



FALLBROOK PUBLIC UTILITY DISTRICT
MEETING OF THE FISCAL POLICY AND INSURANCE COMMITTEE

AGENDA

MONDAY, APRIL 25, 2022
1:00 P.M.

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

THIS MEETING WILL BE HELD PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(1)(A), WHICH WAIVES CERTAIN BROWN ACT TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY WHEN STATE OR LOCAL OFFICIALS HAVE IMPOSED OR RECOMMENDED MEASURES TO PROMOTE SOCIAL DISTANCING, AND ALLOWS SOME OR ALL OF THE MEMBERS OF THE FISCAL POLICY & INSURANCE COMMITTEE TO ATTEND THIS MEETING TELEPHONICALLY OR VIA VIDEO CONFERENCE. MEMBERS OF THE PUBLIC WHO DO NOT WISH TO ATTEND IN PERSON ARE ENCOURAGED TO PARTICIPATE IN THE MEETING VIA WEB CONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION. MEMBERS OF THE PUBLIC MAY ALSO PARTICIPATE IN THIS MEETING BY ATTENDING IN PERSON AT THE DISTRICT OFFICE LOCATED AT 990 E. MISSION RD., FALLBROOK, CA 92028.

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

SUBMIT COMMENTS BEFORE THE MEETING:

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

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

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

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

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

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

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

II. ACTION / DISCUSSION ----- (ITEMS A – D)

A. RATE STUDY UPDATE

B. ANNUAL BUDGET REVIEW

C. DISTRICT'S BILLING STRUCTURE AND COLLATERAL FOR SERVICES PROVIDED

D. QUARTERLY INVESTMENT PORTFOLIO PERFORMANCE REPORT

III. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

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

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

April 22, 2022
Dated / Fallbrook, CA

/s/ Mavis Canpinar
Acting Executive Assistant/Board Secretary

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M E M O

TO: Fiscal Policy & Insurance Committee
FROM: Jack Bebee, General Manager
 David Shank, Assistant General Manager/CFO
DATE: April 25, 2022
SUBJECT: Review Preliminary Draft Fiscal Year 2022-23 Operating and Capital Budget Expenditures

Purpose

As laid out in the District's budget development process, the initial steps in developing an annual budget include staff and management developing and reviewing the preliminary operating and capital budgets. This is followed by the Committee's review and consideration. The review is intended to provide detailed cost data and solicit the Committee's feedback and comments. With the completion the Santa Margarita Groundwater Treatment Plant (SMGTP) in December 2021, the District has taken a significant step towards diversifying its water supplies. The SMGTP allows the District to take Santa Margarita River (SMR) water and deliver it to customers. This year the budget discussion will focus on the budgetary changes driven by the District's supply mix and water sales uncertainty.

Summary

Staff have developed the preliminary Fiscal Year 2022-23 annual budgets for the following:

Water Supply Challenges:

With the State already in voluntary use restrictions and tighter restrictions anticipated, estimating next year's water sales and supplies is difficult. Not only is the drought impacting the State water supplies but also the hydrology of the SMR. This impacts the amount of SMR water available to the District. With reduced levels of SMR water available, the District is budgeting to purchasing more water from the San Diego County Water Authority (SDCWA). Developing a budget under these conditions requires assumptions that deviate from "normal" levels, this can cause temporary spikes in budget levels. This is highlighted by the increase in the District's budgeted Cost of Water shown in the table below. Under normal conditions this cost will be lower due to water production at SMGTP.

Draft Total Operating Budget

1. **Cost of Water** – The cost of water includes the cost of water purchased from SDCWA and what the District pays to Camp Pendleton to wheel the SMR water to the SMGTP. These are preliminary numbers since SDCWA has not yet published its CY 2023 rates and charges.
2. **Labor** – The labor budget includes staff non-capital salary expenditures for the fiscal year
3. **Non-labor** – This includes any expenditures for the year that are not labor related and includes services, equipment, materials and training.
4. **Benefits** – The District's expected expenditures for health care, pension and other District provided benefits
5. **Debt Service** – The Districts debt payment schedule

Capital Budget

6. **Capital Improvement Program Budget** – This is the updated capital expenditure projection for the next 10-years.

OPERATING BUDGET:

Attachment A provides the Preliminary Draft Fiscal Year 2021-22 Operating Budget’s labor and non-labor expenses and benefit allocations for the District’s Services. The attachment includes the District’s Services which include Administrative (two pages), Water (two pages), Recycled Water and Wastewater Services and the new Community Benefit Program. The tables show the actual expenditures for Fiscal Year 2020-21, the budgeted and projected Fiscal Year 2021-22 expenditures and the Fiscal Year 2022-23 preliminary draft budget. Attachment E is a summary of significant (greater than 5%) change budget to budget in any line item. The code in red to the right in Attachment A corresponds to the description of the change provided in Attachment E.

The total District operating expenditures are shown in the table below. A discussion of each category of the Operating Budget is discussed in detail below. Overall the total increase shown in this table is being driven by Water Supply Costs, which cannot be finalized until SDCWA has set CY 2022 Rates and Charges. In addition, the expenditures related to the Community Benefit Program are also included in this budget. Looking at Fiscal Year 2021-22 Projected expenditures, staff are currently projecting a surplus in the budget appropriations. At this point, staff is not asking for any changes to the budget appropriations.

	FY 2020-21	FY 2021-22		FY 2022-23	Bgt to Bgt
	Actuals	Budget	Projected	Recommended	% Change
Cost of Water	\$ 13,955,908	\$ 11,547,729	\$ 12,769,032	\$ 13,791,080	19.4%
Debt Service	3,101,093	3,685,471	3,621,118	3,730,508	1.2%
Total Labor	5,204,642	5,716,546	5,681,295	6,064,174	6.1%
Total Non-Labor*	4,288,444	6,667,765	5,161,755	6,309,478	-5.4%
Operating Expense Total	\$ 26,550,087	\$ 27,617,511	\$ 27,233,199	\$ 29,895,240	8.2%
Benefits Expenditures (Ops)	3,674,696	3,874,164	3,874,164	4,057,087	4.7%
Total	\$ 30,224,783	\$ 31,491,675	\$ 31,107,363	\$ 33,952,327	7.8%

*Total Non-Labor Includes \$539,039 for Community Benefit Program

Cost of Water

The increase in the Cost of Water, which is what the District pays to other entities for its water, is being driven by a shift towards SDCWA supplies due to the reduced SMR water available to the District. While this is not ideal, this volatility in supplies is embedded in the mechanics of the SMR water rights agreement and expected. In addition to more supplies from SDCWA this budget cycle, in light of the water supply conditions sales are being projected at 7,800 AF. This is slightly below the expected sales level of 8,100, which has been used in prior years for the water sales forecast. With SDCWA’s rates and charges for CY 2023 not yet set, staff are assuming an overall 5% increase on SDCWA rates. Attachment B shows a detailed breakdown of the District’s budgeted Cost of Water.

Labor

Labor is showing an increase in line with the proposed cost of living increase and other changes in the most recent Memorandums of Understanding (MOUs). As shown in Attachment A, the increase

varies depending on the impact of the MOUs on the Division staffing. Overall, the increase is under the actual level of regional inflation.

Non-labor

The non-labor expenses are broken into eight main categories to make the budget more reader friendly. The expense categories include Director Expenses, Contractor Services, Equipment (Non Capital), Materials/Services/Supplies, Professional Services, Membership/Training/Permit, Santa Margarita Water master and Utilities. Attachment E provides detail on the drivers behind the changes. Use the Reference Codes in Attachment A (on right in red) to find the details in Attachment E. Non-labor is down due to the reduction in variable operating costs for the SMGTPs. This is being driven by the reduced volume of water expected to be treated at this facility during the next budget cycle. Offsetting this decrease is \$539,039 in expenses for the Community Benefit Program, which is a new element in the Budget. This additional activity accounts for 1.7% of the overall increase of 7.8%.

Benefits

The increase in benefits is primarily due to the scheduled increase in pension payments. The District's total benefit budget, which includes both operating (87%) and capital (13%) portions and is shown in Attachment C, is increasing 4.7%. The increase in pension related costs are driven by CalPERS policies. The Board could elect to offset the Pension and or other increases by decreasing its voluntary contribution to the District's Pension/OPEB Liability Trust, which is currently budgeted at \$500,000.

Debt Service

The District's debt service schedule and payments for Fiscal Year 2022-23 are provided in Attachment D. The debt service payment for Fiscal Year 2022-23 is shown below the debt service schedules and is increased as the District begins paying full debt service on debt related to the Santa Margarita Conjunctive Use Project.

CAPITAL BUDGET:

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. 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 prioritized needs verses 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. Changing

conditions resulting from these complexities can alter the individual project priorities. Continuous capital project updates are provided throughout the year to provide key performance metrics and to inform the board and the public of any changes to priorities.

A summary of the CIP is provided below.

Water Capital Projects:

The most crucial component of the water capital plan is the pipeline and valve replacement program. The portion of the annual budget for these efforts is based on asset analysis performed in 2017, and routinely updated, with the intent to increase the annual budget in 20-year increments in order to achieve a 100-year replacement cycle. The Board also adopted a capital improvement charge and an escalation value to the charge to help make incremental progress towards reaching the 100 year replacement target. There are 6,872 total valves and 268 miles (1,415,040 feet) of water main in the existing distribution system. Currently the goal is to replace 100 valves and 5,000 linear feet of water main per year. Because the pipeline replacement goal was not met in FY20-21, the goal for FY21-22 was increased to 7,680. However, due to longer than previously normal procurement times, current projections show the year will likely end with about 6,700 linear feet replaced. The goal for FY22-23 will be 7,500 linear feet of pipe replaced, again above the typical 5,000 linear feet, in order to gain on the overall pipeline replacement plan. Based on the favorable bid prices on the larger Winter Haven Pipeline Replacement project, staff intend to bid all planned pipeline replacement for the year as a single project with the expectation that the larger project will help mitigate cost increases and attract bids more experienced contractors.

The table below shows Budget vs Projected Actuals for FY 2021-22 and the proposed budget for FY 2022-23.

Water Capital Projects	Budget FY 2022	Projected FY 2022	Proposed FY 2023
Pipelines and Valve Replacement Projects by District	\$670,000	\$491,617	\$570,000
Pipeline Replacement Projects by Contractors	\$3,388,000	\$2,601,210	\$4,543,350
Deluz ID Projects	\$100,000	\$67,394	\$100,000
Pump Stations	\$412,500	\$57,834	\$300,000
Meter Replacement	\$275,000	\$127,170	\$25,000
Pressure Reducing Stations	\$0	\$0	\$65,000
Red Mountain Reservoir Improvements	\$112,000	\$101,595	\$175,000
Steel Reservoir Improvements	\$180,000	\$157,134	\$10,000
Santa Margarita Conjunctive Use Project (Construction)	\$8,450,000	\$7,280,290	\$0
SMGTP Improvements	\$0	\$0	\$200,000
SCADA Upgrades/ Security/Telemetry	\$95,000	\$77,409	\$90,000
Total PAYGO Water Capital Projects	\$5,232,500	\$3,681,363	\$6,078,350
Total Water Capital Projects (Including SMRCUP)	\$13,682,500	\$10,961,653	

The major pipeline projects for Fiscal Year 2022-23 include:

- Completion of the 2nd phase of the Winter Haven Pipeline Replacement Project. The project consists of the replacement of approximately 5,580 linear feet of 12-inch water main. The majority of this project will be completed by the end of FY21-22.
- Replacement of water mains on various streets around the downtown area. Approximately 7,500 linear feet of pipeline ranging in size from 6-inch diameter to 12-inch diameter.

Wastewater/Recycled Water Capital Projects:

As part of the long-term sewer system replacement plan, the focus will be on relining manholes and mainlines and installation of a new gravity sewer main enabling the decommissioning of the Hawthorn Lift Station.

At the Water Reclamation Plant (WRP), planned work includes the replacement of aging mechanical equipment, resealing the yard pavement, coating of concrete basins and equipment, and finishing the new storm water basins started in the current fiscal year.

For the recycled water system, the primary focus will be on replacement of small sections of mainline, as well as strategic planning to identify future expansions of service area. The water supply reliability project will be completed in the Fall. The remaining portion of this project is funded by an Integrated Regional Water Management Proposition 1 Grant.

The table below shows Budget vs Projected Actuals for FY 2021-22 and the proposed budget for FY 2022-23.

Recycled Water Capital Projects	Budget FY 2022	Projected FY 2022	Proposed FY 2023
Recycled Water Improvements	\$270,000	\$325,804	\$114,000
Total Recycled Water Capital Projects	\$270,000	\$325,804	\$114,000
Waste Water Capital Projects	Budget FY 2022	Budget FY 2022	Planned FY 2023
WRP Improvements	\$315,000	\$487,805	\$281,000
Collection System Improvements	\$595,000	\$593,992	\$275,000
Outfall Improvements	\$50,000	\$0	\$50,000
Total Waste Water Capital Projects	\$960,000	\$1,081,797	\$606,000

Administrative Capital Projects:

Administrative capital projects in the coming year will be focused on improved network/server reliability and security, and replacement of the main office roof. The table below shows Budget vs Projected Actuals for FY 2021-22 and the proposed budget for FY 2022-23.

Administrative Capital Projects	Budget FY 2022	Projected FY 2022	Proposed FY 2023
Administrative Upgrades	\$65,000	\$55,000	\$105,000
Engineering and Operations Information Systems	\$0	\$0	\$30,000
Facility Improvements/Upgrades/Security	\$120,000	\$119,057	\$290,000
District Yard Improvements	\$25,000	\$19,636	\$0
Vehicles and Heavy Equipment	\$615,500	\$564,082	\$255,000
Total Administrative Capital Projects	\$825,500	\$757,775	\$680,000

Total Capital Budget Summary:

	Budget FY 2022	Projected FY 2022	Proposed FY 2023
Total all PAYGO Capital Budget Projects	\$7,288,000	\$5,846,739	\$7,478,350
Total all Capital Projects (Including SMRCUP)	\$15,738,000	\$13,127,029	\$7,478,350

Next steps:

Any comments or changes requested by the Committee will be incorporated and a more complete draft document provided for a mid-May Committee meeting. It should be noted that the revenues and financial projections can only be developed once the SDCWA's rates and the District's fixed charge allocations are available. Staff anticipate having a Final Draft Fiscal Year 2021-22 Budget for the Committee to review in early June.

