
<b>Operating Total</b>		<u>\$ 4,400,548</u>	<u>\$ 4,847,905</u>	<u>\$ 4,695,110</u>	<u>\$ 4,791,468</u>		-1%
<b>Allocated Benefits Expenditures</b>		1,406,543	1,595,110	1,595,110	1,616,043		1%
<b>Total Budget</b>		<u>\$ 5,807,091</u>	<u>\$ 6,443,015</u>	<u>\$ 6,290,220</u>	<u>\$ 6,407,511</u>		-1%



**FPUD Expense Summary**  
**Fiscal Year 2019-20 Operating Budget**

Description	Div	FY 2017-18		FY 2018-19		FY 2019-20	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
<b>Water Services</b>							
<b>Production &amp; Distribution</b>	31						
<b>Labor Expenses:</b>							
Salaries		\$ 782,293	\$ 811,431	\$ 664,624	\$ 747,781		-8%
<b>Non-Labor Expenses:</b>							
Contractor Services			24,750	7,735	49,000		98% O
Equipment (Non Capital)			24,000	-	14,000		-42% P
Materials/Services/Supplies			290,300	221,651	217,000		-25%
Professional Services				-	-		NA
Memberships/Training/Permits			54,000	90,000	90,000		67% Q
Utilities			56,000	60,333	65,000		16%
<b>Total Non-Labor</b>		<u>586,290</u>	<u>\$ 449,050</u>	<u>\$ 379,719</u>	<u>\$ 435,000</u>		-3%
<b>Division Operating Total</b>		<u>\$ 1,368,583</u>	<u>\$ 1,260,481</u>	<u>\$ 1,044,343</u>	<u>\$ 1,182,781</u>		-6%
<b>Pipeline Maintenance &amp; Construction</b>	32						
<b>Labor Expenses:</b>							
Salaries		\$ 461,327	\$ 283,428	\$ 266,631	\$ 346,089		22% R
<b>Non-Labor Expenses:</b>							
Contractor Services			12,000	94,900	111,000		825% S
Equipment (Non Capital)				-	10,000		NA
Materials/Services/Supplies			120,000	51,557	32,000		-73% S
Professional Services				-	-		NA
Memberships/Training/Permits			60,000	-	500		-99% T
Utilities			-	-	-		NA
<b>Total Non-Labor</b>		<u>\$ 262,109</u>	<u>\$ 192,000</u>	<u>\$ 146,457</u>	<u>\$ 153,500</u>		-20%
<b>Division Operating Total</b>		<u>\$ 723,436</u>	<u>\$ 475,428</u>	<u>\$ 413,088</u>	<u>\$ 499,589</u>		5%
<b>System Services</b>	42						
<b>Labor Expenses:</b>							
Salaries		\$ 259,233	\$ 310,103	\$ 526,631	\$ 328,844		6%
<b>Non-Labor Expenses:</b>							
Contractor Services			28,350	196,245	136,000		380% U
Equipment (Non Capital)			-	962	-		NA
Materials/Services/Supplies			213,200	299,059	225,000		6%
Professional Services			-	-	-		NA
Memberships/Training/Permits			-	-	-		NA
Utilities			-	-	-		NA
<b>Total Non-Labor</b>		<u>231,487</u>	<u>\$ 241,550</u>	<u>\$ 496,266</u>	<u>\$ 361,000</u>		49%
<b>Division Operating Total</b>		<u>\$ 490,720</u>	<u>\$ 551,653</u>	<u>\$ 1,022,897</u>	<u>\$ 689,844</u>		25%
<b>Total Labor</b>		1,502,853	1,404,962	1,457,886	1,422,713		1%
<b>Total Non-Labor</b>		1,079,887	882,600	1,022,442	949,500		8%
<b>Operating Total</b>		<u>\$ 2,582,740</u>	<u>\$ 2,287,562</u>	<u>\$ 2,480,328</u>	<u>\$ 2,372,213</u>		4%
<b>Allocated Benefits Expenditures</b>		656,829	856,056	856,056	915,201		7%
<b>Total Direct Water Costs</b>		<u>\$ 3,239,569</u>	<u>\$ 3,143,618</u>	<u>\$ 3,336,384</u>	<u>\$ 3,287,415</u>		5%
<b>Allocation of Administrative Services</b>		3,077,758	4,144,338	4,144,338	4,100,807		-1%
<b>Total Budget</b>		<u>\$ 6,317,328</u>	<u>\$ 7,287,956</u>	<u>\$ 7,480,722</u>	<u>\$ 7,388,221</u>		1%

**FPUD Expense Summary**  
**Fiscal Year 2019-20 Operating Budget**

Description	Div	FY 2017-18		FY 2018-19		FY 2019-20	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt	
<b>Wastewater Services</b>							
<b>Collections</b>	31						
<b>Labor Expenses:</b>							
Salaries		\$ 446,613	\$ 410,267	\$ 462,756	\$ 434,419		6%
<b>Non-Labor Expenses:</b>							
Contractor Services			15,200	9,864	38,200		151% V
Equipment (Non Capital)			-	-	5,000		NA
Materials/Services/Supplies			168,930	142,170	152,300		-10%
Professional Services			-	-	-		NA
Memberships/Training/Permits			-	1,847	900		NA
Utilities			95,000	101,600	82,000		-14%
<b>Total Non-Labor</b>		<u>\$ 363,054</u>	<u>\$ 279,130</u>	<u>\$ 255,481</u>	<u>\$ 278,400</u>		0%
<b>Division Operating Total</b>		<u>\$ 809,667</u>	<u>\$ 689,397</u>	<u>\$ 718,237</u>	<u>\$ 712,819</u>		3%
<b>Treatment</b>	30						
<b>Labor Expenses:</b>							
Salaries		\$ 592,785	\$ 714,143	\$ 711,873	\$ 756,299		6%
<b>Non-Labor Expenses:</b>							
Contractor Services			163,900	80,331	164,000		0%
Equipment (Non Capital)			9,950	60,097	13,000		31% W
Materials/Services/Supplies			252,950	203,327	246,000		-3%
Professional Services			-	-	-		NA
Memberships/Training/Permits			56,500	65,162	65,000		15%
Utilities			148,500	276,381	252,000		70% X
<b>Total Non-Labor</b>		<u>\$ 777,638</u>	<u>\$ 631,800</u>	<u>\$ 685,298</u>	<u>\$ 740,000</u>		17%
<b>Division Operating Total</b>		<u>\$ 1,370,423</u>	<u>\$ 1,345,943</u>	<u>\$ 1,397,171</u>	<u>\$ 1,496,299</u>		11%
<b>Total Labor</b>		1,039,398	1,124,410	1,174,629	1,190,718		6%
<b>Total Non-Labor</b>		1,140,692	910,930	940,779	1,018,400		12%
<b>Operating Total</b>		<u>\$ 2,180,089</u>	<u>\$ 2,035,340</u>	<u>\$ 2,115,408</u>	<u>\$ 2,209,118</u>		9%
<b>Allocated Benefits Expenditures</b>		722,393	685,113	685,113	765,963		12%
<b>Total Direct Wastewater Costs</b>		<u>\$ 2,902,482</u>	<u>\$ 2,720,453</u>	<u>\$ 2,800,521</u>	<u>\$ 2,975,082</u>		9%
<b>Allocation of Administrative Services</b>		2,438,978	2,266,435	2,266,435	2,242,629		-1%
<b>Total Budget</b>		<u>\$ 5,341,460</u>	<u>\$ 4,986,888</u>	<u>\$ 5,066,956</u>	<u>\$ 5,217,710</u>		5%



**FPUD Expense Summary**  
**Fiscal Year 2019-20 Operating Budget**

Description	Div	FY 2017-18	FY 2018-19		FY 2019-20	% Change
		Actual	Budget	Projected	Budget	Bgt to Bgt
<b>Recycled Water Services</b>						
<b>Production</b>	30					
<b>Labor Expenses:</b>						
Salaries		\$ 236,425	177,936	133,398	159,229	-11%
<b>Non-Labor Expenses:</b>						
Contractor Services			19,800	17,865	17,500	-12%
Equipment (Non Capital)			10,000	15	8,000	-20%
Materials/Services/Supplies			118,650	132,856	112,000	-6%
Professional Services			-	-	-	NA
Memberships/Training/Permits			-	-	-	NA
Utilities			60,000	118,449	108,000	80% y
<b>Total Non-Labor</b>		<u>\$ 169,454</u>	<u>\$ 208,450</u>	<u>\$ 269,185</u>	<u>\$ 245,500</u>	18%
<b>Division Operating Total</b>		<u>\$ 405,879</u>	<u>\$ 386,386</u>	<u>\$ 402,583</u>	<u>\$ 404,729</u>	5%
<b>Distribution</b>	31					
<b>Labor Expenses:</b>						
Salaries		26,431	41,604	5,346	40,003	-4%
<b>Non-Labor Expenses:</b>						
Contractor Services			17,000	-	-	-100% z
Equipment (Non Capital)			-	-	-	NA
Materials/Services/Supplies			32,200	16,204	17,000	-47% z
Professional Services			-	-	-	NA
Memberships/Training/Permits			-	-	-	NA
Utilities			500	500	-	-100% z
<b>Total Non-Labor</b>		<u>\$ 47,640</u>	<u>49,700</u>	<u>16,704</u>	<u>17,000</u>	-66%
<b>Division Operating Total</b>		<u>\$ 74,071</u>	<u>\$ 91,304</u>	<u>\$ 22,050</u>	<u>\$ 57,003</u>	-38%
<b>Total Labor</b>		262,856	219,540	138,744	199,232	-9%
<b>Total Non-Labor</b>		217,094	258,150	285,889	262,500	2%
<b>Operating Total</b>		<u>\$ 479,950</u>	<u>\$ 477,690</u>	<u>\$ 424,633</u>	<u>\$ 461,732</u>	-3%
<b>Allocated Benefits Expenditures</b>		154,207	133,768	133,768	128,162	-4%
<b>Total Direct Recycled Water Costs</b>		<u>\$ 634,158</u>	<u>\$ 611,458</u>	<u>\$ 558,401</u>	<u>\$ 589,894</u>	-4%
<b>Allocation of Administrative Services</b>		290,355	64,755	64,755	64,075	-1%
<b>Total Budget</b>		<u>\$ 924,512</u>	<u>\$ 676,213</u>	<u>\$ 623,156</u>	<u>\$ 653,969</u>	-3%

## M E M O

**TO:** Board of Directors  
**FROM:** Mick Cothran, Engineering Technician *MC*  
**DATE:** June 17, 2019  
**SUBJECT:** Renew the Land Lease to Mission Resource Conservation District for the Fallbrook Community Garden

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Purpose

To approve the renewal of the updated land lease (Attachment A) between Fallbrook Public Utility District (FPUD) and Mission Resource Conservation District (MRCD) for the Fallbrook Community Garden.

Summary

The Fallbrook Community Garden is located on Alturas Rd, within the FPUD property south of the solar panels. The site is approximately one-half acre and currently has a water meter, basic plumbing, raised garden beds, and a garden shed. The Board approved this site as a Community Service Water User at the May 20, 2019 Board meeting, pending approval of the land lease between FPUD and MRCD.

Recommendation

That the Board authorize the General Manager to execute attached lease agreement with MRCD.

## **Attachment A**



## GROUND LEASE

### Preamble-Parties and Leasing

FALLBROOK PUBLIC UTILITY DISTRICT, a Public Agency, 990 East Mission Road Fallbrook, California, (hereafter referred to as "Lessor"), hereby leases to Mission Resource Conservation District (hereafter referred to as "Lessee)," the land and premises ~~commonly referred to as \_\_\_\_\_~~ located along South Alturas Road, west of Ali Way, Fallbrook, California, consisting of approximately .58 acres (hereafter called the "premises"), in the County of San Diego, State of California, depicted on the plat (Exhibit "B" attached hereto and made a part hereof) described as follows:

See legal description (attached hereto and marked Exhibit "A" and made a part hereof) on the following terms and conditions.

### ARTICLE 1. TERM OF LEASE

#### Fixed Term

Section 1.01. The term of this lease shall be a period of five (5) years commencing ~~May 24, 2011~~ June 17, 2019, unless sooner terminated in accordance with this lease. Lessee may request renewals of this lease, which may be granted in the sole discretion of Lessor.

### ARTICLE 2. RENT

#### Basic Rent

Section 2.01. Lessee agrees to pay to Lessor monthly the basic guaranteed rental for the use and occupancy of the premises in the following amounts:

(1) In the amount of \$1.00 (one dollar) per year commencing ~~May 24, 2011~~ June 17, 2019.

### **Place for Payment of Rent**

Section 2.02. All rent that becomes due and payable under this lease shall be paid to Lessor at the office of Lessor at 990 E. Mission Road, Fallbrook, California, or any other place or places that Lessor may designate by written notice to Lessee.

## **ARTICLE 3. USE OF PREMISES**

### **Principal Use**

Section 3.01. It is expressly understood and agreed that Lessee is leasing said premises as vacant and unimproved land with the express intention of developing said premises, either alone or in conjunction with adjoining lands that may now or hereafter be acquired by Lessee either in fee or in leasehold estate, by constructing, maintaining, and operating thereon the Community Garden. Any other lawful activities shall require the written consent of Lessor. Unlawful activities are not permitted. No on-site sales are permitted.

### **Only Lawful Uses Permitted**

Section 3.02. Lessee shall not use or permit said premises or any portion of said premises to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of any valid law, ordinance, or regulation of any federal, state, county, or local governmental agency, body, or entity. Furthermore, Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance as now or hereafter defined by any statutory or decisional law applicable to said premises on said premises or any part of said premises. Lessee warrants that he is licensed to conduct these activities.



## ARTICLE 4. TAXES AND UTILITIES

### Tax Hold-Harmless Clause

Section 4.01. Lessee shall indemnify and hold Lessor and the property of Lessor, including said premises and any improvements now or hereafter on said premises, free and harmless from any liability, loss, or damage resulting from any taxes, assessments, or other charges required by this Article to be paid by Lessee and from all interests, penalties, and other sums imposed thereon and from any sales or other proceedings to enforce collection of any such taxes, assessments, or other charges.

### Utilities

Section 4.02. Lessee shall pay or cause to be paid, and hold Lessor and the property of Lessor including said premises free and harmless from, all charges for the furnishing of ~~potable water, including meter costs~~ electricity, sanitation, refuse removal, and other appropriate utilities, if any, to said premises during the term of this lease.

~~Should Lessee require p~~Additionally, as this lease accomplishes a public purpose by achieving water conservation goals and providing other benefits to the community, FPUD shall provide Ppotable water service to the site without cost to lessee, and the costs of such potable water services will be paid by FPUD from , for whatever reason, ~~Lessor will make available an existing meter on or adjacent to the site that is currently in use~~ will be provided to the site by FPUD FPUD's unrestricted or otherwise legally available funds. .-As a Community Service Water User, lessee is not required to pay the monthly Water Fixed Service Charge, Capital Improvement Charge, and Backflow Device Charge, and is granted a water allotment of two-acre feet per year. Water use will be accounted for at the end of each fiscal year, and any water used in excess will



be billed at the normal "Irrigation" rate. The Lessee will be responsible for complying with cross-connection/backflow policies of the District where fertilizers are used on the property. This lease shall not give Lessor any greater rights to a public water supply than the public generally.

### **Payment by Lessor**

Section 4.03. Should Lessee fail to pay within the time specified in this Article any taxes, assessments, or other charges required by this Article to be paid by Lessee, Lessor may, without notice to or demand on Lessee, pay, discharge, or adjust such tax, assessment, or other charge for the benefit of Lessee. In such event, Lessee shall promptly on written demand of Lessor reimburse Lessor for the full amount paid by Lessor in paying, discharging, or adjusting such tax, assessment, or other charge together with interest thereon at the rate of 10 percent (10%) per annum from the date of payment by Lessor until the date of repayment by Lessee. Where no time within which any charges required by this Article to be paid by Lessee is specified in this Article, such charge must be paid by Lessee before it becomes delinquent.

### **ARTICLE 5. CONSTRUCTION BY LESSEE**

Section 5.01. Lessee shall, at Lessee's sole cost and expense, construct or cause to be constructed on said premises the necessary land preparations, irrigation systems, plants, fencing and all other necessary supplies and equipment required for growing fruits and vegetables. Fencing of Lessee's facilities is required subject to approval by Lessor.

### **Cultivation/Environmental Practices**

Section 5.02. A) Irrigation. Irrigation will be applied by low water-use

application technology, including but not limited to, high efficiency irrigation emitters ~~irrigation tape~~ and drip lines. The Lessee will prepare an irrigation plan for Lessor's approval prior to installation. Runoff from the site due to irrigation practice will not be permitted.

B) Nutrient Application. All fertilizer and growth aids to be applied will be applied using injection application technology. Nitrogen application shall be limited to no deeper than the root zone and migration off-site will not be permitted. Nutrient management procedure shall comply with the Natural Resource Conservation Service (NRCS) Conservation Practices Standard, current edition, available locally from the Lessor or the Mission Resource Conservation District. (MRCD).

C) Pesticide and Herbicide Use. The Lessee will prepare for the Lessor's approval a list of proposed pesticides and herbicides to be used, including specific materials, schedules of application, and application rates. Pre-emergent herbicides will not be permitted. Pest management practices shall comply with the NRCS Conservation Practices Standard for Pest Management, current edition, available from the Lessor or the MRCD.

Pesticides used must have a surface loss potential of medium or less and a leaching potential of small as determined from the Escondido Field Office of the Soil Conservation Service's Technical Guide of January 1989, available from the Lessor.

D) Cultivation practices shall minimally impact the environment. As such, the number of Lessee's employees on the property at any one time shall not exceed five (5). Lessee's trucks shall not exceed ten (10) wheels and delivery trucks; tractors shall be wheeled.

### **Mechanic's Liens**

Section 5.03. At all times during the term of this lease, Lessee shall keep said premises and all building and improvements now or hereafter located on said premises free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to said premises.

### **Ownership of Improvements**

Section 5.04. Any and all improvements placed or erected on said premises as part of said improvements made or placed in or on said premises by Lessee or any other person, except temporary fencing shall be considered part of the real property of said premises and on expiration or sooner termination of this lease shall remain on said premises and become the property of Lessor.

## **ARTICLE 6. REPAIRS AND RESTORATION**

### **Maintenance by Lessee**

Section 6.01. At all times during the term of this lease Lessee shall, at Lessee's own cost and expense, keep and maintain said premises and all improvements now or hereafter on said premises as well as all facilities now or hereafter appurtenant to said premises in good order and repair and in a safe and clean condition. Furthermore, Lessee shall, at Lessee's own cost and expense, maintain at all times during the term of this lease the whole of said premises as well as any improvements, landscaping, or facilities thereon in a clean, sanitary, and orderly condition.

## **ARTICLE 7. INDEMNITY AND INSURANCE**

### **Indemnity Agreement**

Section 7.01. [1]Lessee shall indemnify and hold harmless and defend



Lessor, its directors, employees, agents, or volunteers, and each of them, from and against any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind and nature whatsoever for, but not limited to, injury to or death of any person including Lessor and/or Lessee, or any directors, officers, employees, agents, invitees or volunteers of Lessor or Lessee, and damages to or destruction of property of any person, including but not limited to, Lessor and/or Lessee and their directors, officers, employees, agents, invitees or volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, regardless of any negligence of Lessor or its directors, officers, employees, agents or volunteers, except the sole negligence or willful misconduct or active negligence of Lessor or its directors, officers, employees, agents or volunteers.

Any and all actions, proceeds, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of Lessee.

Lessee shall defend, at Lessee's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Lessor or Lessor's directors, officers, employees, agents or volunteers.

Lessee shall pay and satisfy any judgment, award or decree that may be rendered against Lessor or its directors, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding.

Lessee shall reimburse Lessor and its directors, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

### **Liability Insurance**

Section 7.02. Limits[2]. The Lessee shall maintain limits no less than the following:

A) General Liability - Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2501 or insurer's equivalent endorsement provided to the Lessor) or the general aggregate limit shall be twice the required occurrence limit.

B) Automobile Liability - One million dollars (\$1,000,000) per accident for bodily injury and property damage combined Single limit.

Section 7.03. Required Provisions - The general liability and automobile liability policy shall contain, or be endorsed to contain, the following provisions:

A) The Lessor, its directors, officers, employees, agents and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Lessee, products and completed operations of the Lessee; premises owned, occupied or used by the Lessee; or automobiles owned, leased, hired or borrowed by Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the Lessor, its directors, officers, employees, agents and

volunteers.

B) For any claims related to this project, the Lessee's insurance shall be primary insurance as respects the Lessor, its directors, officers, employees, agents and volunteers. Any insurance or self-insurance maintained by the Lessor, its directors, officers, employees, agents and volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

C) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Lessor, its directors, officers, employees, agents and volunteers.

D) The Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Lessor. Such liability insurance shall indemnify the Lessee and his sub-lessees against loss from liability imposed by law upon, or assumed under contract by, the Lessee or his sub-lessees for damages on account of such bodily injury (including death), property damage, personal injury and completed operations and products liability. Such insurance shall be provided on a policy form written by underwriters through an agency satisfactory to the Lessor, which includes a cross-liability clause and covers bodily injury and property damage liability, owned and non-owned vehicles and equipment, blanket contractual liability and completed operations liability. Such liability insurance shall include explosion,



collapse, underground excavation and removal of lateral support. The Lessor, its directors, officers, employees, agents and volunteers shall be named as additional primary insured on any such policies. An additional insured endorsement (ISO CG 2010 or equivalent) (modified to include provisions 1-5 above) and a certificate of insurance (Accord Form 25-S or equivalent), shall be provided to the Lessor.

Section 7.04. Deductible and Self-Insured Retentions - Any deductible or self-insured retention must be declared to and approved by the Lessor. At the option of the Lessor, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Lessor, its directors, officers, employees, agents and volunteers; or the Lessee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Section 7.05. Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best's rating of no less than A:VII or equivalent.

Section 7.06. Workers' Compensation and Employer's Liability Insurance - The Lessee and all sub-lessees shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the site, regardless of whether such coverage or insurance is mandatory or merely elective under the law, and the Lessee shall defend, protect and save harmless the Lessor, its directors, officers, employees, agents and volunteers from and against all claims, suits, and actions arising from any failure of the Lessee or any sub-lessee to maintain such insurance. Before beginning work, Lessee shall furnish to the Lessor satisfactory proof that he has taken out for the period covered by the work under this lease, full compensation insurance for all persons employed directly by him or through sub-

lessees in carrying out the work contemplated under this lease, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof.

The Lessee shall provide employer's liability insurance in the amount of at least one million dollars (\$1,000,000) per accident for bodily injury and disease.

The Lessee shall provide the Lessor with a certificate of Workers' Compensation and Employer's liability insurance coverage.

Section 7.07. Evidence and Cancellation of Insurance - Prior to taking possession under this Lease, Lessee shall file with the Lessor evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative and certificate of insurance (Accord Form 25-S or equivalent). All evidence of insurance shall be certified by a properly authorized officer, agent or qualified representative of the insurer and shall certify the name of the insured, any additional primary insurers, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, the expiration date, and that the insurer will give by certified mail, written notice to the Lessor, at least thirty (30) days prior to the effective date of any cancellation, lapse or material change in the policy.

The Lessee shall, upon demand of the Lessor, deliver to the Lessor all such policy or policies of insurance and the receipts for payment of premiums hereon; and should the Lessee neglect to obtain and maintain in force any such insurance or deliver such policy or policies and receipts to the Lessor, then it shall be lawful for the Lessor to

obtain and maintain such insurance, and the Lessee hereby appoints the Lessor his true and lawful attorney-in-fact to do all things necessary for this purpose. All money paid by the Lessor for insurance premiums under the provisions of this Article shall be charged to the Lessee.

## **ARTICLE 8. ASSIGNMENT AND SUBLEASING**

### **No Assignment or Sublease Without Lessor's Consent**

Section 8.01. Lessee shall not assign or otherwise transfer this lease, any right or interest in this lease, or any right or interest in said premises or any of the improvements that may now or hereafter be constructed or installed on said premises without the express written consent of Lessor first had and obtained. Any assignment or transfer by Lessee without the prior written consent of Lessor, whether it is voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Lessor, terminate this lease. A consent by Lessor to one assignment shall not be deemed to be a consent to any subsequent assignment of this lease by Lessee. The consent of Lessor to any assignment of Lessee's interest in this lease, however, shall not be unreasonably withheld.

## **ARTICLE 9. DEFAULT AND TERMINATION<sup>[3]</sup>**

### **Abandonment by Lessee**

Section 9.01 . Should Lessee breach this lease and abandon said premises prior to the natural expiration of the term of this lease, Lessor may continue this lease in effect by not terminating Lessee's right to possession of said premises, in which event Lessor shall be entitled to enforce all Lessor's rights and remedies under this



lease including the right to recover the rent specified in this lease as it becomes due under this lease.

### **Termination for Breach by Lessee**

Section 9.02. All covenants and agreements contained in this lease are declared to be conditions to this lease and to the term hereby demised to Lessee. Should Lessee default in the performance of any covenant, condition, or agreement contained in this lease and the default not be cured within sixty (60) days after written notice of the default is served on Lessee by Lessor, then Lessor may terminate this lease and:

(A) Bring an action to recover from Lessee:

- (1) The worth at the time of award of the unpaid rent, which had been earned at the time of termination of the lease;
- (2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination of the lease until the time of award exceeds the amount of rental loss that Lessee proves could have been reasonably avoided;
- (3) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Lessee proves could be reasonably avoided; and
- (4) Any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform his obligations under this lease; and

(B) Bring an action, in addition to or in lieu of the action described in

subparagraph (1) of this section, to reenter and regain possession of said premises in the manner provided by the laws of unlawful detainer of the State of California then in effect.

### **Insolvency of Lessee**

Section 9.03. Should Lessee become insolvent as defined in this section, Lessor may, by giving thirty (30) days' written notice to Lessor or to the person appointed to manage Lessee's affairs at the address for such person appearing in the official records of the court that appointed him, terminate this lease and forfeit Lessee's interest in said premises and in any improvements or facilities in, on, or appertaining to said premises. For purposes of this section, Lessee shall be conclusively presumed to have become insolvent if Lessee:

- (A) Has a receiver appointed to take possession of all or substantially all of Lessee's property because of insolvency;
- (B) Makes a general assignment for the benefit of creditors; or
- (C) Allows any judgment against Lessee to remain unsatisfied and unbonded for a period of thirty (30) days or longer.

### **Cumulative Remedies**

Section 9.04. The remedies given to Lessor in this Article shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this lease.

### **Waiver of Breach**

Section 9.05. The waiver by Lessor of any breach by Lessee of any of the provisions of this lease shall not constitute a continuing waiver or a waiver of any

subsequent breach by Lessee either of the same or a different provision of this lease.

### **Surrender of Premises**

Section 9.06. On expiration or sooner termination of this lease, Lessee shall surrender said premises, all improvements in or on said premises, all facilities in any way appertaining to said premises, to Lessor in as good, safe, and clean condition as practicable, reasonable wear and tear excepted.

Section 9.07. Termination Due to Change of Use - Lessor may terminate this lease upon ninety (90) days written notice to Lessee should the land be required for waste treatment, environmental protection or other requirements related to Lessor's waste treatment and disposal activities on the property.

## **ARTICLE 10. MISCELLANEOUS**

### **Attorney's Fees**

Section 10.01. Should any litigation be commenced between the parties to this lease concerning said premises, this lease, or the rights and duties of either in relation thereto, to party, Lessor or Lessee, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum as and for his attorney's fees in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

### **Notices to Lessor**

Section 10.02. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this lease or by law to be served on or given to Lessor by Lessee or any Lender described in Article 6 of this lease shall be in writing and shall be deemed duly served and given when personally



delivered to Lessor, to any managing employee of Lessor, or, in lieu of such personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Lessor at 990 East Mission Road, Fallbrook, California 92028. Lessor may change Lessor's address for the purpose of this section by giving written notice of such change to Lessee in the manner provided in Section 10.03 whereupon Lessee shall transmit a copy of such notice to any Lender described in Article 6 of this lease.

### **Notices to Lessee**

Section 10.03. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this lease or by law to be served on or given to Lessee by Lessor shall be in writing and shall be deemed duly served and given when personally delivered to Lessee, any managing employee of Lessee, or, in lieu of such personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Lessee at ~~1826 South Alturas Street, 130 East Alvarado Street~~, Fallbrook, California 92028. Lessee may change his address for the purpose of this section by giving written notice of such change to Lessor in the manner provided in Section 10.02 of this lease.

### **Governing Law**

Section 10.04. This lease, and all matters relating to this lease, shall be governed by the laws of the State of California in force at the time any need for interpretation of this lease or any decision or holiday concerning this lease arises.

### **Binding on Heirs and Successors**

Section 10.05. This lease shall be binding on and shall inure to the benefits of the heirs, executors, administrators, successors, and assigns of the parties hereto,

Lessor and Lessee, but nothing in this section shall be construed as a consent by Lessor to any assignment of this lease or any interest therein by Lessee except as provided in Article 8 of this lease.

### **Sole and Only Agreement**

Section 10.06. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting said premises, the leasing of said premises to Lessee, the construction of the said project described in this lease on said premises, or the lease terms herein specified, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting said premises, their leasing to Lessee by Lessor, or any other matter discussed in this lease not expressly set forth in this instrument are null and void.

### **Memorandum of Lease for Recording**

Section 10.07. Neither party, Lessor or Lessee, shall record this lease without the written consent of the other. However, Lessor and Lessee shall, at the request of either at any time during the term of this lease, execute a memorandum or "short form" of this lease for purposes of, and in a form suitable for, being recorded. The memorandum or "short form" of this lease shall describe the parties, Lessor and Lessee, set forth a description of the leased premises, specify the term of this lease, and shall incorporate this lease by reference.

EXECUTED on \_\_\_\_\_, 2019, at Fallbrook, San Diego County, California.

LESSOR:

Mission Resource Conservation District

By: \_\_\_\_\_

LESSEE:

Fallbrook Public Utility District

By: \_\_\_\_\_



## EXHIBIT 'A'

THAT PORTION OF LOT 4 OF FRACTIONAL SECTION 25, TOWNSHIP 9 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO RECORD OF SURVEY MAP NUMBER 1925 RECORDED AUGUST 10<sup>TH</sup>, 1948 AT THE COUNTY RECORDERS OFFICE, SAN DIEGO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID LOT 4 OF FRACTIONAL SECTION 25, THENCE ALONG THE CENTERLINE OF ALTURAS ROAD NORTH 0°04'50" EAST 693.87 FEET, THENCE NORTH 89°59'39" WEST 37.40 FEET TO A SET POINT ON FALLBROOK PUBLIC UTILITY DISTRICT LAND RECORDED IN 1971 ON PAGE NUMBER 73942 IN THE OFFICE OF RECORDERS, SAN DIEGO COUNTY, STATE OF CALIFORNIA, SAID POINT BEING THE **TRUE POINT OF BEGINNING**, THENCE NORTH 89°42'17" WEST 95.94 FEET, THENCE NORTH 2°52'13" WEST 196.23 FEET, THENCE NORTH 33°47'31" EAST 64.74 FEET, THENCE NORTH 84°56'56" EAST 74.65 FEET, THENCE SOUTH 1°01'37" WEST 256.92 FEET TO THE **TRUE POINT OF BEGINNING**.

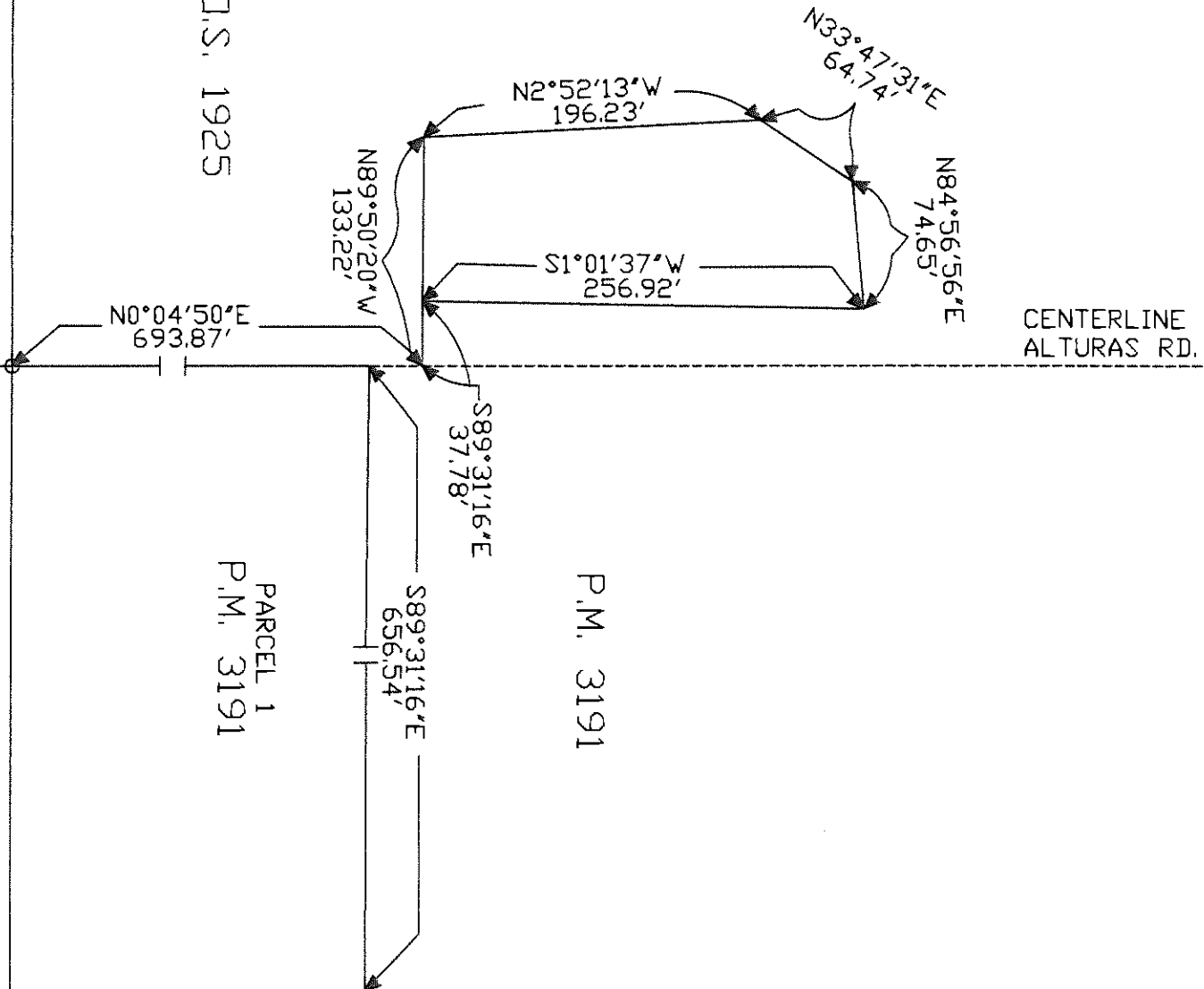
**PARCEL CONTAINS +/- 25,317.35 SQUARE FEET OR .58 ACRES**

EXHIBIT "B"

SCALE: 1" = 100'



R.O.S. 1925



**M E M O**

**TO:** Board of Directors  
**FROM:** Fiscal Policy & Insurance Committee  
**DATE:** June 17, 2019  
**SUBJECT:** Policy for Inter Fund Transfers

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Purpose

Discuss the draft policy governing the transfer of funds from one enterprise to another.

Summary

The Fiscal Policy & Insurance Committee met on May 23, 2019, to review the District's policy for Inter Fund Transfers. The revised policy is provided as Attachment A.

Recommended Action

That the Board approve the attached Inter Fund Transfer Policy.

Attachment A - Inter Fund Transfer Policy



## **Attachment A**

<b>FALLBROOK PUBLIC UTILITY DISTRICT</b>	<b>Standard Policy</b>			
	Drafted by:	CFO/General Manager		
	Original Date:			
	Revision Date:			
Inter Fund Transfer Policy	Review by	1 _____	2 _____	3 _____
	department:	4 _____	5 _____	6 _____
	Approved by:	General Manager		
<b>Purpose:</b> Establish the restriction on the transfer of funds from one enterprise to another. <ul style="list-style-type: none"> <li>Ensures that cost of service principles are met by eliminating any cross subsidization of costs by another Enterprise.</li> </ul>				
<b>Personnel:</b> Accounting and Supervisors				
<b>Policy:</b>  <u><b>General Policy</b></u> The goal of this policy is to conform to cost of service principles and restrict the use of Inter Fund Transfers (Transfers), which are transfers from one Enterprise to another. Any Transfer would be approved by the Board and structured as a loan from one Enterprise to another. At the time of the loan, the Board would approve the loan amount, interest rate, term and payment schedule ensuring that the full cost of the loan is paid by the Enterprise needing the loan to the Enterprise making the loan.  <u><b>Definitions</b></u> <b>Enterprise:</b> This refers to the District's distinct services and includes Water, Recycled Water and Wastewater.  <b>Inter Fund Transfer:</b> This refers to the transfer from one Enterprise to another Enterprise. For example a transfer of funds from Water to Wastewater.				

## M E M O

**TO:** Board of Directors  
**FROM:** Personnel Committee  
**DATE:** June 17, 2019  
**SUBJECT:** Consider Approval of Memoranda of Understanding (MOUs) with FPUDEA and FMEA (effective July 1, 2019-June 30, 2022); and Approval of Amended Salary Schedule (effective July 1, 2019) for all District employees except the General Manager by adoption of Resolution No. 4973

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Purpose

The Personnel Committee met with staff to review the proposed 2019-2022 MOUs, both of which include the terms as mutually agreed upon during the meet and confer process and other changes to existing language to help clarifying and/or ensure consistency with current practices. While a red-lined (i.e., tracked changes) version of each MOU was not included due to the extensive reformatting that was done, a summary was provided as a guide to highlight the most substantive changes. A copy of the 2015-2018 MOU was also provided for reference.

Summary

Over the last several months the Board has engaged in negotiations with its two labor groups, Fallbrook Public Utility District Employees' Association (FPUDEA) and the Fallbrook Public Utility District Management Employees' Association (FMEA), pursuant to the provisions of the Meyers-Miliias-Brown Act, Government Code section 3500 et seq. Both FPUDEA and FMEA ratified the respective draft MOUs on June 12, 2019. The draft MOUs are presented to the Board for approval.