The following Attachments have been included to provide time to review in advance of the meeting:

- Attachment A – Draft Fiscal Year 2022-23 Operating Budget for labor and non-labor expenses and benefit allocations for the District's Services
- Attachment B – Draft Fiscal Year 2022-23 Cost of Water
- Attachment C – Draft Fiscal Year 2022-23 benefit expenditures.
- Attachment D – Fiscal Year 2022-23 debt service schedule.
- Attachment E – Summary of Significant Percent Changes by Budget Category

Recommended Action

This item is for discussion only. No action is required.

Attachment A

Draft Fiscal Year 2022-23 Operating Budget for Labor and Non-Labor Expenses and Benefit Allocations for the District's Services

FPUD Expense Summary
Fiscal Year 2022-23 Operating Budget

Description	Div	FY 2020-21	FY 2021-22	FY 2022-23	% Change	Reference Code
		Actual	Budget	Projected	Budget	
Administrative Services						
Office of the General Manager	50					
Labor Expenses:						
Salaries		\$ 421,619	\$ 453,099	\$ 443,846	\$ 471,492	4.1%
Non-Labor Expenses:						
Director Expenses		22,311	40,000	32,164	40,000	0.0%
Contractor Services	C	14,765	12,700	12,983	14,500	14.2% 1-1
Materials/Services/Supplies	M	56,338	92,300	93,482	84,800	-8.1% 1-2
Equipment (Non Capital)	E			-	0	NA
Professional Services	P	502,742	400,000	433,437	410,000	2.5%
Memberships/Training/Permits	T	73,428	96,600	87,435	88,000	-8.9% 1-3
Santa Margarita Watermaster		116,402	128,412	128,412	135,073	5.2% 1-4
Total Non-Labor		<u>\$ 785,985</u>	<u>\$ 770,012</u>	<u>\$ 787,912</u>	<u>\$ 772,373</u>	0.3%
Division Operating Total		<u>\$ 1,207,603</u>	<u>\$ 1,223,111</u>	<u>\$ 1,231,759</u>	<u>\$ 1,243,865</u>	1.7%
Finance & Customer Service	53					
Labor Expenses:	54					
Salaries		\$ 766,698	\$ 793,026	\$ 728,528	\$ 856,036	7.9% 1-5
Non-Labor Expenses:						
Contractor Services	C	31,390	21,000	20,688	24,000	14.3% 1-6
Equipment (Non Capital)	E	0	4,000	4,121	4,500	12.5% 1-7
Materials/Services/Supplies	M	131,892	197,200	151,131	145,200	-26.4% 1-8
Professional Services	P	92,301	166,000	157,255	181,500	9.3% 1-9
Memberships/Training/Permits	T	790	2,700	1,837	2,700	0.0%
Utilities	U	-	-	-	-	NA
Total Non-Labor		<u>\$ 256,374</u>	<u>\$ 390,900</u>	<u>\$ 335,031</u>	<u>\$ 357,900</u>	-8.4%
Division Operating Total		<u>\$ 1,023,072</u>	<u>\$ 1,183,926</u>	<u>\$ 1,063,559</u>	<u>\$ 1,213,936</u>	2.5%
Warehouse & Purchasing	60					
Labor Expenses:						
Salaries		\$ 217,145	\$ 171,869	\$ 167,911	\$ 174,529	1.5%
Non-Labor Expenses:						
Contractor Services	C	124,588	120,000	140,000	135,000	12.5% 1-10
Equipment (Non Capital)	E	658	500	284	500	0.0%
Materials/Services/Supplies	M	123,734	106,800	104,863	119,500	11.9% 1-11
Professional Services	P	-	-	-	-	NA
Memberships/Training/Permits	T	1,132	1,000	1,063	1,000	0.0%
Utilities	U	43,212	45,000	44,458	45,000	0.0%
Total Non-Labor		<u>\$ 293,323</u>	<u>\$ 273,300</u>	<u>\$ 290,668</u>	<u>\$ 301,000</u>	10.1%
Division Operating Total		<u>\$ 510,468</u>	<u>\$ 445,169</u>	<u>\$ 458,579</u>	<u>\$ 475,529</u>	6.8%
Human Resources	70					
Labor Expenses:						
Salaries		\$ 225,288	\$ 239,473	\$ 231,252	\$ 249,371	4.1%
Non-Labor Expenses:						
Contractor Services	C	16,729	61,325	61,325	20,000	-67.4% 1-12
Equipment (Non Capital)	E	-	-	-	-	NA
Materials/Services/Supplies	M	17,473	27,400	15,006	27,400	0.0%
Professional Services	P	7,651	10,000	7,398	10,000	0.0%
Memberships/Training/Permits	T	47,890	95,550	59,338	98,050	2.6%
Education Funding	NA	5,040	3,000	7,674	7,000	133.3% 1-13
Utilities	U	-	-	-	-	NA
Total Non-Labor		<u>\$ 94,783</u>	<u>\$ 197,275</u>	<u>\$ 150,740</u>	<u>\$ 162,450</u>	-17.7%
Division Operating Total		<u>\$ 320,071</u>	<u>\$ 436,748</u>	<u>\$ 381,992</u>	<u>\$ 411,821</u>	-5.7%

FPUD Expense Summary
Fiscal Year 2022-23 Operating Budget

Description	Div	FY 2020-21	FY 2021-22		FY 2022-23	% Change	Reference Code
		Actual	Budget	Projected	Budget	Bgt to Bgt	
Administrative Services							
Information Management	51						
Labor Expenses:							
Salaries		\$ 88,880	\$ 96,286	\$ 100,565	\$ 98,800	2.6%	
Non-Labor Expenses:							
Contractor Services	C	59,681	62,150	62,380	65,150	4.8%	
Equipment (Non Capital)	E	34,121	25,000	24,500	25,000	0.0%	
Materials/Services/Supplies	M	162,109	185,728	175,695	193,068	4.0%	
Professional Services	P	-	-	-	75,000	100.0%	1-14
Memberships/Training/Permits	T	-	-	-	-		NA
Utilities	U	-	-	-	-		NA
Total Non-Labor		<u>\$ 255,911</u>	<u>\$ 272,878</u>	<u>\$ 262,575</u>	<u>\$ 358,218</u>	31.3%	
Division Operating Total		<u>\$ 344,791</u>	<u>\$ 369,164</u>	<u>\$ 363,140</u>	<u>\$ 457,018</u>	23.8%	
Engineering Services	52						
Labor Expenses:							
Salaries		\$ 482,965	\$ 480,913	\$ 496,169	\$ 530,440	10.3%	1-15
Non-Labor Expenses:							
Contractor Services	C	29,838	10,000	-	10,000	0.0%	
Equipment (Non Capital)	E	-	-	-	-		NA
Materials/Services/Supplies	M	37,912	42,000	42,565	42,000	0.0%	
Professional Services	P	-	-	-	-		NA
Memberships/Training/Permits	T	-	500	250	500	0.0%	
Utilities	U	-	-	-	-		NA
Total Non-Labor		<u>\$ 67,750</u>	<u>\$ 52,500</u>	<u>\$ 42,815</u>	<u>\$ 52,500</u>	0.0%	
Division Operating Total		<u>\$ 550,715</u>	<u>\$ 533,413</u>	<u>\$ 538,984</u>	<u>\$ 582,940</u>	9.3%	
Safety & Risk	57						
Labor Expenses:							
Salaries		\$ 154,594	\$ 213,682	\$ 181,827	\$ 217,428	1.8%	
Non-Labor Expenses:							
Contractor Services	C	21,119	19,000	19,171	25,000	31.6%	1-16
Equipment (Non Capital)	E	36,080	35,000	47,333	70,000	100.0%	1-17
Materials/Services/Supplies	M	10,418	29,500	22,367	30,200	2.4%	
Professional Services	P	257,262	275,000	300,000	350,000	27.3%	1-18
Memberships/Training/Permits	T	-	-	3,550	3,000	100.0%	1-19
Utilities	U	-	-	-	-		NA
Total Non-Labor		<u>\$ 324,880</u>	<u>\$ 358,500</u>	<u>\$ 392,421</u>	<u>\$ 478,200</u>	33.4%	
Division Operating Total		<u>\$ 479,474</u>	<u>\$ 572,182</u>	<u>\$ 574,248</u>	<u>\$ 695,628</u>	21.6%	
Vehicle Services & Shop	65						
Labor Expenses:							
Salaries		\$ 84,136	\$ 107,811	\$ 69,843	\$ 114,913	6.6%	1-20
Non-Labor Expenses:							
Contractor Services	C	26,606	25,000	25,000	27,500	10.0%	1-21
Equipment (Non Capital)	E	-	-	107	-		NA
Materials/Services/Supplies	M	324,902	275,000	225,044	290,000	5.5%	1-22
Professional Services	P	-	-	-	-		NA
Memberships/Training/Permits	T	-	-	-	-		NA
Utilities	U	-	-	-	-		NA
Total Non-Labor		<u>\$ 351,508</u>	<u>\$ 300,000</u>	<u>\$ 250,151</u>	<u>\$ 317,500</u>	5.8%	
Division Operating Total		<u>\$ 435,644</u>	<u>\$ 407,811</u>	<u>\$ 319,994</u>	<u>\$ 432,413</u>	6.0%	
Total Labor		\$ 2,441,325	\$ 2,556,158	\$ 2,419,940	\$ 2,713,010	6.1%	
Total Non-Labor Expenses		2,430,513	2,615,365	2,512,314	2,800,141	7.1%	
Operating Total		<u>\$ 4,871,838</u>	<u>\$ 5,171,523</u>	<u>\$ 4,932,255</u>	<u>\$ 5,513,151</u>	6.6%	
Allocated Benefits Expenditures*		<u>1,723,678</u>	<u>1,732,336</u>	<u>1,732,336</u>	<u>1,815,073</u>	4.8%	
Total Budget		<u>\$ 6,595,516</u>	<u>\$ 6,903,859</u>	<u>\$ 6,664,591</u>	<u>\$ 7,328,223</u>	6.1%	

* Includes transfer to Pension/OPEB Trusts

FPUD Expense Summary
Fiscal Year 2022-23 Operating Budget

Description	Div	FY 2020-21		FY 2021-22		FY 2022-23	% Change	Reference Code
		Actual	Budget	Projected	Budget	Bgt to Bgt		
Water Services	30							
Treatment	30							
Labor Expenses:								
Salaries		\$ -	\$ 180,473	\$ 104,185	\$ 237,424		31.6%	2-1
Non-Labor Expenses:								
Contractor Services	C	-	80,000	135,389	80,000		0.0%	
Equipment (Non Capital)	E	-	5,000	3,632	5,000		0.0%	
Materials/Services/Supplies	M	-	158,000	219,937	278,498		76.3%	2-2
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	-	50,000	27,285	-		-100.0%	2-3
Utilities	U	-	1,327,000	232,479	285,000		-78.5%	2-4
Total Non-Labor		<u>\$ -</u>	<u>\$ 1,620,000</u>	<u>\$ 618,722</u>	<u>\$ 648,498</u>		-60.0%	
Division Operating Total		<u>\$ -</u>	<u>\$ 1,800,473</u>	<u>\$ 722,906</u>	<u>\$ 885,922</u>		-50.8%	
Production & Distribution	31							
Labor Expenses:								
Salaries		\$ 716,421	\$ 633,161	\$ 762,702	\$ 651,941		3.0%	
Non-Labor Expenses:								
Contractor Services	C	87,317	111,500	91,000	101,000		-9.4%	2-5
Equipment (Non Capital)	E	9,386	20,000	18,000	20,000		0.0%	
Materials/Services/Supplies	M	208,632	218,000	201,142	224,000		2.8%	
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	55,642	70,000	68,261	80,000		14.3%	2-6
Utilities	U	93,202	120,000	62,687	90,000		-25.0%	2-7
Total Non-Labor		<u>\$ 454,180</u>	<u>\$ 539,500</u>	<u>\$ 441,090</u>	<u>\$ 515,000</u>		-4.5%	
Division Operating Total		<u>\$ 1,170,601</u>	<u>\$ 1,172,661</u>	<u>\$ 1,203,791</u>	<u>\$ 1,166,941</u>		-0.5%	
Pipeline Maintenance & Construction	32							
Labor Expenses:								
Salaries		\$ 299,107	\$ 457,939	\$ 395,291	\$ 439,956		-3.9%	
Non-Labor Expenses:								
Contractor Services	C	19,280	30,000	30,000	40,000		33.3%	2-8
Equipment (Non Capital)	E	8,334	10,000	11,326	10,000		0.0%	
Materials/Services/Supplies	M	25,690	98,000	54,329	40,000		-59.2%	2-9
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	-	-	-	-		NA	
Utilities	U	-	-	-	-		NA	
Total Non-Labor		<u>\$ 53,304</u>	<u>\$ 138,000</u>	<u>\$ 95,655</u>	<u>\$ 90,000</u>		-34.8%	
Division Operating Total		<u>\$ 352,411</u>	<u>\$ 595,939</u>	<u>\$ 490,946</u>	<u>\$ 529,956</u>		-11.1%	