The following is a summary of the material modifications to the two MOUs:

MOU with FPUDEA:

- Three year term commencing on July 1, 2019 and ending on June 30, 2022
- COLA Annual COLA Adjustments effective on the beginning of the pay period which includes the below listed dates as follows:
  - July 1, 2019: 2.0% increase\*
  - July 1, 2020: 2.5% increase
  - July 1, 2021: 3.0% increase

\*The pay ranges for the following positions will be increased an additional 3% effective on the beginning of the pay period which includes July 1, 2019:



- Systems Operator I/II
  - Utility Technician
  - GIS Coordinator
- Creation of an Educational Plan fund designated for continuing education for FPUDEA employees. The District will fund \$30,000 on or around July 1st of each year of the MOU towards the Educational Plan Fund. Unused funds as of Jun 30 of each year of the MOU will roll over to the following year's Educational Plan fund, and subject to other terms and conditions as specified in the MOU.
  - Reimbursement will be made for 50% of unused sick leave upon termination of employment, not to exceed payment of the following number of hours:
    - 600 hours — Effective July 1, 2019-June 30, 2020
    - 500 hours — Effective July 1, 2020-June 30, 2021
    - 400 hours — Effective July 1, 2021-June 30, 2022
  - Deferred Compensation Matching beginning on or around July 1, 2019 for the term of the MOU, the District will match .5% of each FPUDEA member's base salary to a District 401(a) plan as long as that member is contributing at least .5% to their individual deferred compensation 457(b) plan.
  - Long Term Disability Benefit paid by the District will change from a pre-tax benefit to a post-tax benefit, resulting in the District-paid monthly premiums being made after-tax and making the actual LTD benefit tax-free. To accomplish this each employee's salary will be "grossed up" to off-set the amount of taxes the District will be paying for each employee.

The FPUDEA MOU for July 1, 2019-June 30, 2022 is attached as Exhibit "A" to Resolution No. 4973.

MOU with FMEA:

The MOU with FMEA will include the same material modifications, except as follows:

- For all FMEA members will receive the same annual COLA increases as specified above. The pay range for the Operations Manager position will be increased by 3% increase in the first pay period which includes July 1, 2019.
- Beginning on or around July 1, 2019 for the term of the MOU, the District will increase its deferred compensation match by .5% of each FMEA member's base salary to a District 401(a) plan as long as that member is contributing at least that same amount to their individual deferred compensation 457(b) plan.

The FMEA MOU for July 1, 2019-June 30, 2022 is attached as Exhibit "B" to Resolution No. 4973.

### Updated Salary Schedule

The negotiated MOUs, if approved, will revise pay ranges of District positions. Pursuant to Section 570.5 and 571.1 of Title 2 of the California Code of Regulations, the District, as a public agency participating in CalPERS is required to make publicly available a pay schedule that includes:

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

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

The amended salary schedule (effective July 1, 2019) for all District employees, except the General Manager, is attached as Exhibit “C” to Resolution No. 4973.

### Budgetary Impact

The budget impacts from the proposed MOU are a projected 2.6% increase in overall salary and benefits for Fiscal Year 19-20, a 4.4% Increase in Fiscal Year 20-21 and 5% increase in Fiscal Year 21-22. The overall salary and benefit increase is below what was projected as part of the development of the District's long-term financial plan and rates.

### Recommended Action

That the Board adopt Resolution No. 4973 approving the Memoranda of Understanding (MOUs) with FPUDEA and FMEA for July 1, 2019-June 30, 2022, and adoption of an amended salary schedule (effective July 1, 2019) for all District employees, except the General Manager.

Summary of MOU Changes

June 2019

**FPUDEA MOU**

<b>Table of Contents</b>	<b>Change to Table of Contents</b>	<b>Summary of Change</b>
	Article 1. General (NEW)	New Language, sections 1-3.
TERM	Article 2. Duration of Agreement	Updated to reflect Tentative Agreement (TA), Moved COLA information to Article 3. Wages
SALARY SCALE, COST OF LIVING ADJUSTMENTS	Article 3. Wages	Updated sections 1-4 to reflect TA
	Article 4. Section 1 – Filling of Vacant Positions	Language added per pers. Reg. 11.5 (d) to reflect practice
PROBATIONARY EMPLOYEES	Article 4. Section 2 – Probationary Period	Updated language to clarify current practice. Retirement bonus language moved to Article 6. Section 2. Resignations & Retirements
APPOINTMENT TO POSITIONS	Article 4. Section 3 - Nepotism	Language condensed & moved
SALARY SCALE	Article 4. Section 4 – Performance Evaluations	Moved & New language added to clarify process, Step D. District will work w/Assoc. to revise perf. eval. form & process
CERTIFICATION BONUSES	Article 4. Section 5 – Certifications & Professional Memberships	Updated language to clarify current process and distinguish between required & optional certifications
LONGEVITY	Article 4. Section 6 – Longevity Merit Bonus	Updated language to clarify and reflect actual practice
TEMPORARY PROMOTIONS	Article 4. Section 7 – Out of Class Pay	Changed to Out Of Class (OOC) pay which is industry standard. OOC pay will be awarded for more than 1 day w/GM approval.
HOURS OF WORK	Article 5. Section 1-2	Section 1, 9/80 schedule, language updated. Section 2, hours of work, language added on proper rounding up/down of time
	Article 5. Section 3 – Overtime Section 4 – Double Time	Language updated to clarify current practices
	Article 6. Section 1 – On Call/Standby	
COMPENSATORY (COMP) TIME	Article 5. Section 5 – Comp. Time	Language updated to clarify current practices
	Article 6. Section 2 – Travel Time Pay	New section



Summary of MOU Changes  
June 2019

	Article 6. Section 3 – Resignations & Retirements	New language re: written resignation notification. Moved retirement bonus to this section
LEAVE POLICIES	Article 7. Section 1 – Vacation	Updated language. Added language re: prorated leave in final pay period
	Article 7. Section 2 – Sick Leave	Updated language includes new sell back max. New language requiring dr.'s note for over 40 hours of sick leave.
	Article 7. Section 3 – Rest Leave	Updated language
	Article 7. Section 4 – Bereavement Leave	Updated language to include "nieces/nephews, aunts/uncles & cousins"
	Article 7. Section 5 – Jury Duty Leave	New language
MILITARY DUTY PAY	Article 7. Section 6 – Military Leave	Updated language
	Article 7. Section 7 – School or Child Care Provider Activities Leave	New section, "School or Child Care Provider Activities Leave" per the CA labor code
	Article 7. Section 8 – Failure to Return from Leave/Job Abandonment	New section
HOLIDAYS	Article 8. Holidays	Updated dates and clarified actual v. observed holiday dates and practice re: holiday pay
UNIFORMS BOOTS	Article 9. Uniforms	Updated language. District will work with Assoc. to develop n new uniform policy
MEDICAL COVERAGE DENTAL PLAN VISIONS PLAN LIFE INSURANCE LONG TERM DIS. FLEX. SPENDING PLAN STATE DISABILITY & PAID FAMILY LEAVE	Article 10. Section 1 – Health/Medical Section 2 – Dental & Vision Section 3 – Life Insurance & ADD Section 4 – LTD Section 5 – Flexible Spending Section 6 – State Disability Section 7 – Deferred Comp.	Language condensed and updated. Added deferred comp. matching language per TA.
RETIREMENT PLAN, RETIREMENT BONUS AND RETIREE MEDICAL COVERAGE	Article 10. Section 8 – Retirement & Social Security	Condensed and updated language.
TUITION REIMBURSEMENT	Article 11. Educational Plan	New article, per TA
REDUCTION IN FORCE	Article 12. Layoff Procedures	Cleaned up existing language
	Article 13. Use of District Vehicles	New article
DISCIPLINARY ACTION	Article 14. Disciplinary Action	Cleaned up existing language

Summary of MOU Changes  
June 2019

GRIEVANCE PROCEDURE	Article 15. Grievance Procedure	Cleaned up existing language
	Article 16. Holiday Party	New article
REOPENERS, ENTIRE AGREEMENT & SIGNATURES	Article 17. Entire Agreement & Signatures	Removed reopener language and updated date
DRUG/ALCOHOL TESTING		Removed. District has separate policy.
DRIVER'S LICENSE		Updated & moved to Article 4.C
"ME-TOO" CLAUSE		Removed

**Management Employees' (FMEA) MOU** – Previously a continuation of the FPUDEA MOU; now a separate document. FMEA MOU contains the same language as the FPUDEA MOU, excluding anything related to overtime pay since management employees are exempt and not eligible for overtime pay, and with the exception of the following terms which differ from FPUDEA:

Article 3. Section 2	Adjustments – New Section, per TA, granting operations manager position an additional 3% increase
Article 4. Section 8	Car Allowance – Updated existing language
Article 4. Section 9	Annual Physical Reimbursement – Updated existing language
Article 7. Section 1	Executive Leave – Updated existing language
Article 9. Section 7	Deferred Compensation – Updated District match to 401(a) from 1.9% to 2.4%, per TA

**EXTENSION OF EXISTING MEMORANDUM OF UNDERSTANDING**

as between


**FALLBROOK PUBLIC UTILITY DISTRICT**

and

**FALLBROOK PUBLIC UTILITY DISTRICT EMPLOYEES' ASSOCIATION.**

- 1) Term – This Extension of existing Memorandum of Understanding is entered into by Fallbrook Public Utility District (“FPUD”) and Fallbrook Public Utility District Employees’ Association (“FPUDEA”), as a mutual recommendation to the Board of Directors of FPUD of those wages, hours and conditions of employment which are to be in effect during the period 12:01 a.m. on July 1, 2018, through 12:00 p.m. on June 30, 2019, for those employees working in non-exempt classifications.
  
- 2) The parties agree there are no changes to any formulae, terms and conditions detailed in the Memorandum of Understanding, dated July 1, 2015 through June 30, 2018, incorporated by reference, unless specifically provided for hereinabove.

  
\_\_\_\_\_  
FPUD Board of Directors

  
\_\_\_\_\_  
FPUDEA

7/25/18  
Date

7/3/18  
Date



**MEMORANDUM OF UNDERSTANDING**

**between the**

**FALLBROOK PUBLIC UTILITY DISTRICT**

**and the**

**FALLBROOK PUBLIC UTILITY DISTRICT  
EMPLOYEES' ASSOCIATION**

**July 1, 2015 through June 30, 2018**

**MOU BETWEEN FPUD AND FPUDEA  
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Payscales for the term of this MOU, July 1, 2014 through June 30, 2018 are attached as Exhibits A1 through A12.

**1. TERM**

This Memorandum of Understanding is entered into by FPUD and FPUDEA, as a mutual recommendation to the Board of Directors of FPUD of those wages, hours, and conditions of employment which are to be in effect during the period 12:01 a.m. on July 1, 2015 through 12:00 p.m. on June 30, 2018 for those employees working in non-exempt classifications.



## **2. APPOINTMENT TO POSITIONS**

Because of the nature of the District's organization and operations, and the potential for adverse impacts on supervision, safety, security and morale, the hiring of related persons (definitions below) is not permitted without the approval of the General Manager.

For the purpose of this policy, a related person is defined to be spouse, parents, children, brothers, sisters, adopted children, grandparents, aunts, uncles, nieces, nephews, cousins, mother-in-law, father-in-law, brother-in-law, sister-in-law, step children, step parents, and domestic partners.

A related person may be hired if they do not work in the same department, one is not under the direct or indirect supervision of the other, and neither occupies a position which has influence over the other's employment, promotions, or salary administration.

### 3. PROBATIONARY EMPLOYEES

All personnel initially hired to fill authorized positions are placed in a probationary status for a minimum of six months and a maximum of twelve months of actual and continuous service. Periods of time on unpaid leave exceeding five (5) days (consecutive or not) excluding District holidays, shall automatically extend the probationary period by that number of days the employee is on leave. The probationary period is still part of the selection process for employees. During this period, the employees are terminable at will and without notice. The initial salary at time of hire will be determined by the General Manager based on the qualifications of the prospective employee. This initial salary during the probationary period may be at a lower range than the range indicated in the job classification. The appointing authority may, at any time after the six month minimum probationary period, change the employee's status to regular. Fringe benefits (except for holidays and PERS which are paid from the hire date) apply as follows: Medical, dental, vision, EAP, life insurance, and long term disability insurance take effect the first of the month following the hire date. Vacation and sick leave accruals take effect on the date of hire. As a recruitment incentive, the General Manager may offer a vacation leave bank not to exceed 40 hours during the probationary period for positions requiring certifications and/or college degrees. If a probationary employee terminates employment prior to achieving regular status, any balance remaining as vacation leave will be paid at the current hourly rate at the time of termination. If a probationary employee terminates employment prior to achieving regular status, any balance remaining as sick leave will be paid at 50% of the accrual balance at the current hourly rate at the time of termination.. Leave taken in excess of five days during probation will increase the probationary period by the same amount of days. However, the probationary period will not extend past 12 months.

#### 4. SALARY SCALE

- a. The District will implement the pay scales that were recommended after an independent salary survey was conducted by Koff and Associates and reviewed in fiscal year 2014/15. These pay scales for each fiscal year of this MOU are attached as Exhibits A1 through A12.
- b. Employees will be placed on the Koff survey pay ranges effective their grade/step as of June 30, 2015 and then the COLA would be applied so all employees will receive at least a 2% COLA increase effective July 1, 2015. (See Section 5. "Cost of Living Adjustments). Employees are still eligible for merit increases or longevity bonuses.
- c. 10-step plan, 2-1/2% for each step, with the option for supervisors to recommend two step increases based on an overall performance rating of "exceeds requirements":  
*One-step salary increases (A through J) for overall rating of "meets requirements" meritorious performance and two-step salary increases for overall rating of "exceeds requirements" meritorious performance, which will be considered on employee's anniversary date each year, are based on performance substantiated by written Supervisor's evaluations and recommendations, and approved by the General Manager or his designated representative. If an employee has been promoted to a job outside of their current series, the anniversary date for performance appraisals will become the date of the promotion. If an employee is on leave in excess of four continuous weeks during their performance appraisal period of 12 months, the performance appraisal date will be extended for the same amount of time as the leave that was in excess of four weeks and that date will remain the annual performance appraisal date, notwithstanding any promotions or additional leaves. All employees will be evaluated and counseled annually on such job related issues as listed in each classification's performance appraisal form and such other matters as may be determined by a supervisor or management. Employees not recommended for step increases shall be advised of specific work performance improvements required and a remediation plan developed in consultation with the employee. The General Manager is authorized to grant exceptions to the above step increase requirements for exceptional meritorious performance.*
- d. Employees may appeal overall performance ratings of "does not meet requirements" reviews to the General Manager IF the review may result in lack of step increase (denial of step/merit increase.) This appeal is not part of the grievance process and the decision of the General Manger is final. In order to be eligible to appeal an overall "does not meet requirements" rating, the employee must have completed the employee pre-appraisal form in accordance with the Performance Appraisal Process rules.



## 5. COST OF LIVING ADJUSTMENTS

Cost of living adjustments (“COLA”) to employee salaries during the three year term shall be as follows:

- a. 2%-effective July, 12015
- b. 2%-effective July 1, 2016
- c. 2%-effective July 1, 2017

## 6. CERTIFICATION BONUSES

An educational incentive program is available to those employees who achieve required Water Treatment Operator, Water Distribution Operator, AWWA Backflow Prevention Device Inspection and Testing, Cross-Connection Program Specialist, Wastewater Treatment, Collection System Maintenance, Laboratory Technologist, Mechanical Technologist, Environmental Compliance Inspector, and/or Electrical/Instrumentation Technologist Certification through off-duty efforts. Some positions require certification to achieve the target salary range. An educational incentive program is also available to those employees who are designated a Geographic Information Systems Professional (GISP) by the GIS Institute through off-duty efforts if the employee's classification requires them to participate in GIS functions, Certified Crane Operators by the National Commission for the Certification of Crane Operators through on-duty or off-duty efforts if the employee's classification requires them to operate cranes and employees who hold a Class 6G certified pipeline welding certification from an accredited school through off-duty efforts if the employee's classification requires them to weld. Employees (other than the Welding Technician) who hold the GISP, the Crane Certification or Class 6G pipeline welding certification and meet the requirements above, will be eligible for a 2.5% grade level increase in addition to any other increases available for their classification. Salary ranges and certification requirements are shown at the end of each job classification (*in Appendix A of the FPUD Personnel Regulations.*) All employees are encouraged to take the required courses at nearby community colleges that qualify them to take the tests for such certificates. The District will reimburse employees for the cost of exams for Distribution, Treatment, Backflow Prevention, Cross-Connection Program Specialist, Wastewater Treatment, Collection System Maintenance, Laboratory Technologist, Mechanical Technologist, Environmental Compliance Inspector, and/or Electrical/Instrumentation Technologist Certification for those levels of certification required within the District. Positions that do not require specific certification are eligible to receive a one-time increase to the next salary range upon notification of said certification. These salary adjustments shall be in addition to the annual salary step raises they are eligible for (*as outlined in Section 11.5, paragraph (b) of the FPUD Personnel Regulations.*) Associate of Arts and Certificates in Water Technology or Wastewater Technology can be used for "OTHER" certification in those classifications with that designation option. All renewal fees will be paid by the District. Mandatory membership fees for certification holders will be paid by the District. Continuing education unit fees will be paid by the District and District time will be made available for the training of employees whose classifications require Distribution and Treatment certification. In-house training required by the State for continuing education units will be on District time and paid by the District for all certifications. District approved external training required by the State for continuing education units will be on District time and paid by the District for required certifications only.

## 7. LONGEVITY

"Longevity", a continuous unbroken employment time, is not a part of the salary structure. However, the General Manager is authorized to award a merit performance bonus of 2.5% of current gross annual pay, or five hundred dollars, (\$500.00), whichever is greater, to each of those employees who meet the following eligibility requirements:

- ten years of continued uninterrupted service in the same job classification, or 15 years of continuous uninterrupted service, and
- exhausted eligibility for promotion within the series, and
- exhausted eligibility for step increases within the series (hourly wage is at the "J" step).

All employees who meet the aforementioned eligibility requirements must be rated as "exceeds requirements" for their overall work performance during the previous rating year.

The following factors determine whether such bonuses are justified:

***(1) Possession of all required certifications and licenses***

The longevity bonus will be divided by annual work hours and added to the regular hourly rate prior to calculating the overtime rate.



**8. SALARY SURVEY**

FPUDEA reserves the right to request a meet and confer with FPUD no later than September 30, 2017 to discuss the need for a salary survey for the successor MOU effective July 1, 2018.

## 9. TEMPORARY PROMOTIONS

When the following supervisory positions are vacant for more than one day, for any reason, temporary promotions may be effected by the General Manager, starting on the first day, in recognition of the responsibility inherent in these positions. The person so temporarily promoted will receive a salary increase of: 6 ranges (15%) or the amount the temporarily promoted employee would earn if they were promoted into the vacant position, whichever is less.

Eligible Supervisor Positions: Operations Manager (currently unfilled), Administrative Services Manager/Treasurer, Collection Supervisor, Construction/Maintenance Supervisor, System Service/Shop Supervisor, Engineering Supervisor, System Operations Manager, Chief Plant Operator, Warehouse Supervisor and Assistant General Manager.

Temporary promotions to Acting System Operator may be necessary from time to time, on an hourly or daily basis, and will be at the discretion of the Assistant General Manager. Only employees who hold State of California Water Treatment Operator, Grade II or higher certification are eligible. The person so temporarily promoted will receive a salary increase of 4 ranges (10%) but in no way will they exceed the System Operations Manager rate of pay. The designated Acting System Operator will sign an agreement agreeing to wages and hours of work.

Temporary promotions to Acting Plant Operator may be necessary from time to time and will be at the discretion of the Assistant General Manager. Only employees who hold State of California Wastewater Treatment Operator, Grade II or higher certification are eligible. The person so temporarily promoted will receive a salary increase of 4 ranges (10%) but in no way will they exceed the Chief Plant Operator rate of pay. The designated Acting Plant Operator will sign an agreement agreeing to wages and hours of work.

## 10. HOURS OF WORK

- (a) The District implemented a 9 day 80 hour work schedule on July 31, 1992. Under this schedule, in any two week pay period, assigned personnel shall work eight (8) weekdays (Monday, Tuesday, Wednesday, Thursday) for nine (9) hours, and one (1) day (Friday) for eight (8) hours with alternate Friday off. The 9/80 work schedule has two alternating teams, "blue" and "gold." Supervisors will assign the employee to the team. Some classifications may not be eligible for the 9/80 work schedule as determined by the supervisor and approved by the General Manager. Accommodations will be considered by the General Manager for employees who prefer not to work the 9/80 schedule. All team changes will be approved by the General Manager.
- (b) In the office, a Customer Service Representative will open the phones at 8:00 a.m. The office will open at 8 a.m. and the office and phones will close at 5 p.m. The office normally shall be closed on Saturday, Sunday and Holidays.
- (c) In the field, the daily work periods shall be determined by the Assistant General Manager to conform to the work periods by contractors or other conditions which arise.
- (d) Work in excess of forty hours per work week may be permitted only upon the prior approval of the General Manager or his representative. For work in excess of 40 hours per work week, eligible employees will be paid at one and one-half times their regular hourly rate. The hourly rate is determined by dividing the annual salary by 2080. Vacation time, comp time and sick leave shall be included as time worked for the purpose of calculating overtime pay. The General Manager has the discretion to reinstate vacation, comp time and sick leave not being counted as hours worked for the purpose of calculating overtime pay at any time during this MOU if it is his opinion that the revised policy is being abused. Compensatory time may be taken in lieu of overtime pay at the rate 1-1/2 hours off for each 1 hour of overtime worked. The selection of comp time in lieu of overtime pay will be by the employee, but the scheduling of comp time will be with management's approval and no more than 40 hours can be accrued. Overtime monies will be paid for all overtime hours in excess of 40 hours. The exempt positions, as authorized in Article 11.3 (a), are not eligible for overtime compensation.
- (e) All employees are expected to report for work promptly in accordance with their Supervisor's instructions; these instructions may include reporting directly to a field project work site. If they are unable to do so, they will notify their immediate Supervisor during the time frame the Supervisor has given. If unable to reach their immediate Supervisor, they will call the District Office and indicate when they will report for work and the reasons for their delay.
- (f) From time to time, emergencies arise that require work outside of normal working hours. Employees are expected to comply with such requests when directed to do so by their immediate Supervisor, the Assistant General Manager, or the Duty Standby person. Rotation of overtime assignments among employees will be accomplished as much as possible by District Supervisors.
- (g) Any employee other than employees "On-Call"-required to work on a District observed holiday shall receive time and one-half for all hours worked in addition to regular holiday credit.
- (h) Any employee contacted after hours by a supervisor or designated standby employee to assist in emergency repairs on a District observed holiday shall be paid a minimum of two hours of double time.
- (i) Employees "On-Call" who are called to work on a District observed holiday shall be paid double time for all hours worked.



(j) Any employee, contacted after hours by a supervisor or designated standby employee to assist in emergency repairs shall receive a minimum of ~~two~~ three hours pay at time and one-half.

(k) Any employee will be paid at a rate of double their regular rate of pay for all authorized hours worked in excess of twelve hours per day or in excess of eight hours on the seventh straight day in any given week.

(l) On-Call means that time an off duty employee is required to be available for receiving telephone or other messages. When an employee is called to physically report to duty, he will be compensated for a minimum of 2 two hours in addition to the daily amount of \$35 or \$50 for Saturdays, Sundays and District Holidays. Overtime rate of pay for an employee on "On-Call Time" will be 1-1/2 times the regular hourly wage, after adding the daily rate to the hourly rate. On-Call and/or Standby Agreements are contained in Appendix C of the Personnel Regulations and more specifically explain the requirements of serving On-Call or Standby.

(m) On-Call employees who have the ability to make necessary operational or maintenance changes from a remote location by telephone or computer shall first attempt to resolve the problem from the remote location. Incidents lasting less than fifteen (15) minutes prior to 9 p.m. and after 6 a.m. are covered by the daily On-call amount of \$35 or \$50 for Saturdays, Sundays, and District Holidays. Incidents lasting fifteen (15) minutes or more shall be eligible for a minimum of thirty (30) minutes or the actual length of the incident of overtime pay for each response. Time paid shall not exceed 60 minutes in any 60 minute period. If the On-Call employee cannot resolve the problem and is required to physically respond, only the two hour minimum of overtime pay per incident will apply. Each contact and response is considered one incident, i.e. the On-Call employee may be contacted by telephone and solve the problem by verbal response or via a computer.

(n) Non-exempt employees who are not On-Call that are contacted by On-Call personnel by telephone for assistance shall prior to 9 p.m. and after 6 a.m. be eligible for a minimum of fifteen (15) minutes or the actual length of the telephone call of overtime pay for each response. Non-exempt employees who are not On-Call that are contacted by On-Call personnel by telephone for assistance after 9 p.m. and before 6 a.m. shall be eligible for a minimum of thirty (30) minutes or the actual length of the telephone call of overtime pay for each response. Time paid shall not exceed 60 minutes in any 60 minute period. If the employee who is not On-Call is required to physically respond, there will be no compensation for the telephone call and regular call-out overtime rules shall apply.

(o) If an employee has to work between the hours of 10 p.m. and 7 a.m. for a minimum of three hours, the next day the employee will receive one hour of paid "rest leave" for each of those hours worked, providing the next day is a regularly scheduled work day.

- Employees working until their regular start time will continue working and leave work early by the amount of hours worked during the time period of 10 p.m. and 7 a.m. (having had worked a minimum of three hours).
- Employees that complete their work prior to 6 a.m. will report to work later than their regular start time by the amount of hours worked during the time period of 10 p.m. and 7 a.m. (having had worked a minimum of three hours.)

*Examples:*

- *An employee begins work at 10 p.m. and finishes work at 2 a.m. The employee would receive four hours of paid "rest leave" the next day, providing the next day is a regularly scheduled workday. 10 p.m. to 2 a.m. = 4 hours) Employee would report at 11 a.m. if their regularly scheduled start time is 7 a.m.*

- *An employee begins work at 1 a.m. and finishes work at 2:30 a.m. The employee would not receive any paid "rest leave" because they did not work a minimum of three hours. (1 a.m. to 2:30 a.m. = 1.5 hours)*
- *An employee begins work at 3 a.m. and finishes work at 7 a.m. The employee would receive four hours of paid "rest leave" the next day, providing the next day is a regularly scheduled workday. The employee would continue to work and leave work four hours earlier than their regular quitting time(3 a.m. to 7 a.m. = 4 hours)*

Assuming a start time of 7 a.m., if an employee works continuously (including lunch, dinner and breaks) from the start of their regular workday until 10 p.m., every hour worked past 10 p.m. will result in one hour of paid "rest leave" the following day, providing the next day is a regularly scheduled workday. The specific hours of the "rest leave" will be scheduled by the supervisor.

"Rest leave" will not count as time worked for the purposes of calculating overtime.

In the event of an unexpected catastrophic emergency or natural disaster, the General Manager may, by necessity, suspend or modify the use or means of "rest leave."

The federal regulations pertaining to commercial drivers' working hour limits shall take precedence over this policy for District personnel using a commercial license.

(p) The Assistant General Manager or his designee will determine the necessity of meal reimbursement costs when an employee is working outside of their normal scheduled hours, whether it is for scheduled overtime, extension of the normal work day or an emergency call-out. The District retains the right to provide meals in lieu of reimbursing employees for meals. The District will either reimburse employees or provide a meal after twelve continuous hours of work.

## 11. COMPENSATORY (COMP) TIME

Compensatory time may be taken in lieu of overtime pay at the rate 1-1/2 hours off for each one hour of overtime worked. The selection of comp time in lieu of overtime pay will be by the employee, but the scheduling of comp time will be with management's approval. No more than 40 hours can be accrued. Overtime monies will be paid for all overtime hours in excess of 40 hours.

All employees terminating their employment with the District shall be granted terminal leave pay for that amount of time accrued to their compensatory time account.



## 12. DISCIPLINARY ACTION

It is FPUD'S intention to take a progressive approach to disciplinary matters to insure that actions which would interfere with operations or an employee's job are not continued. However, progressive discipline is not required depending on the severity of the employee's misconduct.

Violations of FPUD'S Personnel Regulations, violation of safety rules, violation of the criminal law, actions which are insubordinate, flagrantly careless and/or incompetent, or otherwise prejudicial to the best interests of the District, will be subject to disciplinary action and/or termination for cause.

### (a) Disciplinary Actions Not Subject to Notice and Hearing Procedures:

The following progressive disciplinary actions may be taken by the employee's immediate Supervisor, to correct the performance of an employee that is not up to District standards, without a Notice being served or mailed to the employee. However, such actions may be reviewed in accordance with the grievance procedures of the District if requested by the employee:

- (1) Verbal counseling.
- (2) Written warning.
- (3) Suspension for up to 3 days without pay.
- (4) Reassignment.

### (b) Disciplinary Actions Subject to Notice and Hearing Procedure:

The following disciplinary actions require written notice be given the employee. These actions are not necessarily progressive, but will be considered based on the severity of the incident(s) that violated District standards, rules, regulations or policies.

- (1) Suspension from duty for more than 3 days without pay.
- (2) Salary step reduction.
- (3) Demotion.
- (4) Termination from District employment.

## NOTICE

The Notice of Disciplinary Action Subject to Notice and Hearing shall be signed by the direct supervisor or another District manager and thereafter shall be personally served or mailed by certified mail not less than ten (10) working days prior to proposed disciplinary action, and shall contain:

1. specific charges upon which action is based;
2. the reasons why such action is being taken;
3. copies of the materials upon which the action is based will be attached;
4. information essential to give the employee a fair opportunity to answer the charges made;

5. names, times, dates, places or numbers that may be pertinent to the charges;
6. a time and date for the filing by the employee of a written response and for presentment of any oral response, which date shall not be less than 5 working days after the notice is served or mailed, whichever occurs first.
7. late requests for an oral or written response must be for good cause and will be determined on a case by case basis, but in no event will exceed 15 calendar days from the date the Notice was personally served or mailed by certified mail.

The employee has the right to have the recommendation of disciplinary action and his or her response reviewed by the General Manager or his designee who shall determine whether the recommended action, or other disciplinary action, should be imposed.

### **EMPLOYEE RESPONSE**

1. The employee shall have the right to respond, either orally or in writing, or both not later than the time and date provided in the notice.
2. The time for response may be extended by the General Manager or his designee for a reasonable period.
3. A written response shall be delivered to the General Manager or his designee.
4. If the employee desires to make an oral response directly to the General Manager or his designee, the employee shall give written notice to the General Manager or his designee of this request for oral response at least two working days before the time and date stated in the notice. Failure of the employee to give such notice shall constitute a waiver by the employee of any right to present an oral response.
5. The employee shall have the right to be represented by counsel at any stage of the proceedings or by a representative of Fallbrook Public Utility District Employees' Association (FPUDEA), or both, at his or her own expense. A request for FPUDEA representation is a matter between the employee and FPUDEA.
6. If the employee desires to have any other available employees present at the time of the oral response in order to present evidence or to examine witnesses, the employee shall file a written request with the General Manager, at least two working days before the time scheduled for the oral response.
7. The District will make reasonable efforts to make available the requested witnesses if they are regular employees. The employee must make their own arrangements for the attendance of other witnesses. However, witnesses' participation in any stage of the proceedings is voluntary. The District will not pay for any witness. Witnesses that are regular employees will receive their normal hourly wage if participating during their normal working hours.
8. The General Manager or his designee may continue the matter for a reasonable period.
9. The employee shall be placed in a paid leave status pending determination.  
In the event the employee fails to respond as provided above, the General Manager or his designee shall provide a written determination letter to the employee.

### **DETERMINATION**

Within 5 working days of the Response, or in the event of no response, the General Manager or his designee shall inform the employee, in writing, of the decision regarding discipline. This time can be extended for good cause. In the event of termination, all pay shall cease on the date and time provided in the Notice of Determination, but not earlier than the Notice itself.

## APPEAL

1. If the employee or former employee is dissatisfied with the decision made by the General Manager or his designee, he may appeal in writing, to the Board of Directors. This written notice of appeal shall be filed with the Secretary of the District no later than fifteen calendar days after the date of personal service or mailing of the notice of the General Manager's or his designee's decision, whichever is earlier. Either party may also request a no-cost mediation through the State Mediation and Conciliation Service prior to the appeal hearing. Such request must be made by the employee within the same fifteen calendar day period noted above, or by the District within 15 calendar days of receiving notice of the employee's written appeal.
2. The Secretary shall schedule a hearing within thirty calendar days of the date of filing of the notice of appeal, and the Secretary shall notify the employee of the time and date fixed for the hearing. This time can be extended for good cause.
3. Upon conclusion of the hearing, the Board of Directors shall review all the information and inform the employee, in writing, of their determination within 5 working days after the hearing. This time can be extended for good cause. The Board of Directors has the power to reinstate a discharged employee and/or to impose less severe discipline on the employee. The decision of the Board of Directors is final and non-grievable.

### Post Hearing Procedure

The provisions of California Code of Civil Procedure Section 1094.6 shall apply to the final determination by the Board of Directions.



### 13. GRIEVANCE PROCEDURE

Grievance is defined as a written allegation by an employee, claiming violation(s) of the specific express terms of the Personnel Rules and Regulations for which there is no other specified method of review.

Fallbrook Public Utility District recognizes each employee's right to receive fair and impartial treatment. Accordingly, it has established the following grievance procedure that is available to all non-supervisory employees who have successfully completed their probationary period.

If a grievance involves harassment: any (temporary, probationary, regular, supervisory, non-supervisory or exempt) employee may report to any member of management. Every reported complaint of harassment will be investigated immediately, as confidentially as the fact gathering allows, thoroughly, objectively and completely. Please see section 11.10 Policy Against Harassment and Discrimination for further information.

First Step - Immediate Supervisor: In order to minimize the possibility of misunderstanding, an employee shall submit his written grievance to his immediate supervisor within fifteen (15) working days of the occurrence of the event resulting in the grievance. The supervisor will investigate the matter and attempt to provide a solution or explanation within 5 working days, unless additional time is required under the circumstances.

Second Step – Assistant General Manager or, if an employee does not receive a satisfactory answer or resolution from his immediate supervisor, he will be allowed ten (10) working days to refer the grievance, in writing, to the Assistant General Manager, in the case of field personnel, or to the Administrative Services Manager/Treasurer, in the case of office personnel. The written grievance shall detail the facts upon which the grievance is based and be dated and signed by the employee. After receiving the written grievance, the Assistant General Manager or Administrative Services Manager/Treasurer will promptly schedule a meeting to provide the employee an opportunity to present his problem personally. Within 5 working days after that meeting, or such longer period as is required under the circumstances to properly investigate the matter, the Supervisor will provide the employee a written response to his grievance.

Third Step - General Manager: If an employee is not satisfied with the decision at the second step of this procedure, he will have an additional ten (10) working days to request, in writing, an appointment for a personal interview with the General Manager who will discuss the problem with the employee and investigate the basis for the grievance. The General Manager will provide a written decision to the employee within 10 working days unless he determines that additional time is required under the circumstances. The decision at this step shall be final and conclusive for all parties.

Grievance Against General Manager- Board of Directors: A grievance in which the General Manager is a party may be submitted to the Board of Directors. The written grievance shall detail the facts upon which the grievance is based and be dated and signed by the employee. The grievance shall be submitted to the Board of Directors within fifteen (15) working days of the occurrence of the event resulting in the grievance. The Board of Directors will investigate the grievance and may hold a formal or informal hearing at its discretion, unless waived by the employee. The Board of Directors shall submit its written decision within 10 working days thereafter. The decision of the Board of Directors is final and non-grievable.

Time lists, as set forth above, may be extended by mutual agreement between the parties.

Hearings/meetings under this procedure shall only be conducted by employees senior in grade to the aggrieved party.

Grievance Policy Exclusions:

This procedure is not to be used:

- for the purpose of resolving complaints, requests or changes in wages, hours and working conditions;
- to challenge the content of employee evaluations or performance reviews;
- to challenge a reclassification, layoff, denial or reinstatement, or denial of a step or merit increase;
- in cases of reduction in pay, demotion, suspensions (of more than three days) termination, or other discipline except as specified in Section 11.9(b) of the FPUD Personnel Regulations.
- to challenge violation of law or past practice unless the contract expressly refers to same; and/or
- to challenge examinations or appointment to positions.

## 14. LEAVE POLICIES

### a. Vacation

1. The General Manager or his authorized representative shall set the period of time for vacation leave. Each regular and probationary employee will accrue vacation leave as follows:  
  
1 to 5 years = 4.00 hours per pay period  
6 to 10 years = 4.62 hours per pay period effective on 5th anniversary  
10 to 15 years = 6.15 hours per pay period effective on 10th anniversary  
16+ years = accrual of 7.69 hours per pay period effective on 15th anniversary  
20+ years = 8.00 hours per pay period effective on the 20<sup>th</sup> anniversary  
Maximum accrual: 248 hours  
Any unpaid leave during the pay period will reduce the accrual rate accordingly.
2. Maximum accrual is 248 hours. On December 31 of each year, all accruals exceeding the maximum of 248 hours would stop accruing until vacation leave was used and total accrual fell below 248 hours.
3. When circumstances created by the District are beyond the control of the employee and make it impossible for him to take allotted vacations as prescribed under (1)-(2) above, the period for accumulating leave shall be extended upon the approval of the General Manager. In no case shall the employee be deprived of any earned vacation.
4. All employees terminating their employment with the District shall be granted terminal leave pay for that amount of time accrued to their vacation account.
5. An Employee may sell back to the District portions of unused vacation time up to 40 hours under the following conditions:
  - a. Employee has already taken 80 hours of vacation since the sell back cutoff date of the prior year (if the 80 hours is taken off including and/or with only compensatory time off, it will count toward this requirement);
  - b. At least 80 hours of accrued vacation time shall remain on the account after the payoff; and
  - c. The sale shall occur annually in November of each year
  - d. Vacation stops accruing when an employee has a balance of over 248 hours on December 31 of each year.
6. Any planned leave (vacation or comp time off) must be requested with as much notice as possible. Supervisors will grant requests based on the needs of the District.

### b. Sick Leave

Regular and probationary employees will accrue 3.69 hours per pay period of sick leave. Any unpaid leave during the pay period will reduce the accrual rate accordingly. In the event the employee is out for a period in excess of available sick leave, he will then use his accrued vacation time in lieu of sick leave. Sick leave may be used to care for an ill or disabled member of the immediate family (spouse, mother, father, brother, sister, son, daughter, step-mother, step-



father, step-son, step-daughter, grandchild, grandparent, mother or father-in-law, other person in custody where employee has or had guardianship or other person who had guardianship of employee or domestic partner or the child(ren) of a domestic partner {as defined by the State of California}).

Temporary District employees will accrue sick leave in accordance with AB 1522 and any subsequent revisions to that assembly bill.

1. There is no limit to sick leave accrual.
2. Any abuse of sick leave, in the judgment of the Management, is subject to discipline, up to and including, termination.
3. Three or more consecutive days off may require a doctor's note to return to work. Personnel returning to work following an extended absence of five days or more due to surgery or a non-work related injury or illness, will present a medical certificate stating their physical capability to resume the duties of their position. Personnel presenting a conditional certificate may be returned to work at the discretion of the General Manager.
4. Reimbursement will be made for 50% of unused sick leave upon termination of employment, not to exceed payment for 600 hours. For optional retirement sick leave benefit, see "Retirement Bonus" above.

**c. Bereavement Leave**

Regular employees will be allowed three days paid leave in event of a death in the immediate blood or married family (spouse, mother, father, brother, sister, son, daughter, step-mother, step-father, step-son, step-daughter, grandchild, grandparent, mother or father-in-law, domestic partner, or other person in custody where employee has or had guardianship or other person who had guardianship of employee.)

## 15. HOLIDAYS

- (a) The following holidays will be observed:

New Years Day - January 1  
Martin Luther King, Jr. Day - 3rd Monday in January  
Presidents' Birthday - 3rd Monday in February  
Memorial Day - Last Monday in May  
Independence Day - July 4  
Labor Day - First Monday in September  
Veterans Day - November 11  
Thanksgiving Day - Friday and Thanksgiving  
Christmas Eve - December 24  
Christmas Day - December 25  
New Year's Eve Day - December 31

- (b) If any of the above holidays fall on Sunday, the following Monday will be observed. If the holiday falls on Saturday, the preceding Friday will be observed. When December 24 occurs on a Sunday, or December 25 on a Saturday, the two holidays will be observed on Friday and Monday.

An employee whose normal work day is the day scheduled to be observed as a holiday shall be paid for his normal hours for that day at the straight hourly rate of pay. (i.e. Monday through Thursday, 9 hours; alternate Fridays, 8 hours.) When a holiday falls on an employee's alternate Friday off, the holiday will be observed on the following Monday.

- (c) Temporary employees will not be granted holidays with pay.
- (d) The General Manger, at his discretion, may declare a special District holiday if the Governor has taken such action at the State level. Holidays will not be paid during leave without pay status unless employee is in a paid status the day before or the day after the holiday.
- (e) Plant Operators and Systems Operators required to work shifts without regard for holidays will be paid "holiday pay" for the number of hours they would normally work on the day the holiday falls. In addition, Plant Operators and System Operators who work on a holiday will be paid time and one-half pay for all hours worked on every holiday. Plant Operators and System Operators may be granted a holiday on a regularly scheduled work day at the discretion of the Assistant General Manager. Plant Operators and System Operators so granted a holiday will only be paid holiday hours in the amount of their regularly scheduled work hours.

## 16. MEDICAL COVERAGE

The District contracts for health insurance for personnel and their dependents. Coverage and benefits are explained in brochures provided by the insurer and are available from Human Resources.

- a. Effective July 1, 2015 employees will have the choice of medical plans provided through ACWA/JPIA with the following conditions:
  1. The basic plan is the Kaiser plus Chiropractic plan for the employee, employee + one and employee + family.  
The District will pay 100% of the Kaiser plus Chiropractic plan for employee, employee + 1 and employee + family. The amount paid for each of those coverages will be known as the “threshold amounts.”
  2. Any other medical plan offered through ACWA/JPIA will be known as a “premium plan.”
    - i. The District will pay the threshold amounts established by the cost of Kaiser plus Chiropractic plans (Employee, Employee + one and Employee + family) toward the cost of any premium plan chosen by an employee.
    - ii. Employees who choose a premium plan will pay the difference between the threshold amount for the coverage they choose. The monthly cost difference will be multiplied by 12 (months) and divided by the number of paydays in that calendar year. The employee will reimburse the District through payroll deduction..



**17. DENTAL PLAN**

The District contracts for dental insurance for personnel and their dependents. Coverage and benefits are explained in brochures provided by the insurer and are available from Human Resources. Any provider changes during the term of this MOU will result in comparable benefits for participants. The District pays the premium for all full-time employees and their dependents. For the purpose of this benefit, full-time is defined as at least 24 work hours per workweek.

**18. VISION PLAN**

The District also provides vision care for personnel and their dependents. Coverage and benefits are explained in brochures provided by the insurer and are available from Human Resources. Any provider changes during the term of this MOU will result in comparable benefits for participants. The District pays the premium for all full-time employees and their dependents. For the purpose of this benefit, full-time is defined as at least 24 work hours per workweek.

## **19. LIFE INSURANCE**

1. Employees are covered by a plan for Accidental Death & Dismemberment and for a life insurance benefit of two times their annual salary, up to a maximum benefit of \$300,000.
2. At age 65, but not age 70, the amount of insurance is 67% of the amount shown in 1 above.
3. At age 70 or more, the amount of the insurance will be 45% of the amount shown in 1 above.



**20. LONG TERM DISABILITY INSURANCE**

Employees are covered by a plan that provides 66.67% (or \$10,000, whichever is less), of employee's monthly salary to Social Security Normal Retirement Age in the event of a disabling accident or illness. Payment commences six (6) months after date of disability or illness. District pays the total cost of this coverage.

## **21. FLEXIBLE SPENDING PLAN**

Regular employees are eligible to open a Flexible Spending Account for medical reimbursement and dependent care expenses. Participation is voluntary. Participation is by employee authorized payroll deduction forms available from Human Resources.

## 22. UNIFORMS

The District will provide sufficient clean uniforms, on a weekly basis, for a daily change, for field crews. All employees for whom uniforms are provided are required to wear a complete uniform when working unless otherwise authorized by their supervisor. The Administrative Services Manager/Treasurer or his designee will determine the employees who may wear a non-uniform FPUD logo shirt and the District will supply five per year. The District will pay up to the amount of uniform shirts and the employee will pay the difference. The District will provide five (5) pairs of Levi 501 jeans for each water or wastewater employee per year. In the event that the jeans wear out or are damaged in less than one year, employees will have them repaired or replaced at their own expense. The employees requested the ability to purchase a different type of jean than was offered by the District. The Assistant General Manager or his designee will review each request on a case-by-case basis and make a determination. The District will only reimburse the employee the actual cost up to the amount allotted for the District jeans.

The District will provide one medium-weight jacket for each field or plant employee every two years or "as-needed" at the discretion of the Assistant General Manager. No other jackets may be worn during regular working hours unless they were issued by the District and bear the District logo. The employees requested the ability to purchase a cotton jacket instead of the poly blend jacket offered by the District. Employees to be issued poly blend jackets that prefer cotton jackets will pay the difference in the cost to the District prior to ordering the jacket. Loss of a District jacket is subject to disciplinary action.

The Levi 501 jeans and jacket are deemed part of the uniform and must be maintained by the employee.

Wastewater workers will have the choice of Levi 501 jeans that will be maintained by the employee or uniform service trousers that will be laundered by the uniform service. Upon termination, all uniform shirts, vests, trousers, overalls, lab coats, etc. issued to an employee must be returned to the District. The cost of any uniforms not returned will be pursued through legal means.

To instill confidence on the part of the public and to prevent misrepresentation of FPUD employees, the District will issue photo I.D. cards to all employees. Field employees not directly involved with heavy equipment will wear I.D. cards on the uniform shirt and the I.D. cards will be considered part of the uniform. Office employees will be issued a business card size I.D. card and it shall be in their possession during working hours. Loss of an I.D. card will be subject to disciplinary action. I.D. cards must be returned to personnel upon termination or a fee of \$25.00 will be incurred.

The wearing of shorts will be allowed as long as the following conditions are met:

- (a) Shorts must be supplied by the employee at their own expense.
- (b) Employees must maintain their shorts in good repair.
- (c) If uniforms are supplied, shorts will be worn with a uniform shirt or the orange safety award t-shirt only.
- (d) Because of the nature of the work, some employees will be required to wear long pants. If there are any questions, please contact the Assistant General Manager.
- (e) Each employee is responsible for keeping long pants available should the need arise.
- (f) The color of the shorts will be limited to khaki, dark blue or blue denim. All shorts are to be hemmed (no cutoffs).

The acceptable style and length of the shorts will be determined by the Assistant General Manager.



**23. BOOTS**

Safety boots or shoes are purchased by the District for those employees occupied in high hazard work.

The District will specify several styles from different manufacturers for employees to select from on an as-needed basis. Shoes or boots will not be replaced until they are judged by the Assistant General Manager to be no longer safe or usable.

## 24. TUITION REIMBURSEMENT

The District will create a Tuition Reimbursement pool for employees who wish to take approved job related courses. Interested employees will submit their proposals by a certain date and the pool will be split up among accepted proposals. "Job-Related" will be defined by the District.

An annual tuition reimbursement fund of \$3,000 shall be established for members of FPUDEA for fiscal year 2015/16, \$4,000 for 2016/17 and \$5,000 for 2017/18. Eligible employees may apply to the fund annually during each fiscal year. Employees who have had their applications approved during the fiscal year may submit requests for reimbursement in actual costs paid for tuition by July 31<sup>st</sup> of each year or sooner if all applicants have submitted their reimbursement requests. Eligible employees are those employees who have passed their original probationary period. Reimbursements will be made on an equal basis based on the number of requests. Reimbursement will be for professional and technical courses in accredited educational institutions provided that:

- a. The employee has received at least a "meets requirements" rating on his/her last performance report.
- b. The subject matter of the course contributes toward the performance of the employee's position with the District, or is related to work the employee can reasonably be expected to perform in the future. Subject to approval by the General Manager, reimbursement may be made for elective coursework required for a certification program or college degree related to the employee's work, or related to District work which the employee can reasonably be expected to perform in the future.
- c. The employee must submit an Application for Tuition Reimbursement form to the General Manager and Human Resources Manager prior to the beginning of the class.
- d. Before receiving reimbursement, the employee shall submit a Request for Tuition Reimbursement and furnish documentation proof of payment and shall provide evidence that he/she has completed the course with a grade of "C" or better. A "pass" will be accepted for classes where pass/fail grading system is used.
- e. No tuition refund pursuant to the MOU from July 1, 2015 through June 30, 2018 will be made for classes that ended prior to July 1, 2015~~2014~~. No tuition refund will be made for classes unless approved prior to the end of the contract period.
- f. All requests for Tuition Reimbursement shall be subject to the General Manager's approval.
- g. The Board of Directors retains the right to increase the tuition reimbursement annual limits upon recommendation from the General Manager.

## 25. RETIREMENT PLAN, RETIREMENT BONUS AND RETIREE MEDICAL COVERAGE

- (a) The District participates in a defined benefit retirement plan with the California Public Employees' Retirement System. The District's contribution rate is revaluated every fiscal year. The retirement benefit plan is known as Local Miscellaneous 2.5% at 55 years of age, effective July 2, 2005. For the term of the current MOU (July 1, 2015 through June 30, 2018) the "classic" employees will pay 8%.
- (b) "New employees" hired on or after January 1, 2013 who are also "new members" will contribute 50% of the normal cost established by CalPERS pursuant to the Public Employees' Pension Reform Act (PEPRA) for the 2% at 62 years of age benefit formula.

Pursuant to the Public Employees' Pension Reform Act (PEPRA), a "new employee" hired as a regular, full-time employee after January 1, 2013, who is also a "new member" to CalPERS, as defined pursuant to PEPRA, is subject to the mandatory miscellaneous formula of 2%@62. Further, final compensation would be defined as the highest average annual final compensation during a consecutive 36 month period, subject to the cap set forth pursuant to PEPRA.

"New member," as defined pursuant to PEPRA, means: (1) an individual who has never been a member of any public retirement system prior to January 1, 2013; (2) an individual who was a member of any other public retirement system prior to January 1, 2013 but was not subject to reciprocity; or (3) an individual who was an active member in a retirement system who returns to active membership in that same system with a new employer after more than a six month break in service.

If a former PERS-eligible employee of the District has a break in service of more than six months but returns to service with the District, the former employee will not be considered a new member pursuant to PEPRA.

- (c) Since April 20, 1951, all employees of the District have been participants in the Federal Social Security Program. Payroll deductions are taken from each employee's pay and matching contributions are made by the District.
- (d) All employees having 10 or more years of continuous service with the District, upon retirement after age 62, shall be granted an additional one month's pay.
- (e) Employees retiring after age 50, with 10 or more years of continuous employment, will have the mandatory amount estimated by the District at retirement to be necessary to pay for 50% of the employee's monthly premium and any additional costs for dependent(s) covered at the time of retirement transferred to a health reimbursement account from their total accumulated sick leave with the District, for payment of medical, vision and dental insurance premiums until the total amount is expended, or the Medicare entitlement age is reached. Should the amount be expended before Medicare entitlement age (for either not having enough on account at retirement to transfer the mandatory estimated amount or because the estimated costs until Medicare entitlement age were less than actual costs), the retiree can pay the premiums himself, if the retiree so chooses, for continued coverage under the District's medical, vision and dental insurance plans until the retiree is entitled to Medicare.



(e) The District will use current and/or future published premium rates to calculate the mandatory estimated amount transferred to the health reimbursement account, using a five percent accelerator for each subsequent premium year. (See the example following this section.)

(f) After the District estimates the mandatory contribution to the health reimbursement account referenced in 11.22 (e) above, employees also have the choice of:

(1) cashing out half of their total accumulated sick leave accrual (up to a maximum of 600 hours or all of their remaining balance, whichever is less); and/or

(2) Converting half of the total accumulated sick leave accrual (up to a maximum of 600 hours or all of the remaining balance, whichever is less), to PERS service credit.

(g) The total of employee's choice(s) of sick leave balance option(s) in sections (f)(1) and/or (f)(2) above at retirement will not exceed half of the total accumulated sick leave accrual (up to a maximum of 600 hours or all of the remaining balance determined by the District in section (e) above, whichever is less.)

(h) Any sick leave balance remaining after (e) and (f) above will be transferred to the health reimbursement agreement.

(i) If the retiree exhausts the health reimbursement account prior to reaching Medicare entitlement age, non-payment by the retiree of their portion of the premium will result in cancellation of the coverage and trigger a COBRA notification.

(j) Any balance in the account when the retiree reaches Medicare entitlement age, or dies prior to reaching Medicare entitlement age, will be available to retiree's eligible dependent(s) until they reach Medicare entitlement age or COBRA rights are exhausted, whichever comes first, or, if there are no dependent(s), any unused balance shall be forfeited.

**Example:**

1. At retirement, the District will estimate the cost of benefits (medical, dental and vision) from retirement date until Medicare entitlement age (that is in effect at the time of retirement) for the employee and any dependent(s) currently enrolled.
2. The District will then estimate the cost of 50% of just the retiree's medical premium until Medicare entitlement age and deduct that from the total of #1 above.
3. The balance of #2 above will be deducted from the total amount of sick leave hours at retirement and deposited into a health reimbursement account at the District to pay for retiree benefits for that retiree and any dependent(s) until Medicare entitlement or the account is depleted.
4. In addition, the employee can cash out 50% (up to 600 hours) of their total accumulated leave or all of the remaining balance, whichever is less, or the employee may choose to convert that time to PERS service credit.
5. Any sick leave balance remaining after (f) and (g) above will be transferred to the health reimbursement agreement.
6. If the amount in the health reimbursement account is depleted prior to the retiree reaching Medicare entitlement age, the retiree may pay the premium at the group rate until Medicare entitlement age is reached.

*Employee retires at age 60 with 1400 hours of sick leave on the books. There are 60 months (5 calendar years) until the retiree is Medicare entitled:*

1. Current Medical, Dental and Vision costs for Employee +1=	\$13,857.96		
+5% in 2008	\$14,550.86		
+5% in 2009	\$15,278.40		
+5% in 2010	\$16,042.32		
+5%in 2011	\$16,844.44		
	\$76,573.98	Estimated amt to Medicare	
2. Current 50% of Medical premium for employee=	\$2,756.16		
+5% in 2008	\$2,893.97		
+5% in 2009	\$3,038.67		
+5% in 2010	\$3,190.60		
+5%in 2011	\$3,350.13		
\$76,573.98 -	\$15,229.52	= \$61,344.45	Amt to HRA
3. 1400 Hours x \$45.00 Hourly Wage =	\$63,000.00		
-	\$61,344.45	Amt to HRA	
=	\$1,655.55	/ \$45.00 = 36.79	Hrs Remaining
4. 36.79 Hrs. Remaining x \$45.00 = (see other options in #4 above)	\$1,655.55	Cash out taxable to retiree	Or to PERS svc credit
5. N/A 0 Balance			

## 26. STATE DISABILITY AND PAID FAMILY LEAVE

Employees requested and were granted permission as a group to join State Disability Insurance (SDI), at their own expense. Participation is mandatory by all non-exempt employees. Exempt positions are not covered by SDI. The coordination of SDI or PFL payments with sick leave cannot exceed the employee's regular weekly wage. Coordinating SDI payments with vacation leave does not affect your benefits. The District requires that employees use two weeks of vacation prior to receiving PFL (see Section 11.15(m)).

The following practices and procedures pertain to personnel receiving SDI or PFL:

(a) Personnel applying for SDI or PFL benefits will be notified by Human Resources when their application is received from the Employment Development Department. Payment of sick or vacation leave benefits will then cease until the employee notifies Human Resources of either the denial of SDI or PFL benefits or their request for supplemental income through sick or vacation leave benefits (explanation below). It is the employee's responsibility to communicate with Human Resources to insure timely payment of sick or vacation leave benefits.

(b) Personnel receiving SDI or PFL benefits will be carried in a leave without pay status, except that,

(c) The salary of personnel receiving (SDI) or PFL benefits can be supplemented by use of sick leave, if applicable under District policy, or if sick leave is exhausted, vacation leave. In order to supplement SDI or PFL benefits with sick or vacation leave, the employee must request supplemental income through use of sick or vacation leave and submit copies of their SDI or PFL payment checks to Human Resources prior to release of any sick or vacation leave benefits. Human Resources has forms to request supplemental benefits and brochures that explain SDI and PFL benefits. The hours of sick leave used to coordinate benefits will be determined by deducting the SDI or PFL weekly benefit from the regular weekly wage and dividing the regular hourly wage into that sum. Those hours of sick leave will be deducted from the leave accounts and a check will be sent to the employee. Vacation leave is deducted, and paid, in daily increments only.

(d) Personnel returning to work following a disability leave will present a medical certificate stating their physical capability to resume the essential functions of their position. Personnel presenting a conditional certificate may be returned to work at the discretion of the General Manager.



## 27. REDUCTION IN FORCE

In the event of a required reduction in force in any positions in the Non-Exempt Classifications, separations shall be made within the job classification being reduced in the following order:

- (a) First: Temporary employees.
- (b) Second: Probationary employees.
- (c) Third: Part-time employees.
- (d) Fourth: Regular employees taking into account both job seniority in the classification being reduced and performance issues

In the event vacancies exist in lower classifications at the time of force reduction, such vacant positions shall be offered to a qualified regular employee then scheduled for force reduction termination. Regular employees retained in a lower classification shall retain the former salary, but their salary shall be frozen until the salary of the lower level position rises over time due to Cost-of-Living adjustments until it reaches the affected employee's salary.

**28. MILITARY DUTY PAY**

Personnel ordered to active duty for training purposes in the U.S. armed forces, will be paid the difference between their District salary and the basic pay received for active military duty for a maximum of 10 working days per year. Employees ordered to military service will receive the current Federal and State mandated benefits.

**29. DRUG/ALCOHOL TESTING**

Employees required to hold a Class A or B driver's license are subject to the District's Controlled Substance and Alcohol Misuse Policy. All employees who hold a non-commercial driver's license and are categorized as "waterworkers" or "sanitary workers" for the purpose of payment of workers' compensation premiums are designated as "safety sensitive" and are subject to the District's Non-DOT Controlled Substance and Alcohol Misuse Policy. Please refer to Appendix E of the Personnel Regulations for the complete policy.



**30. DRIVER'S LICENSE**

The District shall reimburse any regular employee for the difference in cost between a Class A or Class B driver's license and a Class C driver's license which the employee is required to obtain or renew during his/her term of employment. The District will provide time to train for and obtain a Class A or Class B driver's license which is over and above what is necessary to obtain a Class C license. Failure to pass a required Class A or Class B driver's license examination may result in reclassification, or if no other position is available, termination. The District shall also pay for the cost of mandatory physicals which are an employment requirement. Employees required to hold a Class A or B driver's license are subject to the District's Controlled Substance and Alcohol Misuse Policy. Please refer to Appendix E of the Personnel Regulations for the complete policy.

**31. "ME-TOO" CLAUSE**

**"Me-Too" Clause is in effect as to COLA and Medical Insurance only.**

During the term of this MOU, if the District provides any other bargaining unit a COLA increase which exceeds the percentage increase contained in this Agreement then the District shall adjust the percentage increases contained in this Agreement so that they are equal to the percentage salary increase granted to employees in the other bargaining unit. Such adjustments shall be effective at the time the salary increase is granted to the employees in the other bargaining unit. In addition, during the term of this MOU, if the District provides any other bargaining unit with a Medical Insurance Benefit plan that requires the employee to pay a smaller percentage of their premium for equal plans then provided for in this Agreement, then the District shall adjust the Medical Insurance provisions contained in this Agreement so that they are equal to the Medical Insurance provisions contained in the other bargaining unit's agreement.

**32. REOPENERS, ENTIRE AGREEMENT & SIGNATURES**

*Either party may request to re-open the MOU regarding the findings of the CalPERS audit that was performed in fiscal year 2014/15. At the time this MOU is signed, the findings and any required changes to the MOU are not known.*

*Either party may request to re-open the MOU if Fallbrook Public Utility District and Rainbow Municipal Water District are reorganized pursuant to the Local Agency Formation Commission, specifically but not limited to, a deferred compensation matching program.*

*If any of this MOU is declared by legislative or judicial authority to be unlawful, unenforceable, or not in accordance with applicable provisions of Federal, State or Local laws or regulations, such part or provisions shall be suspended and superseded by such applicable law or regulations and the remainder of this MOU shall remain in full force and effect for the duration of this MOU.*

*It is acknowledged that during negotiations which resulted in this MOU, FPUDEA had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects within the scope of representation. Therefore, for the term of this agreement, FPUDEA agrees that FPUD shall not be obligated to meet and confer with respect to any subject or matter not specifically referred to or covered in this MOU. All terms and conditions of employment not covered in this MOU shall continue to be subject to FPUD's direction and control.*

*Except as specifically restricted by an express provision of this MOU, FPUD retains and may exercise all management rights and prerogatives in its discretion.*

*The terms and conditions of this MOU shall remain in effect during negotiations if the negotiations extend beyond June 30, 2018 until a new MOU is agreed upon or impasse is reached, whichever occurs first.*

*It is agreed that the Personnel Regulations be changed to reflect the changes contained herein.*

*Revisions were made July 27, 2015, October 26, 2015, November 23, 2015 and January 12, 2016.*

**FPUD is an Equal Opportunity Employer**

\_\_\_\_\_  
Board of Directors

\_\_\_\_\_  
FPUDEA

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**FALLBROOK MANAGEMENT EMPLOYEES' ASSOCIATION MOU**

*This Memorandum of Understanding (MOU) is entered into by Fallbrook Public Utility District (FPUD) and Fallbrook Management Employees' Association (FMEA), as a mutual recommendation to the Board of Directors of FPUD of those wages, hours, and conditions of employment which are to be in effect during the period 12:01 a.m. on July 1, 2015 through 12:00 p.m. on June 30, 2018 for exempt classifications excepting the General Manager.*



**EXTENSION OF EXISTING MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

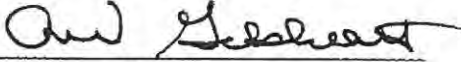
**FALLBROOK PUBLIC UTILITY DISTRICT**

**AND**


**FALLBROOK MANAGEMENT EMPLOYEES' ASSOCIATION**

It is hereby agreed by and between the parties, Fallbrook Public Utility District (FPUD) and Fallbrook Management Employees' Association (FMEA) that the memorandum of understanding (MOU) by and between the parties shall be extended one year, for a new contract term of July 1, 2018 to June 30, 2019, under the following terms and conditions:

1. The parties understand and agree that neither party shall propose or be obligated to increase wages for the contract term.
2. The parties agree that they shall meet for purposes of negotiating a successor MOU, with specific dates and times of such negotiations to be mutually agreed upon.
3. The parties further agree that all other terms and conditions of employment set forth in the MOU shall remain in full force and effect through June 30, 2019.

  
\_\_\_\_\_  
President Gebhart  
FPUD Board of Directors

7/25/18  
\_\_\_\_\_  
Dated

  
\_\_\_\_\_  
Jason Cavender  
FMEA

7/12/18  
\_\_\_\_\_  
Dated

1. The Administrative Services Manager/Treasurer, Assistant General Manager, Operations Manager, Human Resources Manager, System Operations Manager, and Chief Plant Operator classifications (exempt employees) are the members of FMEA.
2. The results of the salary survey conducted by Koff and Associates in the fall of 2014 are accepted.
3. The District will implement the pay scales that were recommended after an independent salary survey was conducted by Koff and Associates and reviewed in fiscal year 2014/15. These payscales for each fiscal year of this MOU are attached as Exhibit A1 through A 12.
  - e. Employees will be placed on the Koff survey pay ranges effective their grade/step as of June 30, 2015 and then the COLA will be applied so all employees will receive at least a 2% COLA increase effective July 1, 2015. Employees are still eligible for merit increases or longevity bonuses.
4. Cost of living adjustments (“COLA”) to employee salaries during the ~~four~~ three year term shall be as follows:
  - a. 2%-effective July 12015
  - b. 2%-effective July 1, 2016
  - c. 2%-effective July 1, 2017
5. Exempt employee contributions to the CalPERS retirement plan shall be 8% for classic members. PEPPRA rules apply for non-classic members.
6. Exempt employees will be eligible for longevity bonuses on each exempt employee’s anniversary date, or most recent promotion date, based on the same criteria listed in the FPUDEA MOU for the term ending June 30, 2018.
7. . At hire, vacation accrual rates will be negotiable, up to a maximum of 208 hours (26 eight-hour days) per calendar year. Vacation rate accruals will increase by adding the negotiated years of service rate at the time of hire to actual years of service in accordance with the FPUDEA MOU for the term ending June 30, 2018, where applicable. For example, if an employee negotiates a vacation accrual rate that equals 10 years of service at the time of hire, the current FPUDEA MOU schedule has the next increase at 15 years of service. That employee would realize the vacation accrual rate of 15 years of service on the anniversary date of the fifth year of service at FPUD.
8. An employee may sell back to the District portions of unused vacation and executive leave time up to 80 hours under the following conditions:
  - a. Employee has already taken 100 hours of vacation and/or executive leave within the previous 12 months.
  - b. At least 100 hours of accrued vacation and/or executive leave time shall remain on the account after the payoff.
  - c. The sale shall occur annually in November of each year.
  - d. Vacation stops accruing when an employee has a balance of over 248 hours on December 31<sup>st</sup> of each year.
  - e. Executive leave stops accruing when an employee has a balance of over 120 hours at any time.
9. Management (exempt) employees will accrue five (eight hour) days of Executive Leave annually with a cap of 15 days (120 hours). Accrual will cap at 120 hours. Accrual will recommence when the balance is

below 120 hours. Executive Leave accruals can be cashed out at 50% at termination or retirement. Upon retirement, up to 100% of Executive Leave may be left on account to pay for medical expenses until Medicare entitlement age is reached. Executive Leave may be sold back to the District as determined in 8. above.

10. Monthly car allowance will remain at \$604.17 per month for the current Assistant General Manager, Administrative Services Manager/Treasurer and Operations Manager.

11. The District will allow the Assistant General Manager, Administrative Services Manager/Treasurer and/or Operations Manager hired after July 1, 2015 to either be assigned a District vehicle or be paid \$604.17 per month as a vehicle allowance. However, if any of the incumbents chooses to have a vehicle allowance, the change is not reversible (i.e. they cannot switch back to a District vehicle at a later date).

12. Management (exempt) employees are eligible for up to \$500 reimbursement for an annual physical after the primary insurance has paid its portion. This benefit is year to year and there is no "carry over." Human Resources will process the reimbursement upon receipt of the statement and proof of insurance submittal and payment.

13. For the term of this agreement, FPUD will match up to 1.9% of each FMEA member's salary to a District 401(a) plan as long as each FMEA member is contributing at least that percentage to their individual deferred compensation 457(b) plan.

14. Exempt employees will not be allowed to participate in the Tuition Reimbursement negotiated as a benefit for the non-exempt employees only.

15. Except as expressly stated herein, all other benefits available to non-exempt employees as stated in the FPUDEA MOU for the term ending June 30, 2018 are available to exempt employees.

16. **"Me-Too" Clause is in effect as to COLA and Medical Insurance only:** During the term of this MOU, if the District provides any other bargaining unit a COLA increase which exceeds the percentage increase contained in this Agreement then the District shall adjust the percentage increases contained in this Agreement so that they are equal to the percentage salary increase granted to employees in the other bargaining unit. Such adjustments shall be effective at the time the salary increase is granted to the employees in the other bargaining unit. In addition, during the term of this MOU, if the District provides any other bargaining unit with a Medical Insurance Benefit plan that requires the employee to pay a smaller percentage of their premium for equal plans then provided for in this Agreement, then the District shall adjust the Medical Insurance provisions contained in this Agreement so that they are equal to the Medical Insurance provisions contained in the other bargaining unit's agreement.

*Either party may request to re-open the MOU regarding the findings of the CalPERS audit that was performed in fiscal year 2014/15. At the time this MOU is signed, the findings and any required changes to the MOU are not known.*

*Either party may request to re-open the MOU if Fallbrook Public Utility District and Rainbow Municipal Water District are reorganized pursuant to the Local Agency Formation Commission, specifically but not limited to, a deferred compensation matching program and severance pay agreements for exempt employees.*

*If any of this MOU is declared by legislative or judicial authority to be unlawful, unenforceable, or not in accordance with applicable provisions of Federal, State or Local laws or regulations, such part or provisions*



shall be suspended and superseded by such applicable law or regulations and the remainder of this MOU shall remain in full force and effect for the duration of this MOU.

It is acknowledged that during negotiations which resulted in this MOU, FMEA had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects within the scope of representation. Therefore, for the term of this agreement, FMEA agrees that FPUD shall not be obligated to meet and confer with respect to any subject or matter not specifically referred to or covered in this MOU. All terms and conditions of employment not covered in this MOU shall continue to be subject to FPUD's direction and control.

Except as specifically restricted by an express provision of this MOU, FPUD retains and may exercise all management rights and prerogatives in its discretion.

*Revisions were made August 24, 2015, November 23, 2015 and January 12, 2016.*

**Fallbrook Public Utility District is an Equal Opportunity Employer**

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Accepted:

Accepted:

\_\_\_\_\_  
President, Board of Directors  
Fallbrook Public Utility District

\_\_\_\_\_  
Jason Cavender, FMEA Negotiator

**RESOLUTION NO. 4973**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT APPROVING MEMORANDA OF UNDERSTANDING (MOUs) WITH FPUDEA AND FMEA FOR JULY 1, 2019–JUNE 30, 2022, AND ADOPTION OF AN AMENDED SALARY SCHEDULE (EFFECTIVE JULY 1, 2019) FOR ALL DISTRICT EMPLOYEES EXCEPT THE GENERAL MANAGER.**

\* \* \* \* \*

**WHEREAS**, over the last several months the Board of Directors of the Fallbrook Public Utility District (District) has engaged in negotiations with its two labor groups, Fallbrook Public Utility District Employees' Association (FPUDEA) and the Fallbrook Public Utility District Management Employees' Association (FMEA), pursuant to the provisions of the Meyers-Milias-Brown Act, Government Code section 3500 et seq.; and

**WHEREAS**, the District and both FPUDEA and FMEA successfully completed negotiations of new Memoranda of Understanding (MOUs), which include modifications to wages and benefits for a period of 3 years, beginning July 1, 2019; and

**WHEREAS**, both FPUDEA and FMEA ratified the respective draft final MOUs on June 12, 2019; and

**WHEREAS**, the approval of the MOUs by the District Board of Directors will require that an amended salary schedule to be effective July 1, 2019, be adopted to reflect the position salary modifications as set forth in the MOUs; and

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

**WHEREAS**, the draft MOUs and the amended salary schedule are presented to the District Board of Directors for approval and/or adoption.

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

1. All the recitals set forth above are true.
2. The Memorandum of Understanding with the Fallbrook Public Utility District Employees' Association (FPUDEA) for July 1, 2019–June 30, 2022, attached to this Resolution as Exhibit "A," which exhibit is made part of this Resolution, is hereby approved.

3. The Memorandum of Understanding with the Fallbrook Public Utility District Management Employees' Association (FMEA) for July 1, 2019–June 30, 2022, attached to this Resolution as Exhibit “B,” which exhibit is made part of this Resolution, is hereby approved.
4. The amended salary schedule attached to this Resolution as Exhibit “C,” which exhibit is made part of this Resolution, is hereby adopted.

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 17th day of June, 2019, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

President, Board of Directors

ATTEST:

---

Secretary, Board of Directors



## **Exhibit “A”**

**MEMORANDUM OF UNDERSTANDING**

**between the**

**FALLBROOK PUBLIC UTILITY DISTRICT**

**and the**

**FALLBROOK PUBLIC UTILITY DISTRICT  
EMPLOYEES' ASSOCIATION**

**July 1, 2019 through June 30, 2022**

**MOU BETWEEN FPUD AND FPUDEA**

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## MOU BETWEEN FPUD AND FPUDEA

### ARTICLE 1. GENERAL

#### SECTION 1 - PURPOSE

This agreement recognizes the Fallbrook Public Utility District Employees' Association (FPUDEA) bargaining unit representatives as the majority representative of all regular, non-management, employees of the Fallbrook Public Utility District (FPUD) and represents the unit for matters within the scope of meet and confer. The bargaining unit representatives accept the duty of fair representation in meet and confer and under this agreement.

#### SECTION 2 – SCOPE

Meet and confer is limited to wages, hours, and other terms and conditions of employment, and shall not include any items not covered by this agreement or adopted by reference in this agreement or any subject preempted by federal or state law. Amendments to this agreement that are within the scope of meet and confer shall require prior meet and confer between the bargaining unit representatives and the District.

#### SECTION 3 – GENERAL PROVISIONS

##### A. ASSOCIATION RECOGNITION

1. FPUD formally recognizes FPUDEA as the representative for all employees in non-exempt classifications.
2. The Association may designate a maximum of 7 total representatives. The District will recognize as representatives only those persons designated on the most recent list furnished by the Association.
3. The District shall grant a representative reasonable release time when, at the request of an employee, the representative is investigating an alleged grievance and assisting in its written preparation and presentation.

##### B. CONSTRUCTION

In interpreting the language of this MOU, first the plain meaning of the language shall prevail. If the parties cannot agree on the plain meaning of the language, then the intent of the parties shall be considered; then the trade or industry usage of the language shall be considered.

##### C. DISTRICT RIGHTS

The rights of the District include, but are not limited to the exclusive right to determine the mission of its departments, commissions, committees, and boards; set standards of service;



## **MOU BETWEEN FPUD AND FPUDEA**

determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of operations; determine the methods, means and personnel by which operations are to be conducted; set work schedules; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

### **D. NEW EMPLOYEE NOTIFICATION**

Pursuant to AB 119, the District will provide the Association with the name, job title, department, work location, personal email addresses, home address and work, home, and personal cell numbers of new employees within 30 days of hire or the first pay period of the month after hire.

The District will also provide the Association with this information for all employees it represents at least every 120 days; however, employees do have the ability to opt out, in writing, of the disclosure of their home address, home telephone number, personal cell number and personal email address on file.

Additionally, the District will provide the Association with 10 days' advance notice of any scheduled new-employee orientation.

## **ARTICLE 2. DURATION OF AGREEMENT**

This MOU is entered into by Fallbrook Public Utility District (FPUD) and the Fallbrook Public Utility District Employees' Association (FPUDEA), as a mutual recommendation to the Board of Directors of FPUD of those wages, hours, and conditions of employment which are to be in effect at 12:00 a.m. on July 1, 2019 and will terminate at 11:59 p.m. on June 30, 2022.

At the expiration of this MOU, in whole or in part and in the absence of a new MOU, FPUDEA and the District agree to continue operating under the provisions of this MOU until such time as a new MOU is reached.

## **ARTICLE 3. WAGES**

### **SECTION 1 – WAGE INCREASES**

Wages shall increase by 2% effective the beginning of the pay period which includes July 1, 2019.

Wages shall increase by 2.5% effective the beginning of the pay period which includes July 1, 2020.

Wages shall increase by 3% effective the beginning of the pay period which includes July 1, 2021.

## MOU BETWEEN FPUD AND FPUDEA

### SECTION 2 - ADJUSTMENTS

Effective the first pay period which includes July 1, 2019, each step within the pay range for the following positions will be increased an additional 3%: GIS Coordinator, Utility Technician, and Systems Operator I/II.

### SECTION 3 - SALARY SURVEY

A salary survey will be conducted by a third-party consultant in fiscal year 2021/2022 and the results will be shared with bargaining unit representatives as soon as practicable, ahead of the start of negotiations for a successor MOU. The District agrees to work in good faith with Association representatives in establishing comparator agencies and benchmark positions to be used in the salary survey.

### SECTION 4 - SALARY SCHEDULE

- A. The District's salary schedule includes 10 steps (A-J) within each range.
- B. Employees are eligible for their first salary step increase upon completion of 1 year of employment and an overall rating of at least a "meets requirements" on their first annual performance evaluation. Employees are eligible to receive subsequent step increases with each of their annual performance evaluations until they reach the top step of their position's range.
  1. An employee who receives an overall rating of "does not meets" on their annual performance evaluation is not eligible for a salary-step increase.
  2. An employee shall receive a one-step salary increase (e.g. A to B) for an overall annual performance evaluation rating of "meets requirements."
  3. A supervisor may recommend to the General Manager that an employee receive a two-step salary increase for an overall annual performance evaluation rating of "exceeds requirements."
  4. The General Manager is authorized to grant exceptions to the above step increase requirements for exceptional meritorious performance

## MOU BETWEEN FPUD AND FPUDEA

### ARTICLE 4. SERVICE

#### SECTION 1 - FILLING OF VACANT POSITIONS

Whenever a vacancy in a new or existing position occurs, preference in filling it shall be given to existing qualified District employees whenever possible.

- A. An employee promoted to a position with a higher pay range, but not within a position series (i.e., designated by "I/II/III", such as utility worker I/II)) shall be placed at the salary step within the higher pay range that results in the employee receiving no less than a 5% increase in the employee's base hourly rate.
  - 1. For example, an employee promoted from a position at pay range 30, step B, to a position at pay range 31, shall be placed at step C of pay range 31, which is a 5% increase.
- B. An employee is eligible for promotion within a position series (e.g. utility worker I to utility worker II) upon achieving the necessary certification/education/experience requirements as stated in the position's job description.
  - 1. These types of promotions occur with an employee's annual performance evaluation and their placement in the higher pay range shall be granted as described in Article 3. Section 4-B.

#### SECTION 2 - PROBATIONARY PERIOD

- A. All new-hires shall serve an initial probationary period of 6 months; however, a supervisor may, with approval of the General Manager, require an extension of an employee's initial or promotional probationary period not to exceed 12 months total.
- B. During the initial probationary period, the employee may be rejected at any time, without the right to appeal. Upon successfully completing the initial probationary period, employees achieve regular employment status.
- C. Current District employees promoted to another position outside of their current position series (i.e., promotion to a different position altogether, not from a I to II level in the same position, such as a utility worker I to utility worker II) shall serve a promotional probationary period of not less than 6 months. A promoted employee rejected during their promotional probationary period shall be reinstated to the position from which he/she was promoted, unless he/she is terminated for cause from the District.