FPUD Expense Summary
Fiscal Year 2022-23 Operating Budget

Description	Div	FY 2020-21	FY 2021-22	FY 2022-23	% Change	Reference Code
		Actual	Budget	Budget	Bgt to Bgt	
Water Services		30				
System Services		42				
Labor Expenses:						
Salaries		\$ 353,661	\$ 431,604	\$ 521,790	\$ 479,262	11.0% 2-10
Non-Labor Expenses:						
Contractor Services	C	64,282	76,000	85,000	106,000	39.5% 2-11
Equipment (Non Capital)	E	866	-	1,423	-	NA
Materials/Services/Supplies	M	72,249	125,000	103,036	105,000	-16.0% 2-12
Professional Services	P	-	-	-	-	NA
Memberships/Training/Permits	T	-	-	-	-	NA
Utilities	U	-	-	-	-	NA
Total Non-Labor		<u>\$ 137,396</u>	<u>\$ 201,000</u>	<u>\$ 189,459</u>	<u>\$ 211,000</u>	5.0%
Division Operating Total		<u>\$ 491,058</u>	<u>\$ 632,604</u>	<u>\$ 711,250</u>	<u>\$ 690,262</u>	9.1%
Total Labor		\$ 1,369,189	\$ 1,703,177	\$ 1,783,968	\$ 1,808,584	6.2%
Total Non-Labor		644,880	2,498,500	1,344,926	1,464,498	-41.4%
Operating Total		<u>\$ 2,014,069</u>	<u>\$ 4,201,677</u>	<u>\$ 3,128,893</u>	<u>\$ 3,273,082</u>	-22.1%
Allocated Benefits Expenditures		966,705	1,154,262	1,154,262	1,214,646	5.2%
Total Direct Water Costs		<u>\$ 2,980,774</u>	<u>\$ 5,355,939</u>	<u>\$ 4,283,155</u>	<u>\$ 4,487,727</u>	-16.2%
Allocation of Administrative Services		4,221,130	4,418,470	4,265,338	4,690,063	6.1%
Total Budget		<u>\$ 7,201,905</u>	<u>\$ 9,774,409</u>	<u>\$ 8,548,493</u>	<u>\$ 9,177,790</u>	-6.1%

FPUD Expense Summary
Fiscal Year 2022-23 Operating Budget

Description	Div	FY 2020-21	FY 2021-22	FY 2022-23	% Change	Reference Code
		Actual	Budget	Projected	Bgt to Bgt	
Wastewater Services	32					
Collections	31					
Labor Expenses:						
Salaries		\$ 533,233	\$ 450,525	\$ 547,952	\$ 479,842	6.5% 3-1
Non-Labor Expenses:						
Contractor Services	C	35,075	56,000	42,104	75,000	33.9% 3-2
Equipment (Non Capital)	E	1,070	5,000	54	5,000	0.0%
Materials/Services/Supplies	M	81,607	124,000	135,696	170,000	37.1% 3-3
Professional Services	P	-	-	-	-	NA
Memberships/Training/Permits	T	-	900	900	900	0.0%
Utilities	U	53,060	100,000	114,000	122,300	22.3% 3-4
Total Non-Labor		<u>\$ 170,812</u>	<u>\$ 285,900</u>	<u>\$ 292,754</u>	<u>\$ 373,200</u>	30.5%
Division Operating Total		<u>\$ 704,044</u>	<u>\$ 736,425</u>	<u>\$ 840,706</u>	<u>\$ 853,042</u>	15.8%
Treatment	30					
Labor Expenses:						
Salaries		\$ 764,578	\$ 824,770	\$ 814,887	\$ 895,700	8.6% 3-5
Non-Labor Expenses:						
Contractor Services	C	292,872	433,000	289,576	353,000	-18.5% 3-6
Equipment (Non Capital)	E	9,433	9,000	5,473	7,000	-22.2% 3-7
Materials/Services/Supplies	M	249,226	312,000	246,801	297,500	-4.6%
Professional Services	P	-	-	-	-	NA
Memberships/Training/Permits	T	86,914	95,000	108,173	95,000	0.0%
Utilities	U	214,951	197,000	178,717	157,600	-20.0% 3-8
Total Non-Labor		<u>\$ 853,397</u>	<u>\$ 1,046,000</u>	<u>\$ 828,739</u>	<u>\$ 910,100</u>	-13.0%
Division Operating Total		<u>\$ 1,617,975</u>	<u>\$ 1,870,770</u>	<u>\$ 1,643,626</u>	<u>\$ 1,805,800</u>	-3.5%
Total Labor		\$ 1,297,810	\$ 1,275,294	\$ 1,362,839	\$ 1,375,541	7.9%
Total Non-Labor		1,024,209	1,331,900	1,121,493	1,283,300	-3.6%
Operating Total		<u>\$ 2,322,019</u>	<u>\$ 2,607,194</u>	<u>\$ 2,484,332</u>	<u>\$ 2,658,841</u>	2.0%
Allocated Benefits Expenditures		916,309	864,281	864,281	920,272	6.5%
Total Direct Wastewater Costs		<u>\$ 3,238,328</u>	<u>\$ 3,471,475</u>	<u>\$ 3,348,612</u>	<u>\$ 3,579,114</u>	3.1%
Allocation of Administrative Services		2,308,431	2,416,351	2,332,607	2,564,878	6.1%
Total Budget		<u>\$ 5,546,758</u>	<u>\$ 5,887,826</u>	<u>\$ 5,681,219</u>	<u>\$ 6,143,992</u>	4.4%

FPUD Expense Summary
Fiscal Year 2022-23 Operating Budget

Description	Div	FY 2020-21	FY 2021-22	FY 2022-23	% Change	Reference Code
		Actual	Budget	Projected	Bgt to Bgt	
Recycled Water Services	31					
Production	30					
Labor Expenses:						
Salaries		\$ 89,456	145,595	91,822	149,640	2.8%
Non-Labor Expenses:						
Contractor Services	C	25,453	34,000	29,284	36,000	5.9% 4-1
Equipment (Non Capital)	E	3,616	4,000	3,178	4,000	0.0%
Materials/Services/Supplies	M	64,072	77,000	73,443	89,500	16.2% 4-2
Professional Services	P	-	-	-	-	NA
Memberships/Training/Permits	T	-	-	-	-	NA
Utilities	U	91,854	85,000	76,593	68,000	-20.0% 4-3
Total Non-Labor		<u>\$ 184,995</u>	<u>\$ 200,000</u>	<u>\$ 182,498</u>	<u>\$ 197,500</u>	-1.3%
Division Operating Total		<u>\$ 274,451</u>	<u>\$ 345,595</u>	<u>\$ 274,319</u>	<u>\$ 347,140</u>	0.4%
Distribution	31					
Labor Expenses:						
Salaries		6,862	36,321	22,726	10,438	-71.3% 4-4
Non-Labor Expenses:						
Contractor Services	C	-	-	-	-	NA
Equipment (Non Capital)	E	-	-	-	-	NA
Materials/Services/Supplies	M	3,332	22,000	-	25,000	13.6% 4-5
Professional Services	P	-	-	-	-	NA
Memberships/Training/Permits	T	-	-	-	-	NA
Utilities	U	514	-	525	-	NA
Total Non-Labor		<u>\$ 3,846</u>	<u>\$ 22,000</u>	<u>\$ 525</u>	<u>\$ 25,000</u>	13.6%
Division Operating Total		<u>\$ 10,708</u>	<u>\$ 58,321</u>	<u>\$ 23,251</u>	<u>\$ 35,438</u>	-39.2%
Total Labor		\$ 96,318	\$ 181,916	\$ 114,548	\$ 160,078	-12.0%
Total Non-Labor		<u>188,841</u>	<u>222,000</u>	<u>183,022</u>	<u>222,500</u>	0.2%
Operating Total		<u>\$ 285,159</u>	<u>\$ 403,916</u>	<u>\$ 297,570</u>	<u>\$ 382,578</u>	-5.3%
Allocated Benefits Expenditures		68,004	123,286	123,286	107,097	-13.1%
Total Direct Recycled Water Costs		<u>\$ 353,163</u>	<u>\$ 527,202</u>	<u>\$ 420,857</u>	<u>\$ 489,675</u>	-7.1%
Allocation of Administrative Services		65,955	69,039	66,646	73,282	6.1%
Total Budget		<u>\$ 419,119</u>	<u>\$ 596,241</u>	<u>\$ 487,503</u>	<u>\$ 562,957</u>	-5.6%

**FPUD Expense Summary
Fiscal Year 2022-23 Operating Budget**

Description	Div	FY 2020-21	FY 2021-22	FY 2022-23	% Change	Reference Code
		Actual	Budget	Budget	Bgt to Bgt	
Community Program-Latent Powe						
						New
Community Program-Latent Powers						New
Labor Expenses:						
Salaries		\$ -	\$ -	\$ -	6,961	NA 5-1
Non-Labor Expenses:						
Contractor Services	C	-	-	-	539,039	NA
Equipment (Non Capital)	E	-	-	-		NA
Materials/Services/Supplies	M	-	-	-		NA
Professional Services	P	-	-	-		NA
Memberships/Training/Permits	T	-	-	-		NA
Utilities	U	-	-	-		NA
Total Non-Labor		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 539,039</u>	NA
Division Operating Total		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,000</u>	NA
Total Labor		\$ -	\$ -	\$ -	6,961	NA
Total Non-Labor		-	-	-	539,039	NA
Operating Total		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,000</u>	NA
Allocated Benefits Expenditures		-	-	-	-	NA
Total Direct Water Costs		\$ -	\$ -	\$ -	\$ 546,000	NA
Allocation of Administrative Services		-	-	-	-	NA
Total Budget		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,000</u>	NA

Attachment B

Draft Fiscal Year 2022-23 Cost of Water

	FY 2020-21 Actual	FY 2021-22 Budget Projected		FY 2022-23 Budget	Budget to Budget Change (%)
Variable Costs:					
SDCWA Variable Cost	\$ 10,552,116	\$ 7,043,180	\$ 9,010,564	\$ 9,753,119	38.5%
SMRCUP Supply Cost	-	1,117,081	371,000	513,240	-54.1%
Fixed Costs:					
SDCWA Supply Reliability	\$ 668,805	\$ 667,260	\$ 667,260	\$ 677,779	1.6%
SDCWA Storage	1,066,395	1,036,866	1,036,866	1,078,882	4.1%
SDCWA Customer service	570,301	559,854	559,854	575,714	2.8%
MWD Capacity	244,872	258,528	258,528	285,352	10.4%
MWD Readiness to Serve	291,010	260,964	260,964	287,060	10.0%
SDCWA IAC	562,410	603,996	603,996	619,932	2.6%
Total Cost of Water	\$ 13,955,908	\$ 11,547,729	\$ 12,769,032	\$ 13,791,080	19.4%

Attachment C

Draft Fiscal Year 2022-23 Benefit Expenditures

Breakdown of District's Employee Benefit Costs

Description	FY 2020-21	FY 2021-22		FY 2022-23	Budget to
	Actual	Budget	Projected	Budget	Budget Change (%)
Auto Allowance	\$ 15,347	\$ 14,500	\$ 17,500	\$ 21,750	50.0%
Insurance - Dental	63,873	76,000	75,000	73,817	-2.9%
Insurance - Vision	12,613	14,606	14,606	14,606	0.0%
Insurance - Health	931,305	1,151,301	1,119,384	1,135,576	-1.4%
Insurance - Life and Disability	45,323	46,779	47,858	50,481	7.9%
Insurance - Worker's Comp	113,050	152,881	152,881	167,266	9.4%
Longevity/Performance Bonus	26,644	26,921	26,921	26,921	0.0%
FICA - Employer's share	427,652	480,601	460,000	478,138	-0.5%
CalPERS Annual Contribution	589,378	652,526	620,000	688,148	5.5%
CalPERS Unfunded Liability Payment	965,469	1,112,995	1,112,995	1,285,994	15.5%
Pension/OPEB Liability Trust Payment	500,000	500,000	500,000	500,000	0.0%
Employer's share (401 & 457)	51,451	54,187	48,882	95,095	75.5%
District Share of Retiree Medical Insurance	55,556	55,300	54,069	50,812	-8.1%
Merit Increase Bonus	-	20,000	-	20,000	0.0%
Uniforms & Boots	48,016	31,851	40,000	43,607	36.9%
Total	\$ 3,845,678	\$ 4,390,448	\$ 4,290,095	\$ 4,652,210	6.0%

Attachment D

Fiscal Year 2022-23 Debt Service Schedule

Fiscal Year 2022-23 Debt Service Schedule

Year Ending June 30	Red Mountain State Revolving Fund Loan		Wastewater Revenue Refunding Bonds		QECB* Loan		SMRCUP State Revolving Funds**		District Annual Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
	2022	308,589	87,261	1,110,000	619,884	366,104	155,208	-	
2023	316,573	79,278	1,115,000	616,022	387,783	133,884	-	1,081,968	\$ 3,730,508
2024	324,764	71,087	1,120,000	610,746	410,388	111,302	1,425,825	1,081,968	\$ 5,156,079
2025	333,166	62,685	1,130,000	603,575	433,953	87,409	1,452,916	1,054,878	\$ 5,158,581
2026	341,786	54,065	1,145,000	584,934	458,515	62,150	1,480,521	1,027,272	\$ 5,154,242
2027	350,628	45,222	1,185,000	546,700	484,114	35,465	1,508,651	999,142	\$ 5,154,923
2028	359,700	36,151	1,230,000	498,400	254,219	7,296	1,537,315	970,478	\$ 4,893,559
2029	369,006	26,845	1,280,000	448,200	-	-	1,566,524	941,269	\$ 4,631,844
2030	378,553	17,298	1,335,000	395,900	-	-	1,596,288	911,505	\$ 4,634,544
2031	388,347	7,503	1,390,000	341,400	-	-	1,626,618	881,176	\$ 4,635,044
2032	-	-	1,445,000	284,700	-	-	1,657,523	850,270	\$ 4,237,493
2033	-	-	1,505,000	225,700	-	-	1,689,016	818,777	\$ 4,238,493
2034	-	-	1,565,000	164,300	-	-	1,721,108	786,686	\$ 4,237,093
2035	-	-	1,630,000	100,400	-	-	1,753,809	753,984	\$ 4,238,193
2036	-	-	1,695,000	33,900	-	-	1,787,131	720,662	\$ 4,236,693
2037	-	-	-	-	-	-	1,821,087	686,707	\$ 2,507,793
2038	-	-	-	-	-	-	1,855,687	652,106	\$ 2,507,793
2039	-	-	-	-	-	-	1,890,945	616,848	\$ 2,507,793
2040	-	-	-	-	-	-	1,926,873	580,920	\$ 2,507,793
2041	-	-	-	-	-	-	1,963,484	544,309	\$ 2,507,793
2042	-	-	-	-	-	-	2,000,790	507,003	\$ 2,507,793
2043	-	-	-	-	-	-	2,038,805	468,988	\$ 2,507,793
2044	-	-	-	-	-	-	2,077,542	430,251	\$ 2,507,793
2045	-	-	-	-	-	-	2,117,016	390,778	\$ 2,507,793
2046	-	-	-	-	-	-	2,157,239	350,554	\$ 2,507,793
2047	-	-	-	-	-	-	2,198,226	309,567	\$ 2,507,793
2048	-	-	-	-	-	-	2,239,993	267,800	\$ 2,507,793
2049	-	-	-	-	-	-	2,282,553	225,241	\$ 2,507,793
2050	-	-	-	-	-	-	2,325,921	181,872	\$ 2,507,793
2051	-	-	-	-	-	-	2,370,114	137,680	\$ 2,507,793
2052	-	-	-	-	-	-	2,415,146	92,647	\$ 2,507,793

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

**Debt service based upon approved loan amount and interest rate. Actual debt service will be calculated once the SMRCUP is completed.