## **MOU BETWEEN FPUD AND FPUDEA**

### **SECTION 3 – NEPOTISM**

The hiring of a current District employee's relative is not permitted without the approval of the General Manager. A relative may only be hired if they do not work in the same department, they are not under the direct or indirect supervision of the other, and neither occupies a position which has influence over the other's employment, promotions, or salary administration. A relative is defined as a spouse, parent, child, sibling, grandparent, aunt/uncle, niece/nephew, cousin, mother/father-in-law, brother/sister-in-law, and domestic partners.

### **SECTION 4 – PERFORMANCE EVALUATIONS**

- A. New employees will receive their first performance evaluation at 6 months; the second at the completion of 1 year; and each year thereafter on their employment anniversary date.
- B. If an employee is promoted to a job outside of their current position series (i.e., promotion to a different position altogether, not from a I to II level in the same position, such as a utility worker I to utility worker II), their performance evaluation date will become the date of their promotion.
- C. An employee may appeal an overall performance rating of "does not meet requirements" to the General Manager. This appeal is not part of the grievance process and the decision of the General Manger is final.
- D. If an employee's performance evaluation is more than 30 days overdue, the employee's step increase, if applicable, shall be granted, retroactive to the date following the end of the evaluation rating period, pending their supervisor's completion of the performance evaluation; however, it is also the employee's responsibility to notify human resources if/when they do not receive their performance evaluation by the due date.
- E. The District agrees to work jointly, in good faith, with Association representatives in revising the performance evaluation form and process.

### **SECTION 5 - CERTIFICATIONS & PROFESSIONAL MEMBERSHIPS**

#### **A. REQUIRED CERTIFICATIONS**

Certification requirements are shown at the end of each job description.

- 1. If an employee is initially hired at a "no certification" range as indicated in their job description, they will not be allowed to remain at the "no certification" range indefinitely.
  - a. Upon hire, an employee hired at a "no certification" range will be provided with an employment agreement that clearly outlines the specific certification requirements of their position.

## MOU BETWEEN FPUD AND FPUDEA

b. The employee's supervisor shall provide the employee with the information and training to prepare for the necessary certification exam/s.

c. If the employee does not successfully achieve the minimum level of certification, beyond the "no certification" range, as required of their position, they will be subject to disciplinary action.

2. Once an employee receives a required and/or "other" certification of a higher range, as indicated in their job description, they will be moved to their same step within the higher range, resulting in a 2.5% increase.

a. For example, an employee who is at range 16, step A, of the utility worker I position currently possesses a D1 certification, as required for range 16. Once this employee receives a class A driver's license, as required, along with a D1 certification, for range 17, they will be moved to step A of range 17.

3. If an employee fails to maintain the required certification/s for their position, they will be subject to disciplinary action.

4. The District will reimburse employees for the cost of exams for certifications required of their position, as specifically stated in their job description.

5. The District will reimburse employees for the cost of exam for certifications that are not required of their but are determined by the General Manager to be relative to their job duties/responsibilities.

6. If an employee does not successfully pass a certification exam within the first 2 attempts, the employee will be responsible for covering the cost/s for any additional attempts at passing the exam.

7. Certification renewal fees will be paid by the District; however, employees are responsible for any late fees incurred.

### B. OPTIONAL CERTIFICATIONS

Employees in positions that do not require specific or "other" certification/s as listed in their job description, are eligible, upon the General Manager's approval, to receive an additional 2.5% certification pay for as long as they possess a valid certification.

1. Employees are only eligible for 2.5% certification pay, whether they have one or more optional certifications.

## MOU BETWEEN FPUD AND FPUDEA

- C. Membership fees for certification and/or professional associations, as approved by the General Manager, will be paid by the District.
- D. Continuing education unit fees will be paid by the District and District time will be made available for the training of employees whose classifications require distribution and treatment certification. In-house training required by the State for continuing education units will be on District time and paid by the District for all certifications.
- E. District approved training required by the State for continuing education units will be on District time and paid by the District for required certifications (e.g., D1 or D2), as stated specifically in their job descriptions or as determined by the General Manager to be related to their job duties/responsibilities.
- F. DRIVER'S LICENSE REQUIREMENT

The District shall reimburse employees for the difference in cost between a Class A or Class B driver's license and a Class C driver's license which the employee is required to obtain or renew during his/her term of employment.

The District will provide reasonable time to train for and obtain a Class A or Class B driver's license which is over and above what is necessary to obtain a Class C license.

Failure to pass a required Class A or Class B driver's license examination may result in reclassification, or if no other position is available, termination. The District shall also pay for the cost of mandatory physicals which are an employment requirement.

### SECTION 6 - LONGEVITY MERIT BONUS

The General Manager is authorized to award a longevity merit bonus of 2.5% of current gross annual pay to an employee who meets the following eligibility requirements:

- Receives an overall "exceeds requirements" on their annual performance evaluation;
- Has completed ten years of uninterrupted employment with the District; and
- Is currently at step J of their pay range or, if applicable, is at the highest pay range and step within their current position series (e.g. Range 21, step J of Utility Worker II of the Utility Worker I/II position series).



## MOU BETWEEN FPUD AND FPUDEA

### SECTION 7 - OUT-OF-CLASS (OOC) PAY

When a supervisor/manager is going to be away from the office and unavailable for more than one day, he or she may request approval from the General Manager to have a qualified employee serve in an out-of-class assignment in the supervisor's/manager's absence.

The employee approved for an OOC assignment shall receive an additional 15% out-of-class pay.

Out-of-Class pay is only provided for time actually worked. Employees will not receive out-of-class while on paid time off (e.g. vacation or sick leave) and/or for a District-observed paid holiday, unless they are called into work on a District-observed paid holiday.

## ARTICLE 5. HOURS OF WORK

### SECTION 1 – 9/80 SCHEDULE

The District's 9/80 work schedule has two alternating teams, "blue" and "gold" Supervisors will assign the employee to the team. All team changes will be approved by the General Manager.

Under the 9/80 schedule, assigned staff shall work, in any two week pay period, 8 weekdays (Monday - Thursday) for 9 hours each day, and 1 day (Friday) for 8 hours and off on the alternate Friday.

Some employees may not be eligible for the 9/80 work schedule due to District operational considerations, as determined by the supervisor and approved by the General Manager.

An alternate work schedule may be considered by the General Manager for employees who prefer not to work the 9/80 schedule.

### SECTION 2 - HOURS OF WORK

- A. Employee time from 1 to 7 minutes shall be rounded down, and thus not counted as hours worked, but employee time from 8 to 14 minutes must be rounded up and counted as a quarter hour of work time.
- B. Customer service (i.e. front counter) will be staffed accordingly to accommodate the hours open to the public, Monday through Friday, 8:00 a.m. - 5:00 p.m.

### SECTION 3 - OVERTIME

- A. No employee may work non-emergency overtime without advance approval from their supervisor.

## MOU BETWEEN FPUD AND FPUDEA

- B. Employees shall be paid one and one half times (1.5) their hourly rate of pay for all hours worked beyond their regularly scheduled hours in one work day.
  - 1. For example, an employee on a standard 9/80 schedule will receive overtime for hours worked beyond their regularly scheduled 9 hours on Monday through Thursday.
- C. An employee **not on standby** that is required to report to work to assist in emergency repairs after their regularly scheduled work hours shall receive a minimum of 3 hours of pay at 1.5 their hourly rate.
- D. An employee who is **not on standby** and is contacted by telephone for assistance between 6:00 a.m. and 9:00 p.m. shall be eligible for a minimum of 15 minutes or the actual length of the telephone call of overtime pay for each response. If the employee called is required to physically respond, there will be no compensation for the telephone call and regular call-out overtime rules shall apply.
- E. An employee who is **not on standby** and is contacted by telephone for assistance between 9 p.m. and 6 a.m. shall be eligible for a minimum of 30 minutes or the actual length of the telephone call of overtime pay for each response. If the employee called is required to physically respond, there will be no compensation for the telephone call and regular call-out overtime rules shall apply.
- F. Employee time from 1 to 7 minutes shall be rounded down, and thus not counted as hours worked, but employee time from 8 to 14 minutes must be rounded up and counted as a quarter hour of work time.
- G. Vacation time, compensatory time (comp. time) and sick leave shall be included as time worked for the purpose of calculating overtime pay.
- H. An employee's time on "rest leave" does not count as time worked for the purpose of calculating overtime pay.

### SECTION 4 – DOUBLE TIME

- A. An employee, required to report to work to assist in emergency repairs on an actual holiday date, as listed in **Article 8.A HOLIDAYS**, shall receive a minimum of 2 hours of double time.
- B. An employee will be paid at a rate of double their regular rate of pay for all authorized hours worked in excess of twelve hours per day or in excess of eight hours on the seventh straight day in any given week.
  - 1. An employee will receive double time for hours worked over 12, which do not need to be worked consecutively within a 24-hour period.

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- a. For example, if an employee that is **not on standby** works their normal 9-hour day on Wednesday and is called back at midnight for an emergency and works until 9:30 a.m. Thursday:
  - o Employee receives regular overtime (1.5) for 3 hours (midnight-3 a.m.), pursuant to section 3.C Overtime; and
  - o Employee receives double time for 6.5 hours (3 a.m. to 9:30 a.m.)

### SECTION 5 - COMPENSATORY TIME (COMP. TIME)

- A. When an employee works overtime, the employee may elect to accrue comp. time in lieu of receiving overtime payment at a rate of 1.5 hours for each overtime hour worked.
- B. Comp. time may accrue up to a maximum of 40 hours.
- C. Comp. time usage shall not be reasonably denied if operations will not be adversely affected.
- D. Upon separation from the District, employees shall be paid 100% of their accrued comp. time balance at their then base hourly rate of pay.

## ARTICLE 6. SPECIAL PAY

### SECTION 1 - ON-CALL/STANDBY

- A. An employee on standby shall be compensated at a flat daily amount of \$35, Monday-Friday, or \$50 for Saturdays, Sundays and actual holiday date as listed in **Article 8.A HOLIDAYS**.
  - 1. In addition to the flat daily amount, when an employee on standby duty is called to report to work, he will receive a minimum of 2 hours of overtime pay at 1.5 their hourly rate.
  - 2. In addition to the flat daily amount, an employee on standby duty that is called to work on an actual holiday date, as listed in **Article 8.A HOLIDAYS**, shall be paid double time for all hours worked.
  - 3. An employee who is out on a work-related or personal injury/illness is not eligible to receive the flat daily amount of standby duty pay.
- B. Hours spent on standby shall not be considered hours worked.
- C. Employees serving on standby duty are bound by the District's Drug-Free Workplace Policy while on standby duty.
- D. An employee assigned to standby duty who fails, refuses, or is unable to respond to an emergency call is subject to disciplinary action.



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- E. An employee assigned to standby duty may arrange to be replaced by a substitute, provided he/she receives approval from department supervision before the standby duty is scheduled to begin.
- F. The District will work with Association representatives to develop specific On-Call/Stand-by Agreements that more specifically explain the requirements for the different positions.

**SECTION 2 – TRAVEL TIME PAY**

The District agrees to pay non-exempt employees for travel time in accordance with the Fair Labor Standards Act (FLSA).

A. Travel Time – To/From Home and Work

Normal travel to/from home and work is not considered hours worked.

B. Single-Day Travel

Time spent by the employee in travel as part of his or her normal work activities – such as travel from the job site to an off-site training/seminar during regular working hours is considered hours worked.

If the employee is required to travel to another city and return home the same day, the travel time to and from the other city is considered hours worked. If the employee takes a lunch break, it is not considered hours worked. If the employee uses public transportation, the travel time between the employee’s home and the point (i.e. bus station, airport, etc.) where he or she obtains this transportation is not considered hours worked.

Regular Work Hours	Single Travel Day	Travel Time	Travel Time Paid
8 a.m. to 5 p.m., Monday - Friday	Friday	Leave at 6:30 a.m. - arrive at 8:30 a.m. Attend seminar. Take an hour lunch. Leave at 4:30 p.m. - arrive back at 6:30 p.m.	Employee is paid for 11 hours, with hours in excess of their regular work day paid as overtime. Not paid for lunch hour.
8 a.m. to 5 p.m., Monday - Friday	Sunday	Leave at 2:00 p.m. – arrive at 6 p.m.	Employee is paid for 4 hours.
11:00 a.m. to 8 p.m. Monday – Friday	Wednesday	Leave at 9 a.m. - arrive at noon.	Employee is paid for 3 hours – since the travel is in the same day.

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C. Travel Away From Home Overnight on a Regularly Scheduled Work Day

Travel time involving a required overnight stay is considered hours worked only when it is during the employee’s regular workday. The employee is simply substituting travel for his or her regular work hours.

Travel time that is outside of normal work hours is not considered hours worked.

Regular Work Hours	Overnight Travel	Travel Time	Travel Time Paid
8 a.m. to 5 p.m., Monday - Friday	Friday	Leave at 7 a.m. – arrive at 1:00 p.m. Took an hour lunch.	Employee is paid for 4 hours – not paid for time outside regular hours or for lunch.
8 a.m. to 5 p.m., Monday - Friday	Sunday	Leave at 2:00 p.m. – arrive at 6 p.m.	Employee is paid for 3 hours – not paid for time outside of regular hours.
11:00 a.m. to 8 p.m., Monday – Friday	Wednesday	Leave at 11:00 a.m. – arrive at 2 p.m. Took an hour lunch.	Employee is paid 2 hours. Not paid for lunch.
11:00 a.m. to 8 p.m., Monday – Friday	Sunday	Leave at 10:00 a.m. – arrive at 3:00 p.m. Took an hour lunch.	Employee is paid 3 hours. – not paid for the time outside of regular hours or for lunch.

D. Travel on a Non-Work Day

If the employee regularly works from 8 a.m. to 5 p.m., Monday through Friday, traveling during the same hours on Saturday and/or Sunday is considered hours worked; however, the employee’s usual lunch break is not considered hours worked.

Time spent in travel away from home outside of regular work hours is not considered hours worked.

Any work that the employee performs while traveling is considered hours worked even if these hours are outside his or her normal work schedule.

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**SECTION 3 – RESIGNATIONS & RETIREMENTS**

**A. NOTIFICATION**

An employee wishing to resign or retire in good standing shall submit a written resignation at least 2 weeks prior to the effective date of resignation. The District will pay an employee for all hours worked and any applicable and available leave balances on the next regular payday following their resignation/retirement.

**B. RETIREMENT BONUS**

All employees having 10 or more years of continuous service with the District, upon retirement after age 62, shall be granted an additional one month's pay.

**ARTICLE 7. LEAVES**

**SECTION 1 - VACATION**

**A. Each regular and probationary employee will accrue vacation leave as follows:**

- 1 through 5 years = 4.00 hours per pay period
- After 5 years = 4.62 hours per pay period effective on 5th anniversary
- After 10 years = 6.15 hours per pay period effective on 10th anniversary
- After 15 years = 7.69 hours per pay period effective on 15th anniversary
- After 19 years = 8.00 hours per pay period effective on the 20<sup>th</sup> anniversary

**B. If an employee's last day of employment with the District falls within the middle of a pay period, their vacation leave hours accrued for that pay period will be prorated accordingly.**

**C. Employees are allowed to accrue vacation leave up to a maximum of 248 hours.**

1. On December 31 of each year, an employee with vacation hour balance that exceeds 248 hours will stop accruing until vacation leave is used and their balance is below 248 hours.
2. When circumstances created by the District are beyond the control of the employee and make it impossible for the employee to use vacation leave as described above to reduce their maximum accrued vacation hours, the General Manager may grant an extension to the maximum accrued hours allowed until such time that the employee is able to take the necessary vacation time off to reduce their balance.



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### D. Use of Vacation Time

Any planned leave (vacation or comp time off) must be requested with as much notice as possible. Supervisors will grant requests based on the needs of the District. Requests shall not unreasonably be withheld or denied.

An employee may elect to use accrued vacation for scheduled medical, dental or vision appointments, evaluations or associated activities if they have exhausted their sick leave balance.

### E. Payout of Vacation Leave

Employees who terminate their employment with the District shall be paid for all accrued and available vacation leave.

### F. Sell Back of Unused Vacation Leave Hours

Employees may sell back unused vacation time under the following conditions:

1. A minimum of 40 hours can be requested;
2. The maximum of 80 hours can be requested;
3. The employee must have taken at least 80 hours of vacation (the use of comp. time counts toward this requirement);
4. The employee must have a remaining balance of at least 80 hours of accrued vacation time after the sell back; and
5. Employees must complete and submit to human resources a vacation leave sell back request form by the December deadline as established by human resources each year.
  - The sell back will occur in the following December.
  - Once an employee submits a request form, it cannot be modified for revoked, per the IRS regulations.

## SECTION 2 - SICK LEAVE

### A. Sick Leave Accrual

Regular and probationary employees will accrue 3.69 hours of sick leave per pay period.

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### B. Sick Leave Use

Sick leave usage shall be allowed for the following qualifying reasons:

1. For the employee's own illness or injury.
2. For the employee's own diagnosis, care, or treatment of an existing health condition; or preventative care, including medical and dental appointments.
3. For the diagnosis, care, or treatment of an existing health condition or preventative care for an employee's family member, including: parent, parent-in-law, child, spouse, domestic partner, grandparent, grandchild, or sibling.
4. To obtain relief or services related to being the victim of domestic violence, sexual assault, or stalking, including the following, with appropriate certification of the need for such services:
  - A temporary restraining order or restraining order.
  - Other injunctive relief to help ensure the health, safety or welfare of themselves or their children.
  - To seek medical attention for injuries caused by domestic violence, sexual assault or stalking.
  - To obtain services from a domestic violence shelter, program, or rape crisis center as the result of an act of domestic violence, sexual assault, or stalking.
  - To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.
  - To participate in safety planning and other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.
5. In accordance with California Kin Care Law, regular full-time employees may use up to ½ of their annual accrued total sick leave to care for a family member.
6. Employees who terminate their employment with the District will be paid for 50% of unused sick leave, not to exceed payment for the following number of hours:
  - 600 hours – Effective July 1, 2019 - June 30, 2020
  - 500 hours – Effective July 1, 2020 – June 30, 2021
  - 400 hours – Effective July 1, 2021 – June 30, 2022
7. If an employee's sick leave balance is exhausted, another paid leave (e.g. vacation, comp. time) will be used.

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8. A sick leave absence of more than 40 hours resulting from an employee's non-work-related injury or illness will require that the employee submit a doctor's note to human resources upon their return to work.

9. Any suspected abuse of sick leave usage is subject to discipline, up to and including termination.

### C. Worker's Compensation Illness or Injury

1. Beyond the date of injury, sick leave shall be used for on-duty hours used for medical evaluations, treatments, or other medical related activities associated with a worker's compensation illness or injury. If the employee's sick leave balance is exhausted, another paid leave (e.g., vacation, comp. time) will be used.

2. When an employee is injured on the job and, according to their physician, is able to return to work with temporary modifications to their job duties, the District will make every effort to place the employee in a modified assignment until he or she is released back to full duty. The nature of the assignment will depend on the physical restrictions of the employee as stated by the treating physician and the availability of a modified position in the employee's normal department or another department that is consistent with the physical restrictions. An employee's acceptance of a modified duty assignment, if available, will be mandatory.

### SECTION 3 - REST LEAVE

A. If an employee has to work between the hours of 10:00 p.m. and 7:00 a.m. for a minimum of three hours, after having already worked their regularly scheduled workday, the employee will receive one hour of paid rest leave for each hour worked between 10:00 p.m. and 7:00 a.m., providing the next day is a regularly scheduled work day.

1. If an employee works beyond their regular start time the next day, he shall be allowed to leave work early, by the amount of rest-leave hours earned.

a. For example, an employee begins work at 3 a.m. and finishes work at 7 a.m. and earns 4 hours of rest leave for the next day, providing the next day is a regularly scheduled workday. The employee would continue to work and leave work 4 hours earlier than their regular quitting time.

2. Employees that complete their work prior to 6 a.m. will report to work later than their regular start time by the amount of rest hours earned.

a. For example, an employee begins work at 10 p.m. and finishes work at 2 a.m., earning 4 hours of rest leave for the following day, providing the next day is a regularly scheduled workday. The employee would report to work at 11 a.m. if their regularly scheduled start time is 7 a.m.



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- B. Rest leave will not count as time worked for the purposes of calculating overtime.
- C. In the event of an unexpected catastrophic emergency or natural disaster, the General Manager may, by necessity, suspend or modify the use or means of rest leave.
- D. The federal regulations pertaining to commercial drivers' working hour limits shall take precedence over this policy for District personnel using a commercial license.
- E. The District will either reimburse employees or provide a meal after twelve continuous hours of work. The District retains the right to provide meals in lieu of reimbursing employees for meals.

### SECTION 4 - BEREAVEMENT LEAVE

In the event of a death in the family, regular and probationary employees shall be eligible for up to 3 working days off with pay to attend the funeral or make funeral arrangements, subject to the following provisions:

1. The relatives designated shall include child, parent, spouse, sibling, grandparent, grandchild, aunt/uncle, niece/nephew, cousin, and domestic partner. It shall also include "in-law" relatives and those relationships generally called "step."
2. Bereavement leave is not compensable for days falling outside an employee's regular work schedule.
3. All requests for bereavement leave shall be made in writing as soon as practical but in no event later than the first day back to work, and shall be subject to approval of the human resources manager.

### SECTION 5 – JURY DUTY LEAVE

Employees shall be compensated at their base hourly rate of pay for serving jury duty during the employee's regularly scheduled work hours. In order to be compensated for jury duty leave, the employee must submit to human resources a copy of their jury duty summons, along with their time-in/time-out tracking sheet as provided by the court.

### SECTION 6 - MILITARY LEAVE

The administration of military leave shall conform to both state and federal laws including, but not limited to, the requirements of the California Military & Veterans Code and the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

Such employee shall be entitled to the applicable leaves of absence and employment and reemployment rights and privileges provided by the Military & Veterans Code of the State of

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California and USERRA. The employee must provide reasonable advance notice of the need for Military Leave and must provide the District with a copy of all military orders.

An employee ordered to active duty for training purposes in the U.S. armed forces, will be paid the difference between their District salary and the basic pay received for active military duty for a maximum of 10 working days per year.

### SECTION 7 - SCHOOL OR CHILD CARE PROVIDER ACTIVITIES LEAVE

School or child care provider activities leave is the allowable use of the employee's existing leave credits to attend school or child care provider activities; to enroll or reenroll a child in a school or with a licensed child care provider; or to address a school or child care provider emergency.

A regular employee who is a parent, guardian, stepparent, foster parent or grandparent with custody, or who stands in loco parentis, of a child enrolled in grades K through 12 of a public or private school, or in a licensed child day care facility, is eligible for school or child care provider activities leave.

An employee may use up to 40 hours of his/her existing vacation, sick leave, or compensatory time hours per calendar year, but not more than 8 hours in any single calendar month, regardless of the number of children the employee may have. The 8 hour per month limitation does not apply for leave to address a school or child care provider emergency.

A. If the employee does not have sufficient paid leave available, he/she shall be allowed to take unpaid personal leave.

B. Employees are required to give 48 hours advance notice, unless it is a school or child care provider emergency as indicated in below, of their desire to take school or child care provider activities leave. Advance notice of less than 48 hours may only be given with approval by the District.

C. The District may also require that the employee provide documentation verifying participation in school or child care provider activities.

D. An emergency means that an employee's child cannot remain in school or with a child care provider due to one of the following:

- The school or child care provider has requested that the child be picked up, or has an attendance policy, excluding planned holidays, that prohibits the child from attending or requires the child be picked up from the school or child care provider;
- Behavioral or discipline problems;
- Closure or unexpected unavailability of the school or child care provider, excluding planned holidays; and/or
- A natural disaster, including, but not limited to, fire, earthquake or flood.

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### SECTION 8 - FAILURE TO RETURN FROM LEAVE/JOB ABANDONMENT

Except as otherwise provided by law including, but not limited to, federal and state provisions related to return from military leave, failure by an employee to return to duty or notify the District of their intent to return to duty within 48 hours of the date he/she is scheduled to return from any type of leave shall be considered an automatic resignation and the employee shall be notified of his/her automatic resignation from District employment. The District will consider evidence of extenuating circumstances if it is submitted by the employee to the District within ten (10) calendar days of the postmark of the District notice.

### ARTICLE 8. HOLIDAYS

#### A. ACTUAL HOLIDAY DATES

Following are the actual holiday dates, which may differ from the District's observed holiday date, as described below in "B":

New Year's Day - January 1  
Martin Luther King, Jr. Day - 3rd Monday in January  
Presidents' Birthday - 3rd Monday in February  
Memorial Day - Last Monday in May  
Independence Day - July 4  
Labor Day - 1st Monday in September  
Veterans Day - November 11  
Thanksgiving Day - 4<sup>th</sup> Thursday in November  
Day after Thanksgiving - 4<sup>th</sup> Friday in November  
Christmas Eve - December 24  
Christmas Day - December 25  
New Year's Eve Day - December 31

#### B. DISTRICT OBSERVED HOLIDAYS

Any of the actual holiday dates listed in "A" above that fall on a Saturday shall be observed (i.e., District offices will be closed) on the preceding Friday. Any of the above holidays that fall on a Sunday shall be observed on the following Monday.

#### C. HOLIDAY PAY

An employee whose regularly scheduled work day falls on an actual holiday date as listed above in "A", **not** the date that a holiday is observed, shall be paid for their actual hours worked, plus holiday pay for their regular hours for that day.



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1. For example, an employee on a 9/80 work schedule will receive 9 hours of holiday pay for an actual holiday date that falls on a Monday through Thursday, or 8 hours of holiday pay an actual holiday date that falls on their working Friday. An employee that regularly works a 4/10 schedule shall receive 10 hours of holiday pay for an actual holiday date that falls on their regularly scheduled work day.
2. Plant Operators and Systems Operators required to work their regularly scheduled shift on an actual holiday, as listed in "A" above, shall be paid "holiday pay" for the number of hours they normally work and they shall be paid time and one-half pay for all hours actually worked.
3. An employee contacted outside of their regular work hours to assist in emergency repairs on an actual holiday, as listed in "A" above, shall be paid double-time for hours worked, with a guaranteed minimum of two hours of double time.
  - a. For example, if an employee only works for one hour they will receive 2 hours at double time. If an employee works for 4 hours, they will receive the full 4 hours at double time.
4. For an employee on a 9/80 work schedule, when a holiday falls on their regular Friday off, the holiday will be observed and the employee will have the following Monday off.
5. To be eligible for holiday pay, an employee must be in paid status in the in the pay period that includes the holiday.

## ARTICLE 9. UNIFORMS

Uniform allowance as defined by the California Public Employees' Retirement System (CalPERS) is a form of compensation for "classic" CalPERS members for CalPERS purposes only. As such, any uniform allowance or the value of uniforms provided by the District will be reported to CalPERS as part of the employee's annual gross income for purposes of computing the employee's and District's CalPERS' contribution.

Under the California Public Employees' Pension Reform Act (PEPRA), a uniform allowance or the value of uniforms is not considered pensionable compensation for "new members" of CalPERS.

- A. All employees for whom uniforms are provided are required to wear a complete uniform when working unless otherwise authorized by their supervisor.
- B. Safety shoes shall be worn by employees as required by the District. The District will replace safety shoes on an as-needed basis.

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- C. Upon termination, all uniforms issued to an employee must be returned to the District. The cost of any uniforms not returned may be pursued through legal means.
- D. The District will work in good faith with Association representatives to develop an updated uniform program beyond what is provided in this section.

### ARTICLE 10. BENEFITS

#### SECTION 1 - HEALTH/MEDICAL

##### A. ELIGIBILITY

New regular full-time employees are eligible for health, dental and vision benefits on the first day of the month following their date of hire and upon proper application and acceptance, as set forth in the agreement between the District and ACWA/JPIA for the benefit plan year that begins January 1 and ends December 31 of each year. For the purpose of these benefits, full-time is defined as an employee who works at least 24 work hours per workweek.

##### B. COVERAGE

The cost of coverage for each health plan offered is provided in a premium rate sheet that is updated ahead of the start of each benefit plan year and provided to all employees during open enrollment.

1. The District pays 100% of the Kaiser plus Chiropractic plan for each coverage level: employee only, employee plus one, employee plus family. The District also pays these same amounts towards the cost of any other plan and coverage level an employee selects.
  - a. For example, if the Kaiser plus Chiropractic plan for employee-only coverage is \$600 per month and an employee selects a PPO option for employee-only coverage at a monthly cost of \$900, the District would pay \$600 and the employee would be responsible for the additional \$300 per month.

##### C. WAIVER OF HEALTH/MEDICAL COVERAGE

Eligible employees who provide proof of coverage under another group health insurance plan may elect to waive District-provided health coverage and will receive \$250 per month in lieu of health coverage.

#### SECTION 2 - DENTAL & VISION

The District provides dental and vision insurance and pays the full amount of the monthly premiums for all regular full-time employees and their eligible dependents. All eligible employees

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are required to enroll in the dental and vision plans for employee-only coverage. For the purpose of these benefits, full-time is defined as an employee who works at least 24 work hours per workweek.

### SECTION 3 - LIFE INSURANCE & ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

The first day of the month following date of hire, an employee, upon proper application and acceptance by the insurance carrier, shall be covered under a group life insurance and AD&D plan. The District shall pay the full monthly premium costs for coverage.

A. The benefit is equal to two times an employee's base annual salary, rounded to the next higher \$1,000, up to a maximum of \$300,000.

1. At age 65, but not age 70, benefit is 67% of the amount shown in "A" above.
2. At age 70 or more, the amount of the insurance will be 45% of the amount shown in "A" above.

### SECTION 4 - LONG TERM DISABILITY (LTD) INSURANCE

The District shall pay the full monthly premium costs for employees' LTD insurance coverage. Beginning on or as near to July 1, 2019 as is administratively possible and for the term of this agreement, the District-paid LTD benefit will change from a 66<sup>2/3</sup> % pre-tax benefit to a 60% post-tax benefit, resulting in the District-paid monthly premiums being made after-tax and making the actual LTD benefit tax-free. To accomplish this, each employee's salary will be "grossed up" approximately 20% to off-set the amount of taxes the District will be paying for each employee.

### SECTION 5 - FLEXIBLE SPENDING ACCOUNTS (FSA)

The District will maintain a voluntary FSA program in accordance with applicable IRS statutes to allow employees to pay for covered expenses using pre-tax dollars.

### SECTION 6 - STATE DISABILITY INSURANCE (SDI) & PAID FAMILY LEAVE

Employees requested and District implemented State Disability Insurance (SDI) at the employees' expense. Participation is mandatory. The coordination of SDI or PFL (Paid Family Leave) payments with sick leave cannot exceed the employee's regular weekly wage. Coordinating SDI payments with vacation leave does not affect your benefits. The District requires that employees use two weeks of vacation prior to receiving PFL.

### SECTION 7 – DEFERRED COMPENSATION

Beginning on or as near to July 1, 2019 as is administratively possible and for the term of this agreement, FPUD will match .5% of each FPUDEA member's base salary to a District 401(a) plan



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as long as each FPUDEA member is contributing at least that percentage to their individual deferred compensation 457(b) plan.

### SECTION 8 - RETIREMENT & SOCIAL SECURITY

#### A. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

The District participates in the California Public Employees' Retirement System (CalPERS).

1. Employees hired at the District before January 1, 2013 are considered "classic members" and contribute 8% of their salary, with the following provisions under the District's contract with CalPERS:
  - a. Pre-Retirement Option 2W Benefit;
  - b. Retirement Benefit Formula of 2.5% at age 55; and
  - c. Single Highest Year Final Compensation Option.
  
2. Employees hired on or after January 1, 2013 who are also "new members" will contribute 50% of the normal cost established by CalPERS pursuant to the Public Employees' Pension Reform Act (PEPRA), with the following provisions under the District's contract with CalPERS:
  - a. Pre-Retirement Option 2W Benefit;
  - b. Retirement Benefit Formula of 2% at age 62; and
  - c. Average of Three Highest Years' Compensation.

#### B. SOCIAL SECURITY

All employees of the District participate in the Federal Social Security Program. Payroll deductions are taken from each employee's pay and matching contributions are made by the District.

#### C. HEALTH REIMBURSEMENT ACCOUNT (HRA)

An employee retiring after age 50, with 10 or more years of continuous employment, has the option of continuing on the District's medical, dental and/or vision insurance plans using an HRA account that is funded with conversion of their sick leave hours as follows:

1. Using the current benefit plan year's premium rates and a 5% projection for possible cost increases in subsequent years, the District estimates the projected cost for the employee to pay 50% of the employee-only monthly premium for dental and/or vision coverage and 50% of the employee-only monthly medical premium/s, with the District paying the remaining 50% of the employee-only dental and/or vision and employee-only monthly medical premium/s.

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Following is an example of how the medical premium costs are shared between the retiree and District:

	TOTAL MONTHLY PREMIUM FOR KAISER MEDICAL	RETIREE PAYS MONTHLY	DISTRICT PAYS MONTHLY
RETIREE Only Coverage	\$ 623.16	\$ 311.58	\$ 311.58
RETIREE + One	\$ 1,236.43	\$ 924.85	\$ 311.58
RETIREE + Family	\$ 1,745.45	\$ 1,433.87	\$ 311.58

2. The full amount as calculated in “1” above is the amount that will be transferred from the employee’s final sick leave balance to their HRA account, which will be used to make the monthly premium payments until the HRA account balance is depleted or the retiree or their covered spouse, if applicable, reaches Medicare eligibility.

The following is an HRA example for an employee that retires in 2019 at age 60 with 1500 hours of sick leave on the books and typical Medicare eligibility at age 65:

1. Value of Total 1500 Sick Leave Hours at Retirement	<b>\$67,500</b>	1500 Hours x \$45.00 (Employee’s Hourly Wage)
2. Premium Cost of Retiree + Spouse Coverage for Medical, Dental & Vision		NOTE: Premium costs provided for example only, they do not represent actual rates
2019 benefit year	\$10,000	
+5% in 2020	\$10,500	
+5% in 2021	\$11,025	
+5% in 2022	\$11,567.25	
+5% in 2023	\$12,155.06	
3. Amount Deposited to HRA	<b>\$55,256.31</b>	Estimated total cost for coverage to Medicare eligibility in 2023
4. Amount of Sick Leave Remaining After Amount Deposited to HRA	<b>\$12,243.69</b>	Calculation: \$67,500-\$55,256.31
5. Hours Equivalent of Remaining Sick Leave	<b>272.08 Hours</b>	Calculation: \$12,243.69/\$45.00. *Eligible to cash out or convert to CalPERS service credit full remaining balance since less than 600 hours max. in effect for 7/1/19-6/30/20
6. Cash out value or amount to be converted to CalPERS service credit	<b>\$12,243.60</b>	Calculation: 272.08*\$45.00

3. If a retiree’s HRA account balance is depleted before they become eligible for Medicare, he/she can instead begin paying their share of the monthly premiums directly

## MOU BETWEEN FPUD AND FPUDEA

to the District in order to continue coverage under the District's medical, vision and/or dental insurance plans until the retiree or their spouse, if applicable, is eligible for Medicare.

4. Once a retiree and/or their covered spouse becomes eligible for Medicare, which makes them ineligible to continue on the District's medical coverage, they are also no longer eligible to continue on the District's dental and/or vision coverage. Instead, they will receive information on continuing their coverage/s using COBRA.

5. Actual premium rates to be deducted from each retiree's HRA will be updated as the actual rates are provided for each new plan year (January 1 – December 31).

6. If applicable, any balance in the account when the retiree becomes eligible for Medicare or if they should die prior to becoming eligible for Medicare, will be available for the same use to the retiree's covered eligible dependent(s) until they become eligible for Medicare or COBRA rights are exhausted, whichever comes first. If there is no covered eligible dependent(s), any unused balance shall be forfeited.

7. If an employee has sick leave hours remaining after the mandatory contribution to the HRA account as described above, OR if the employee chooses to not participate in the HRA, the employee has the choice of:

a. Cashing out half of their remaining sick leave hours balance, up to the maximum as outlined below, or all of their remaining balance, whichever is less; or

- 600 hours max. – Effective July 1, 2019 - June 30, 2020
- 500 hours max. – Effective July 1, 2020 – June 30, 2021
- 400 hours max. – Effective July 1, 2021 – June 30, 2022

b. Converting half of their remaining sick leave hours balance, up to the maximum as outlined above, to CalPERS service credit.

### ARTICLE 11. EDUCATIONAL PLAN

On or as near to July 1, 2019 as is administratively possible, a combined sum of \$30,000 will be designated for continuing education for FPUDEA and FMEA employees. Any unused funds as of June 30, 2020 will roll over to the following year's education fund.

On or as near to July 1, 2020 as is administratively possible, a combined sum equal to the amount of \$30,000, not including funds rolled over from the previous year, will be designated for continuing education for FPUDEA and FMEA employees. Any unused funds as of June 30, 2021 will roll over to the following year's education fund.



## MOU BETWEEN FPUD AND FPUDEA

On or as near to July 1, 2021 as is administratively possible, a combined sum equal to the amount of \$30,000, not including funds rolled over from the previous year, will be designated for continuing education for FPUDEA and FMEA employees.

Unit members seeking participation in the educational plan must first obtain approval from the General Manager. The General Manager shall have the authorization to increase District contribution to the fund, at his/her discretion, throughout the remainder of the agreement.

If, at any time, the education fund is depleted, the District shall inform the Association immediately, in writing, that funds are no longer available, to help employees prepare for the following semester.

The funds set aside for the educational plan will not be used to replace existing funds for unit member certification and other job-related training.

An employee participating in the educational plan must receive a grade of "C" or better in each class in order to receive reimbursement.

### ARTICLE 12. LAYOFF PROCEDURES

The District agrees to meet with the bargaining unit representatives at least 30 days prior to issuance of any layoff notices for the purpose of conferring over the impact and implementation of said layoffs and to discuss alternatives and options; however, the General Manager shall retain the final decision with respect to the classifications and number of employees to be laid off.

A. The layoff process shall be administered and employees selected for layoff as follows:

- First: Temporary employees
- Second: Probationary employees
- Third: Part-time employees
- Fourth: Regular employees

1. Regular employees in classifications identified to be laid off will be laid off in order of seniority, with the employee with the least seniority laid off first.
2. Whenever two or more employees have identical seniority in the affected classification, the order of layoff shall be determined by the General Manager on the basis of performance.

## **MOU BETWEEN FPUD AND FPUDEA**

3. In lieu of being laid off, regular employees have the right to demote to a lower vacant position with the District and for which the employee meets the minimum qualifications and is capable of performing the essential functions of the position.

### **ARTICLE 13. USE OF DISTRICT VEHICLES**

Except as provided in this section, District vehicles may be used by employees only for conducting District business. Violations may result in disciplinary action, up to and including termination.

A. An employee who is assigned a District vehicle shall not allow any other individual, including District employees, to drive the vehicle for personal use.

B. An employee may be granted limited personal use of a District vehicle upon first receiving approval by the General Manager or his designee.

### **ARTICLE 14. DISCIPLINARY ACTION**

Violations of FPUD'S Personnel Regulations, safety rules, criminal law, and/or actions which are insubordinate, flagrantly careless and/or incompetent, or otherwise prejudicial to the best interests of the District, will be subject to disciplinary action, up to and including termination.

While it is the District's intent to take a progressive approach to disciplinary matters, progressive discipline is not required depending on the severity of the employee's misconduct.

#### **SECTION 1 - DISCIPLINARY ACTIONS NOT SUBJECT TO NOTICE AND APPEAL PROCEDURES**

A. The following disciplinary actions may be taken to address an employee's performance deficiencies and/or to address a violation as stated above:

1. Verbal counseling/warning
2. Written warning
3. Reassignment
4. Suspension without pay for up to 3 days

#### **SECTION 2 - DISCIPLINARY ACTIONS SUBJECT TO NOTICE AND APPEAL PROCEDURES**

A. The following disciplinary actions require that written notice of intent to discipline be given to the employee, with an opportunity for the employee to appeal the proposed discipline:

1. Suspension from duty without pay for 4 or more days

**MOU BETWEEN FPUD AND FPUDEA**

2. Salary step reduction
  3. Demotion
  4. Termination from District employment
- B. A written notice of intent to discipline shall be provided to the employee not less than 10 business days prior to the effective date of the proposed disciplinary action and shall contain:
1. Specific charges upon which action is based;
  2. The reasons why such action is being taken;
  3. Copies of the materials upon which the action is based;
  4. Information essential to give the employee a fair opportunity to answer the charges made;
  5. A time and date no less than 5 business days after the notice of intent to discipline was provided to the employee by which the employee must submit a written response, including their intent to appeal the proposed discipline either in writing or at a Skelly meeting with the General Manager; and
  6. A tentative date and time for a Skelly meeting.
- C. Failure of the employee to respond to the notice of intent to discipline shall constitute a waiver by the employee of any right to appeal the proposed discipline and will result in the discipline being imposed as originally presented.
- D. If the employee or former employee is dissatisfied with the decision made by the General Manager or his designee, he may appeal in writing, to the President of the Board of Directors. This written notice of appeal shall be filed with the Secretary of the District no later than fifteen calendar days after the date of service of the notice of the General Manager's or his designee's decision, whichever is earlier. Either party may also request a no-cost mediation through the State Mediation and Conciliation Service prior to the appeal hearing. Such request must be made by the employee within the same fifteen calendar day period noted above, or by the District within 15 calendar days of receiving notice of the employee's written appeal.
1. The Secretary shall schedule a hearing within thirty calendar days of the date of filing of the notice of appeal, and the Secretary shall notify the employee of the time and date fixed for the hearing. This time can be extended for good cause.



## **MOU BETWEEN FPUD AND FPUDEA**

2. Upon conclusion of the hearing, the Board of Directors shall inform the employee, in writing, of their determination within 5 business days. This time can be extended for good cause.
3. The Board of Directors has the power to reinstate a discharged employee and/or to impose less severe discipline on the employee. The decision of the Board of Directors is final and cannot be appealed.

### **ARTICLE 15. GRIEVANCE PROCEDURE**

A grievance shall be considered as any matter for which appeal is not elsewhere provided for concerning a dispute about the interpretation or application of the terms or conditions contained in this MOU, the Personnel Regulations, or a District policy or procedure regarding the same.

#### **SECTION 1 – PURPOSE**

A. To provide employees, either individually or through the Association representatives, with a means of obtaining further consideration of a complaint or issue after every reasonable effort has failed to resolve them through less formal discussion.

#### **SECTION 2 – PROCEDURE**

A. First Level of Review - Immediate Supervisor

An employee should first try to get their complaint/issue settled informally through discussion with his/her immediate supervisor within 15 business days of the occurrence of the event resulting in the grievance. If the employee is not in agreement with the outcome of the discussion, he/she then has the right to file a formal grievance, in writing, to the Operations Manager or Human Resources Manager within 10 business days after receiving the informal decision of his/her immediate supervisor.

B. Second Level of Review – Operations Manager or Human Resources Manager

If an employee does not receive a satisfactory answer or resolution from his immediate supervisor, he will be allowed 10 business days to refer the grievance, in writing, to the Operations Manager, in the case of field personnel, or to the Human Resources Manager in the case of office personnel. The written grievance shall detail the facts upon which the grievance is based and be dated and signed by the employee. After receiving the written grievance, the Operations Manager or Human Resources Manager will promptly schedule a meeting to provide the employee an opportunity to present his appeal personally. The manager who met with the employee will provide a written response within 15 business days. If the employee does not agree with the decision reached, he/she may present the appeal in writing to the General Manager.

## **MOU BETWEEN FPUD AND FPUDEA**

### **C. Third Level of Review - General Manager**

The General Manager or his/her designated representative should discuss the grievance with the employee, his/her representative, if any, and with other appropriate persons. The General Manager may designate any person or persons to advise him/her concerning the appeal.

The General Manager shall render his/her decision and comments in writing and return them to the employee within 10 business days after receiving the appeal. The decision at this step shall be final and conclusive for all parties.

### **D. Grievance Against General Manager**

A grievance in which the General Manager is a party may be submitted to the President of the Board of Directors. The written grievance shall detail the facts upon which the grievance is based and be dated and signed by the employee. The grievance shall be submitted to the President of the Board of Directors within 15 business days of the event resulting in the grievance. The Board of Directors will investigate the grievance and may hold a formal or informal hearing at its discretion, unless waived by the employee. The Board of Directors shall submit its written decision within 10 business days. The decision of the Board of Directors is final.

Timeframes, as set forth above, may be extended by mutual agreement between the parties.

### **E. Grievance Policy Exclusions**

This grievance procedure shall not apply to:

1. The content of employee evaluations;
2. Verbal warnings or counseling;
3. Employee recognition programs; or
4. Any other subject unless covered in the expressed terms of this MOU.

## **ARTICLE 16. HOLIDAY PARTY**

The District agrees to contribute \$4,000 toward each Association-sponsored annual holiday party in 2019, 2020 & 2021; however, the District is not liable for any damages that may result from an employee's voluntary attendance at the party.

## **ARTICLE 17. ENTIRE AGREEMENT & SIGNATURES**

If any of this MOU is declared by legislative or judicial authority to be unlawful, unenforceable, or not in accordance with applicable provisions of Federal, State or Local laws or regulations, such part or provisions shall be suspended and superseded by such applicable law or regulations and the remainder of this MOU shall remain in full force and effect for the duration of this MOU.

**MOU BETWEEN FPUD AND FPUDEA**

It is acknowledged that during negotiations which resulted in this MOU, FPUDEA had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects within the scope of representation. Therefore, for the term of this agreement, FPUDEA agrees that FPUD shall not be obligated to meet and confer with respect to any subject or matter not specifically referred to or covered in this MOU. All terms and conditions of employment not covered in this MOU shall continue to be subject to FPUD's direction and control.

Except as specifically restricted by an express provision of this MOU, FPUD retains and may exercise all management rights and prerogatives in its discretion.

The terms and conditions of this MOU shall remain in effect during negotiations if the negotiations extend beyond June 30, 2022 until a new MOU is agreed upon or impasse is reached, whichever occurs first.

It is agreed that the Personnel Regulations shall be changed to reflect the changes contained herein.

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

\_\_\_\_\_  
FPUDEA

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



## **Exhibit “B”**

**MEMORANDUM OF UNDERSTANDING**

**between the**

**FALLBROOK PUBLIC UTILITY DISTRICT**

**and the**

**FALLBROOK PUBLIC UTILITY DISTRICT  
MANAGEMENT EMPLOYEES' ASSOCIATION**

**July 1, 2019 through June 30, 2022**

MOU BETWEEN FPUD AND FMEA

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**MOU BETWEEN FPUD AND FMEA**

**ARTICLE 1. GENERAL**

**SECTION 1 - PURPOSE**

This agreement recognizes the Fallbrook Public Utility District Management Employees' Association (FMEA) bargaining unit representatives as the majority representative of all regular, management, employees of the Fallbrook Public Utility District (FPUD) and represents the unit for matters within the scope of meet and confer. The bargaining unit representatives accept the duty of fair representation in meet and confer and under this agreement.

**SECTION 2 – SCOPE**

Meet and confer is limited to wages, hours, and other terms and conditions of employment, and shall not include any items not covered by this agreement or adopted by reference in this agreement or any subject preempted by federal or state law. Amendments to this agreement that are within the scope of meet and confer shall require prior meet and confer between the bargaining unit representatives and the District.

**SECTION 3 – GENERAL PROVISIONS**

**A. ASSOCIATION RECOGNITION**

1. FPUD formally recognizes FMEA as the representative for all employees in exempt classifications.
2. The Association may designate a maximum of 7 total representatives. The District will recognize as representatives only those persons designated on the most recent list furnished by the Association.
3. The District shall grant a representative reasonable release time when, at the request of an employee, the representative is investigating an alleged grievance and assisting in its written preparation and presentation.

**B. CONSTRUCTION**

In interpreting the language of this MOU, first the plain meaning of the language shall prevail. If the parties cannot agree on the plain meaning of the language, then the intent of the parties shall be considered; then the trade or industry usage of the language shall be considered.

**C. DISTRICT RIGHTS**

The rights of the District include, but are not limited to the exclusive right to determine the mission of its departments, commissions, committees, and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or



## **MOU BETWEEN FPUD AND FMEA**

for other legitimate reasons; maintain the efficiency of operations; determine the methods, means and personnel by which operations are to be conducted; set work schedules; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

### **ARTICLE 2. DURATION OF AGREEMENT**

This MOU is entered into by Fallbrook Public Utility District (FPUD) and the Fallbrook Public Utility District Management Employees' Association (FMEA), as a mutual recommendation to the Board of Directors of FPUD of those wages, hours, and conditions of employment which are to be in effect at 12:00 a.m. on July 1, 2019 and will terminate at 11:59 p.m. on June 30, 2022.

At the expiration of this MOU, in whole or in part and in the absence of a new MOU, FMEA and the District agree to continue operating under the provisions of this MOU until such time as a new MOU is reached.

### **ARTICLE 3. WAGES**

#### **SECTION 1 – WAGE INCREASES**

Wages shall increase by 2% effective the beginning of the pay period which includes July 1, 2019.

Wages shall increase by 2.5% effective the beginning of the pay period which includes July 1, 2020.

Wages shall increase by 3% effective the beginning of the pay period which includes July 1, 2021.

#### **SECTION 2 - ADJUSTMENTS**

Effective the first pay period which includes July 1, 2019, each step within the pay range for the Operations Manager position will be increased an additional 3%:

#### **SECTION 3 - SALARY SURVEY**

A salary survey will be conducted by a third-party consultant in fiscal year 2021/2022 and the results will be shared with bargaining unit representatives as soon as practicable, ahead of the start of negotiations for a successor MOU. The District agrees to work in good faith with Association representatives in establishing comparator agencies and benchmark positions to be used in the salary survey.

#### **SECTION 4 - SALARY SCHEDULE**

A. The District's salary schedule includes 10 steps (A-J) within each range.

## MOU BETWEEN FPUD AND FMEA

- B. Employees are eligible for their first salary step increase upon completion of 1 year of employment and an overall rating of at least a “meets requirements” on their first annual performance evaluation. Employees are eligible to receive subsequent step increases with each of their annual performance evaluations until they reach the top step of their position’s range.
1. An employee who receives an overall rating of “does not meets” on their annual performance evaluation is not eligible for a salary-step increase.
  2. An employee shall receive a one-step salary increase (e.g. A to B) for an overall annual performance evaluation rating of “meets requirements.”
  3. A supervisor may recommend to the General Manager that an employee receive a two-step salary increase for an overall annual performance evaluation rating of “exceeds requirements.”
  4. The General Manager is authorized to grant exceptions to the above step increase requirements for exceptional meritorious performance

### ARTICLE 4. SERVICE

#### SECTION 1 - FILLING OF VACANT POSITIONS

Whenever a vacancy in a new or existing position occurs, preference in filling it shall be given to existing qualified District employees whenever possible.

- A. An employee promoted to a position with a higher pay range, but not within a position series (i.e., designated by “I/II/III”) shall be placed at the salary step within the higher pay range that results in the employee receiving no less than a 5% increase in the employee’s base hourly rate.
1. For example, an employee promoted from a position at pay range 42, step B, to a position at pay range 43, shall be placed at step C of pay range 43, which is a 5% increase.
- B. An employee is eligible for promotion within a position series upon achieving the necessary certification/education/experience requirements as stated in the position’s job description.
1. These types of promotions occur with an employee’s annual performance evaluation and their placement in the higher pay range shall be granted as described in Article 3. Section 4-B.

## MOU BETWEEN FPUD AND FMEA

### SECTION 2 - PROBATIONARY PERIOD

- A. All new-hires shall serve an initial probationary period of 6 months; however, a supervisor may, with approval of the General Manager, require an extension of an employee's initial or promotional probationary period not to exceed 12 months total.
- B. During the initial probationary period, the employee may be rejected at any time, without the right to appeal. Upon successfully completing the initial probationary period, employees achieve regular employment status.
- C. Current District employees promoted to another position outside of their current position series (i.e., promotion to a different position altogether, not from a I to II level in the same position) shall serve a promotional probationary period of not less than 6 months. A promoted employee rejected during their promotional probationary period shall be reinstated to the position from which he/she was promoted, unless he/she is terminated for cause from the District.

### SECTION 3 – NEPOTISM

The hiring of a current District employee's relative is not permitted without the approval of the General Manager. A relative may only be hired if they do not work in the same department, they are not under the direct or indirect supervision of the other, and neither occupies a position which has influence over the other's employment, promotions, or salary administration. A relative is defined as a spouse, parent, child, sibling, grandparent, aunt/uncle, niece/nephew, cousin, mother/father-in-law, brother/sister-in-law, and domestic partners.

### SECTION 4 – PERFORMANCE EVALUATIONS

- A. New employees will receive their first performance evaluation at 6 months; the second at the completion of 1 year; and each year thereafter on their employment anniversary date.
- B. If an employee is promoted to a job outside of their current position series (i.e., promotion to a different position altogether, not from a I to II level in the same position, such as a utility worker I to utility worker II), their performance evaluation date will become the date of their promotion.
- C. An employee may appeal an overall performance rating of "does not meet requirements" to the General Manager. This appeal is not part of the grievance process and the decision of the General Manger is final.
- D. If an employee's performance evaluation is more than 30 days overdue, the employee's step increase, if applicable, shall be granted, retroactive to the date following the end of the evaluation rating period, pending their supervisor's completion of the performance



## MOU BETWEEN FPUD AND FMEA

evaluation; however, it is also the employee's responsibility to notify human resources if/when they do not receive their performance evaluation by the due date.

- E. The District agrees to work jointly, in good faith, with Association representatives in revising the performance evaluation form and process.

### SECTION 5 – CERTIFICATIONS/EDUCATION & PROFESSIONAL MEMBERSHIPS

#### A. REQUIRED CERTIFICATIONS/EDUCATION

Certification/education requirements are shown at the end of each job description.

1. If an employee is initially hired at a "no certification/education" range as indicated in their job description, they will not be allowed to remain at the "no certification/education" range indefinitely.
  - a. Upon hire, an employee hired at a "no certification/education" range will be provided with an employment agreement that clearly outlines the specific certification/education requirements of their position.
  - b. The employee's supervisor shall provide the employee with the information and training to prepare for the necessary certification exam/s or educational pursuits.
  - c. If the employee does not successfully achieve the minimum level of certification/education, beyond the "no certification/education" range, as required of their position, they will be subject to disciplinary action.
2. Once an employee receives a required certification/education of a higher range, as indicated in their job description, they will be moved to their same step within the higher range, resulting in a 2.5% increase.
3. If an employee fails to maintain the certification/education requirements for their position, they will be subject to disciplinary action.
4. The District will reimburse employees for the cost of exams for certifications required of their position, as specifically stated in their job description.
5. The District will reimburse employees for the cost of exam for certifications that are not required of their position but are determined by the General Manager to be relative to their job duties/responsibilities.
6. If an employee does not successfully pass a certification exam within the first 2 attempts, the employee will be responsible for covering the cost/s for any additional attempts at passing the exam.

## MOU BETWEEN FPUD AND FMEA

7. Certification renewal fees will be paid by the District; however, employees are responsible for any late fees incurred.

### B. OPTIONAL CERTIFICATIONS

Employees in positions that do not require specific or “other” certification/s as listed in their job description, are eligible, upon the General Manager’s approval, to receive an additional 2.5% certification pay for as long as they possess a valid certification.

1. Employees are only eligible for 2.5% certification pay, whether they have one or more optional certifications.
- C. Membership fees for certification and/or professional associations, as approved by the General Manager, will be paid by the District.
- D. Continuing education unit fees will be paid by the District and District time will be made available for the training of employees whose classifications require distribution and treatment certification. In-house training required by the State for continuing education units will be on District time and paid by the District for all certifications.
- E. District approved training required by the State for continuing education units will be on District time and paid by the District for required certifications, as stated specifically in their job descriptions, or as determined by the General Manager to be related to their job duties/responsibilities.

### SECTION 6 - LONGEVITY MERIT BONUS

The General Manager is authorized to award a longevity merit bonus of 2.5% of current gross annual pay to an employee who meets the following eligibility requirements:

- Receives an overall “exceeds requirements” on their annual performance evaluation;
- Has completed ten years of uninterrupted employment with the District; and
- Is currently at step J of their pay range or, if applicable, is at the highest pay range and step within their current position series.

### SECTION 7 - OUT-OF-CLASS (OOC) PAY

When a supervisor/manager is going to be away from the office and unavailable for more than one day, he or she may request approval from the General Manager to have a qualified employee serve in an out-of-class assignment in the supervisor’s/manager’s absence.

The employee approved for an OOC assignment shall receive an additional 15% out-of-class pay.

## **MOU BETWEEN FPUD AND FMEA**

Out-of-Class pay is only provided for time actually worked. Employees will not receive out-of-class while on paid time off (e.g. vacation or sick leave) and/or for a District-observed paid holiday, unless they are called into work on a District-observed paid holiday.

### **SECTION 8 – CAR ALLOWANCE**

The General Manager may provide certain management positions with a car allowance or use of a District vehicle.

### **SECTION 9 – ANNUAL PHYSICAL REIMBURSEMENT**

Management employees are eligible to receive reimbursement for up to \$500 each fiscal year for the cost of an annual physical that is not covered by the employee's medical insurance.

## **ARTICLE 5. HOURS OF WORK**

### **SECTION 1 – 9/80 SCHEDULE**

The District's 9/80 work schedule has two alternating teams, "blue" and "gold" Supervisors will assign the employee to the team. All team changes will be approved by the General Manager.

Under the 9/80 schedule, assigned staff shall work, in any two week pay period, 8 weekdays (Monday - Thursday) for 9 hours each day, and 1 day (Friday) for 8 hours and off on the alternate Friday.

Some employees may not be eligible for the 9/80 work schedule due to District operational considerations, as determined by the supervisor and approved by the General Manager.

An alternate work schedule may be considered by the General Manager for employees who prefer not to work the 9/80 schedule.

## **ARTICLE 6 – RESIGNATIONS & RETIREMENTS**

### **SECTION 1 - NOTIFICATION**

An employee wishing to resign or retire in good standing shall submit a written resignation at least 2 weeks prior to the effective date of resignation. The District will pay an employee for all hours worked and any applicable and available leave balances on the next regular payday following their resignation/retirement.

### **SECTION 2 - RETIREMENT BONUS**

All employees having 10 or more years of continuous service with the District, upon retirement after age 62, shall be granted an additional one month's pay.



## MOU BETWEEN FPUD AND FMEA

### ARTICLE 7. LEAVES

#### SECTION 1 – EXECUTIVE LEAVE

- A. Management employees accrue 1.54 hours of executive leave per pay period, up to a maximum of 120 hours.
- B. Once an employee reaches the maximum accrual of 120 hours, they will stop accruing executive leave until their balance is below 120 hours.
- C. Half (½) of an employee's executive leave balance shall be cashed out upon voluntary termination or retirement; OR
  - 1. Upon retirement, an employee may elect to contribute up to their entire executive leave balance to an HRA, pursuant to Article 9, Section 8-C.

#### SECTION 2 - VACATION

- A. Each regular and probationary employee will accrue vacation leave as follows:
  - 1 through 5 years = 4.00 hours per pay period
  - After 5 years = 4.62 hours per pay period effective on 5th anniversary
  - After 10 years = 6.15 hours per pay period effective on 10th anniversary
  - After 15 years = 7.69 hours per pay period effective on 15th anniversary
  - After 19 years = 8.00 hours per pay period effective on the 20<sup>th</sup> anniversary
- B. The General Manager may grant a newly hired management employee a higher vacation accrual rate, up to a maximum of 8 hours per pay period.
- C. If an employee's last day of employment with the District falls within the middle of a pay period, their vacation leave hours accrued for that pay period will be prorated accordingly.
- D. Employees are allowed to accrue vacation leave up to a maximum of 248 hours.
  - 1. On December 31 of each year, an employee with vacation hour balance that exceeds 248 hours will stop accruing until vacation leave is used and their balance is below 248 hours.
  - 2. When circumstances created by the District are beyond the control of the employee and make it impossible for the employee to use vacation leave as described above to reduce their maximum accrued vacation hours, the General Manager may grant an extension to the maximum accrued hours allowed until such time that the employee is able to take the necessary vacation time off to reduce their balance.

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### E. Use of Vacation Time

Any planned leave (vacation or comp time off) must be requested with as much notice as possible. Supervisors will grant requests based on the needs of the District. Requests shall not unreasonably be withheld or denied.

An employee may elect to use accrued vacation for scheduled medical, dental or vision appointments, evaluations or associated activities if they have exhausted their sick leave balance.

### F. Payout of Vacation Leave

Employees who terminate their employment with the District shall be paid for all accrued and available vacation leave.

### G. Sell Back of Unused Vacation Leave Hours

Employees may sell back unused vacation time under the following conditions:

1. A minimum of 40 hours can be requested;
2. The maximum of 80 hours can be requested;
3. The employee must have taken at least 100 hours of vacation and/or executive leave within the previous 12 months.
4. The employee must have a remaining balance of at least 80 hours of accrued vacation and/or executive leave after the sell back; and
5. Employees must complete and submit to human resources a vacation leave sell back request form by the December deadline as established by human resources each year.
  - The sell back will occur in the following December.
  - Once an employee submits a request form, it cannot be modified or revoked, per the IRS regulations.

## SECTION 3 - SICK LEAVE

### A. Sick Leave Accrual

Regular and probationary employees will accrue 3.69 hours of sick leave per pay period.

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### B. Sick Leave Use

Sick leave usage shall be allowed for the following qualifying reasons:

1. For the employee's own illness or injury.
2. For the employee's own diagnosis, care, or treatment of an existing health condition; or preventative care, including medical and dental appointments.
3. For the diagnosis, care, or treatment of an existing health condition or preventative care for an employee's family member, including: parent, parent-in-law, child, spouse, domestic partner, grandparent, grandchild, or sibling.
4. To obtain relief or services related to being the victim of domestic violence, sexual assault, or stalking, including the following, with appropriate certification of the need for such services:
  - A temporary restraining order or restraining order.
  - Other injunctive relief to help ensure the health, safety or welfare of themselves or their children.
  - To seek medical attention for injuries caused by domestic violence, sexual assault or stalking.
  - To obtain services from a domestic violence shelter, program, or rape crisis center as the result of an act of domestic violence, sexual assault, or stalking.
  - To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.
  - To participate in safety planning and other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.
5. In accordance with California Kin Care Law, regular full-time employees may use up to ½ of their annual accrued total sick leave to care for a family member.
6. Employees who terminate their employment with the District will be paid for 50% of unused sick leave, not to exceed payment for the following number of hours:
  - 600 hours – Effective July 1, 2019 - June 30, 2020
  - 500 hours – Effective July 1, 2020 – June 30, 2021
  - 400 hours – Effective July 1, 2021 – June 30, 2022
7. If an employee's sick leave balance is exhausted, another paid leave (e.g. vacation, comp. time) will be used.



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8. A sick leave absence of more than 40 hours resulting from an employee's non-work-related injury or illness will require that the employee submit a doctor's note to human resources upon their return to work.

9. Any suspected abuse of sick leave usage is subject to discipline, up to and including termination.

### C. Worker's Compensation Illness or Injury

1. Beyond the date of injury, sick leave shall be used for on-duty hours used for medical evaluations, treatments, or other medical related activities associated with a worker's compensation illness or injury. If the employee's sick leave balance is exhausted, another paid leave (e.g., vacation, comp. time) will be used.

2. When an employee is injured on the job and, according to their physician, is able to return to work with temporary modifications to their job duties, the District will make every effort to place the employee in a modified assignment until he or she is released back to full duty. The nature of the assignment will depend on the physical restrictions of the employee as stated by the treating physician and the availability of a modified position in the employee's normal department or another department that is consistent with the physical restrictions. An employee's acceptance of a modified duty assignment, if available, will be mandatory.

## SECTION 4 - BEREAVEMENT LEAVE

In the event of a death in the family, regular and probationary employees shall be eligible for up to 3 working days off with pay to attend the funeral or make funeral arrangements, subject to the following provisions:

1. The relatives designated shall include child, parent, spouse, sibling, grandparent, grandchild, aunt/uncle, niece/nephew, cousin, and domestic partner. It shall also include "in-law" relatives and those relationships generally called "step."

2. Bereavement leave is not compensable for days falling outside an employee's regular work schedule.

3. All requests for bereavement leave shall be made in writing as soon as practical but in no event later than the first day back to work, and shall be subject to approval of the human resources manager.

## SECTION 5 - JURY DUTY LEAVE

Employees shall be compensated at their base hourly rate of pay for serving jury duty during the employee's regularly scheduled work hours. In order to be compensated for jury duty leave, the

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employee must submit to human resources a copy of their jury duty summons, along with their time-in/time-out tracking sheet as provided by the court.

### SECTION 6 - MILITARY LEAVE

The administration of military leave shall conform to both state and federal laws including, but not limited to, the requirements of the California Military & Veterans Code and the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

Such employee shall be entitled to the applicable leaves of absence and employment and reemployment rights and privileges provided by the Military & Veterans Code of the State of California and USERRA. The employee must provide reasonable advance notice of the need for Military Leave and must provide the District with a copy of all military orders.

An employee ordered to active duty for training purposes in the U.S. armed forces, will be paid the difference between their District salary and the basic pay received for active military duty for a maximum of 10 working days per year.

### SECTION 7 - SCHOOL OR CHILD CARE PROVIDER ACTIVITIES LEAVE

School or child care provider activities leave is the allowable use of the employee's existing leave credits to attend school or child care provider activities; to enroll or reenroll a child in a school or with a licensed child care provider; or to address a school or child care provider emergency.

A regular employee who is a parent, guardian, stepparent, foster parent or grandparent with custody, or who stands in loco parentis, of a child enrolled in grades K through 12 of a public or private school, or in a licensed child day care facility, is eligible for school or child care provider activities leave.

An employee may use up to 40 hours of his/her existing vacation, sick leave, or compensatory time hours per calendar year, but not more than 8 hours in any single calendar month, regardless of the number of children the employee may have. The 8 hour per month limitation does not apply for leave to address a school or child care provider emergency.

A. If the employee does not have sufficient paid leave available, he/she shall be allowed to take unpaid personal leave.

B. Employees are required to give 48 hours advance notice, unless it is a school or child care provider emergency as indicated in below, of their desire to take school or child care provider activities leave. Advance notice of less than 48 hours may only be given with approval by the District.

C. The District may also require that the employee provide documentation verifying participation in school or child care provider activities.

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D. An emergency means that an employee’s child cannot remain in school or with a child care provider due to one of the following:

- The school or child care provider has requested that the child be picked up, or has an attendance policy, excluding planned holidays, that prohibits the child from attending or requires the child be picked up from the school or child care provider;
- Behavioral or discipline problems;
- Closure or unexpected unavailability of the school or child care provider, excluding planned holidays; and/or
- A natural disaster, including, but not limited to, fire, earthquake or flood.

**SECTION 8 - FAILURE TO RETURN FROM LEAVE/JOB ABANDONMENT**

Except as otherwise provided by law including, but not limited to, federal and state provisions related to return from military leave, failure by an employee to return to duty or notify the District of their intent to return to duty within 48 hours of the date he/she is scheduled to return from any type of leave shall be considered an automatic resignation and the employee shall be notified of his/her automatic resignation from District employment. The District will consider evidence of extenuating circumstances if it is submitted by the employee to the District within ten (10) calendar days of the postmark of the District notice.

**ARTICLE 8. HOLIDAYS**

A. ACTUAL HOLIDAY DATES

Following are the actual holiday dates, which may differ from the District’s observed holiday date, as described below in “B”:

- New Year’s Day - January 1
- Martin Luther King, Jr. Day - 3rd Monday in January
- Presidents' Birthday - 3rd Monday in February
- Memorial Day - Last Monday in May
- Independence Day - July 4
- Labor Day – 1st Monday in September
- Veterans Day - November 11
- Thanksgiving Day – 4<sup>th</sup> Thursday in November
- Day after Thanksgiving – 4<sup>th</sup> Friday in November
- Christmas Eve - December 24
- Christmas Day - December 25
- New Year’s Eve Day - December 31



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### B. DISTRICT OBSERVED HOLIDAYS

Any of the actual holiday dates listed in "A" above that fall on a Saturday shall be observed (i.e., District offices will be closed) on the preceding Friday. Any of the above holidays that fall on a Sunday shall be observed on the following Monday.

### C. HOLIDAY PAY

An employee whose regularly scheduled work day falls on an actual holiday date as listed above in "A", **not** the date that a holiday is observed, shall be paid for their actual hours worked, plus holiday pay for their regular hours for that day.

1. For example, an employee on a 9/80 work schedule will receive 9 hours of holiday pay for an actual holiday date that falls on a Monday through Thursday, or 8 hours of holiday pay an actual holiday date that falls on their working Friday. An employee that regularly works a 4/10 schedule shall receive 10 hours of holiday pay for an actual holiday date that falls on their regularly scheduled work day.
2. For an employee on a 9/80 work schedule, when a holiday falls on their regular Friday off, the holiday will be observed and the employee will have the following Monday off.
3. To be eligible for holiday pay, an employee must be in paid status in the in the pay period that includes the holiday.

## ARTICLE 9. BENEFITS

### SECTION 1 - HEALTH/MEDICAL

#### A. ELIGIBILITY

New regular full-time employees are eligible for health, dental and vision benefits on the first day of the month following their date of hire and upon proper application and acceptance, as set forth in the agreement between the District and ACWA/JPIA for the benefit plan year that begins January 1 and ends December 31 of each year. For the purpose of these benefits, full-time is defined as an employee who works at least 24 work hours per workweek.

#### B. COVERAGE

The cost of coverage for each health plan offered is provided in a premium rate sheet that is updated ahead of the start of each benefit plan year and provided to all employees during open enrollment.

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1. The District pays 100% of the Kaiser plus Chiropractic plan for each coverage level: employee only, employee plus one, employee plus family. The District also pays these same amounts towards the cost of any other plan and coverage level an employee selects.
  - a. For example, if the Kaiser plus Chiropractic plan for employee-only coverage is \$600 per month and an employee selects a PPO option for employee-only coverage at a monthly cost of \$900, the District would pay \$600 and the employee would be responsible for the additional \$300 per month.

### C. WAIVER OF HEALTH/MEDICAL COVERAGE

Eligible employees who provide proof of coverage under another group health insurance plan may elect to waive District-provided health coverage and will receive \$250 per month in lieu of health coverage.

### SECTION 2 - DENTAL & VISION

The District provides dental and vision insurance and pays the full amount of the monthly premiums for all regular full-time employees and their eligible dependents. All eligible employees are required to enroll in the dental and vision plans for employee-only coverage. For the purpose of these benefits, full-time is defined as an employee who works at least 24 work hours per workweek.

### SECTION 3 - LIFE INSURANCE & ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

The first day of the month following date of hire, an employee, upon proper application and acceptance by the insurance carrier, shall be covered under a group life insurance and AD&D plan. The District shall pay the full monthly premium costs for coverage.

- A. The benefit is equal to two times an employee's base annual salary, rounded to the next higher \$1,000, up to a maximum of \$300,000.
  1. At age 65, but not age 70, benefit is 67% of the amount shown in "A" above.
  2. At age 70 or more, the amount of the insurance will be 45% of the amount shown in "A" above.

### SECTION 4 - LONG TERM DISABILITY (LTD) INSURANCE

The District shall pay the full monthly premium costs for employees' LTD insurance coverage. Beginning on or as near to July 1, 2019 as is administratively possible and for the term of this agreement, the District-paid LTD benefit will change from a 66<sup>2/3</sup>% pre-tax benefit to a 60% post-tax benefit, resulting in the District-paid monthly premiums being made after-tax and making the

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actual LTD benefit tax-free. To accomplish this, each employee's salary will be "grossed up" approximately 20% to off-set the amount of taxes the District will be paying for each employee.

### SECTION 5 - FLEXIBLE SPENDING ACCOUNTS (FSA)

The District will maintain a voluntary FSA program in accordance with applicable IRS statutes to allow employees to pay for covered expenses using pre-tax dollars.

### SECTION 6 - STATE DISABILITY INSURANCE (SDI) & PAID FAMILY LEAVE

Employees requested and District implemented State Disability Insurance (SDI) at the employees' expense. Participation is mandatory. The coordination of SDI or PFL (Paid Family Leave) payments with sick leave cannot exceed the employee's regular weekly wage. Coordinating SDI payments with vacation leave does not affect your benefits. The District requires that employees use two weeks of vacation prior to receiving PFL.

### SECTION 7 – DEFERRED COMPENSATION

Beginning on or as near to July 1, 2019 as is administratively possible and for the term of this agreement, FPUD will match 2.4% of each FMEA employee's base salary to a District 401(a) plan as long as the employee is contributing at least that percentage to their individual deferred compensation 457(b) plan.

### SECTION 8 - RETIREMENT & SOCIAL SECURITY

#### A. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

The District participates in the California Public Employees' Retirement System (CalPERS).

1. Employees hired at the District before January 1, 2013 are considered "classic members" and contribute 8% of their salary, with the following provisions under the District's contract with CalPERS:
  - a. Pre-Retirement Option 2W Benefit;
  - b. Retirement Benefit Formula of 2.5% at age 55; and
  - c. Single Highest Year Final Compensation Option.
  
2. Employees hired on or after January 1, 2013 who are also "new members" will contribute 50% of the normal cost established by CalPERS pursuant to the Public Employees' Pension Reform Act (PEPRA), with the following provisions under the District's contract with CalPERS:
  - a. Pre-Retirement Option 2W Benefit;
  - b. Retirement Benefit Formula of 2% at age 62; and
  - c. Average of Three Highest Years' Compensation.



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**B. SOCIAL SECURITY**

All employees of the District participate in the Federal Social Security Program. Payroll deductions are taken from each employee's pay and matching contributions are made by the District.

**C. HEALTH REIMBURSEMENT ACCOUNT (HRA)**

An employee retiring after age 50, with 10 or more years of continuous employment, has the option of continuing on the District's medical, dental and/or vision insurance plans using an HRA account that is funded with conversion of their sick leave hours as follows:

1. Using the current benefit plan year's premium rates and a 5% projection for possible cost increases in subsequent years, the District estimates the projected cost for the employee to pay 50% of the employee-only monthly premium for dental and/or vision coverage and 50% of the employee-only monthly medical premium/s, with the District paying the remaining 50% of the employee-only dental and/or vision and employee-only monthly medical premium/s.

Following is an example of how the medical premium costs are shared between the retiree and District:

	TOTAL MONTHLY PREMIUM FOR KAISER MEDICAL	RETIREE PAYS MONTHLY	DISTRICT PAYS MONTHLY
RETIREE Only Coverage	\$ 623.16	\$ 311.58	\$ 311.58
RETIREE + One	\$ 1,236.43	\$ 924.85	\$ 311.58
RETIREE + Family	\$ 1,745.45	\$ 1,433.87	\$ 311.58

2. The full amount as calculated in "1" above is the amount that will be transferred from the employee's final sick leave balance to their HRA account, which will be used to make the monthly premium payments until the HRA account balance is depleted or the retiree or their covered spouse, if applicable, reaches Medicare eligibility.

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The following is an HRA example for an employee that retires in 2019 at age 60 with 1500 hours of sick leave on the books and typical Medicare eligibility at age 65:

1. Value of Total 1500 Sick Leave Hours at Retirement	<b>\$67,500</b>	1500 Hours x \$45.00 (Employee's Hourly Wage)
2. Premium Cost of Retiree + Spouse Coverage for Medical, Dental & Vision		NOTE: Premium costs provided for example only, they do not represent actual rates
2019 benefit year	\$10,000	
+5% in 2020	\$10,500	
+5% in 2021	\$11,025	
+5% in 2022	\$11,567.25	
+5% in 2023	\$12,155.06	
3. Amount Deposited to HRA	<b>\$55,256.31</b>	Estimated total cost for coverage to Medicare eligibility in 2023
4. Amount of Sick Leave Remaining After Amount Deposited to HRA	<b>\$12,243.69</b>	Calculation: \$67,500-\$55,256.31
5. Hours Equivalent of Remaining Sick Leave	<b>272.08 Hours</b>	Calculation: \$12,243.69/\$45.00. *Eligible to cash out or convert to CalPERS service credit full remaining balance since less than 600 hours max. in effect for 7/1/19-6/30/20
6. Cash out value or amount to be converted to CalPERS service credit	<b>\$12,243.60</b>	Calculation: 272.08*\$45.00

3. If a retiree's HRA account balance is depleted before they become eligible for Medicare, he/she can instead begin paying their share of the monthly premiums directly to the District in order to continue coverage under the District's medical, vision and/or dental insurance plans until the retiree or their spouse, if applicable, is eligible for Medicare.

4. Once a retiree and/or their covered spouse becomes eligible for Medicare, which makes them ineligible to continue on the District's medical coverage, they are also no longer eligible to continue on the District's dental and/or vision coverage. Instead, they will receive information on continuing their coverage/s using COBRA.

5. Actual premium rates to be deducted from each retiree's HRA will be updated as the actual rates are provided for each new plan year (January 1 – December 31).

6. If applicable, any balance in the account when the retiree becomes eligible for Medicare or if they should die prior to becoming eligible for Medicare, will be available for the same use to the retiree's covered eligible dependent(s) until they become eligible for Medicare or COBRA rights are exhausted, whichever comes first. If there is no covered eligible dependent(s), any unused balance shall be forfeited.

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7. If an employee has sick leave hours remaining after the mandatory contribution to the HRA account as described above, OR if the employee chooses to not participate in the HRA, the employee has the choice of:

a. Cashing out half of their remaining sick leave hours balance, up to the maximum as outlined below, or all of their remaining balance, whichever is less; or

- 600 hours max. – Effective July 1, 2019 - June 30, 2020
- 500 hours max. – Effective July 1, 2020 – June 30, 2021
- 400 hours max. – Effective July 1, 2021 – June 30, 2022

b. Converting half of their remaining sick leave hours balance, up to the maximum as outlined above, to CalPERS service credit.