Debt Service Budget Summary

Debt Issuance	Service			
	Water	Wastewater	Recycled Water	Total Debt Service
2018 SRF Loan*	\$ 1,081,968	\$ -	\$ -	\$ 1,081,968
2011 SRF Loan	395,851	-	-	395,851
2021 WWRRB**	-	1,211,715	519,307	1,731,022
2010 QECB	-	521,667	-	521,667
Total	\$ 1,477,819	\$ 1,733,382	\$ 519,307	\$ 3,730,508

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

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

Attachment E

Summary of Significant Percent Changes by Budget Category

FY 2022-23 Operating Budget Justifications (+/- 5%)

Administration

- 1-1** Increased budget based on actual costs from County for tax analysis
- 1-2** Decreased budget for 100th anniversary expenses charged previous FY
- 1-3** Decreased budget to align with projections for memberships/training/permits
- 1-4** Increased budget based on court adopted Watermaster budget
- 1-5** Increased budget due to Salary Survey Increases and COLA
- 1-6** Increased budget for anticipated price increases
- 1-7** Increased budget for additional equipment necessary for Customer Service
- 1-8** Decreased budget due to elimination of FedEx charges
- 1-9** Increased budget for final rate study payment, expected to end in Fall 2022
- 1-10** Increased budget due to additional building service agreement contracts and increases to existing service contracts
- 1-11** Increased budget due to inflation and raw material costs
- 1-12** Decreased budget due to salary survey in previous Fiscal Year
- 1-13** Increased budget for additional FTE's utilizing Education Funding
- 1-14** Increased budget for IT Master Plan
- 1-15** Increased budget due to Salary Survey Increase and COLA
- 1-16** Increased budget due to safety gap analysis training requirements
- 1-17** Increased budget due to safety gap analysis equipment requirements
- 1-18** Increased budget due to Property Insurance for the SMGTP
- 1-19** Increased budget due to additional risk management memberships and safety publications
- 1-20** Increased budget due to Salary Survey Increase and COLA
- 1-21** Increased budget due to services used by Fleet
- 1-22** Increased budget due to rising gasoline/diesel prices

Water Services

- 2-1** Increased budget due to more labor hours budgeted this FY for full year of SMGTP
- 2-2** Increased budget due to more chemicals and lab supplies for SMGTP operations
- 2-3** Decreased budget due to Permit fees moved to Production and Distribution Division
- 2-4** Decreased budget due to reduced power based on projected deliveries
- 2-5** Decreased budget due to reduction in temporary labor
- 2-6** Increased budget due to Permit fees that were moved from Treatment
- 2-7** Decreased budget due to a reduction in power to move SMGTP water
- 2-8** Increased budget due to fire hydrant repair costs
- 2-9** Decreased budget to align with projections for System Materials
- 2-10** Increased budget due to Salary Survey Increase and COLA; Allocated labor hours to Meter Services
- 2-11** Increased budget to fund additional paving projects
- 2-12** Decreased budget to align with projections for stores inventory

Wastewater Services

- 3-1** Increased budget due to Salary Survey Increase and COLA
- 3-2** Increased budget for SCADA contracts and SCADA Integrations

- 3-3** Increased budget due to Anthony's Corner Lift Station staying online and an increase in material costs
- 3-4** Increased budget due to power consumption at Anthony's Corner Lift Station
- 3-5** Increased budget due to Salary Survey Increase/COLA; More hours allocated to Treatment
- 3-6** Decreased budget to align with projections for contract services
- 3-7** Decreased budget to align with projections for small equipment & tools
- 3-8** Decreased budget due to District energy savings from TESLA battery coming online

Recycled Water Services

- 4-1** Increased budget for SCADA related services for the Recycled Water treatment system
- 4-2** Increased budget due to price increases for chemicals and lab supplies
- 4-3** Decreased budget due to District energy savings from TESLA battery coming online
- 4-4** Decreased budget due to allocating less time to distribution to budget in line with actuals
- 4-5** Increased budget for general supplies for Recycled Electrical/Maintenance

Community Benefit Program

- 5-1** Added budget for Community Benefit Program

M E M O

TO: Fiscal Policy and Insurance (FP&I) Committee
FROM: David Shank, Assistant General Manager/CFO
DATE: April 25, 2022
SUBJECT: District's Billing Structure and Collateral for Services Provided

Purpose

There have been a few recent incidences where a prior owner has had an outstanding bill that was not paid prior to the sale of the home. Per the District's policy, the past due amounts are transferred to the new owner of the property after 90 days. As a result, some customers have been bringing the issue to the Board and requesting an adjustment. Often this issue is associated with the sale/purchase of a distressed property (i.e. Bankruptcy).

Summary

The District's services are secured by the individual parcel/property and not by the individual paying the bill. This streamlined and highly effective approach has both good and bad elements and is only available to a limited number of entities. Staff surveyed local water providers and found that Rainbow Municipal Water District, Valley Center Municipal Water District, Vallecitos Water District, Olivenhain Municipal Water District and Vista Irrigation District all secure bills with the property.

The benefits of this approach are significant. First, it allows the District a degree of flexibility with regards to payment plans and how aggressive staff must be with water shut offs. Given the lengthy legal process for residential shutoffs, a significant amount of funds can be accrued before a meter can be shut off. The collection of these funds is certain under the current structure but will be subject to the willingness of a customer to pay if credit is extended to the individual.

The District also participates in the County's Teeter Program for collection. This program allows the District to process a lien on the property for past due balances. The County then bills the customer for the lien on the property tax bill and at the end of the year the County pays the District any unpaid balances. The County then pursues collections without any District involvement.

The occasion where a past due balance is applied to a new owner is infrequent but raises a real equity issue. In most instances, this situation is avoided by the District's customer service team's proactive communication with new owners. New owners are advised when they call to open/transfer an account that any outstanding balances will transfer to their account. This typically results in communication between the seller and buyer to close the account and pay balances prior to the transfer of ownership.

Changing the security of the bill would require credit checks and the collection of deposits. It would also involve collection agencies and an increase in the District's bad debt expenses. This cost would be borne by other ratepayers. In addition, this change could trigger a change in the District's credit rating depending on how the rating agencies look at the District's bad debt exposure.

Recommended Action

This item is for discussion only. No action is required.

FALLBROOK PUBLIC UTILITY DISTRICT

Investment Performance Review For the Quarter Ended March 31, 2022

Client Management Team

Sarah Meacham, Managing Director
Richard Babbe, CCM, Senior Managing Consultant

PFM Asset Management LLC

633 W 5th St., 25th Floor
Los Angeles, CA 90071
213-415-1699

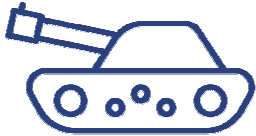
213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Market Update

Current Market Themes



- ▶ Invasion of Ukraine impacted the economic landscape
 - ▶ Commodity prices soared, especially energy
 - ▶ Created significant geopolitical uncertainty
 - ▶ Triggered market volatility



- ▶ The U.S. economy is characterized by:
 - ▶ A strong labor market
 - ▶ Inflation at a 40-year high
 - ▶ Depressed consumer confidence



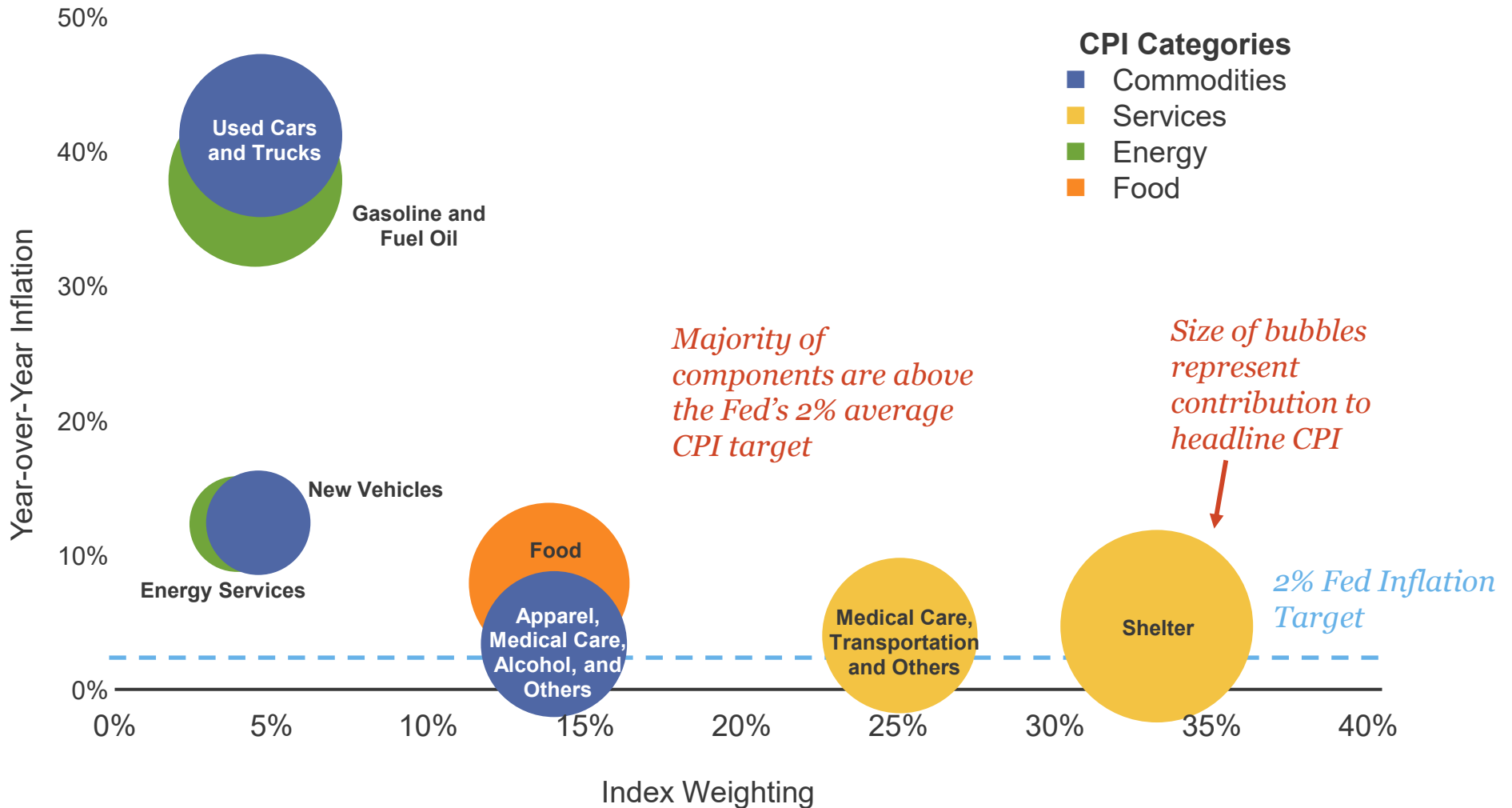
- ▶ The Federal Reserve is tightening monetary policy
 - ▶ Initiated the first of what will be many rate hikes in 2022
 - ▶ Balance sheet reduction likely to start soon



- ▶ U.S. Treasury yield curve has partially inverted
 - ▶ Yield on 2-year Treasury notes rose above the 10-year Treasury
 - ▶ One early, but imperfect warning sign for a future recession

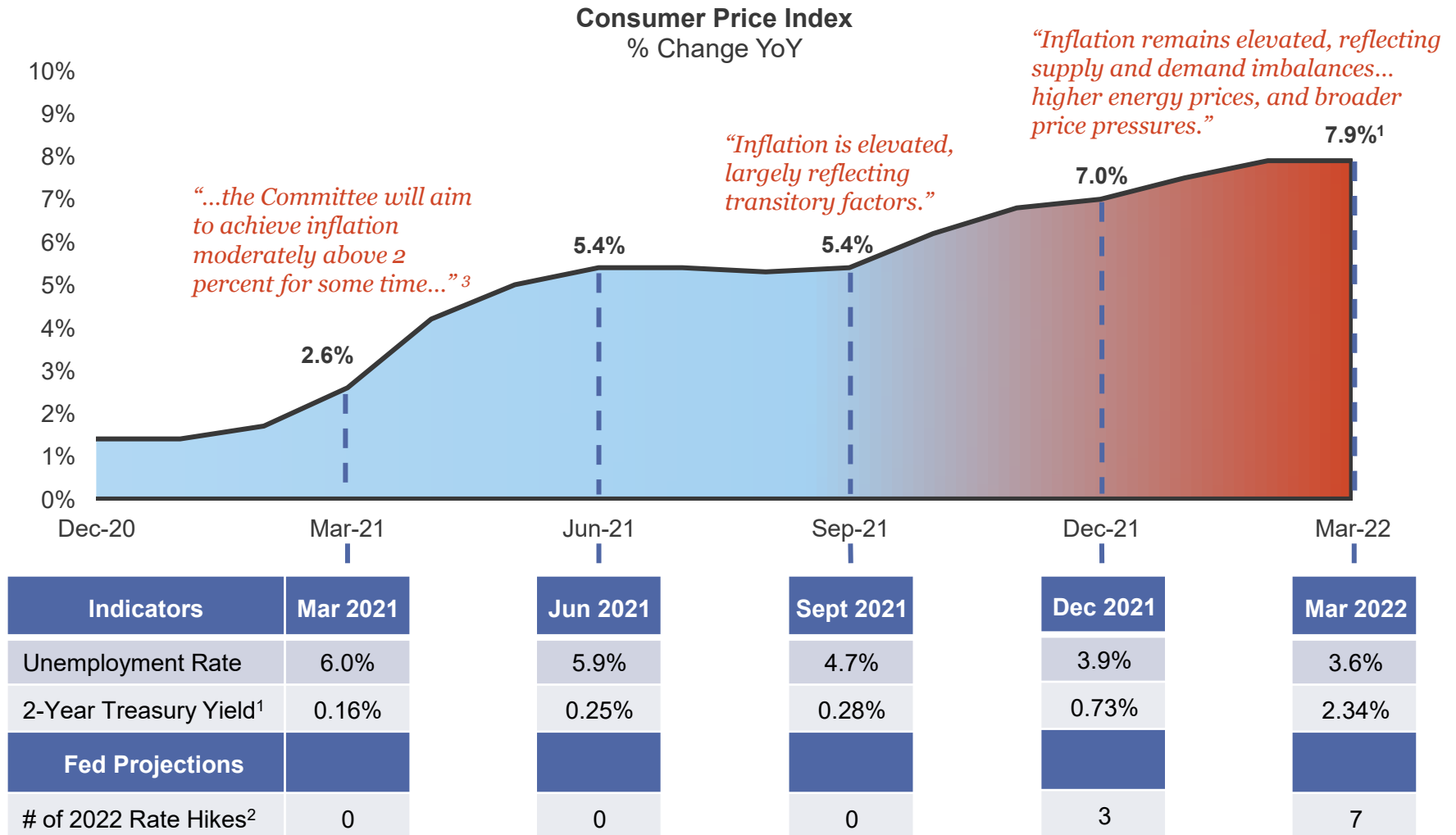
Inflation is Prevalent Throughout the Economy

CPI Components



Source: BLS. Gov, data as of February 2022.