## ARTICLE 11. EDUCATIONAL PLAN

On or as near to July 1, 2019 as is administratively possible, a combined sum of \$30,000 will be designated for continuing education for FPUDEA and FMEA employees. Any unused funds as of June 30, 2020 will roll over to the following year's education fund.

On or as near to July 1, 2020 as is administratively possible, a combined sum equal to the amount of \$30,000, not including funds rolled over from the previous year, will be designated for continuing education for FPUDEA and FMEA employees. Any unused funds as of June 30, 2021 will roll over to the following year's education fund.

On or as near to July 1, 2021 as is administratively possible, a combined sum equal to the amount of \$30,000, not including funds rolled over from the previous year, will be designated for continuing education for FPUDEA and FMEA employees.

Unit members seeking participation in the educational plan must first obtain approval from the General Manager. The General Manager shall have the authorization to increase District contribution to the fund, at his/her discretion, throughout the remainder of the agreement.

If, at any time, the education fund is depleted, the District shall inform the Association immediately, in writing, that funds are no longer available, to help employees prepare for the following semester.

The funds set aside for the educational plan will not be used to replace existing funds for unit member certification and other job-related training.

An employee participating in the educational plan must receive a grade of "C" or better in each class in order to receive reimbursement.



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**ARTICLE 12. LAYOFF PROCEDURES**

The District agrees to meet with the bargaining unit representatives at least 30 days prior to issuance of any layoff notices for the purpose of conferring over the impact and implementation of said layoffs and to discuss alternatives and options; however, the General Manager shall retain the final decision with respect to the classifications and number of employees to be laid off.

A. The layoff process shall be administered and employees selected for layoff as follows:

- First: Temporary employees
- Second: Probationary employees
- Third: Part-time employees
- Fourth: Regular employees

1. Regular employees in classifications identified to be laid off will be laid off in order of seniority, with the employee with the least seniority laid off first.
2. Whenever two or more employees have identical seniority in the affected classification, the order of layoff shall be determined by the General Manager on the basis of performance.
3. In lieu of being laid off, regular employees have the right to demote to a lower vacant position with the District and for which the employee meets the minimum qualifications and is capable of performing the essential functions of the position.

**ARTICLE 13. USE OF DISTRICT VEHICLES**

Except as provided in this section, District vehicles may be used by employees only for conducting District business. Violations may result in disciplinary action, up to and including termination.

A. An employee who is assigned a District vehicle shall not allow any other individual, including District employees, to drive the vehicle for personal use.

B. An employee may be granted limited personal use of a District vehicle upon first receiving approval by the General Manager or his designee.

**ARTICLE 14. DISCIPLINARY ACTION**

Violations of FPUD'S Personnel Regulations, safety rules, criminal law, and/or actions which are insubordinate, flagrantly careless and/or incompetent, or otherwise prejudicial to the best interests of the District, will be subject to disciplinary action, up to and including termination.

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While it is the District's intent to take a progressive approach to disciplinary matters, progressive discipline is not required depending on the severity of the employee's misconduct.

### **SECTION 1 - DISCIPLINARY ACTIONS NOT SUBJECT TO NOTICE AND APPEAL PROCEDURES**

- A. The following disciplinary actions may be taken to address an employee's performance deficiencies and/or to address a violation as stated above:
1. Verbal counseling/warning
  2. Written warning
  3. Reassignment
  4. Suspension without pay for up to 3 days

### **SECTION 2 - DISCIPLINARY ACTIONS SUBJECT TO NOTICE AND APPEAL PROCEDURES**

- A. The following disciplinary actions require that written notice of intent to discipline be given to the employee, with an opportunity for the employee to appeal the proposed discipline:
1. Suspension from duty without pay for 4 or more days
  2. Salary step reduction
  3. Demotion
  4. Termination from District employment
- B. A written notice of intent to discipline shall be provided to the employee not less than 10 business days prior to the effective date of the proposed disciplinary action and shall contain:
1. Specific charges upon which action is based;
  2. The reasons why such action is being taken;
  3. Copies of the materials upon which the action is based;
  4. Information essential to give the employee a fair opportunity to answer the charges made;
  5. A time and date no less than 5 business days after the notice of intent to discipline was provided to the employee by which the employee must

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submit a written response, including their intent to appeal the proposed discipline either in writing or at a Skelly meeting with the General Manager; and

6. A tentative date and time for a Skelly meeting.
- C. Failure of the employee to respond to the notice of intent to discipline shall constitute a waiver by the employee of any right to appeal the proposed discipline and will result in the discipline being imposed as originally presented.
- D. If the employee or former employee is dissatisfied with the decision made by the General Manager or his designee, he may appeal in writing, to the President of the Board of Directors. This written notice of appeal shall be filed with the Secretary of the District no later than fifteen calendar days after the date of service of the notice of the General Manager's or his designee's decision, whichever is earlier. Either party may also request a no-cost mediation through the State Mediation and Conciliation Service prior to the appeal hearing. Such request must be made by the employee within the same fifteen calendar day period noted above, or by the District within 15 calendar days of receiving notice of the employee's written appeal.
1. The Secretary shall schedule a hearing within thirty calendar days of the date of filing of the notice of appeal, and the Secretary shall notify the employee of the time and date fixed for the hearing. This time can be extended for good cause.
  2. Upon conclusion of the hearing, the Board of Directors shall inform the employee, in writing, of their determination within 5 business days. This time can be extended for good cause.
  3. The Board of Directors has the power to reinstate a discharged employee and/or to impose less severe discipline on the employee. The decision of the Board of Directors is final and cannot be appealed.

## ARTICLE 15. GRIEVANCE PROCEDURE

A grievance shall be considered as any matter for which appeal is not elsewhere provided for concerning a dispute about the interpretation or application of the terms or conditions contained in this MOU, the Personnel Regulations, or a District policy or procedure regarding the same.

### SECTION 1 – PURPOSE

A. To provide employees, either individually or through the Association representatives, with a means of obtaining further consideration of a complaint or issue after every reasonable effort has failed to resolve them through less formal discussion.



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### SECTION 2 – PROCEDURE

#### A. First Level of Review - Immediate Supervisor

An employee should first try to get their complaint/issue settled informally through discussion with his/her immediate supervisor within 15 business days of the occurrence of the event resulting in the grievance. If the employee is not in agreement with the outcome of the discussion, he/she then has the right to file a formal grievance, in writing, to the Human Resources Manager within 10 business days after receiving the informal decision of his/her immediate supervisor.

#### B. Second Level of Review – Human Resources Manager

If an employee does not receive a satisfactory answer or resolution from his immediate supervisor, he will be allowed 10 business days to refer the grievance, in writing, to the Human Resources Manager. The written grievance shall detail the facts upon which the grievance is based and be dated and signed by the employee. After receiving the written grievance, the Human Resources Manager will promptly schedule a meeting to provide the employee an opportunity to present his appeal personally and will provide a written response within 15 business days. If the employee does not agree with the decision reached, he/she may present the appeal in writing to the General Manager.

#### C. Third Level of Review - General Manager

The General Manager or his/her designated representative should discuss the grievance with the employee, his/her representative, if any, and with other appropriate persons. The General Manager may designate any person or persons to advise him/her concerning the appeal.

The General Manager shall render his/her decision and comments in writing and return them to the employee within 10 business days after receiving the appeal. The decision at this step shall be final and conclusive for all parties.

#### D. Grievance Against General Manager

A grievance in which the General Manager is a party may be submitted to the President of the Board of Directors. The written grievance shall detail the facts upon which the grievance is based and be dated and signed by the employee. The grievance shall be submitted to the President of the Board of Directors within 15 business days of the event resulting in the grievance. The Board of Directors will investigate the grievance and may hold a formal or informal hearing at its discretion, unless waived by the employee. The Board of Directors shall submit its written decision within 10 business days. The decision of the Board of Directors is final.

Timeframes, as set forth above, may be extended by mutual agreement between the parties.

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E. Grievance Policy Exclusions

This grievance procedure shall not apply to:

1. The content of employee evaluations;
2. Verbal warnings or counseling;
3. Employee recognition programs; or
4. Any other subject unless covered in the expressed terms of this MOU.

**ARTICLE 16. ENTIRE AGREEMENT & SIGNATURES**

If any of this MOU is declared by legislative or judicial authority to be unlawful, unenforceable, or not in accordance with applicable provisions of Federal, State or Local laws or regulations, such part or provisions shall be suspended and superseded by such applicable law or regulations and the remainder of this MOU shall remain in full force and effect for the duration of this MOU.

It is acknowledged that during negotiations which resulted in this MOU, FMEA had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects within the scope of representation. Therefore, for the term of this agreement, FMEA agrees that FPUD shall not be obligated to meet and confer with respect to any subject or matter not specifically referred to or covered in this MOU. All terms and conditions of employment not covered in this MOU shall continue to be subject to FPUD's direction and control.

Except as specifically restricted by an express provision of this MOU, FPUD retains and may exercise all management rights and prerogatives in its discretion.

The terms and conditions of this MOU shall remain in effect during negotiations if the negotiations extend beyond June 30, 2022 until a new MOU is agreed upon or impasse is reached, whichever occurs first.

It is agreed that the Personnel Regulations shall be changed to reflect the changes contained herein.

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

\_\_\_\_\_  
FMEA

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **Exhibit “C”**



## SALARY SCHEDULE

Effective July 1, 2019

Classification	Positions	Salary Range
Accounting Technician I & II	2	19 & 23
Administrative Office Specialist	1	21
Backflow/Cross-Connection Technician	1	27-28
Collection Supervisor	1	39-41
Customer Service Representative I & II	1	15 & 19
Customer Service Specialist	2	25
Engineering Supervisor	1	34-36
Engineering Technician I, II & III	2	20-22/27-28/31-32
Environmental Compliance Technician	1	35-37
Equipment Mechanic	1	25
Geographical Information Systems (GIS) Coordinator	1	32a
Information Systems Technician	1	31
Senior Instrumentation and Controls Specialist	1	35-38/40
Laboratory Technician I & II	1	28-29/32-33
Lead Plant Operator	2	30-31
Instrumentation, Electrical & Controls Technician I/II	2	28-32
Management Analyst	1	31
Mechanical Technician	1	28-31
Operations Specialist	1	21-22
Plant Maintenance Worker I & II	1	15-17/18-21
Plant Operator (I-T), I, II	2	16-17/22-23/26-27
Public Affairs Specialist	1	36
Safety & Risk Officer	1	43-45
Secretary	1	36
System Operations Supervisor	1	40
Systems Operator I & II	3	24a-25a/28a-29a
System Service/Shop Supervisor	1	39-41
Utility Technician (Water and Wastewater)	7	23a-27a
Utility Worker I & II (Water and Wastewater)	15	15-17/18-21
Warehouse/Purchasing Specialist	1	27-28
Purchasing/Warehouse Supervisor	1	37-38
<u>Management (Exempt)</u>		
General Manager	1	\$243,984
Assistant General Manager/CFO	1	62
Chief Plant Operator	1	45-46
Field Services Manager	1	46 & 48
Operations Manager	1	53a
Human Resources Manager	1	53
Senior Accountant	1	42-43
Senior Engineer	1	52

Range #	FY 19-20 Hourly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$16.19	\$16.59	\$17.01	\$17.43	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22
2	\$16.59	\$17.01	\$17.43	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72
3	\$17.01	\$17.43	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24
4	\$17.43	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77
5	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31
6	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87
7	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44
8	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03
9	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63
10	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25
11	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88
12	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52
13	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19
14	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87
15	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56
16	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28
17	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01
18	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76
19	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53
20	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32
21	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13
22	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95
23	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80
23a	\$28.70	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85
24	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67
24a	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74
25	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56
25a	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66
26	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48
26a	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60
27	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42
27a	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57
28	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38
28a	\$32.32	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56
29	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36
29a	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57
30	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37
31	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40
32	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46
32a	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.68	\$44.77
33	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55
34	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66
35	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81
36	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98
37	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18
38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41
39	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67
40	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96
41	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28
42	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64
43	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03
44	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45
45	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92
46	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41
47	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95
48	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52
49	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14
50	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79
51	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48
52	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22
53	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00
53a	\$60.21	\$61.71	\$63.26	\$64.84	\$66.46	\$68.12	\$69.82	\$71.57	\$73.36	\$75.19
54	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83
55	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70
56	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61
57	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58
58	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59
59	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66
60	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78
61	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95
62	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17
63	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45
64	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78
65	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18
66	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63
67	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15
68	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15	\$105.73
69	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15	\$105.73	\$108.37
70	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15	\$105.73	\$108.37	\$111.08

Range #	FY 19-20 Bi-Weekly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$1,295	\$1,327	\$1,361	\$1,395	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617
2	\$1,327	\$1,361	\$1,395	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658
3	\$1,361	\$1,395	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699
4	\$1,395	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742
5	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785
6	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830
7	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876
8	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922
9	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970
10	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020
11	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070
12	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122
13	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175
14	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229
15	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285
16	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342
17	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401
18	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461
19	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522
20	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585
21	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650
22	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716
23	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784
23a	\$2,296	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868
24	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854
24a	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939
25	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925
25a	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013
26	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998
26a	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088
27	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073
27a	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165
28	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150
28a	\$2,585	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245
29	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229
29a	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326
30	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310
31	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392
32	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477
32a	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581
33	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564
34	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653
35	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744
36	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838
37	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934
38	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032
39	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133
40	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237
41	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342
42	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451
43	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562
44	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676
45	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793
46	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913
47	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036
48	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162
49	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291
50	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423
51	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559
52	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698
53	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840
53a	\$4,817	\$4,937	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015
54	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986
55	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136
56	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289
57	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446
58	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608
59	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773
60	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942
61	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116
62	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294
63	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476
64	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663
65	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854
66	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051
67	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252
68	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252	\$8,458
69	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252	\$8,458	\$8,670
70	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252	\$8,458	\$8,670	\$8,886



Range #	FY 19-20 Monthly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$2,806	\$2,876	\$2,948	\$3,022	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504
2	\$2,876	\$2,948	\$3,022	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592
3	\$2,948	\$3,022	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681
4	\$3,022	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774
5	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868
6	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965
7	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064
8	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165
9	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269
10	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376
11	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486
12	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598
13	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713
14	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830
15	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951
16	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075
17	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202
18	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332
19	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465
20	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602
21	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742
22	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885
23	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033
23a	\$4,975	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213
24	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183
24a	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369
25	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338
25a	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528
26	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496
26a	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691
27	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659
27a	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859
28	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825
28a	\$5,602	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030
29	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996
29a	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206
30	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171
31	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350
32	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534
32a	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,571	\$7,760
33	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722
34	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915
35	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113
36	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316
37	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524
38	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737
39	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955
40	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179
41	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409
42	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644
43	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885
44	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132
45	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385
46	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645
47	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911
48	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184
49	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464
50	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750
51	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044
52	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345
53	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654
53a	\$10,436	\$10,697	\$10,964	\$11,239	\$11,519	\$11,807	\$12,103	\$12,405	\$12,715	\$13,033
54	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970
55	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294
56	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627
57	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967
58	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316
59	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674
60	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041
61	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417
62	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803
63	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198
64	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603
65	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018
66	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443
67	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879
68	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879	\$18,326
69	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879	\$18,326	\$18,784
70	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879	\$18,326	\$18,784	\$19,254

Range #	FY 20-21 Hourly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$16.59	\$17.01	\$17.43	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72
2	\$17.01	\$17.43	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24
3	\$17.43	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77
4	\$17.87	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31
5	\$18.31	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87
6	\$18.77	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44
7	\$19.24	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03
8	\$19.72	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63
9	\$20.22	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25
10	\$20.72	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88
11	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52
12	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19
13	\$22.31	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87
14	\$22.87	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56
15	\$23.44	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28
16	\$24.03	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01
17	\$24.63	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76
18	\$25.25	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53
19	\$25.88	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32
20	\$26.52	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13
21	\$27.19	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95
22	\$27.87	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80
23	\$28.56	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67
23a	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74
24	\$29.28	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56
24a	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66
25	\$30.01	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48
25a	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60
26	\$30.76	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42
26a	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57
27	\$31.53	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38
27a	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56
28	\$32.32	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36
28a	\$33.13	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57
29	\$33.13	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37
29a	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61
30	\$33.95	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40
31	\$34.80	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46
32	\$35.67	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55
32a	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.68	\$44.77	\$45.89
33	\$36.56	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66
34	\$37.48	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81
35	\$38.42	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98
36	\$39.38	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18
37	\$40.36	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41
38	\$41.37	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67
39	\$42.40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96
40	\$43.46	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28
41	\$44.55	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64
42	\$45.66	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03
43	\$46.81	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45
44	\$47.98	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92
45	\$49.18	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41
46	\$50.41	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95
47	\$51.67	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52
48	\$52.96	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14
49	\$54.28	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79
50	\$55.64	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48
51	\$57.03	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22
52	\$58.45	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00
53	\$59.92	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83
53a	\$61.71	\$63.26	\$64.84	\$66.46	\$68.12	\$69.82	\$71.57	\$73.36	\$75.19	\$77.07
54	\$61.41	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70
55	\$62.95	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61
56	\$64.52	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58
57	\$66.14	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59
58	\$67.79	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66
59	\$69.48	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78
60	\$71.22	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95
61	\$73.00	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17
62	\$74.83	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45
63	\$76.70	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78
64	\$78.61	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18
65	\$80.58	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63
66	\$82.59	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15
67	\$84.66	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15	\$105.73
68	\$86.78	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15	\$105.73	\$108.37
69	\$88.95	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15	\$105.73	\$108.37	\$111.08
70	\$91.17	\$93.45	\$95.78	\$98.18	\$100.63	\$103.15	\$105.73	\$108.37	\$111.08	\$113.86



Range #	FY 20-21 Bi-Weekly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$1,327	\$1,361	\$1,395	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658
2	\$1,361	\$1,395	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699
3	\$1,395	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742
4	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785
5	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830
6	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876
7	\$1,539	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922
8	\$1,578	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970
9	\$1,617	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020
10	\$1,658	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070
11	\$1,699	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122
12	\$1,742	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175
13	\$1,785	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229
14	\$1,830	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285
15	\$1,876	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342
16	\$1,922	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401
17	\$1,970	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461
18	\$2,020	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522
19	\$2,070	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585
20	\$2,122	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650
21	\$2,175	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716
22	\$2,229	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784
23	\$2,285	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854
23a	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939
24	\$2,342	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925
24a	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013
25	\$2,401	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998
25a	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088
26	\$2,461	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073
26a	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165
27	\$2,522	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150
27a	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245
28	\$2,585	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229
28a	\$2,650	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326
29	\$2,650	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310
29a	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409
30	\$2,716	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392
31	\$2,784	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477
32	\$2,854	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564
32a	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671
33	\$2,925	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653
34	\$2,998	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744
35	\$3,073	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838
36	\$3,150	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934
37	\$3,229	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032
38	\$3,310	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133
39	\$3,392	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237
40	\$3,477	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342
41	\$3,564	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451
42	\$3,653	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562
43	\$3,744	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676
44	\$3,838	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793
45	\$3,934	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913
46	\$4,032	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036
47	\$4,133	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162
48	\$4,237	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291
49	\$4,342	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423
50	\$4,451	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559
51	\$4,562	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698
52	\$4,676	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840
53	\$4,793	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986
53a	\$4,937	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166
54	\$4,913	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136
55	\$5,036	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289
56	\$5,162	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446
57	\$5,291	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608
58	\$5,423	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773
59	\$5,559	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942
60	\$5,698	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116
61	\$5,840	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294
62	\$5,986	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476
63	\$6,136	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663
64	\$6,289	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854
65	\$6,446	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051
66	\$6,608	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252
67	\$6,773	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252	\$8,458
68	\$6,942	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252	\$8,458	\$8,670
69	\$7,116	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252	\$8,458	\$8,670	\$8,886
70	\$7,294	\$7,476	\$7,663	\$7,854	\$8,051	\$8,252	\$8,458	\$8,670	\$8,886	\$9,109



Range #	FY 20-21 Monthly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$2,876	\$2,948	\$3,022	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592
2	\$2,948	\$3,022	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681
3	\$3,022	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774
4	\$3,097	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868
5	\$3,175	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965
6	\$3,254	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064
7	\$3,335	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165
8	\$3,419	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269
9	\$3,504	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376
10	\$3,592	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486
11	\$3,681	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598
12	\$3,774	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713
13	\$3,868	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830
14	\$3,965	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951
15	\$4,064	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075
16	\$4,165	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202
17	\$4,269	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332
18	\$4,376	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465
19	\$4,486	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602
20	\$4,598	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742
21	\$4,713	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885
22	\$4,830	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033
23	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183
23a	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369
24	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338
24a	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528
25	\$5,202	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496
25a	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691
26	\$5,332	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659
26a	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859
27	\$5,465	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825
27a	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030
28	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996
28a	\$5,742	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206
29	\$5,742	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171
29a	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386
30	\$5,885	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350
31	\$6,033	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534
32	\$6,183	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722
32a	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,571	\$7,760	\$7,954
33	\$6,338	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915
34	\$6,496	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113
35	\$6,659	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316
36	\$6,825	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524
37	\$6,996	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737
38	\$7,171	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955
39	\$7,350	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179
40	\$7,534	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409
41	\$7,722	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644
42	\$7,915	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885
43	\$8,113	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132
44	\$8,316	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385
45	\$8,524	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645
46	\$8,737	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911
47	\$8,955	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184
48	\$9,179	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464
49	\$9,409	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750
50	\$9,644	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044
51	\$9,885	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345
52	\$10,132	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654
53	\$10,385	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970
53a	\$10,697	\$10,964	\$11,239	\$11,519	\$11,807	\$12,103	\$12,405	\$12,715	\$13,033	\$13,359
54	\$10,645	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294
55	\$10,911	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627
56	\$11,184	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967
57	\$11,464	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316
58	\$11,750	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674
59	\$12,044	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041
60	\$12,345	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$15,041	\$15,417	\$15,803
61	\$12,654	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803
62	\$12,970	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198
63	\$13,294	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603
64	\$13,627	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018
65	\$13,967	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443
66	\$14,316	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879
67	\$14,674	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879	\$18,326
68	\$15,041	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879	\$18,326	\$18,784
69	\$15,417	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879	\$18,326	\$18,784	\$19,254
70	\$15,803	\$16,198	\$16,603	\$17,018	\$17,443	\$17,879	\$18,326	\$18,784	\$19,254	\$19,735

Range #	FY 21-22 Hourly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$17.09	\$17.52	\$17.96	\$18.40	\$18.86	\$19.34	\$19.82	\$20.31	\$20.82	\$21.34
2	\$17.52	\$17.96	\$18.40	\$18.86	\$19.34	\$19.82	\$20.31	\$20.82	\$21.34	\$21.88
3	\$17.96	\$18.40	\$18.86	\$19.34	\$19.82	\$20.31	\$20.82	\$21.34	\$21.88	\$22.42
4	\$18.40	\$18.86	\$19.34	\$19.82	\$20.31	\$20.82	\$21.34	\$21.88	\$22.42	\$22.98
5	\$18.86	\$19.34	\$19.82	\$20.31	\$20.82	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56
6	\$19.34	\$19.82	\$20.31	\$20.82	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.15
7	\$19.82	\$20.31	\$20.82	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.15	\$24.75
8	\$20.31	\$20.82	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.15	\$24.75	\$25.37
9	\$20.82	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.15	\$24.75	\$25.37	\$26.00
10	\$21.34	\$21.88	\$22.42	\$22.98	\$23.56	\$24.15	\$24.75	\$25.37	\$26.00	\$26.65
11	\$21.88	\$22.42	\$22.98	\$23.56	\$24.15	\$24.75	\$25.37	\$26.00	\$26.65	\$27.32
12	\$22.42	\$22.98	\$23.56	\$24.15	\$24.75	\$25.37	\$26.00	\$26.65	\$27.32	\$28.00
13	\$22.98	\$23.56	\$24.15	\$24.75	\$25.37	\$26.00	\$26.65	\$27.32	\$28.00	\$28.70
14	\$23.56	\$24.15	\$24.75	\$25.37	\$26.00	\$26.65	\$27.32	\$28.00	\$28.70	\$29.42
15	\$24.15	\$24.75	\$25.37	\$26.00	\$26.65	\$27.32	\$28.00	\$28.70	\$29.42	\$30.16
16	\$24.75	\$25.37	\$26.00	\$26.65	\$27.32	\$28.00	\$28.70	\$29.42	\$30.16	\$30.91
17	\$25.37	\$26.00	\$26.65	\$27.32	\$28.00	\$28.70	\$29.42	\$30.16	\$30.91	\$31.68
18	\$26.00	\$26.65	\$27.32	\$28.00	\$28.70	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48
19	\$26.65	\$27.32	\$28.00	\$28.70	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29
20	\$27.32	\$28.00	\$28.70	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12
21	\$28.00	\$28.70	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97
22	\$28.70	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85
23	\$29.42	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74
23a	\$30.30	\$31.06	\$31.84	\$32.63	\$33.45	\$34.29	\$35.14	\$36.02	\$36.92	\$37.85
24	\$30.16	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66
24a	\$31.06	\$31.84	\$32.63	\$33.45	\$34.29	\$35.14	\$36.02	\$36.92	\$37.85	\$38.79
25	\$30.91	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60
25a	\$31.84	\$32.63	\$33.45	\$34.29	\$35.14	\$36.02	\$36.92	\$37.85	\$38.79	\$39.76
26	\$31.68	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57
26a	\$32.63	\$33.45	\$34.29	\$35.14	\$36.02	\$36.92	\$37.85	\$38.79	\$39.76	\$40.76
27	\$32.48	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56
27a	\$33.45	\$34.29	\$35.14	\$36.02	\$36.92	\$37.85	\$38.79	\$39.76	\$40.76	\$41.77
28	\$33.29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57
28a	\$34.12	\$35.14	\$36.02	\$36.92	\$37.85	\$38.79	\$39.76	\$40.76	\$41.77	\$42.82
29	\$34.12	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61
29a	\$35.14	\$36.02	\$36.92	\$37.85	\$38.79	\$39.76	\$40.76	\$41.77	\$42.82	\$43.89
30	\$34.97	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.68
31	\$35.85	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.68	\$44.77
32	\$36.74	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.68	\$44.77	\$45.89
32a	\$37.85	\$38.79	\$39.76	\$40.76	\$41.77	\$42.82	\$43.89	\$44.99	\$46.11	\$47.26
33	\$37.66	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.68	\$44.77	\$45.89	\$47.03
34	\$38.60	\$39.57	\$40.56	\$41.57	\$42.61	\$43.68	\$44.77	\$45.89	\$47.03	\$48.21
35	\$39.57	\$40.56	\$41.57	\$42.61	\$43.68	\$44.77	\$45.89	\$47.03	\$48.21	\$49.42
36	\$40.56	\$41.57	\$42.61	\$43.68	\$44.77	\$45.89	\$47.03	\$48.21	\$49.42	\$50.65
37	\$41.57	\$42.61	\$43.68	\$44.77	\$45.89	\$47.03	\$48.21	\$49.42	\$50.65	\$51.92
38	\$42.61	\$43.68	\$44.77	\$45.89	\$47.03	\$48.21	\$49.42	\$50.65	\$51.92	\$53.22
39	\$43.68	\$44.77	\$45.89	\$47.03	\$48.21	\$49.42	\$50.65	\$51.92	\$53.22	\$54.55
40	\$44.77	\$45.89	\$47.03	\$48.21	\$49.42	\$50.65	\$51.92	\$53.22	\$54.55	\$55.91
41	\$45.89	\$47.03	\$48.21	\$49.42	\$50.65	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31
42	\$47.03	\$48.21	\$49.42	\$50.65	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74
43	\$48.21	\$49.42	\$50.65	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.21
44	\$49.42	\$50.65	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.21	\$61.71
45	\$50.65	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.21	\$61.71	\$63.26
46	\$51.92	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.21	\$61.71	\$63.26	\$64.84
47	\$53.22	\$54.55	\$55.91	\$57.31	\$58.74	\$60.21	\$61.71	\$63.26	\$64.84	\$66.46
48	\$54.55	\$55.91	\$57.31	\$58.74	\$60.21	\$61.71	\$63.26	\$64.84	\$66.46	\$68.12
49	\$55.91	\$57.31	\$58.74	\$60.21	\$61.71	\$63.26	\$64.84	\$66.46	\$68.12	\$69.82
50	\$57.31	\$58.74	\$60.21	\$61.71	\$63.26	\$64.84	\$66.46	\$68.12	\$69.82	\$71.57
51	\$58.74	\$60.21	\$61.71	\$63.26	\$64.84	\$66.46	\$68.12	\$69.82	\$71.57	\$73.36
52	\$60.21	\$61.71	\$63.26	\$64.84	\$66.46	\$68.12	\$69.82	\$71.57	\$73.36	\$75.19
53	\$61.71	\$63.26	\$64.84	\$66.46	\$68.12	\$69.82	\$71.57	\$73.36	\$75.19	\$77.07
53a	\$63.56	\$65.15	\$66.78	\$68.45	\$70.16	\$71.92	\$73.72	\$75.56	\$77.45	\$79.38
54	\$63.26	\$64.84	\$66.46	\$68.12	\$69.82	\$71.57	\$73.36	\$75.19	\$77.07	\$79.00
55	\$64.84	\$66.46	\$68.12	\$69.82	\$71.57	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97
56	\$66.46	\$68.12	\$69.82	\$71.57	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00
57	\$68.12	\$69.82	\$71.57	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07
58	\$69.82	\$71.57	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20
59	\$71.57	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38
60	\$73.36	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.61
61	\$75.19	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.61	\$93.90
62	\$77.07	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.61	\$93.90	\$96.25
63	\$79.00	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.61	\$93.90	\$96.25	\$98.66
64	\$80.97	\$83.00	\$85.07	\$87.20	\$89.38	\$91.61	\$93.90	\$96.25	\$98.66	\$101.12
65	\$83.00	\$85.07	\$87.20	\$89.38	\$91.61	\$93.90	\$96.25	\$98.66	\$101.12	\$103.65
66	\$85.07	\$87.20	\$89.38	\$91.61	\$93.90	\$96.25	\$98.66	\$101.12	\$103.65	\$106.24
67	\$87.20	\$89.38	\$91.61	\$93.90	\$96.25	\$98.66	\$101.12	\$103.65	\$106.24	\$108.90
68	\$89.38	\$91.61	\$93.90	\$96.25	\$98.66	\$101.12	\$103.65	\$106.24	\$108.90	\$111.62
69	\$91.61	\$93.90	\$96.25	\$98.66	\$101.12	\$103.65	\$106.24	\$108.90	\$111.62	\$114.41
70	\$93.90	\$96.25	\$98.66	\$101.12	\$103.65	\$106.24	\$108.90	\$111.62	\$114.41	\$117.27



Range #	FY 21-22 BI-Weekly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$1,367	\$1,401	\$1,436	\$1,472	\$1,509	\$1,547	\$1,586	\$1,625	\$1,666	\$1,707
2	\$1,401	\$1,436	\$1,472	\$1,509	\$1,547	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750
3	\$1,436	\$1,472	\$1,509	\$1,547	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794
4	\$1,472	\$1,509	\$1,547	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839
5	\$1,509	\$1,547	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885
6	\$1,547	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,932
7	\$1,586	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,932	\$1,980
8	\$1,625	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,932	\$1,980	\$2,030
9	\$1,666	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,932	\$1,980	\$2,030	\$2,080
10	\$1,707	\$1,750	\$1,794	\$1,839	\$1,885	\$1,932	\$1,980	\$2,030	\$2,080	\$2,132
11	\$1,750	\$1,794	\$1,839	\$1,885	\$1,932	\$1,980	\$2,030	\$2,080	\$2,132	\$2,186
12	\$1,794	\$1,839	\$1,885	\$1,932	\$1,980	\$2,030	\$2,080	\$2,132	\$2,186	\$2,240
13	\$1,839	\$1,885	\$1,932	\$1,980	\$2,030	\$2,080	\$2,132	\$2,186	\$2,240	\$2,296
14	\$1,885	\$1,932	\$1,980	\$2,030	\$2,080	\$2,132	\$2,186	\$2,240	\$2,296	\$2,354
15	\$1,932	\$1,980	\$2,030	\$2,080	\$2,132	\$2,186	\$2,240	\$2,296	\$2,354	\$2,413
16	\$1,980	\$2,030	\$2,080	\$2,132	\$2,186	\$2,240	\$2,296	\$2,354	\$2,413	\$2,473
17	\$2,030	\$2,080	\$2,132	\$2,186	\$2,240	\$2,296	\$2,354	\$2,413	\$2,473	\$2,535
18	\$2,080	\$2,132	\$2,186	\$2,240	\$2,296	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598
19	\$2,132	\$2,186	\$2,240	\$2,296	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663
20	\$2,186	\$2,240	\$2,296	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730
21	\$2,240	\$2,296	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798
22	\$2,296	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868
23	\$2,354	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939
23a	\$2,424	\$2,485	\$2,547	\$2,611	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,028
24	\$2,413	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013
24a	\$2,485	\$2,547	\$2,611	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,028	\$3,103
25	\$2,473	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088
25a	\$2,547	\$2,611	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,028	\$3,103	\$3,181
26	\$2,535	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165
26a	\$2,611	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,028	\$3,103	\$3,181	\$3,260
27	\$2,598	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245
27a	\$2,676	\$2,743	\$2,811	\$2,882	\$2,954	\$3,028	\$3,103	\$3,181	\$3,260	\$3,342
28	\$2,663	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326
28a	\$2,730	\$2,811	\$2,882	\$2,954	\$3,028	\$3,103	\$3,181	\$3,260	\$3,342	\$3,426
29	\$2,730	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409
29a	\$2,811	\$2,882	\$2,954	\$3,028	\$3,103	\$3,181	\$3,260	\$3,342	\$3,426	\$3,511
30	\$2,798	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409	\$3,494
31	\$2,868	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581
32	\$2,939	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671
32a	\$3,028	\$3,103	\$3,181	\$3,260	\$3,342	\$3,426	\$3,511	\$3,599	\$3,689	\$3,781
33	\$3,013	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763
34	\$3,088	\$3,165	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857
35	\$3,165	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953
36	\$3,245	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,052
37	\$3,326	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,052	\$4,153
38	\$3,409	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,052	\$4,153	\$4,257
39	\$3,494	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,052	\$4,153	\$4,257	\$4,364
40	\$3,581	\$3,671	\$3,763	\$3,857	\$3,953	\$4,052	\$4,153	\$4,257	\$4,364	\$4,473
41	\$3,671	\$3,763	\$3,857	\$3,953	\$4,052	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585
42	\$3,763	\$3,857	\$3,953	\$4,052	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699
43	\$3,857	\$3,953	\$4,052	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,817
44	\$3,953	\$4,052	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,817	\$4,937
45	\$4,052	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,817	\$4,937	\$5,060
46	\$4,153	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,817	\$4,937	\$5,060	\$5,187
47	\$4,257	\$4,364	\$4,473	\$4,585	\$4,699	\$4,817	\$4,937	\$5,060	\$5,187	\$5,317
48	\$4,364	\$4,473	\$4,585	\$4,699	\$4,817	\$4,937	\$5,060	\$5,187	\$5,317	\$5,450
49	\$4,473	\$4,585	\$4,699	\$4,817	\$4,937	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586
50	\$4,585	\$4,699	\$4,817	\$4,937	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725
51	\$4,699	\$4,817	\$4,937	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869
52	\$4,817	\$4,937	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015
53	\$4,937	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166
53a	\$5,085	\$5,212	\$5,343	\$5,476	\$5,613	\$5,753	\$5,897	\$6,045	\$6,196	\$6,351
54	\$5,060	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320
55	\$5,187	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478
56	\$5,317	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640
57	\$5,450	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806
58	\$5,586	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976
59	\$5,725	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150
60	\$5,869	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,329
61	\$6,015	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,329	\$7,512
62	\$6,166	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,329	\$7,512	\$7,700
63	\$6,320	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,329	\$7,512	\$7,700	\$7,893
64	\$6,478	\$6,640	\$6,806	\$6,976	\$7,150	\$7,329	\$7,512	\$7,700	\$7,893	\$8,090
65	\$6,640	\$6,806	\$6,976	\$7,150	\$7,329	\$7,512	\$7,700	\$7,893	\$8,090	\$8,292
66	\$6,806	\$6,976	\$7,150	\$7,329	\$7,512	\$7,700	\$7,893	\$8,090	\$8,292	\$8,500
67	\$6,976	\$7,150	\$7,329	\$7,512	\$7,700	\$7,893	\$8,090	\$8,292	\$8,500	\$8,712
68	\$7,150	\$7,329	\$7,512	\$7,700	\$7,893	\$8,090	\$8,292	\$8,500	\$8,712	\$8,930
69	\$7,329	\$7,512	\$7,700	\$7,893	\$8,090	\$8,292	\$8,500	\$8,712	\$8,930	\$9,153
70	\$7,512	\$7,700	\$7,893	\$8,090	\$8,292	\$8,500	\$8,712	\$8,930	\$9,153	\$9,382



Range #	FY 21-22 Monthly Salary Range									
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
1	\$2,962	\$3,036	\$3,112	\$3,190	\$3,270	\$3,352	\$3,435	\$3,521	\$3,609	\$3,699
2	\$3,036	\$3,112	\$3,190	\$3,270	\$3,352	\$3,435	\$3,521	\$3,609	\$3,699	\$3,792
3	\$3,112	\$3,190	\$3,270	\$3,352	\$3,435	\$3,521	\$3,609	\$3,699	\$3,792	\$3,887
4	\$3,190	\$3,270	\$3,352	\$3,435	\$3,521	\$3,609	\$3,699	\$3,792	\$3,887	\$3,984
5	\$3,270	\$3,352	\$3,435	\$3,521	\$3,609	\$3,699	\$3,792	\$3,887	\$3,984	\$4,083
6	\$3,352	\$3,435	\$3,521	\$3,609	\$3,699	\$3,792	\$3,887	\$3,984	\$4,083	\$4,186
7	\$3,435	\$3,521	\$3,609	\$3,699	\$3,792	\$3,887	\$3,984	\$4,083	\$4,186	\$4,290
8	\$3,521	\$3,609	\$3,699	\$3,792	\$3,887	\$3,984	\$4,083	\$4,186	\$4,290	\$4,397
9	\$3,609	\$3,699	\$3,792	\$3,887	\$3,984	\$4,083	\$4,186	\$4,290	\$4,397	\$4,507
10	\$3,699	\$3,792	\$3,887	\$3,984	\$4,083	\$4,186	\$4,290	\$4,397	\$4,507	\$4,620
11	\$3,792	\$3,887	\$3,984	\$4,083	\$4,186	\$4,290	\$4,397	\$4,507	\$4,620	\$4,736
12	\$3,887	\$3,984	\$4,083	\$4,186	\$4,290	\$4,397	\$4,507	\$4,620	\$4,736	\$4,854
13	\$3,984	\$4,083	\$4,186	\$4,290	\$4,397	\$4,507	\$4,620	\$4,736	\$4,854	\$4,975
14	\$4,083	\$4,186	\$4,290	\$4,397	\$4,507	\$4,620	\$4,736	\$4,854	\$4,975	\$5,100
15	\$4,186	\$4,290	\$4,397	\$4,507	\$4,620	\$4,736	\$4,854	\$4,975	\$5,100	\$5,227
16	\$4,290	\$4,397	\$4,507	\$4,620	\$4,736	\$4,854	\$4,975	\$5,100	\$5,227	\$5,358
17	\$4,397	\$4,507	\$4,620	\$4,736	\$4,854	\$4,975	\$5,100	\$5,227	\$5,358	\$5,492
18	\$4,507	\$4,620	\$4,736	\$4,854	\$4,975	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629
19	\$4,620	\$4,736	\$4,854	\$4,975	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770
20	\$4,736	\$4,854	\$4,975	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914
21	\$4,854	\$4,975	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062
22	\$4,975	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213
23	\$5,100	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369
23a	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,400	\$6,560
24	\$5,227	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528
24a	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,400	\$6,560	\$6,724
25	\$5,358	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691
25a	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,400	\$6,560	\$6,724	\$6,892
26	\$5,492	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859
26a	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,400	\$6,560	\$6,724	\$6,892	\$7,064
27	\$5,629	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030
27a	\$5,798	\$5,943	\$6,092	\$6,244	\$6,400	\$6,560	\$6,724	\$6,892	\$7,064	\$7,241
28	\$5,770	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206
28a	\$5,914	\$6,092	\$6,244	\$6,400	\$6,560	\$6,724	\$6,892	\$7,064	\$7,241	\$7,422
29	\$5,914	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386
29a	\$6,092	\$6,244	\$6,400	\$6,560	\$6,724	\$6,892	\$7,064	\$7,241	\$7,422	\$7,607
30	\$6,062	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,571
31	\$6,213	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,571	\$7,760
32	\$6,369	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,571	\$7,760	\$7,954
32a	\$6,560	\$6,724	\$6,892	\$7,064	\$7,241	\$7,422	\$7,607	\$7,798	\$7,993	\$8,192
33	\$6,528	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,571	\$7,760	\$7,954	\$8,153
34	\$6,691	\$6,859	\$7,030	\$7,206	\$7,386	\$7,571	\$7,760	\$7,954	\$8,153	\$8,356
35	\$6,859	\$7,030	\$7,206	\$7,386	\$7,571	\$7,760	\$7,954	\$8,153	\$8,356	\$8,565
36	\$7,030	\$7,206	\$7,386	\$7,571	\$7,760	\$7,954	\$8,153	\$8,356	\$8,565	\$8,780
37	\$7,206	\$7,386	\$7,571	\$7,760	\$7,954	\$8,153	\$8,356	\$8,565	\$8,780	\$8,999
38	\$7,386	\$7,571	\$7,760	\$7,954	\$8,153	\$8,356	\$8,565	\$8,780	\$8,999	\$9,224
39	\$7,571	\$7,760	\$7,954	\$8,153	\$8,356	\$8,565	\$8,780	\$8,999	\$9,224	\$9,455
40	\$7,760	\$7,954	\$8,153	\$8,356	\$8,565	\$8,780	\$8,999	\$9,224	\$9,455	\$9,691
41	\$7,954	\$8,153	\$8,356	\$8,565	\$8,780	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933
42	\$8,153	\$8,356	\$8,565	\$8,780	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182
43	\$8,356	\$8,565	\$8,780	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,436
44	\$8,565	\$8,780	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,436	\$10,697
45	\$8,780	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,436	\$10,697	\$10,964
46	\$8,999	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,436	\$10,697	\$10,964	\$11,239
47	\$9,224	\$9,455	\$9,691	\$9,933	\$10,182	\$10,436	\$10,697	\$10,964	\$11,239	\$11,519
48	\$9,455	\$9,691	\$9,933	\$10,182	\$10,436	\$10,697	\$10,964	\$11,239	\$11,519	\$11,807
49	\$9,691	\$9,933	\$10,182	\$10,436	\$10,697	\$10,964	\$11,239	\$11,519	\$11,807	\$12,103
50	\$9,933	\$10,182	\$10,436	\$10,697	\$10,964	\$11,239	\$11,519	\$11,807	\$12,103	\$12,405
51	\$10,182	\$10,436	\$10,697	\$10,964	\$11,239	\$11,519	\$11,807	\$12,103	\$12,405	\$12,715
52	\$10,436	\$10,697	\$10,964	\$11,239	\$11,519	\$11,807	\$12,103	\$12,405	\$12,715	\$13,033
53	\$10,697	\$10,964	\$11,239	\$11,519	\$11,807	\$12,103	\$12,405	\$12,715	\$13,033	\$13,359
53a	\$11,018	\$11,293	\$11,576	\$11,865	\$12,162	\$12,466	\$12,777	\$13,097	\$13,424	\$13,760
54	\$10,964	\$11,239	\$11,519	\$11,807	\$12,103	\$12,405	\$12,715	\$13,033	\$13,359	\$13,693
55	\$11,239	\$11,519	\$11,807	\$12,103	\$12,405	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035
56	\$11,519	\$11,807	\$12,103	\$12,405	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386
57	\$11,807	\$12,103	\$12,405	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746
58	\$12,103	\$12,405	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115
59	\$12,405	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,492
60	\$12,715	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,492	\$15,880
61	\$13,033	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,492	\$15,880	\$16,277
62	\$13,359	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,492	\$15,880	\$16,277	\$16,684
63	\$13,693	\$14,035	\$14,386	\$14,746	\$15,115	\$15,492	\$15,880	\$16,277	\$16,684	\$17,101
64	\$14,035	\$14,386	\$14,746	\$15,115	\$15,492	\$15,880	\$16,277	\$16,684	\$17,101	\$17,528
65	\$14,386	\$14,746	\$15,115	\$15,492	\$15,880	\$16,277	\$16,684	\$17,101	\$17,528	\$17,966
66	\$14,746	\$15,115	\$15,492	\$15,880	\$16,277	\$16,684	\$17,101	\$17,528	\$17,966	\$18,416
67	\$15,115	\$15,492	\$15,880	\$16,277	\$16,684	\$17,101	\$17,528	\$17,966	\$18,416	\$18,876
68	\$15,492	\$15,880	\$16,277	\$16,684	\$17,101	\$17,528	\$17,966	\$18,416	\$18,876	\$19,348
69	\$15,880	\$16,277	\$16,684	\$17,101	\$17,528	\$17,966	\$18,416	\$18,876	\$19,348	\$19,832
70	\$16,277	\$16,684	\$17,101	\$17,528	\$17,966	\$18,416	\$18,876	\$19,348	\$19,832	\$20,327

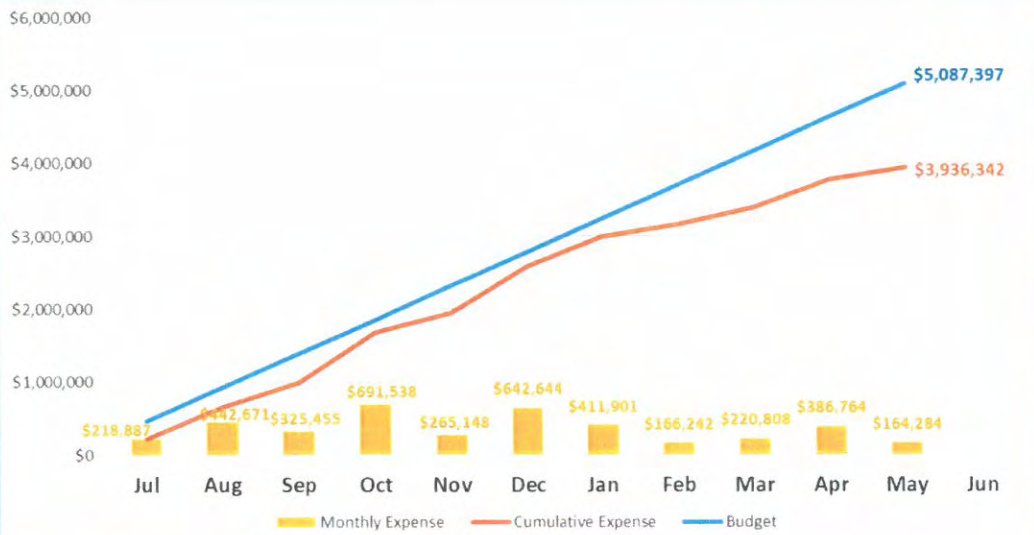


# Fallbrook Public Utility District

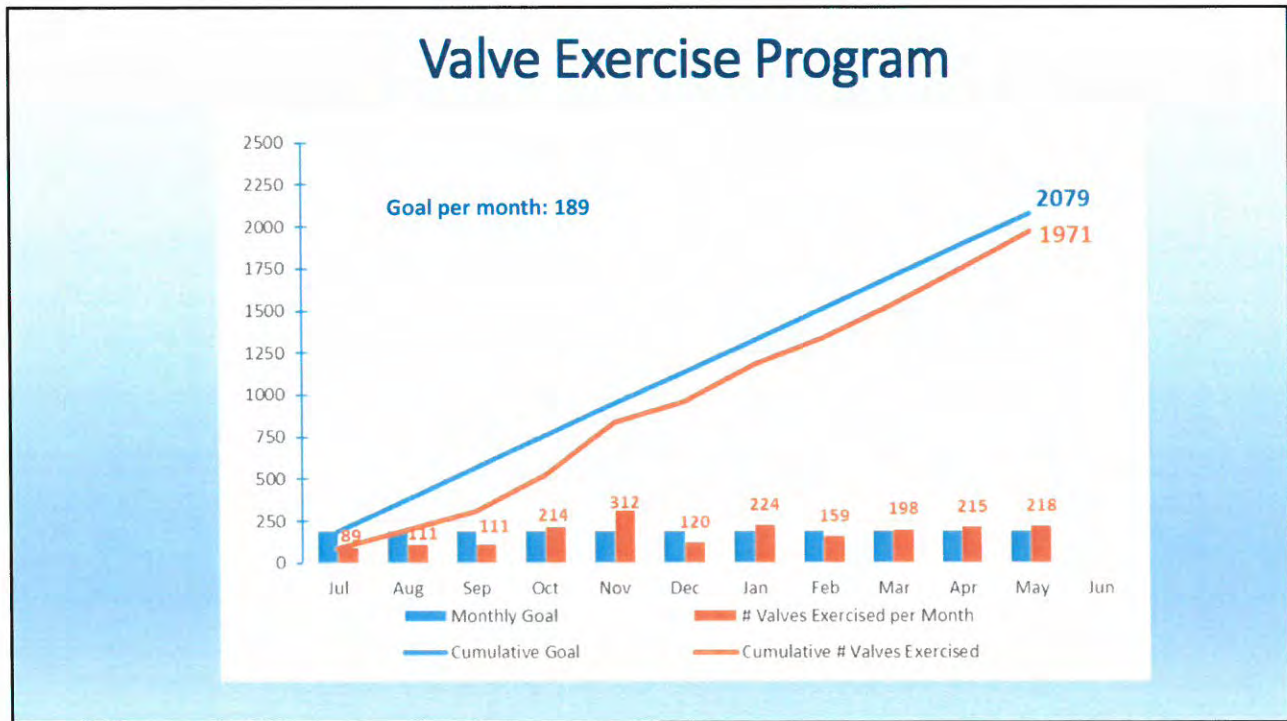
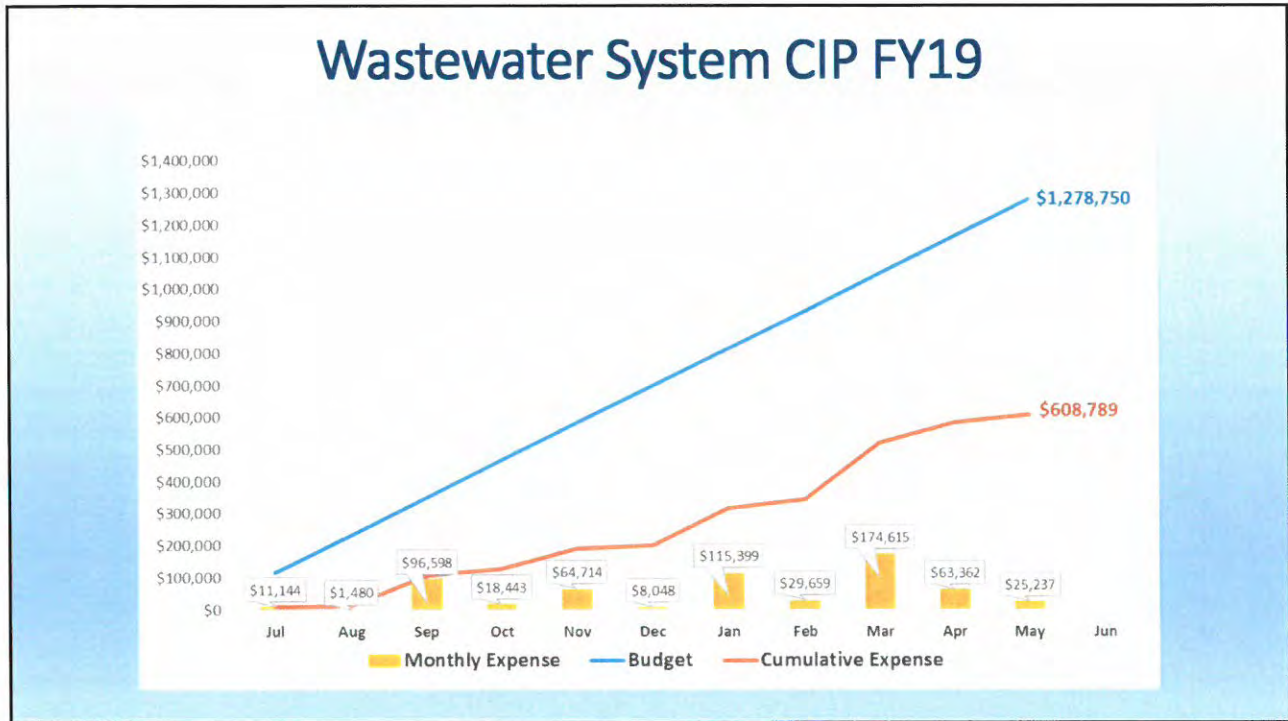
## Engineering and Operations FY19

### Board Meeting Jun 2019

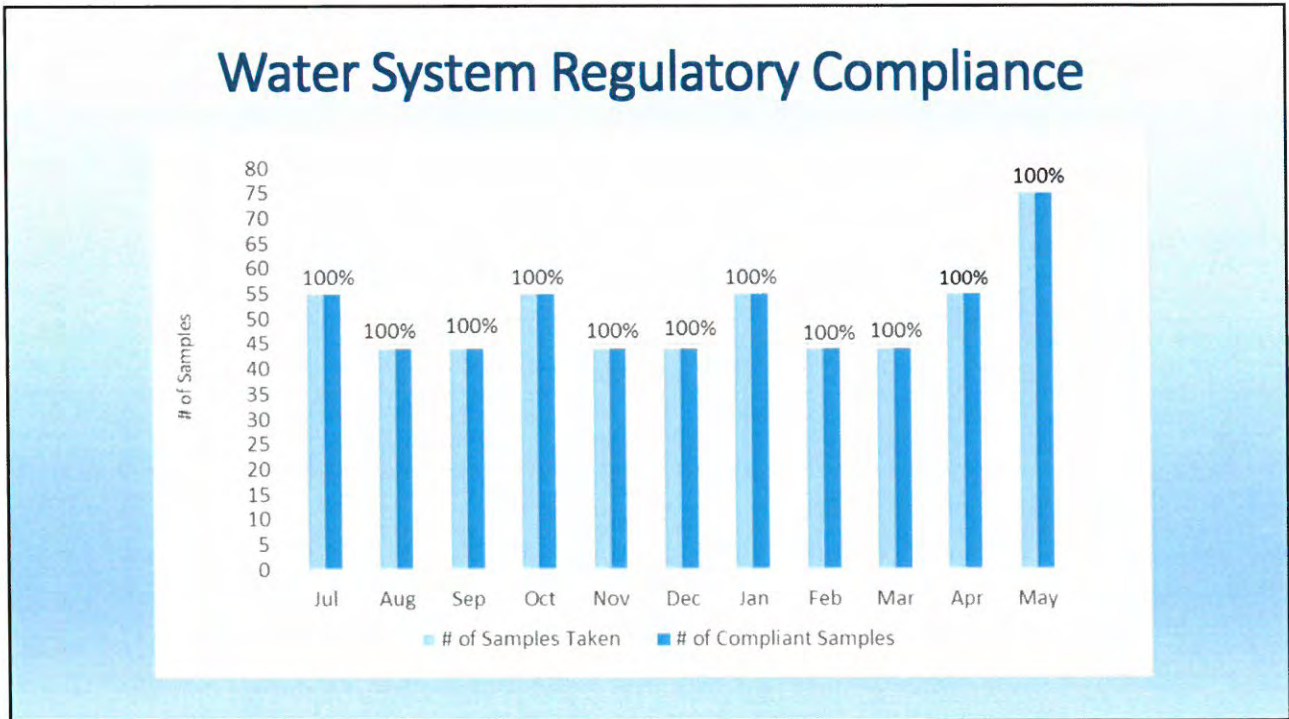
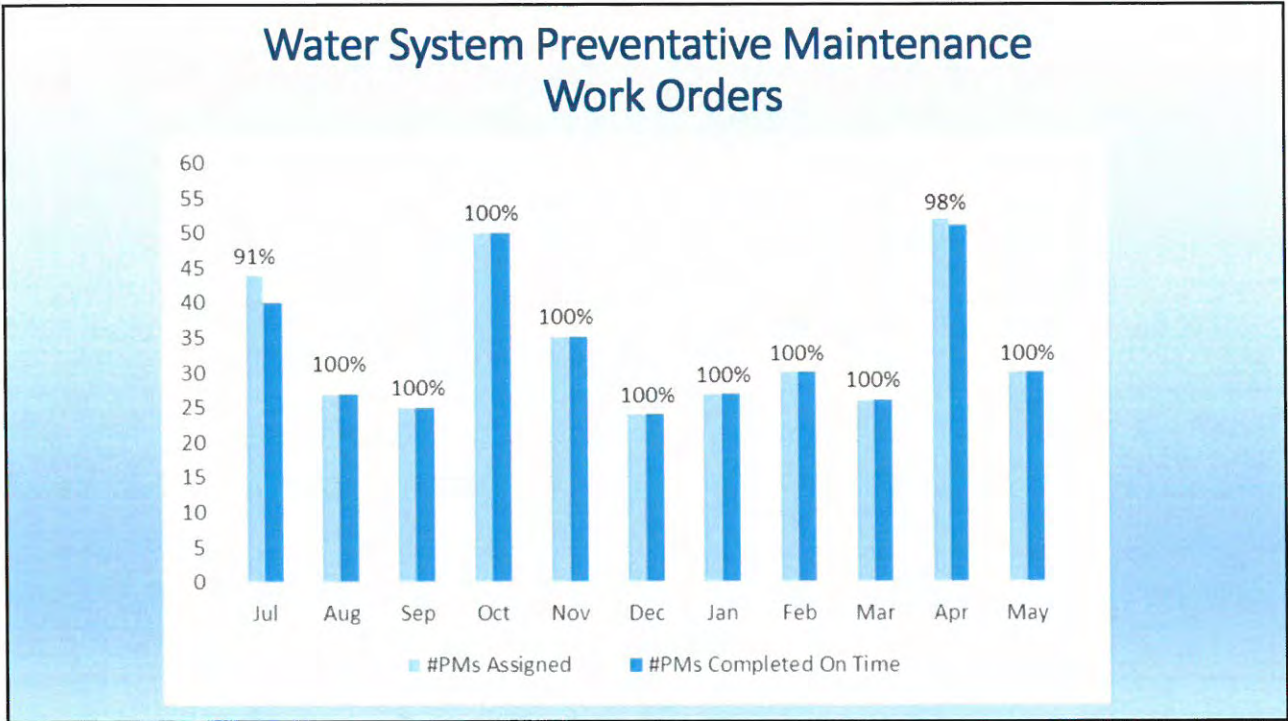
## Water System CIP FY19



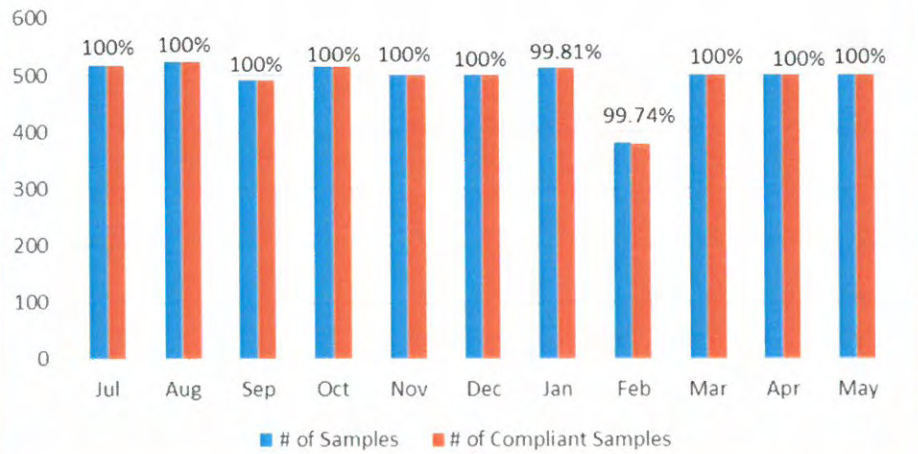




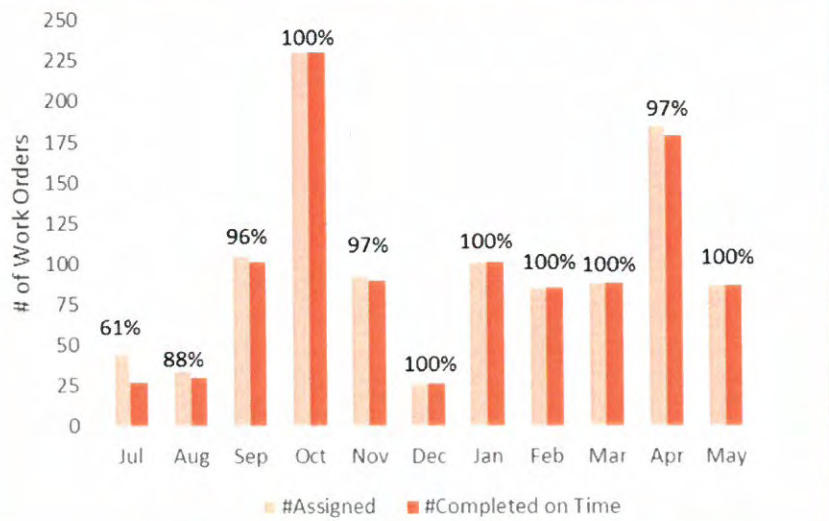


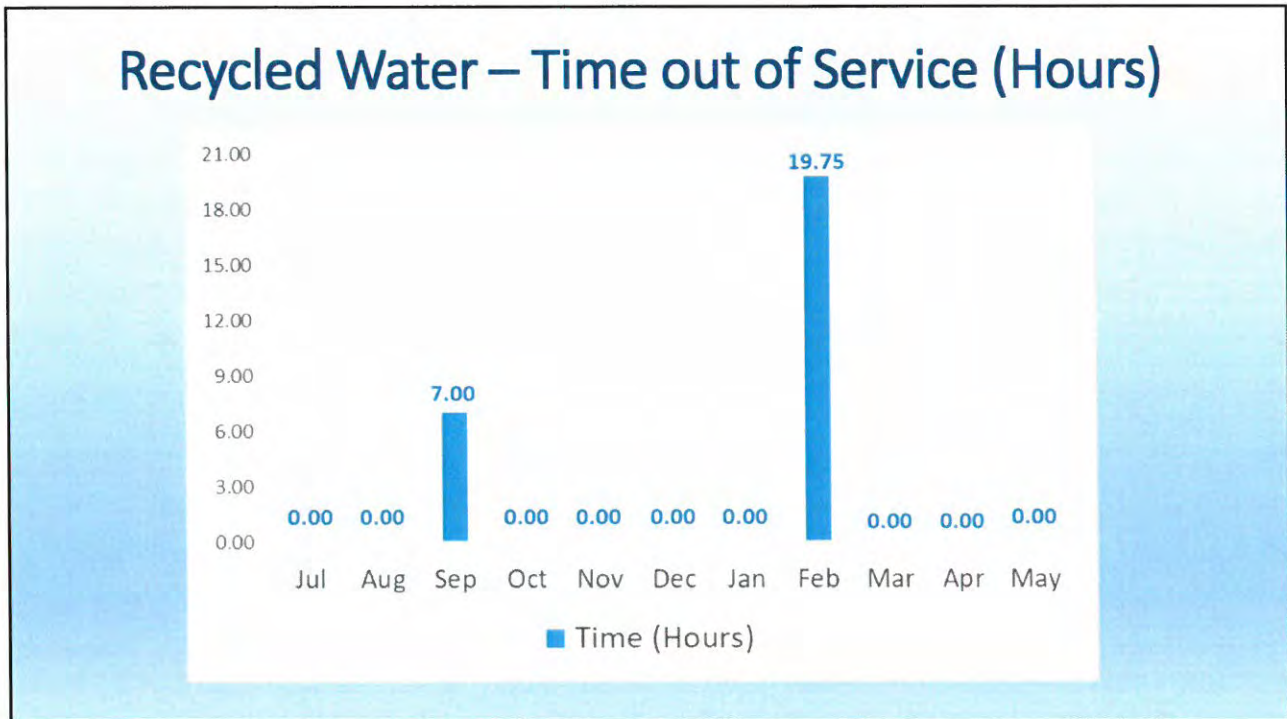
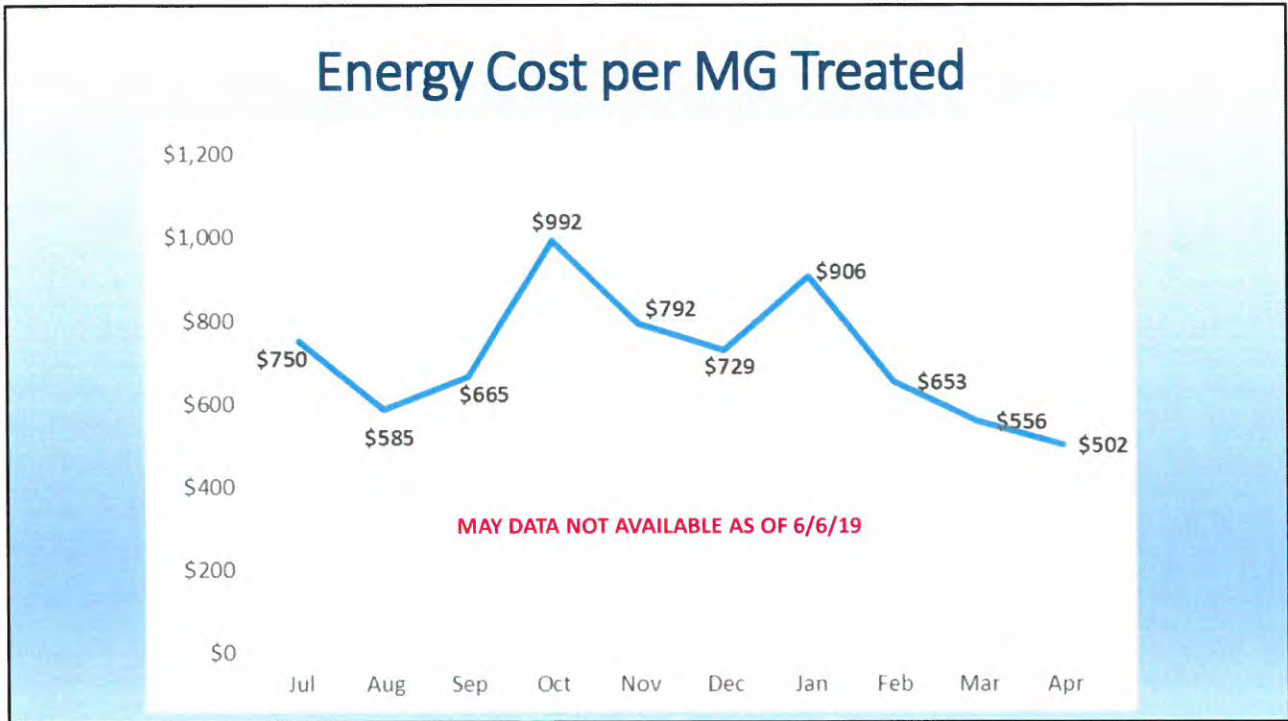


## Wastewater System Regulatory Compliance

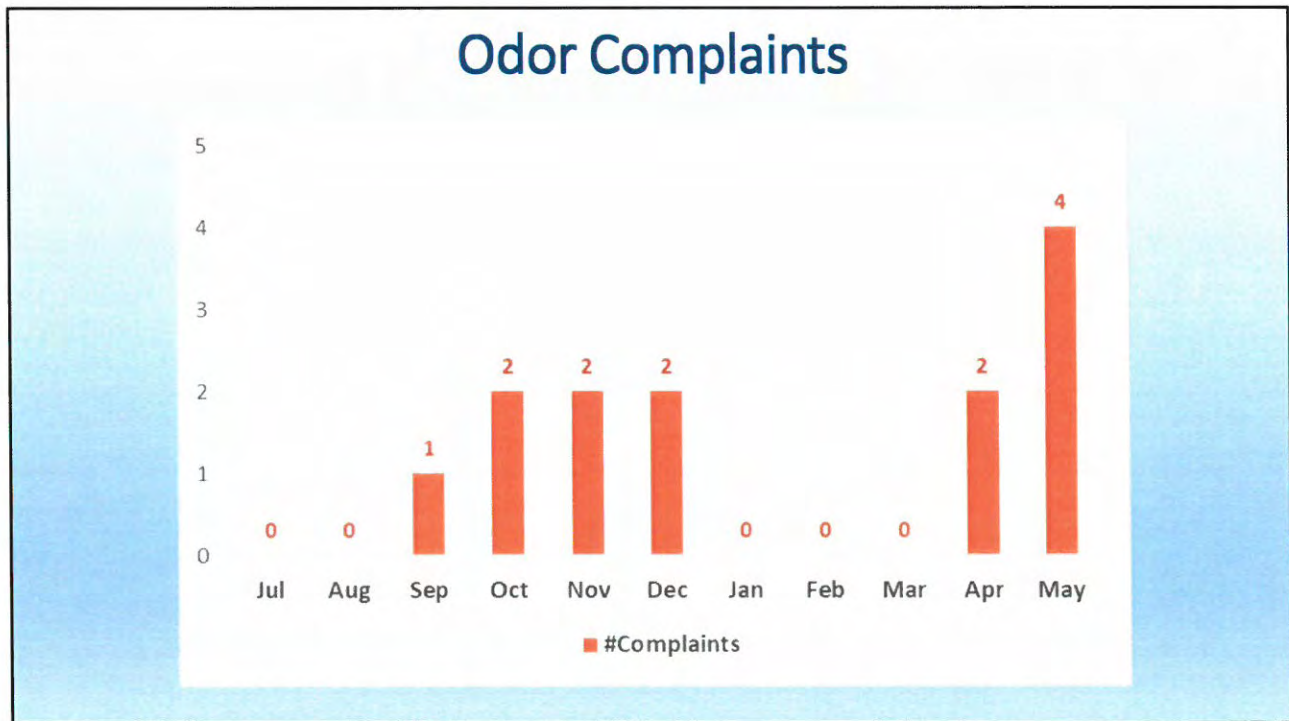
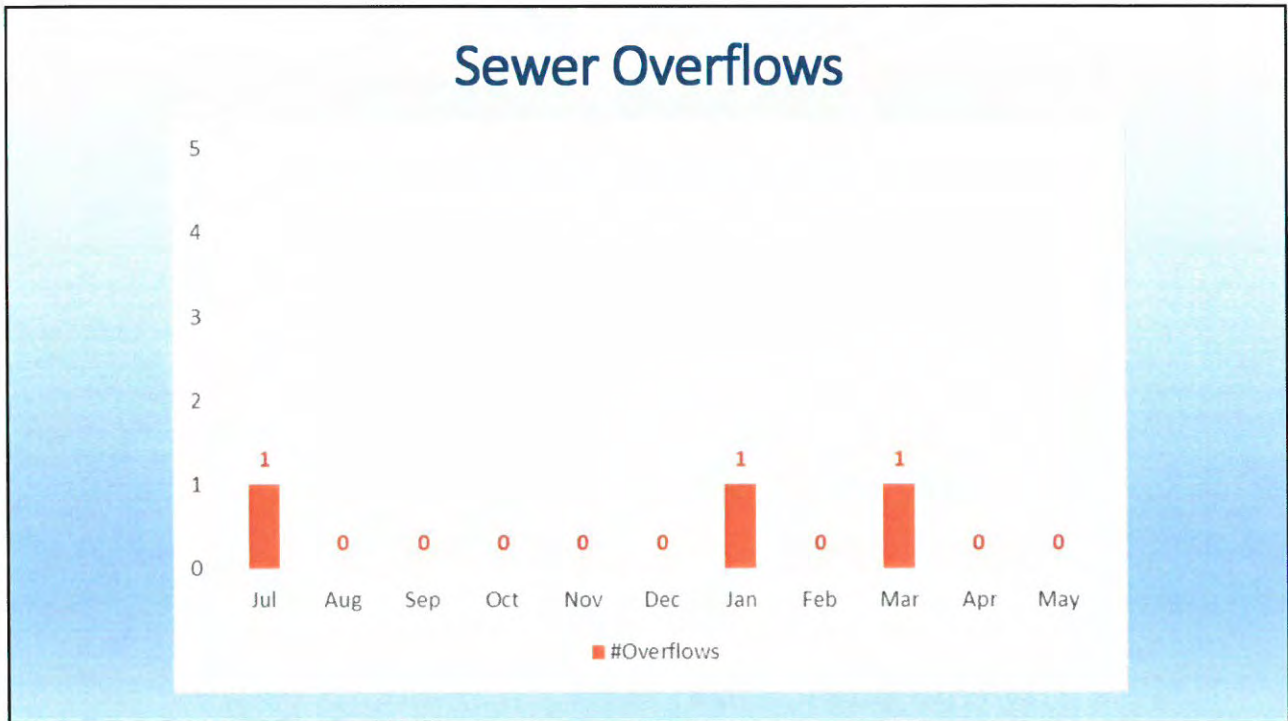


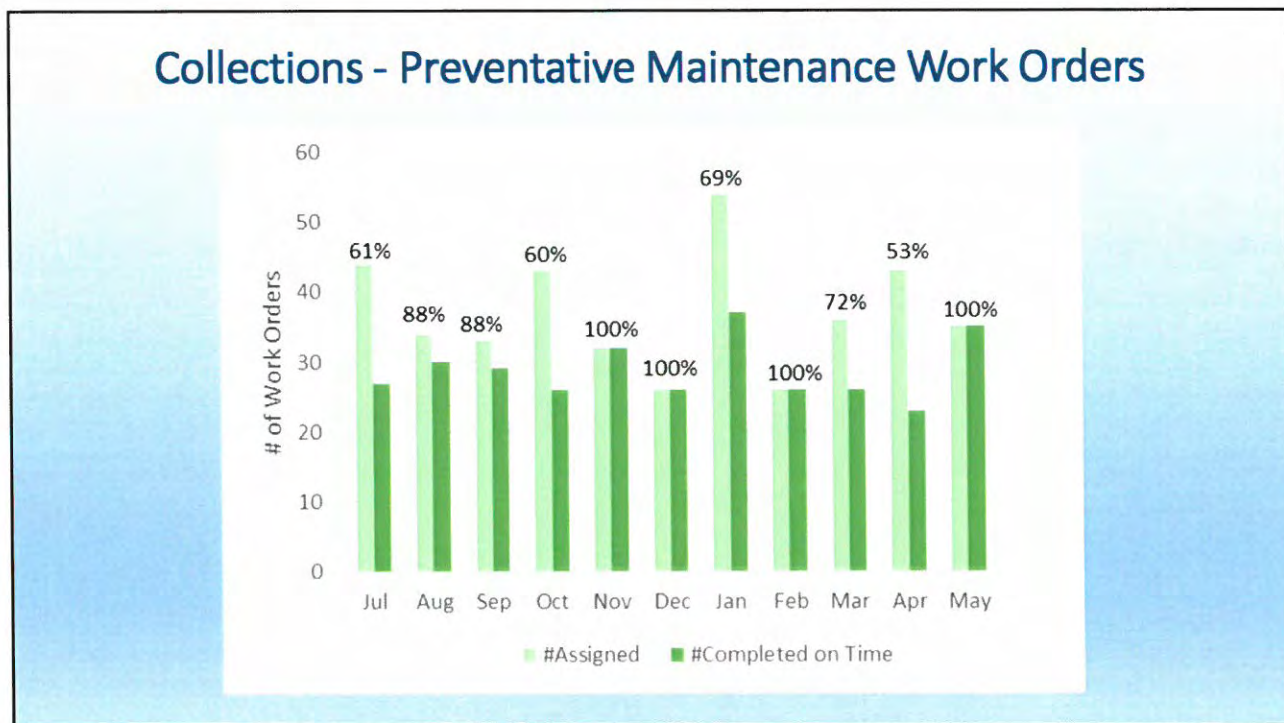
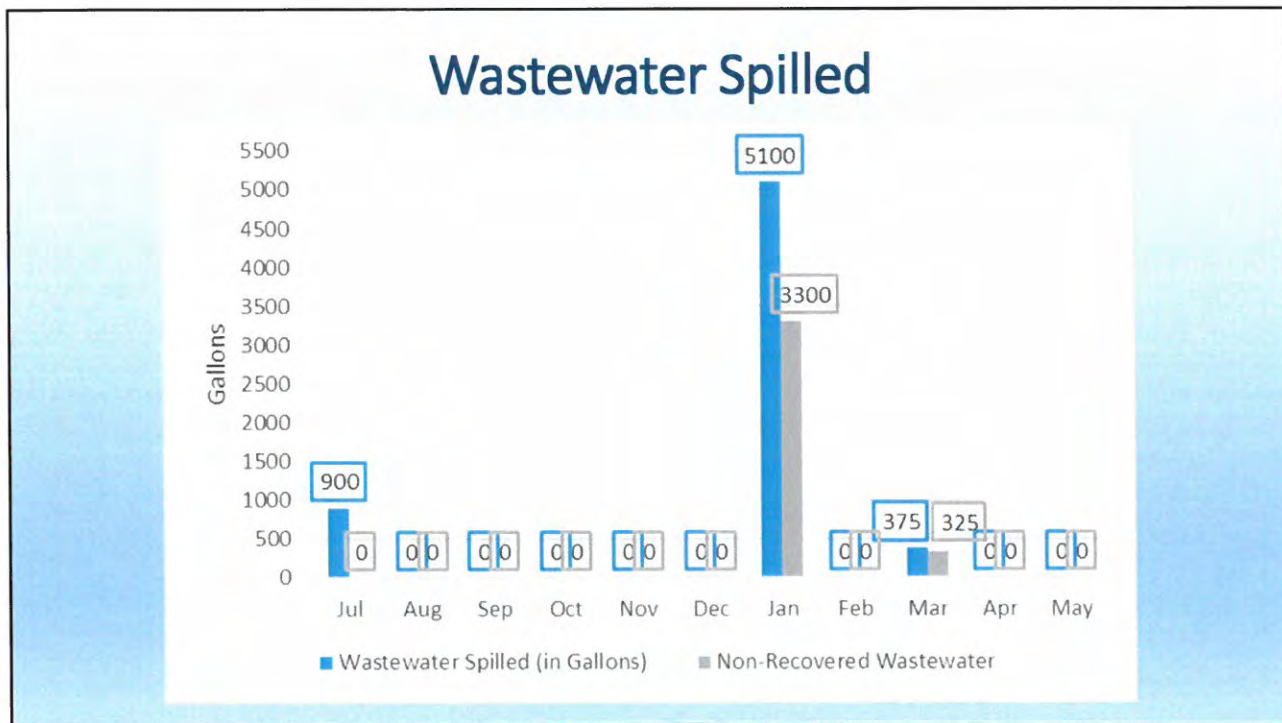
## Reclamation Plant Preventative Maintenance Work Orders