Federal Reserve Policy Has Lagged Surging Inflation



Source: Bloomberg, data as of 4/01/2022.

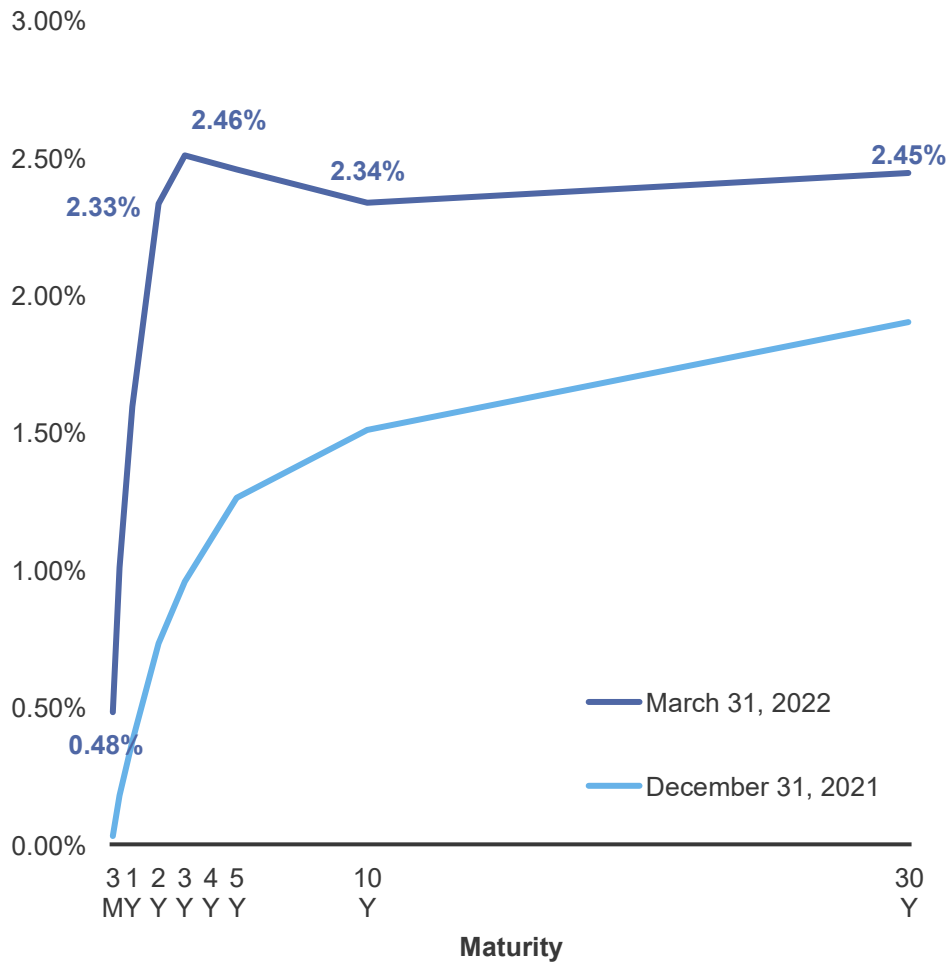
1. March’s CPI is assumed to remain unchanged from February’s CPI reading of 7.9%; Treasury yields are as of month-end.

2. Calculated using the 2022 median Federal Funds rate from the FOMC Summary of Economic Projections. Assumes 0.25% rate hikes.

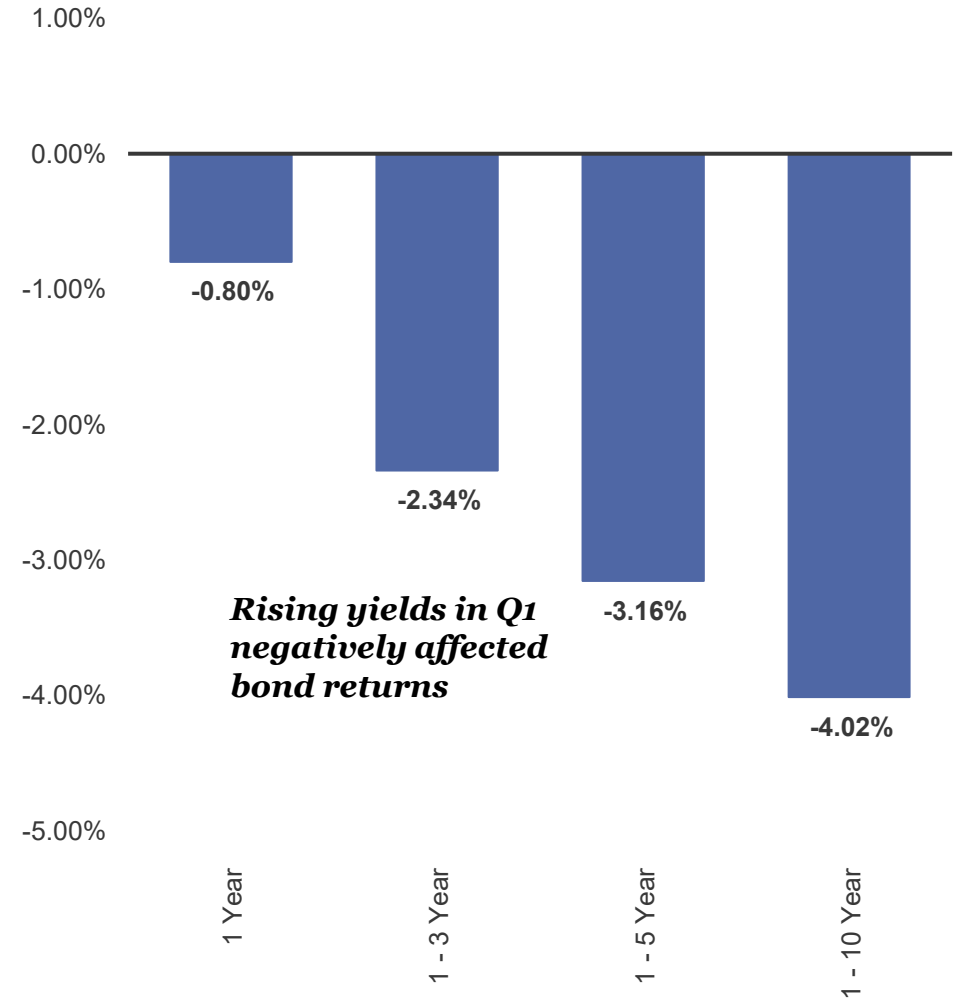
3. Quotes are sourced directly from FOMC press release statements.

Treasury Yield Curve Partially Inverted; Sharp Rise in Yields Has Negatively Impacted Returns

U.S. Treasury Yield Curve



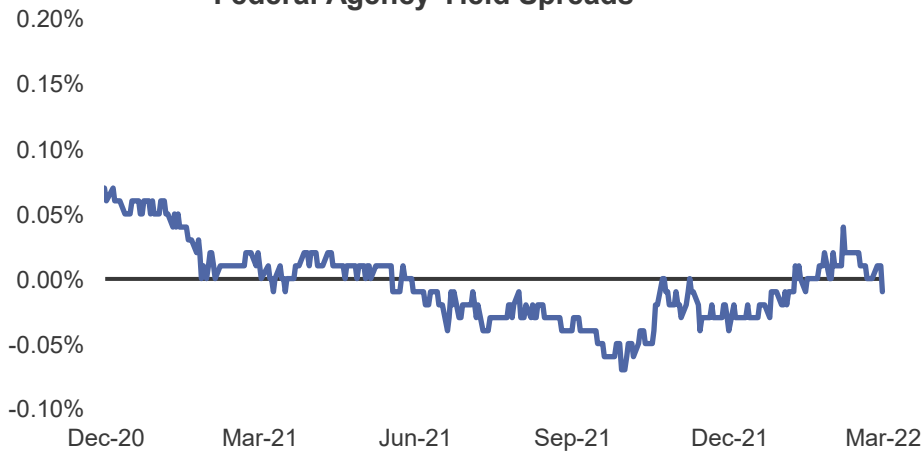
U.S. Treasury Returns – Q1 2022



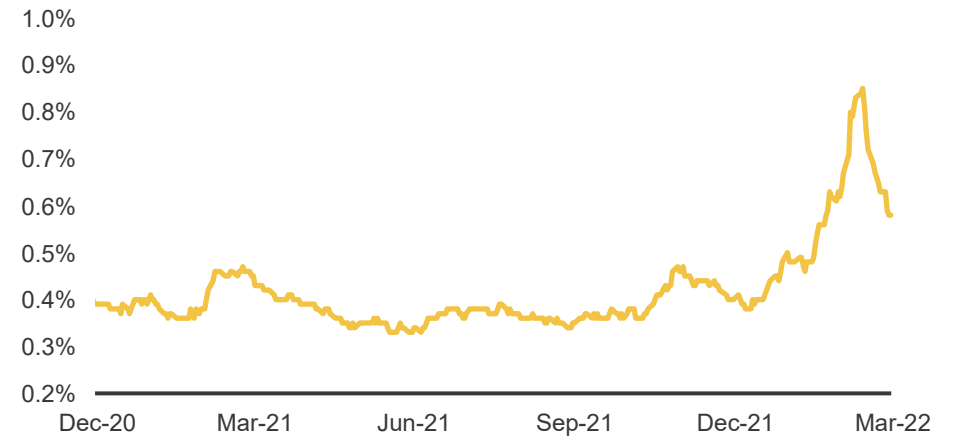
Source: Bloomberg, as of 3/31/2022.

Sector Yield Spreads Have Widened in Q1 2022

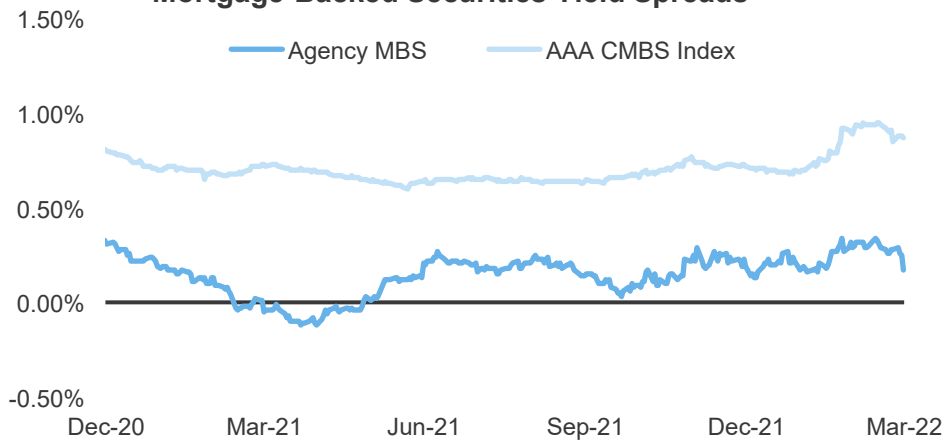
Federal Agency Yield Spreads



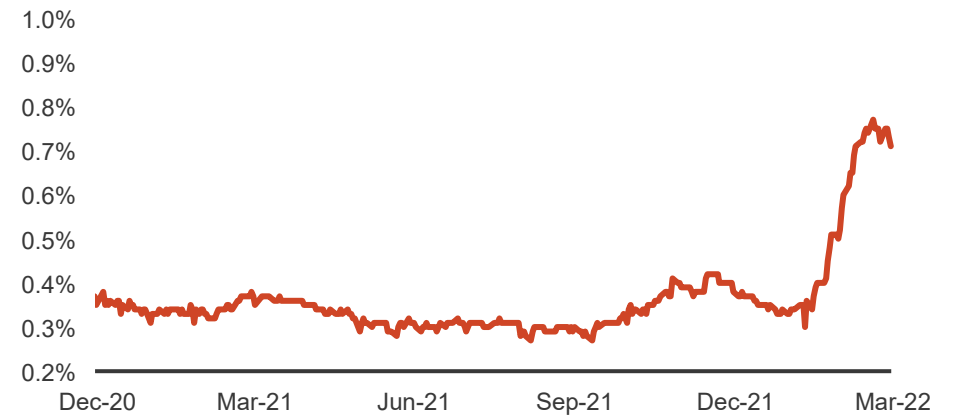
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



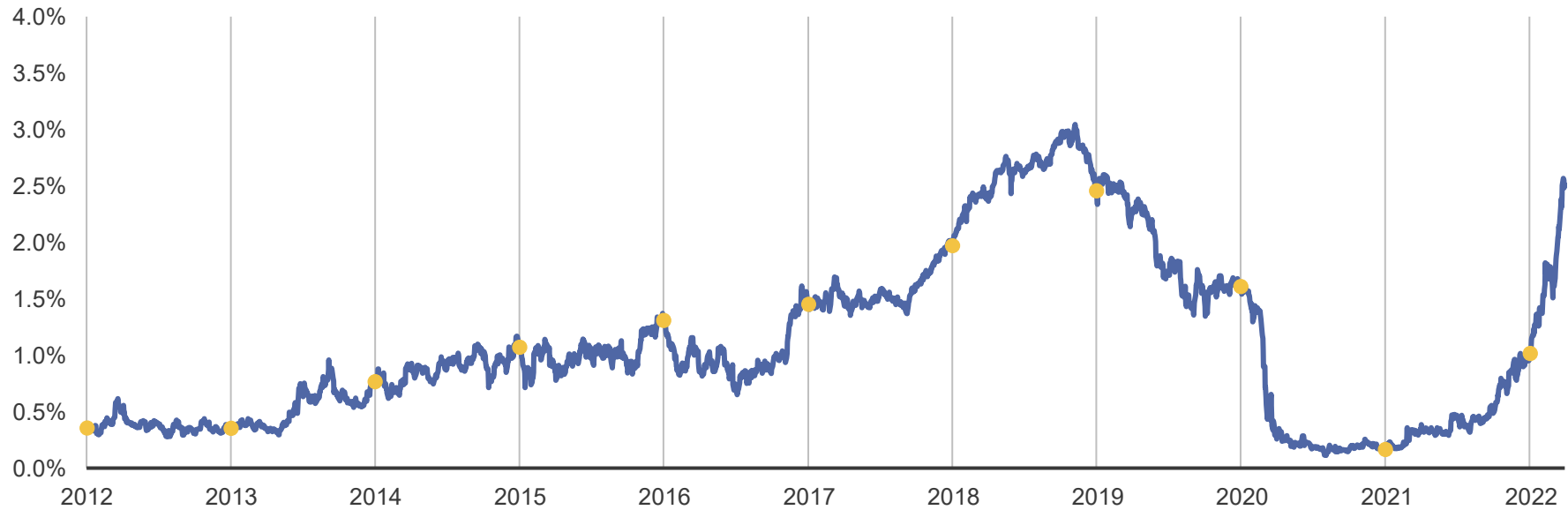
Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFM as of 3/31/2022. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Performance Has Historically Suffered as the Fed Raised Rates

3-Year Treasury Yield



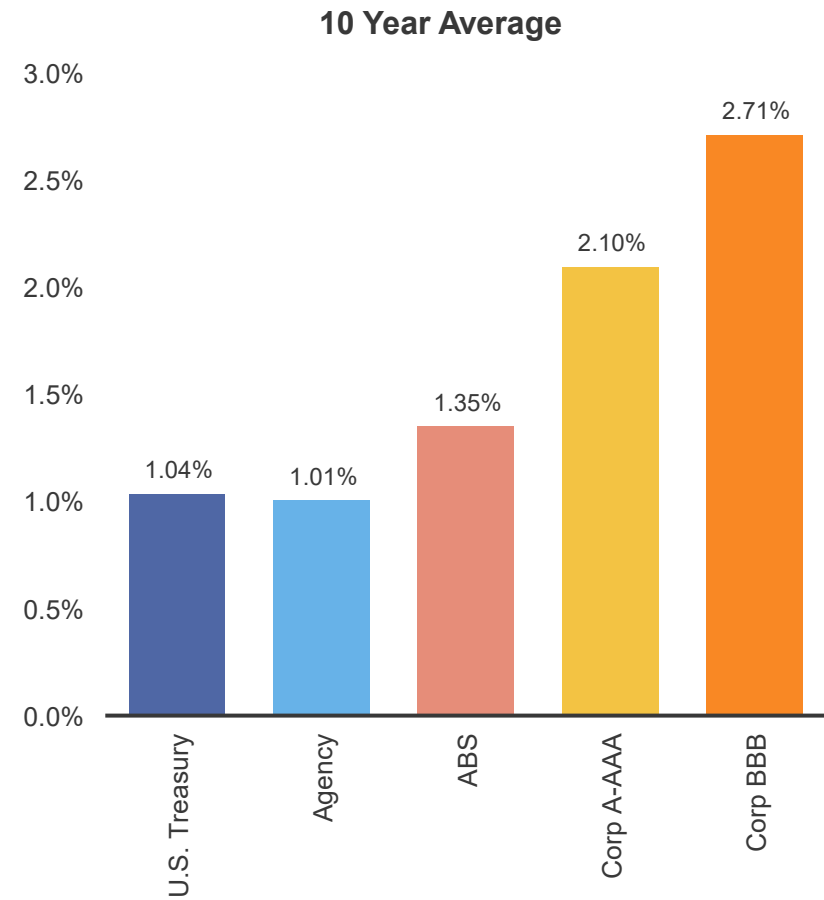
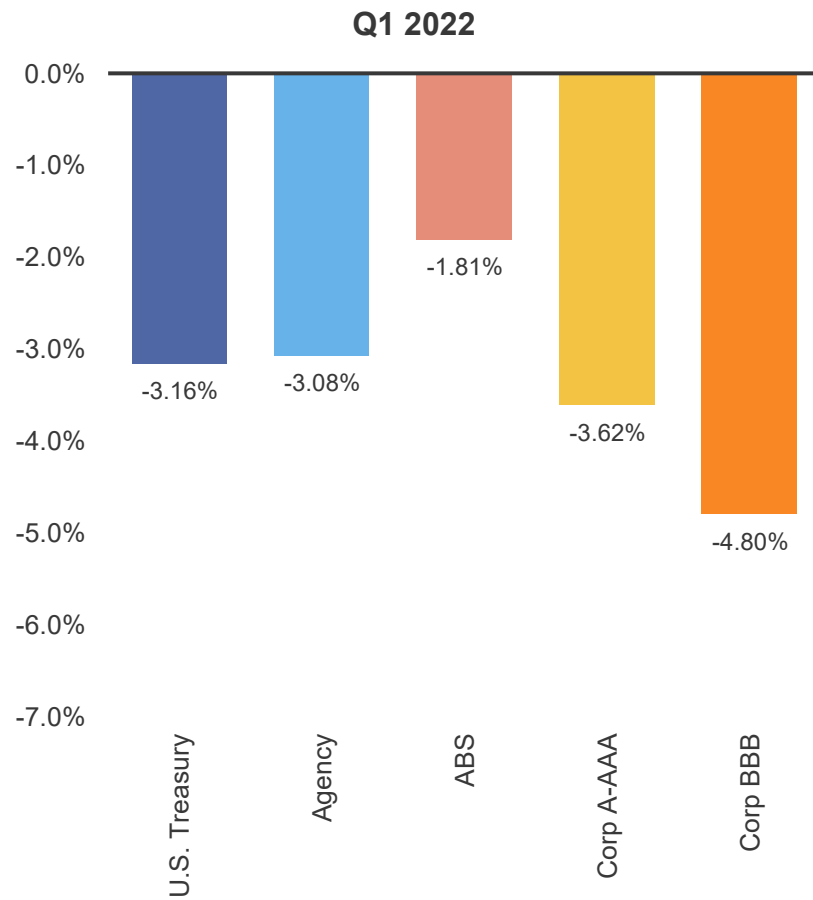
Annual Returns of the ICE BofAML 1-5 Year Treasury Index

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
0.91%	-0.19%	1.24%	0.98%	1.09%	0.65%	1.52%	4.20%	4.25%	-1.10%	-3.16%

Source (graph): Bloomberg, data as of 3/31/2022. Source (table): ICE BofAML Indices, data as of 3/31/2022.

Rising Rates and Wider Spreads Hurt Fixed-Income Returns in Q1

1-5 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 3/31/2022.

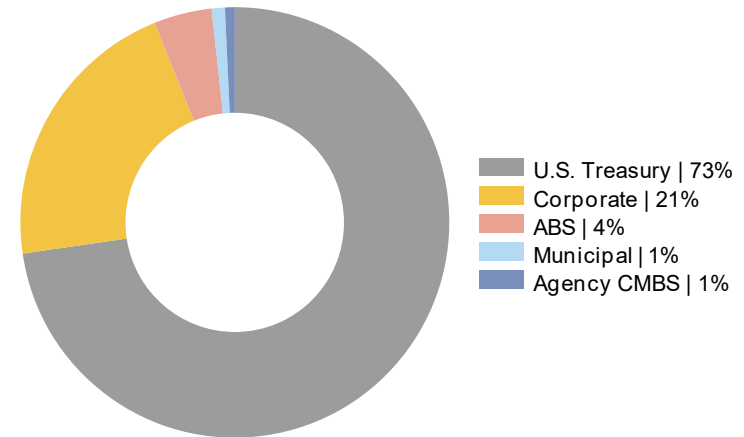
Account Summary

Consolidated Summary

Account Summary

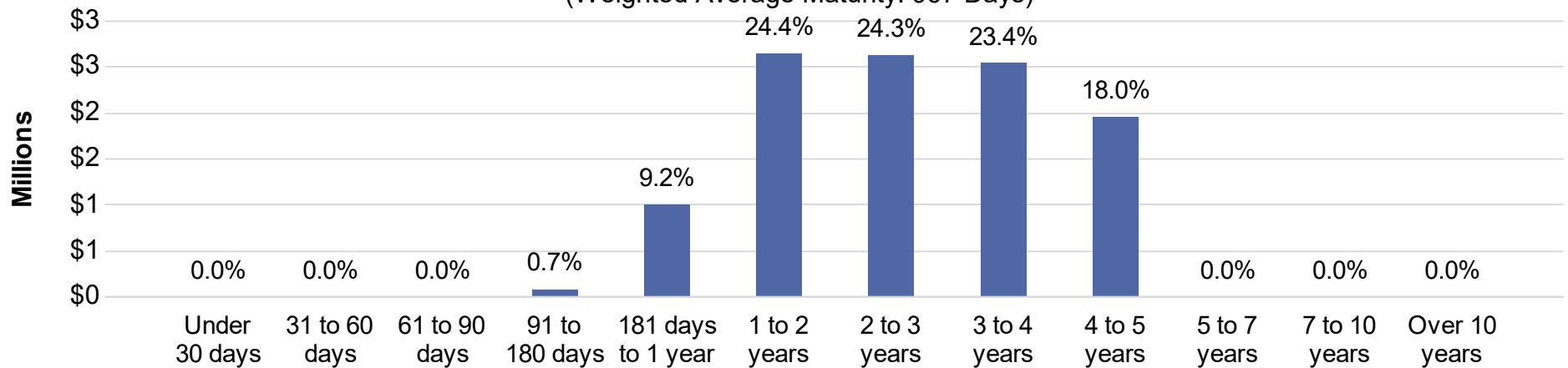
PFMAM Managed Account	\$10,893,198
Total Program	\$10,893,198

Sector Allocation



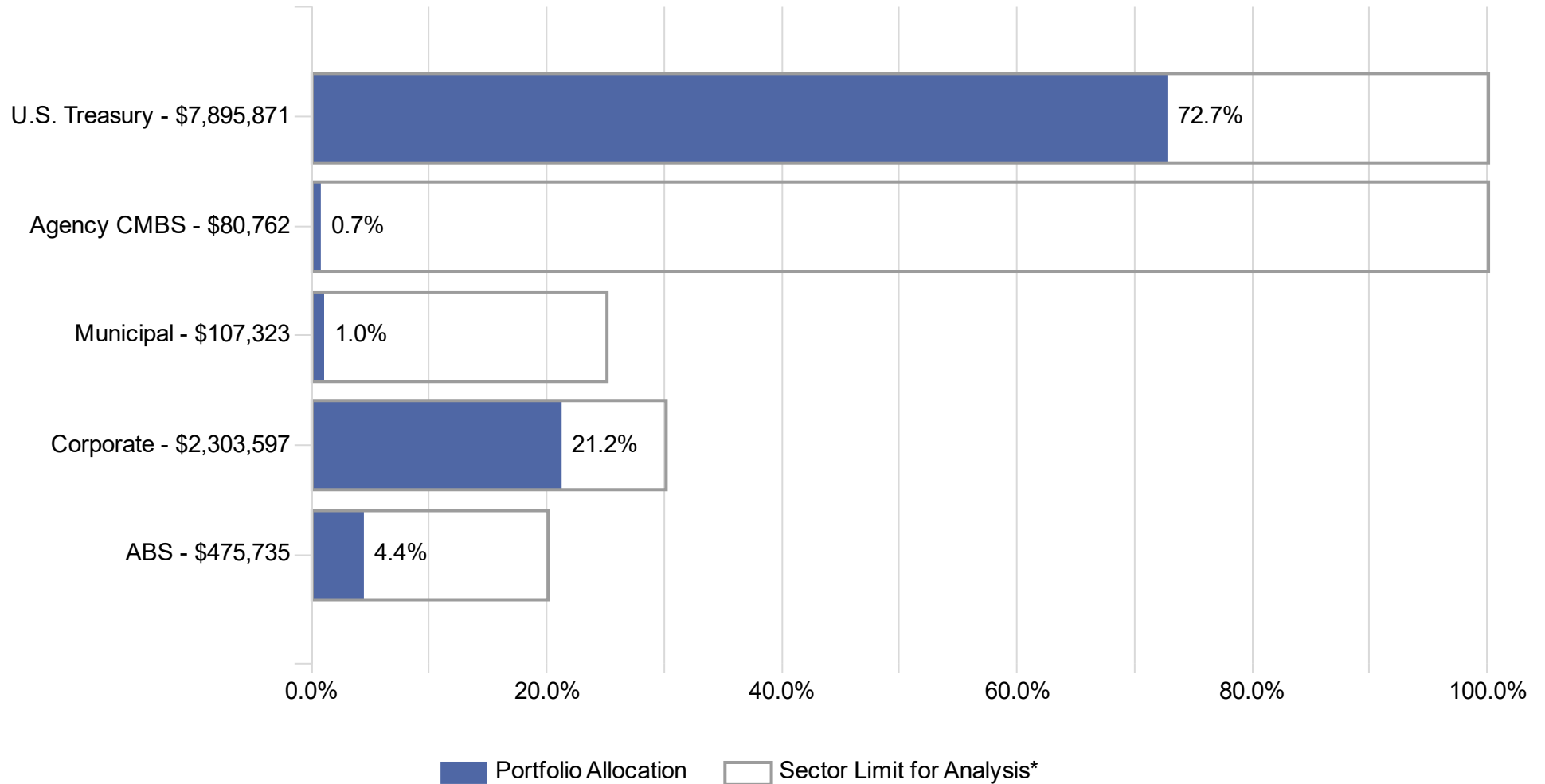
Maturity Distribution

(Weighted Average Maturity: 967 Days)



1. Account summary includes market values, accrued interest, cash and cash equivalents. Sector allocation and the maturity distribution include market values and accrued interest.