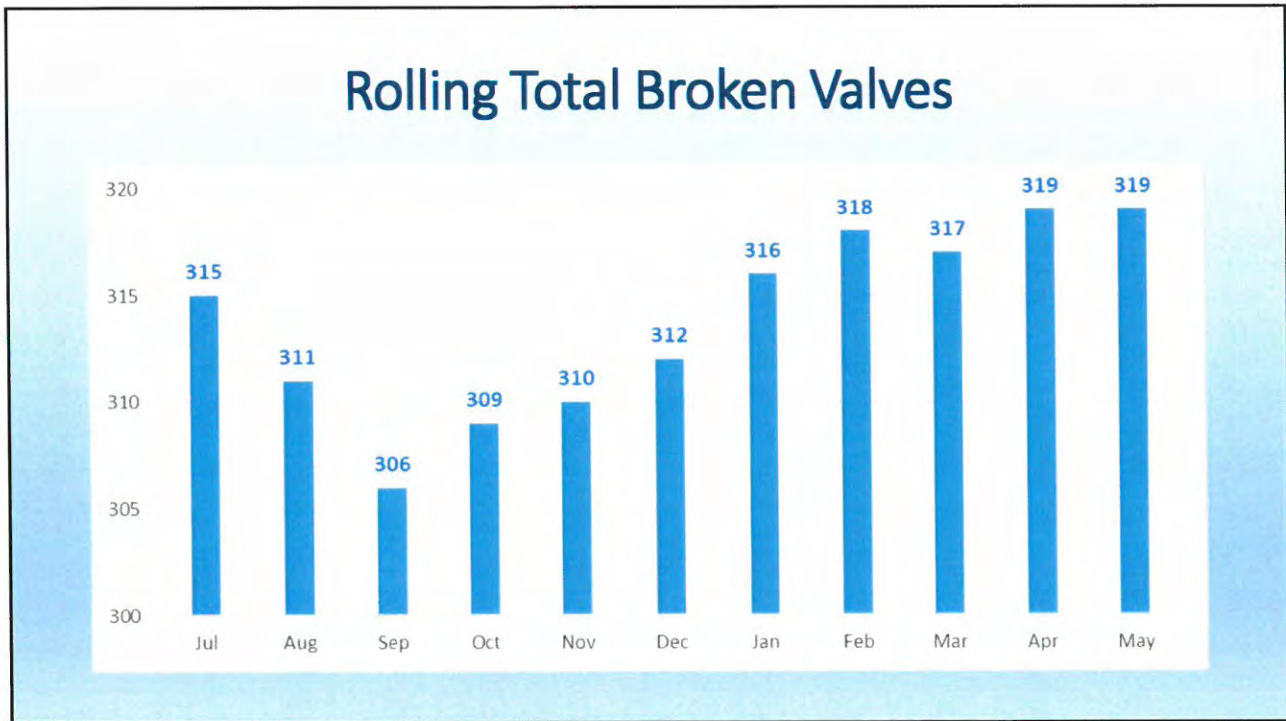
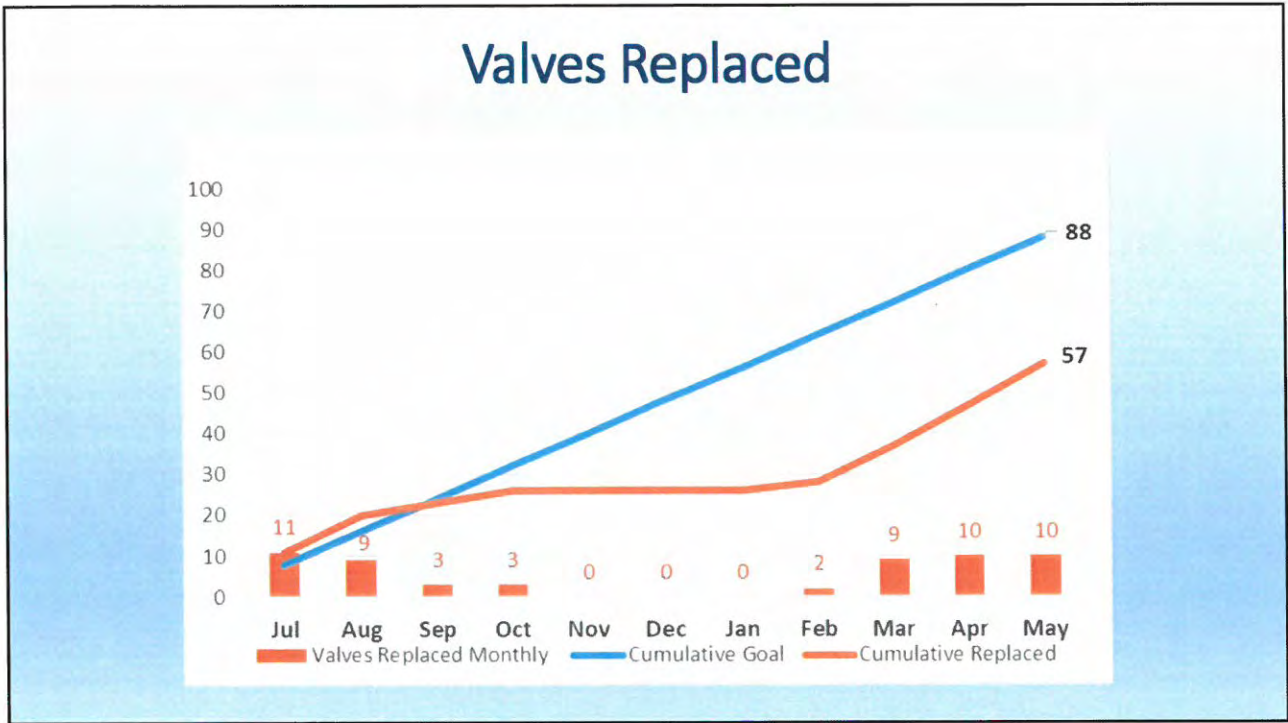




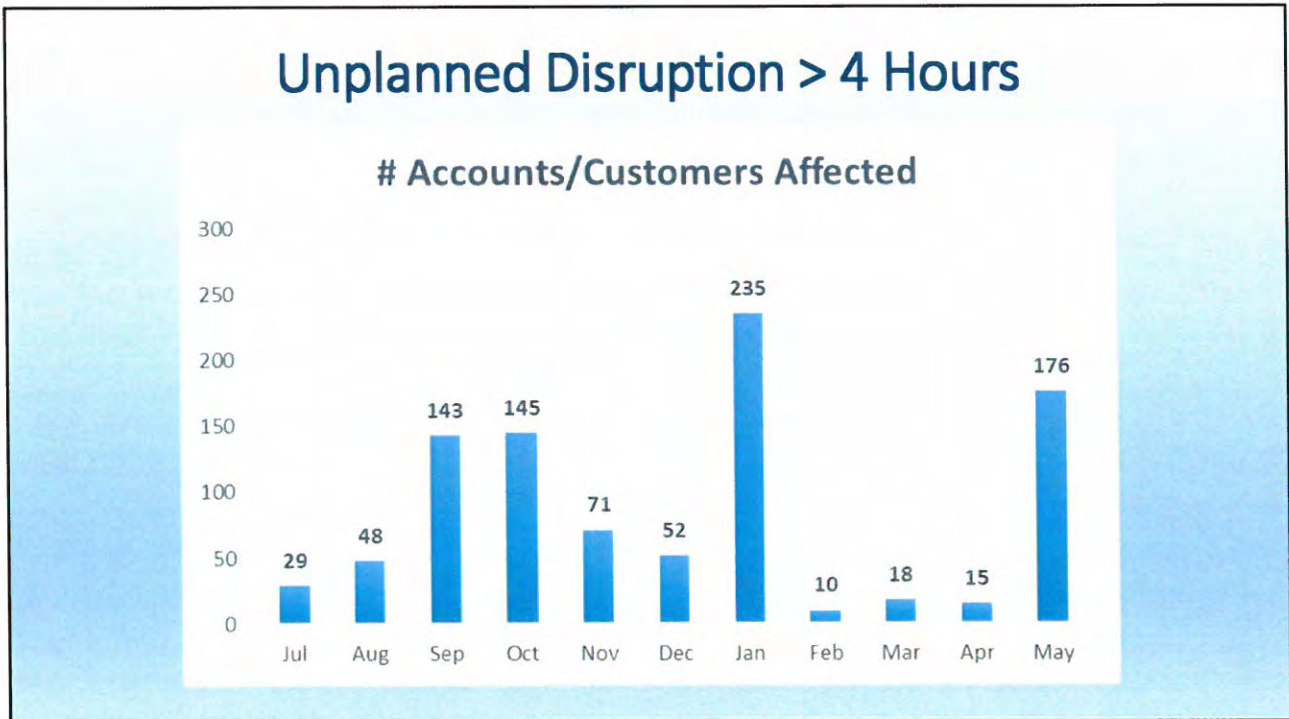
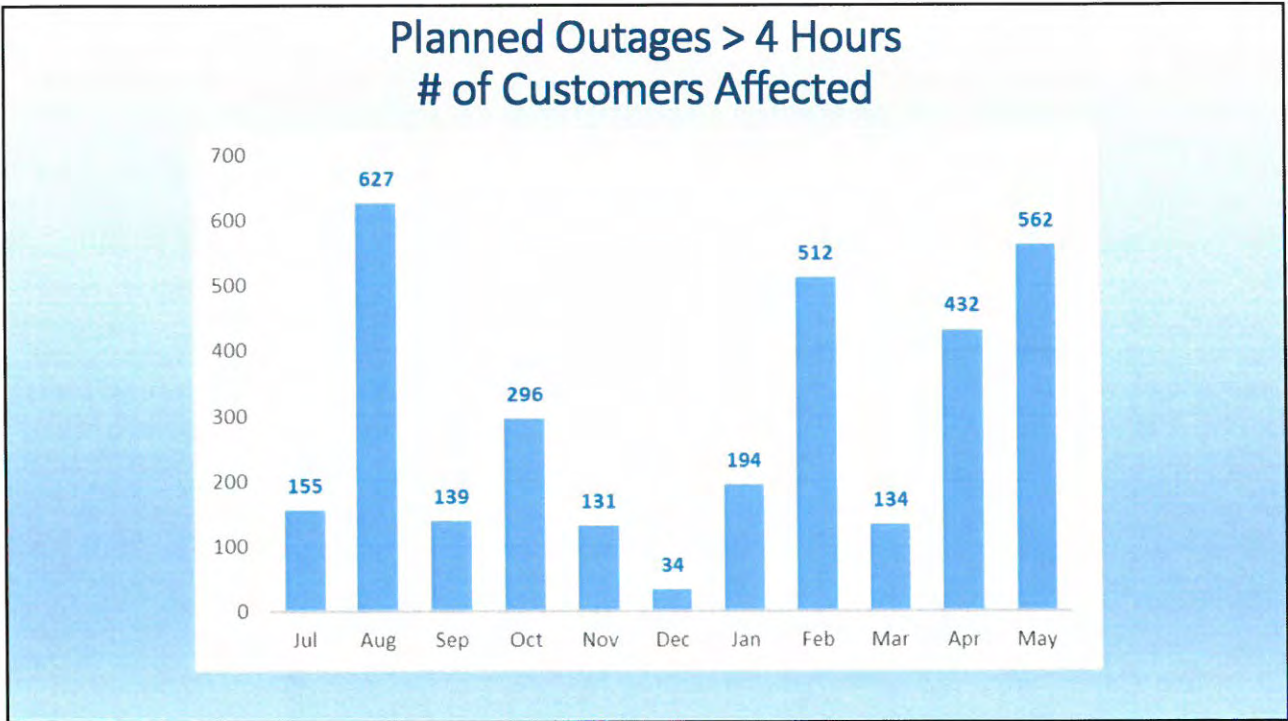


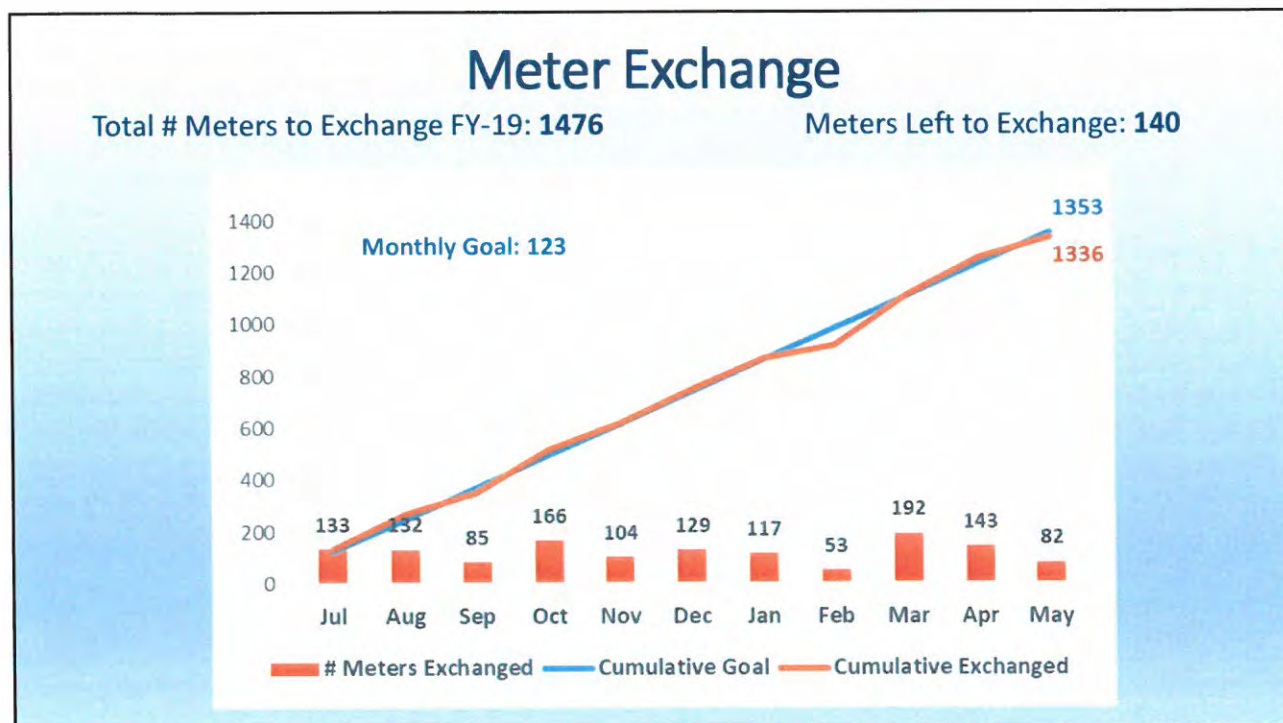












5/31/2019

Treasurer's Warrant No. May

TO: Treasurer of the Fallbrook Public Utility District

The bills and claims listed below are approved as authorized by resolution no. 3538 of the Board of Directors dated July 8, 1985. You are hereby authorized and directed to pay said prospective claims for the amounts stated (less discounts in instances where discounts are allowed).



## Payroll -5/19

### Computer Check Register

Payroll #1	\$137,429.48
Payroll #2	<u>\$140,738.08</u>
	<u>\$278,167.56</u>

# Accounts Payable

## Checks by Date - Summary by Check Date

User: annaleceb  
 Printed: 5/31/2019 10:18 AM



**Fallbrook Public Utility District**  
 Purchasing Dept. Phone: (760) 728-1151, Fax: (760) 728-8491  
 Main Office Phone: (760) 728-1125, Fax: (760) 728-6029

Check No	Vendor No	Vendor Name	Check Date	Check Amount
80785	91184	4IMPRINT INC	05/01/2019	201.98
80786	90979	ABABA BOLT	05/01/2019	45.26
80787	91442	GEORGE ACQUAVELLA	05/01/2019	2,000.00
80788	01460	AFLAC	05/01/2019	1,018.76
80789	91286	AMAZON CAPITAL SERVICES, INC.	05/01/2019	676.16
80790	06235	JACK BEBEE	05/01/2019	54.75
80791	91440	BP BATTERY INC	05/01/2019	1,525.19
80792	90884	MAVIS CANPINAR	05/01/2019	54.21
80793	03205	CITY OF OCEANSIDE	05/01/2019	1,281.89
80794	91441	CONSTRUCTION BIDBOARD INC	05/01/2019	45.00
80795	06762	DENALI WATER SOLUTIONS LLC	05/01/2019	1,829.95
80796	05192	DIAMOND ENVIRONMENTAL SERVIC	05/01/2019	1,210.96
80797	04425	DOMINICK'S SANDWICHES	05/01/2019	56.33
80798	03391	ELECTRICAL SALES INC	05/01/2019	2,205.09
80799	91198	FIRST BANKCARD	05/01/2019	164.70
80800	91200	FIRST BANKCARD	05/01/2019	1,358.67
80801	91202	FIRST BANKCARD	05/01/2019	815.48
80802	91203	FIRST BANKCARD	05/01/2019	1,352.96
80803	91225	FIRST BANKCARD	05/01/2019	1,733.88
80804	91235	FIRST BANKCARD	05/01/2019	931.03
80805	91313	FIRST BANKCARD	05/01/2019	656.00
80806	91323	FIRST BANKCARD	05/01/2019	90.00
80807	02170	GRAINGER, INC.	05/01/2019	604.00
80808	03174	HAAKER EQUIPMENT COMPANY	05/01/2019	30,409.01
80809	02773	HDS WHITE CAP CONST SUPPLY	05/01/2019	1,629.72
80810	06429	HEALTHPOINTE MEDICAL GROUP, INC	05/01/2019	675.00
80811	06577	INFOSEND INC	05/01/2019	1,760.80
80812	00190	JCI JONES CHEMICALS INC.	05/01/2019	5,257.34
80813	91130	LINCOLN NATIONAL LIFE INSURANC	05/01/2019	3,351.44
80814	91077	MULTI SERVICE TECHNOLOGY SOLU	05/01/2019	341.99
80815	00718	NATIONWIDE RETIREMENT Solutio	05/01/2019	3,095.00
80816	06298	ONESOURCE DISTRIBUTORS, LLC	05/01/2019	136.12
80817	01267	PACIFIC PIPELINE	05/01/2019	22,134.05
80818	04800	ROOTX	05/01/2019	3,502.43
80819	00236	SCRAPPYS	05/01/2019	1,232.30
80820	05415	STATE WATER RESOURCE CONTROL	05/01/2019	60.00
80821	91435	SUMMIT FLUID TECHNOLOGIES LLC	05/01/2019	1,602.40
80822	00159	SUPERIOR READY MIX	05/01/2019	701.00
80823	04296	TRENCH PLATE RENTAL CO	05/01/2019	890.40
80824	91067	UPODIUM ENTERPRISES, LLC	05/01/2019	160.41
80825	02329	VALLECITOS WATER DISTRICT	05/01/2019	2,195.04
80826	06256	MARYLOU WEST	05/01/2019	90.38
Total for 5/1/2019:				99,137.08
80827	03358	US BANK TRUST NA	05/02/2019	257,728.23

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Total for 5/2/2019:				257,728.23
80832	90979	ABABA BOLT	05/08/2019	2,647.42
80833	91286	AMAZON CAPITAL SERVICES, INC.	05/08/2019	1,665.35
80834	91440	BP BATTERY INC	05/08/2019	1,968.78
80835	01719	MICKEY M. CASE	05/08/2019	60.00
80836	06115	CDW GOVERNMENT INC.	05/08/2019	281.27
80837	UB*00261	SONIA CERON	05/08/2019	109.05
80838	91441	CONSTRUCTION BIDBOARD INC	05/08/2019	45.00
80839	91330	AARON COOK	05/08/2019	180.00
80840	91447	HOWARD COSTANTINO	05/08/2019	5,641.60
80841	02925	DATA NET SOLUTIONS	05/08/2019	172.50
80842	06775	DEPARTMENT OF MOTOR VEHICLES	05/08/2019	5,059.00
80843	05192	DIAMOND ENVIRONMENTAL SERVIC	05/08/2019	325.89
80844	91443	E.J. MEYER COMPANY, INC.	05/08/2019	14,915.00
80845	91063	ENGINEERING NEWS RECORD	05/08/2019	118.00
80846	00182	GLENNIE'S OFFICE PRODUCTS, INC	05/08/2019	301.12
80847	02170	GRAINGER, INC.	05/08/2019	178.65
80848	02773	HDS WHITE CAP CONST SUPPLY	05/08/2019	717.08
80849	06329	HILL BROTHERS CHEMICAL COMPAN	05/08/2019	10,189.85
80850	UB*00262	ELI HOFSHI	05/08/2019	950.63
80851	91336	JACOB HYINK	05/08/2019	65.00
80852	06577	INFOSEND INC	05/08/2019	2,620.27
80853	06359	INFRASTRUCTURE ENGINEERING CO	05/08/2019	31,449.55
80854	06463	IOTUM INC.	05/08/2019	56.47
80855	00190	JCI JONES CHEMICALS INC.	05/08/2019	8,930.20
80856	05505	TODD JESTER	05/08/2019	60.00
80857	06243	JIM'S SIGN SHOP	05/08/2019	247.83
80858	04027	JOES HARDWARE	05/08/2019	2,420.81
80859	91224	KEN WEINBERG WATER RESOURCES	05/08/2019	2,850.00
80860	90937	KIRK PAVING INC	05/08/2019	19,370.00
80861	03765	LENNIHAN LAW	05/08/2019	4,558.83
80862	06555	LIEBERT CASSIDY WHITMORE	05/08/2019	3,454.95
80863	02618	MC MASTER-CARR	05/08/2019	104.52
80864	91192	MISSION LINEN SUPPLY	05/08/2019	1,736.27
80865	03944	MISSION RESOURCE CONSV DISTRIC	05/08/2019	106.00
80866	01267	PACIFIC PIPELINE	05/08/2019	2,191.64
80867	00216	PINE TREE LUMBER	05/08/2019	415.72
80868	91298	R.F. MACDONALD CO., INC.	05/08/2019	725.04
80869	06130	S & J SUPPLY COMPANY, INC.	05/08/2019	536.60
80870	00231	SAN DIEGO COUNTY WATER AUTH	05/08/2019	883,138.74
80871	00232	SAN DIEGO GAS & ELECTRIC	05/08/2019	935.84
80872	05403	SAN DIEGO UNION-TRIBUNE CO.	05/08/2019	240.62
80873	91152	SOLARWINDS, INC	05/08/2019	1,082.00
80874	06401	SONSRAY MACHINERY LLC	05/08/2019	565.32
80875	90929	SOUTHWEST ANSWERING SERVICE, I	05/08/2019	517.91
80876	91107	SPECTRUM BUSINESS	05/08/2019	115.64
80877	05415	STATE WATER RESOURCE CONTROL	05/08/2019	70.00
80878	91385	VERONICA TAMZIL	05/08/2019	60.00
80879	06735	TCN, INC.	05/08/2019	112.44
80880	90934	CHARLIE WOLK	05/08/2019	32.48
Total for 5/8/2019:				1,014,296.88
ACH	00152	FPUD EMPL ASSOCIATION	05/09/2019	509.00
ACH	06758	US TREASURY - PAYROLL TAXES	05/09/2019	53,832.37



Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	06759	STATE OF CA - PR TAXES	05/09/2019	7,727.35
ACH	06760	STATE OF CA - SDI	05/09/2019	2,119.15
ACH	06761	LINCOLN FINANCIAL GROUP	05/09/2019	5,978.75
ACH	06763	PERS - PAYROLL	05/09/2019	35,710.33
Total for 5/9/2019:				105,876.95
ACH	06758	US TREASURY - PAYROLL TAXES	05/13/2019	968.54
ACH	06760	STATE OF CA - SDI	05/13/2019	474.96
Total for 5/13/2019:				1,443.50
80881	00101	ACWA JPIA	05/15/2019	90,219.77
80882	91286	AMAZON CAPITAL SERVICES, INC.	05/15/2019	41.08
80883	91229	AMP United, LLC	05/15/2019	53,454.74
80884	05778	AQUATIC BIOASSAY AND CONSULTIN	05/15/2019	2,800.00
80885	05088	AT&T	05/15/2019	777.10
80886	91069	BRENNTAG PACIFIC INC.	05/15/2019	1,960.63
80887	91429	BSK ASSOCIATES	05/15/2019	7,215.00
80888	06517	CALIFORNIA RETIRED TEACHERS AS	05/15/2019	75.00
80889	03978	CAMERON WELDING SUPPLY	05/15/2019	398.60
80890	91241	LISA CHAFFIN	05/15/2019	60.00
80891	91210	CORE & MAIN LP	05/15/2019	40,751.80
80892	09705	CSDA SAN DIEGO CHAPTER	05/15/2019	30.00
80893	02925	DATA NET SOLUTIONS	05/15/2019	370.00
80894	06136	DECUIR MANUFACTURING	05/15/2019	215.50
80895	06041	DEMSEY,FILLIGER & ASSOC, LLC	05/15/2019	4,250.00
80896	05180	NOELLE DENKE	05/15/2019	79.11
80897	09523	FALLBROOK EQUIP RENTALS	05/15/2019	20,590.84
80898	01099	FALLBROOK IRRIGATION INC	05/15/2019	33.92
80899	00169	FALLBROOK OIL COMPANY	05/15/2019	4,409.65
80900	00170	FALLBROOK WASTE & RECYCLING	05/15/2019	693.40
80901	91432	FIRERESQ, INC	05/15/2019	281.69
80902	05380	HACH CO	05/15/2019	1,276.70
80903	06429	HEALTHPOINTE MEDICAL GROUP,INC	05/15/2019	285.00
80904	03276	HOME DEPOT CREDIT SERVICES	05/15/2019	2,087.27
80905	06577	INFOSEND INC	05/15/2019	5,105.10
80906	06359	INFRASTRUCTURE ENGINEERING CO	05/15/2019	570.00
80907	05255	INLAND WATER WORKS SUPPLY CO.	05/15/2019	22,343.04
80908	06699	INTER-LINGUA, LLC	05/15/2019	90.00
80909	06267	J2 GLOBAL IRELAND LIMITED	05/15/2019	59.91
80910	06380	JANI-KING OF CALIFORNIA, INC - SA	05/15/2019	2,777.45
80911	04606	JENSEN PRECAST	05/15/2019	8,533.80
80912	04027	JOES HARDWARE	05/15/2019	74.47
80913	UB*00263	LUCAS KOESTER	05/15/2019	35.83
80914	06633	MAINTENANCE CONNECTION INC	05/15/2019	756.20
80915	06596	MCS INSPECTION GROUP	05/15/2019	11,265.00
80916	06338	MYTHOS TECHNOLOGY INC	05/15/2019	1,681.94
80917	90932	NAPA AUTO PARTS	05/15/2019	1,084.08
80918	06707	NATIONAL METER & AUTOMATION	05/15/2019	14,103.35
80919	03201	NATIONAL SAFETY COMPLIANCE INC	05/15/2019	597.17
80920	00718	NATIONWIDE RETIREMENT SOLUTIO	05/15/2019	3,285.00
80921	05104	NCL OF WISCONSIN INC	05/15/2019	910.29
80922	91167	NORTH COUNTY FORD	05/15/2019	25.11
80923	01406	NORTH COUNTY WELDING SUPPLY	05/15/2019	193.94
80924	00370	NUTRIEN AG SOLUTIONS, INC.	05/15/2019	3,105.68
80925	91151	OCEAN DATA SYSTEMS INC	05/15/2019	918.00



Check No	Vendor No	Vendor Name	Check Date	Check Amount
80926	06298	ONESOURCE DISTRIBUTORS, LLC	05/15/2019	193.95
80927	04900	PARADISE CHEVROLET CADILLAC	05/15/2019	1,186.47
80928	91207	PARRISH & SON SPECIALTIES	05/15/2019	463.00
80929	03708	PAULEY EQUIPMENT CO INC	05/15/2019	312.90
80930	91439	PERFORMANCE UTILITY SUPPLY	05/15/2019	1,062.67
80931	06688	ANDO PILVE	05/15/2019	2,475.00
80932	91155	QUALITY GATE COMPANY	05/15/2019	3,596.00
80933	06130	S & J SUPPLY COMPANY, INC.	05/15/2019	467.10
80934	05636	SAM'S CLUB	05/15/2019	551.44
80935	00232	SAN DIEGO GAS & ELECTRIC	05/15/2019	47,717.53
80936	91449	SCHOLARS INSPIRED TO LEAD	05/15/2019	75.00
80937	02927	TIM STERGER	05/15/2019	60.00
80938	91312	TERRAPIN GROUP	05/15/2019	26,170.00
80939	05883	TESTAMERICA LABORATORIES, INC.	05/15/2019	260.00
80940	00724	UNDERGROUND SERVICE ALERT	05/15/2019	454.54
80941	00458	VERIZON WIRELESS	05/15/2019	1,749.48
80942	91055	VM3 ENVIRONMENTAL, INC.	05/15/2019	655.00
80943	02960	VWR INTERNATIONAL INC	05/15/2019	901.71
80944	91448	WARDS SCIENCE	05/15/2019	599.73
80945	90981	WATERSMART SOFTWARE INC	05/15/2019	24,675.00
Total for 5/15/2019:				423,498.68
ACH	00152	FPUD EMPL ASSOCIATION	05/23/2019	509.00
ACH	06758	US TREASURY - PAYROLL TAXES	05/23/2019	54,969.89
ACH	06759	STATE OF CA - PR TAXES	05/23/2019	7,884.62
ACH	06760	STATE OF CA - SDI	05/23/2019	2,147.55
ACH	06761	LINCOLN FINANCIAL GROUP	05/23/2019	5,978.75
ACH	06763	PERS - PAYROLL	05/23/2019	35,719.45
80950	90979	ABABA BOLT	05/23/2019	1,933.03
80951	06323	ADVANCED COMMUNICATION SYSTE	05/23/2019	716.24
80952	91256	AFP	05/23/2019	200.00
80953	91286	AMAZON CAPITAL SERVICES, INC.	05/23/2019	97.80
80954	06020	BABCOCK LABORATORIES, INC	05/23/2019	3,990.00
80955	06235	JACK BEBEE	05/23/2019	434.06
80956	02743	BEST BEST & KRIEGER	05/23/2019	11,674.66
80957	05615	BOOT WORLD INC.	05/23/2019	194.83
80958	06115	CDW GOVERNMENT INC.	05/23/2019	447.49
80959	91210	CORE & MAIN LP	05/23/2019	3,633.33
80960	05953	CORODATA RECORDS MANAGEMENT	05/23/2019	731.06
80961	06675	CORODATA SHREDDING, INC	05/23/2019	61.37
80962	02925	DATA NET SOLUTIONS	05/23/2019	405.40
80963	91129	JENNIFER DEMEO	05/23/2019	343.20
80964	05192	DIAMOND ENVIRONMENTAL SERVIC	05/23/2019	213.14
80965	03391	ELECTRICAL SALES INC	05/23/2019	257.34
80966	91401	KENNETH ENDTER	05/23/2019	559.44
80967	06303	EXECUTIVE LANDSCAPE INC.	05/23/2019	700.00
80968	91316	FALLBROOK HEATING & AIR CONDIT	05/23/2019	2,197.00
80969	04494	FEDERAL EXPRESS CORPORATION	05/23/2019	241.81
80970	02972	FISHER SCIENTIFIC COMPANY LLC	05/23/2019	278.30
80971	06286	GARDA CL WEST, INC.	05/23/2019	267.08
80972	00182	GLENNIE'S OFFICE PRODUCTS, INC	05/23/2019	323.90
80973	04926	KONICA MINOLTA PREMIER FINANCE	05/23/2019	1,915.98
80974	90887	LLOYD PEST CONTROL	05/23/2019	367.00
80975	06596	MCS INSPECTION GROUP	05/23/2019	5,257.00
80976	91427	MITEL CLOUD SERVICES, INC	05/23/2019	1,623.13
80977	91077	MULTI SERVICE TECHNOLOGY SOLU'	05/23/2019	611.68



Check No	Vendor No	Vendor Name	Check Date	Check Amount
80978	06298	ONESOURCE DISTRIBUTORS, LLC	05/23/2019	2,354.80
80979	91430	PALOMAR RESEARCH SERVICES LLC	05/23/2019	175.00
80980	91007	PFM ASSET MANGEMENT LLC	05/23/2019	1,204.04
80981	05442	QUEXION, LLC	05/23/2019	35.00
80982	04075	RAYNE WATER SYSTEMS	05/23/2019	130.00
80983	06563	SCHNEIDER ELECTRIC USA INC	05/23/2019	11,843.88
80984	00236	SCRAPPYS	05/23/2019	1,053.96
80985	04113	SPECIALTY SEALS & ACCESSORIES, I	05/23/2019	3,092.99
80986	91082	TELETRAC, INC	05/23/2019	2,033.18
80987	06454	TRIMARK ASSOCIATES INC	05/23/2019	120.00
80988	91404	UPS STORE #3607	05/23/2019	75.31
80989	05909	WAGNER & BONSIGNORE, CONSULTI	05/23/2019	62.50

Total for 5/23/2019:

169,065.19

80990	01460	AFLAC	05/30/2019	1,018.76
80991	91286	AMAZON CAPITAL SERVICES, INC.	05/30/2019	115.24
80992	04995	AMERICAN MESSAGING	05/30/2019	102.66
80993	UB*00264	THOMPSON AND ASSOCIATES	05/30/2019	19.62
80994	06235	JACK BEBEE	05/30/2019	91.08
80995	06375	CALGON CARBON CORPORATION	05/30/2019	6,300.00
80996	03134	CALIFORNIA WATER ENVIRONMENT	05/30/2019	188.00
80997	03134	CALIFORNIA WATER ENVIRONMENT	05/30/2019	97.00
80998	03134	CALIFORNIA WATER ENVIRONMENT	05/30/2019	87.00
80999	03134	CALIFORNIA WATER ENVIRONMENT	05/30/2019	92.00
81000	06115	CDW GOVERNMENT INC.	05/30/2019	166.22
81001	91272	KEVIN COLLINS	05/30/2019	67.54
81002	91129	JENNIFER DEMEO	05/30/2019	54.06
81003	03391	ELECTRICAL SALES INC	05/30/2019	80.81
81004	91293	ENTERPRISE AUTOMATION	05/30/2019	2,003.75
81005	04411	ENVIRONMENTAL RESOURCE ASSOC	05/30/2019	232.31
81006	00169	FALLBROOK OIL COMPANY	05/30/2019	4,601.45
81007	91198	FIRST BANKCARD	05/30/2019	32.30
81008	91200	FIRST BANKCARD	05/30/2019	4,793.78
81009	91201	FIRST BANKCARD	05/30/2019	74.62
81010	91203	FIRST BANKCARD	05/30/2019	881.14
81011	91225	FIRST BANKCARD	05/30/2019	1,799.01
81012	91235	FIRST BANKCARD	05/30/2019	474.84
81013	91313	FIRST BANKCARD	05/30/2019	2,705.37
81014	91323	FIRST BANKCARD	05/30/2019	344.43
81015	06071	AL GEBHART	05/30/2019	293.48
81016	02170	GRAINGER, INC.	05/30/2019	335.58
81017	02767	GRANGETTO FARM & GARDEN SUPPI	05/30/2019	157.10
81018	05505	TODD JESTER	05/30/2019	60.00
81019	01703	TODD LANGE	05/30/2019	696.90
81020	91029	MALLORY SAFETY AND SUPPLY CO	05/30/2019	4,667.15
81021	02618	MC MASTER-CARR	05/30/2019	37.21
81022	00718	NATIONWIDE RETIREMENT SOLUTIO	05/30/2019	3,285.00
81023	91167	NORTH COUNTY FORD	05/30/2019	22.40
81024	91298	R.F. MACDONALD CO., INC.	05/30/2019	1,938.00
81025	06401	SONSRAY MACHINERY LLC	05/30/2019	2,840.54
81026	91296	SOUTHLAND PAVING, INC.	05/30/2019	52,838.33
81027	91082	TELETRAC, INC	05/30/2019	2,479.18
81028	05883	TESTAMERICA LABORATORIES, INC.	05/30/2019	56.70
81029	06231	WESTERN WATER WORKS SUPPLY CC	05/30/2019	2,273.10

Total for 5/30/2019:

98,403.66

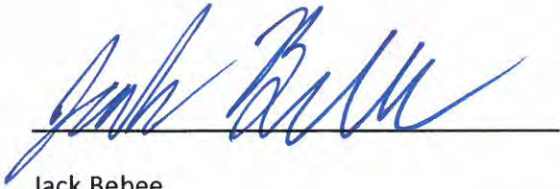


Check No	Vendor No	Vendor Name	Check Date	Check Amount
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Report Total (251 checks):

2,169,450.17



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: San Diego Chapter CSDA Quarterly Dinner Meeting  
The Butcher Shop Steakhouse, 5255 Kearny Villa Rd, San Diego, CA

Date(s) of Attendance: Thursday, May 16 2019

Purpose of Function: Education

Sponsoring Organization: SDCSDA Chapter

Summary of Conference or Meeting:

The High School Video Contest Awards were presented. All of the contestants' videos were very well done. This years winner was exceptional with a very dramatic depiction of the impact of special districts and what might happen if all that infrastructure did not exist.

The speaker was Garry Bonelli, the Chairman of the Board for the Port of San Diego. He gave us a power point tour of the bay with all of the areas the Port controls. It was surprising how much land is involved. From the Convention Center to Chula Vista and all the boat ramps and ports of entry it is quite expansive. Projects include a resort in Chula Vista and the complete renovation of Seaport Village. Once all the construction is done and the billions spent, San Diego should be quite the tourist destination!

Director Signature: 

Date: 5/20/2019

*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.*