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest excludes money market fund (cash) balances.

*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Certificate of Compliance

During the reporting period for the quarter ended March 31, 2022, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

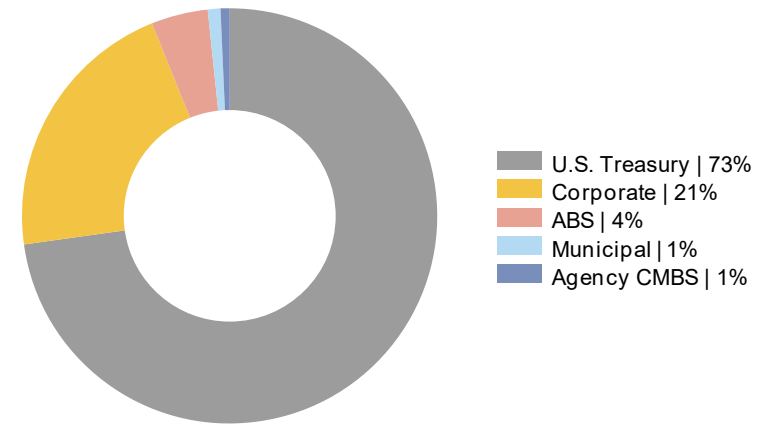
Portfolio Review

Portfolio Snapshot¹

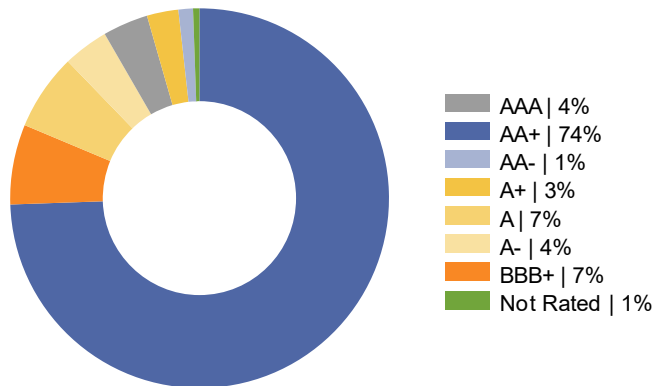
Portfolio Statistics

Total Market Value	\$10,893,198.47
<i>Securities Sub-Total</i>	\$10,836,649.23
<i>Accrued Interest</i>	\$26,637.39
<i>Cash</i>	\$29,911.85
Portfolio Effective Duration	2.50 years
Benchmark Effective Duration	2.55 years
Yield At Cost	1.30%
Yield At Market	2.38%
Portfolio Credit Quality	AA

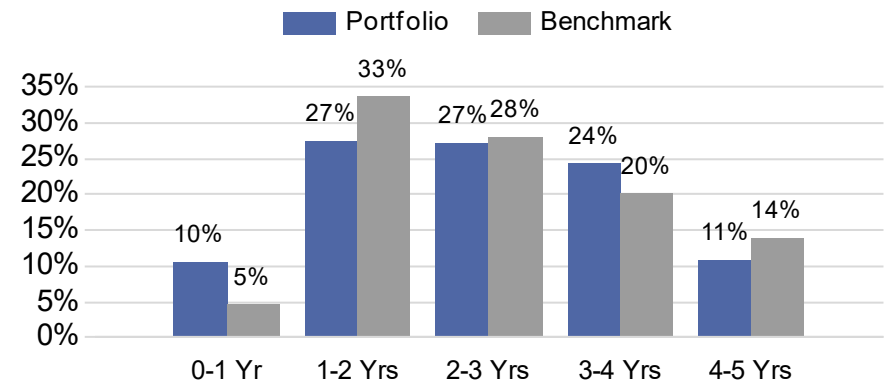
Sector Allocation



Credit Quality - S&P

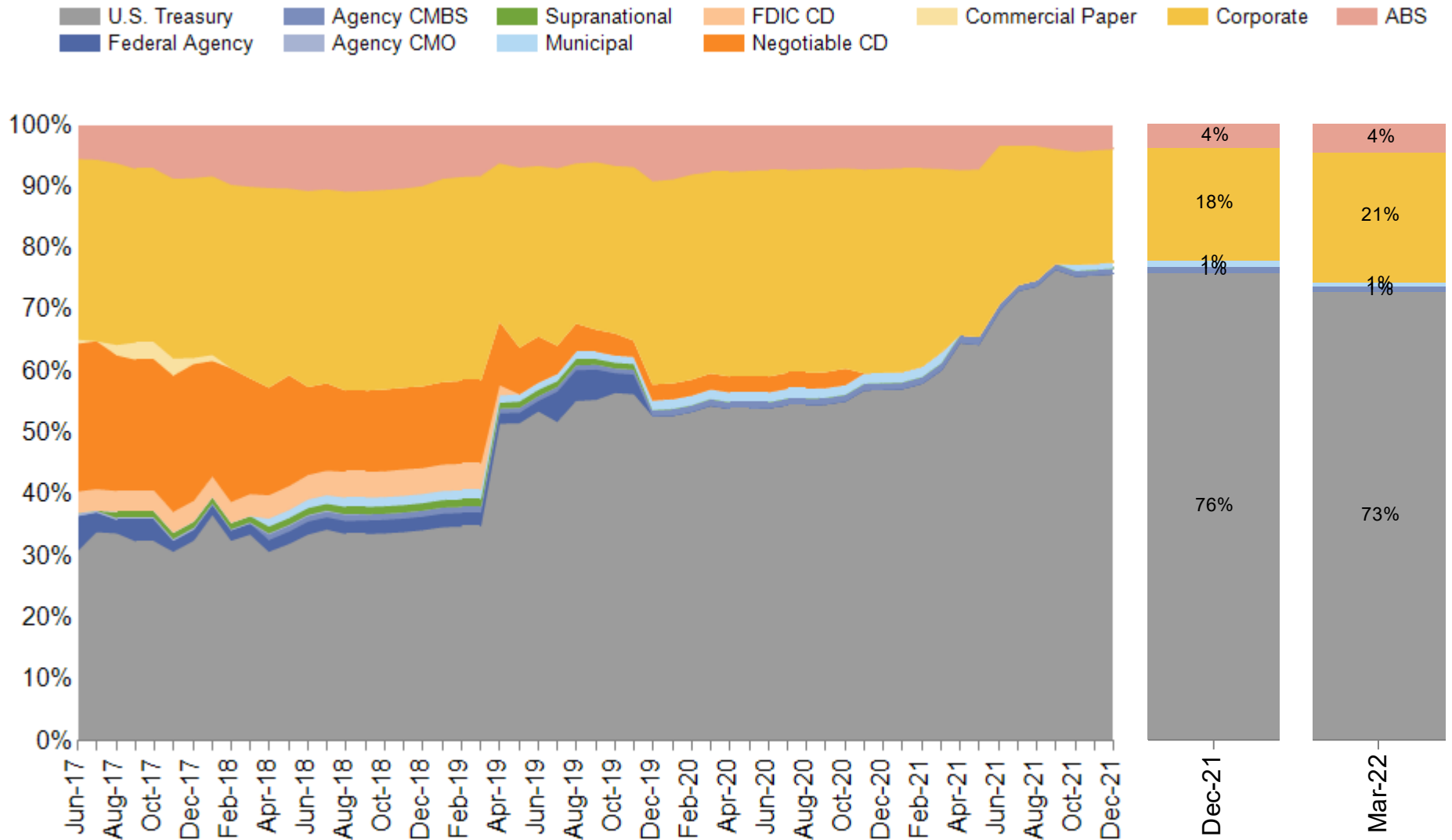


Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interests. The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Government/Corp A or Better, U.S. issuers only Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

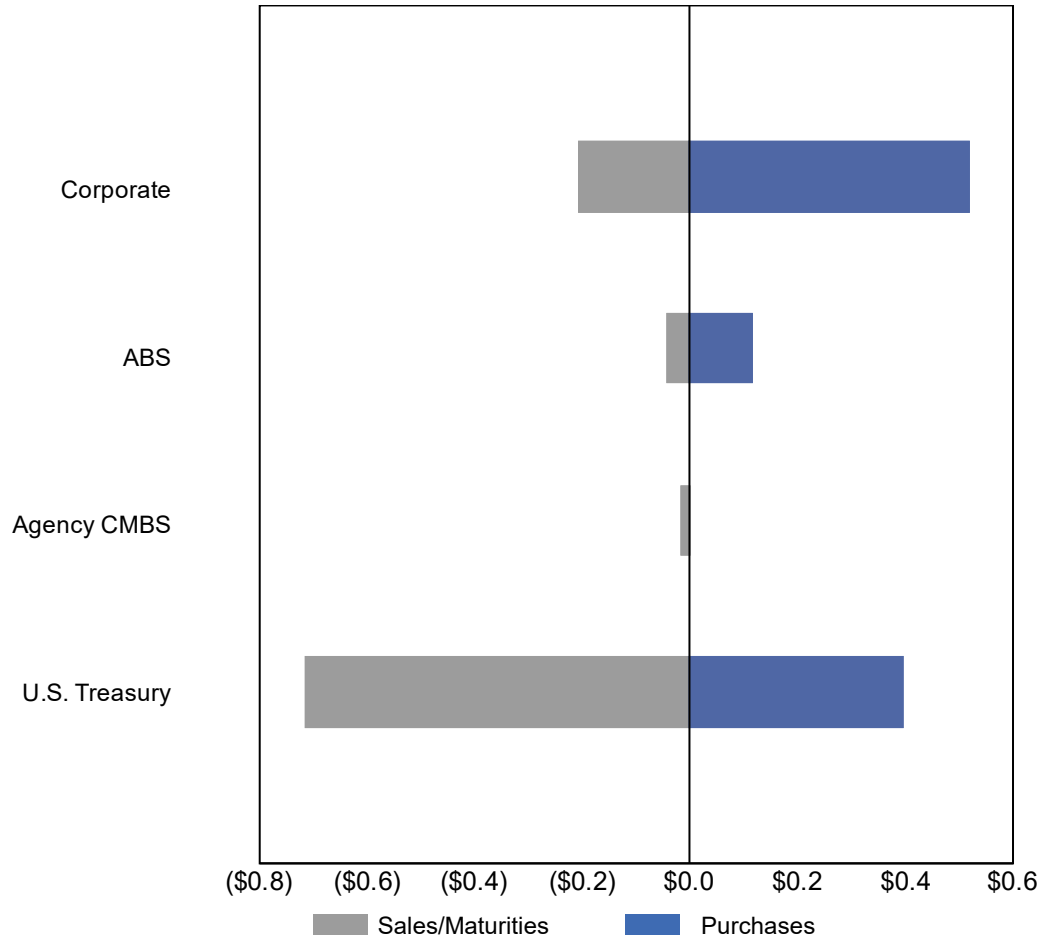
Historical Sector Allocation



Only includes investments held within the separately managed account(s), excludes cash held in funds not managed by PFMAM.

Portfolio Activity

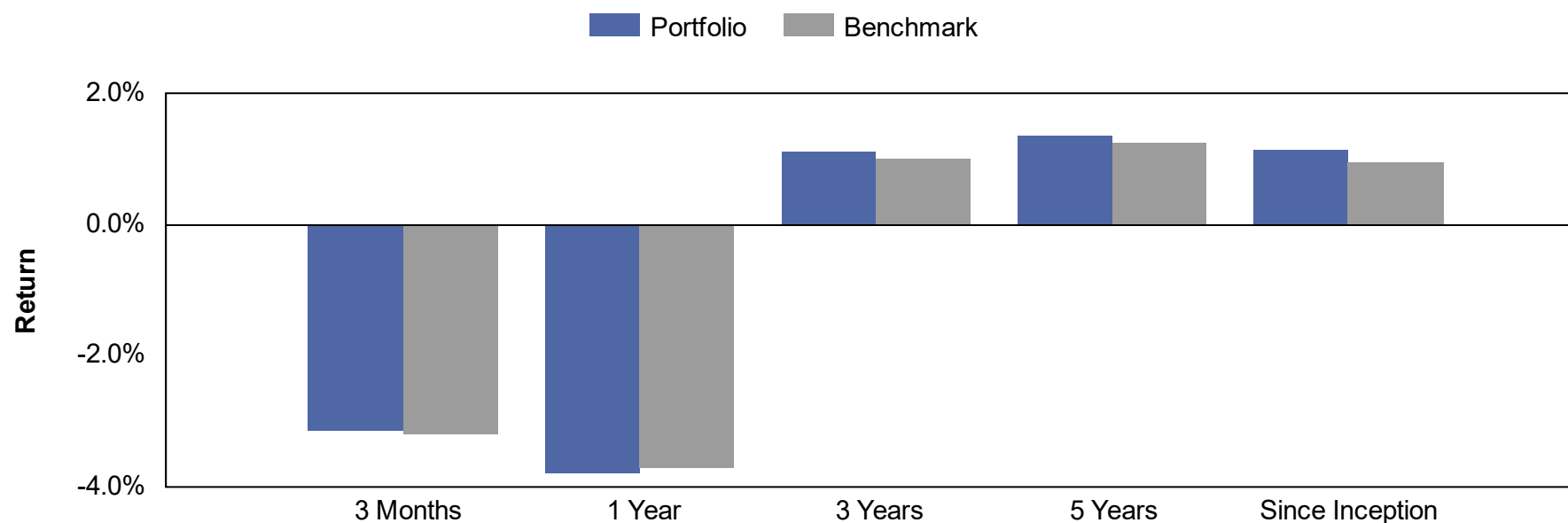
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Corporate	\$315,736
ABS	\$73,224
Agency CMBS	(\$13,657)
U.S. Treasury	(\$318,622)
Total Net Activity	\$56,681

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$34,386	\$158,492	\$683,620	\$1,240,010	\$1,422,399
Change in Market Value	(\$387,982)	(\$585,606)	(\$204,139)	(\$338,183)	(\$555,118)
Total Dollar Return	(\$353,596)	(\$427,114)	\$479,481	\$901,827	\$867,281
Total Return³					
Portfolio	-3.14%	-3.77%	1.10%	1.36%	1.14%
Benchmark ⁴	-3.20%	-3.70%	0.99%	1.25%	0.95%
Difference	0.06%	-0.07%	0.11%	0.11%	0.18%

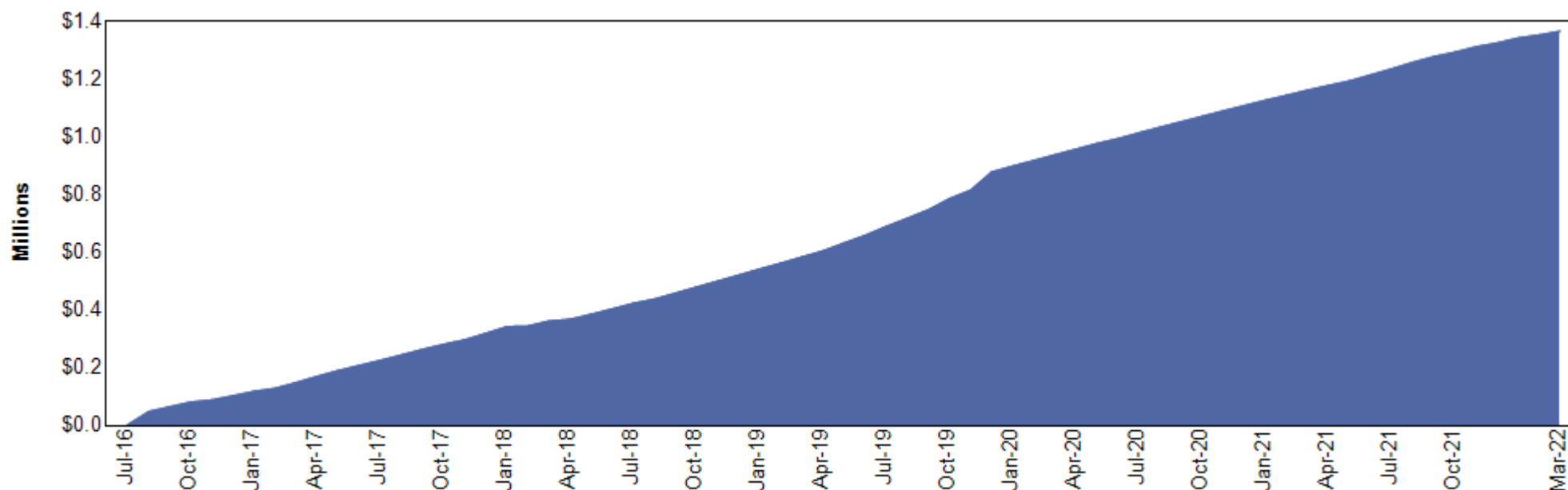
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is June 30, 2016.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Government/Corp A or Better, U.S. issuers only Index. Source: Bloomberg.

Accrual Basis Earnings



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$34,386	\$158,492	\$683,620	\$1,240,010	\$1,422,399
Realized Gains / (Losses) ³	\$5,078	\$40,907	\$98,308	\$14,976	\$21,804
Change in Amortized Cost	\$1,362	\$4,897	\$257	(\$37,896)	(\$78,760)
Total Earnings	\$40,825	\$204,296	\$782,184	\$1,217,090	\$1,365,443

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2016.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

Fixed-Income Sector Outlook – 2Q 2022

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	



Issuer Distribution

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	72.7%	
UNITED STATES TREASURY	72.7%	AA / Aaa / AAA
Agency CMBS	0.7%	
FREDDIE MAC	0.7%	AA / Aaa / AAA
Municipal	1.0%	
NEW YORK ST URBAN DEVELOPMENT CORP	1.0%	AA / NR / AA
Corporate	21.2%	
ABBOTT LABORATORIES	1.3%	AA / A / NR
AMERICAN EXPRESS CO	0.9%	BBB / A / A
AMERICAN HONDA FINANCE	0.7%	A / A / A
ASTRAZENECA PLC	0.9%	A / A / NR
CATERPILLAR INC	0.9%	A / A / A
CHARLES SCHWAB	1.4%	A / A / A
CITIGROUP INC	1.4%	BBB / A / A
DEERE & COMPANY	0.7%	A / A / A
GOLDMAN SACHS GROUP INC	0.8%	BBB / A / A
HOME DEPOT INC	0.1%	A / A / A
HONEYWELL INTERNATIONAL	0.6%	A / A / A
IBM CORP	0.7%	A / A / NR
MORGAN STANLEY	2.4%	BBB / A / A
PNC FINANCIAL SERVICES GROUP	0.9%	A / A / A
TARGET CORP	0.6%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	2.3%	A / A / AA
THE WALT DISNEY CORPORATION	1.3%	BBB / A / A
TOYOTA MOTOR CORP	0.4%	A / A / A
TRUIST FIN CORP	0.7%	A / A / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	21.2%	
UNITEDHEALTH GROUP INC	0.9%	A / A / A
US BANCORP	1.3%	A / A / A
ABS	4.4%	
CAPITAL ONE FINANCIAL CORP	0.7%	AAA / Aaa / AAA
CARMAX AUTO OWNER TRUST	0.6%	AAA / Aaa / NR
DISCOVER FINANCIAL SERVICES	0.6%	AAA / Aaa / NR
FORD CREDIT AUTO OWNER TRUST	0.4%	AAA / NR / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.6%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.2%	AAA / NR / AAA
HONDA AUTO RECEIVABLES	0.5%	NR / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.5%	AAA / NR / AAA
JOHN DEERE OWNER TRUST	0.1%	NR / Aaa / AAA
WORLD OMNI AUTO REC TRUST	0.3%	AAA / NR / AAA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/3/2022	1/5/2022	180,000.00	9128286R6	US TREASURY NOTES	2.25%	4/30/2024	186,412.62	0.87%	
1/3/2022	1/5/2022	100,000.00	91282CDQ1	US TREASURY N/B NOTES	1.25%	12/31/2026	99,548.52	1.35%	
1/11/2022	1/13/2022	25,000.00	24422EWA3	JOHN DEERE CAPITAL CORP CORPORATE NOTES	1.70%	1/11/2027	24,862.54	1.82%	
1/11/2022	1/19/2022	20,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	19,998.26	1.26%	
1/11/2022	1/13/2022	50,000.00	02665WEA5	AMERICAN HONDA FINANCE CORPORATE NOTES	1.50%	1/13/2025	49,960.50	1.53%	
1/19/2022	1/24/2022	15,000.00	87612EBM7	TARGET CORP CORPORATE NOTES	1.95%	1/15/2027	14,974.50	1.99%	
1/19/2022	1/24/2022	45,000.00	38141GZH0	GOLDMAN SACHS GROUP INC CORPORATE NOTES	1.75%	1/24/2025	45,000.00	1.76%	
1/19/2022	1/24/2022	40,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	39,995.25	1.29%	
1/21/2022	1/25/2022	50,000.00	87612EBM7	TARGET CORP CORPORATE NOTES	1.95%	1/15/2027	50,112.21	1.90%	
1/26/2022	1/28/2022	100,000.00	06406RBA4	BANK OF NY MELLON CORP (CALLABLE) CORPOR	2.05%	1/26/2027	100,132.39	2.02%	
2/15/2022	2/17/2022	115,000.00	91282CCF6	US TREASURY N/B NOTES	0.75%	5/31/2026	109,500.08	1.96%	
2/23/2022	2/25/2022	80,000.00	459200KM2	IBM CORP CORPORATE NOTES	2.20%	2/9/2027	79,091.02	2.47%	
3/1/2022	3/3/2022	70,000.00	438516CE4	HONEYWELL INTERNATIONAL (CALLABLE) CORP	1.10%	3/1/2027	66,733.88	2.09%	
3/9/2022	3/16/2022	55,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	54,997.88	2.22%	
3/10/2022	3/14/2022	85,000.00	89788MAD4	TRUIST FINANCIAL CORP NOTES (CALLABLE)	1.26%	3/2/2027	79,901.90	2.57%	
3/24/2022	3/28/2022	10,000.00	437076CM2	HOME DEPOT INC (CALLABLE) CORPORATE NOTE	2.70%	4/15/2025	9,982.50	2.76%	
Total BUY		1,040,000.00					1,031,204.05		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/1/2022	1/25/2022	94,061.72	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/2022	242.21		
1/3/2022	1/3/2022		MONEY0002	MONEY MARKET FUND			0.27		
1/15/2022	1/15/2022	13,010.70	477870AC3	JDOT 2019-B A3	2.21%	12/15/2023	23.96		
1/15/2022	1/15/2022	13,085.82	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	27.37		
1/15/2022	1/15/2022	35,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	23.63		
1/15/2022	1/15/2022	385,000.00	91282CCL3	US TREASURY N/B NOTES	0.37%	7/15/2024	721.88		
1/15/2022	1/15/2022	70,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/16/2026	91.00		
1/15/2022	1/15/2022	14,736.87	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	24.56		
1/15/2022	1/15/2022	65,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	29.79		
1/15/2022	1/15/2022	70,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	33.83		
1/16/2022	1/16/2022	20,627.66	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	37.47		
1/16/2022	1/16/2022	30,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	17.00		
1/20/2022	1/20/2022	25,000.00	36262XAD6	GMALT 2021-3 A4	0.50%	7/21/2025	10.42		
1/21/2022	1/21/2022	26,939.45	43815MAC0	HAROT 2019-2 A3	2.52%	6/21/2023	56.57		
1/21/2022	1/21/2022	35,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	25.67		
1/29/2022	1/29/2022	100,000.00	06406RAE7	BANK OF NY MELLON CORP NOTES (CALLABLE)	2.95%	1/29/2023	1,475.00		
1/30/2022	1/30/2022	145,000.00	91159HHX1	US BANCORP NOTES (CALLABLE)	2.40%	7/30/2024	1,740.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/31/2022	1/31/2022	300,000.00	91282CCN9	US TREASURY N/B NOTES	0.12%	7/31/2023	187.50		
1/31/2022	1/31/2022	200,000.00	912828Y87	US TREASURY NOTES	1.75%	7/31/2024	1,750.00		
1/31/2022	1/31/2022	500,000.00	91282CAB7	US TREASURY NOTES	0.25%	7/31/2025	625.00		
1/31/2022	1/31/2022	500,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	937.50		
2/1/2022	2/1/2022	145,000.00	808513AY1	CHARLES SCHWAB CORP NOTES	3.55%	2/1/2024	2,573.75		
2/1/2022	2/1/2022		MONEY0002	MONEY MARKET FUND			0.19		
2/1/2022	2/25/2022	88,578.33	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/2022	228.09		
2/11/2022	2/11/2022	150,000.00	06406RAJ6	BANK OF NY MELLON CORP CORP NOTES	3.45%	8/11/2023	2,587.50		
2/15/2022	2/15/2022	250,000.00	91282CCT6	US TREASURY N/B NOTES	0.37%	8/15/2024	468.75		
2/15/2022	2/15/2022	40,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	30.10		
2/15/2022	2/15/2022	11,420.23	477870AC3	JDOT 2019-B A3	2.21%	12/15/2023	21.03		
2/15/2022	2/15/2022	70,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	33.83		
2/15/2022	2/15/2022	11,282.32	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	23.60		
2/15/2022	2/15/2022	70,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/16/2026	60.67		
2/15/2022	2/15/2022	8,815.58	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	14.69		
2/15/2022	2/15/2022	65,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	29.79		
2/15/2022	2/15/2022	35,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	23.63		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/16/2022	2/16/2022	20,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	18.90		
2/16/2022	2/16/2022	18,425.07	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	33.47		
2/16/2022	2/16/2022	30,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	17.00		
2/20/2022	2/20/2022	25,000.00	36262XAD6	GMALT 2021-3 A4	0.50%	7/21/2025	10.42		
2/21/2022	2/21/2022	35,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	25.67		
2/21/2022	2/21/2022	23,278.70	43815MAC0	HAROT 2019-2 A3	2.52%	6/21/2023	48.89		
2/22/2022	2/22/2022	100,000.00	025816CC1	AMERICAN EXPRESS CO CORP NOTES (CALLABLE	3.40%	2/22/2024	1,700.00		
2/28/2022	2/28/2022	145,000.00	254687FK7	WALT DISNEY COMPANY/THE	1.75%	8/30/2024	1,268.75		
3/1/2022	3/25/2022	82,841.37	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/2022	213.32		
3/1/2022	3/1/2022		MONEY0002	MONEY MARKET FUND			0.18		
3/1/2022	3/1/2022	150,000.00	172967GL9	CITIGROUP INC CORP NOTES	3.37%	3/1/2023	2,531.25		
3/10/2022	3/10/2022	40,000.00	38141GYE8	GOLDMAN SACHS GROUP INC CORPORATE NOTES	0.65%	9/10/2024	131.40		
3/10/2022	3/10/2022	35,000.00	24422EVU0	JOHN DEERE CAPITAL CORP CORPORATE NOTES	0.62%	9/10/2024	109.38		
3/15/2022	3/15/2022	3,140.49	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	5.23		
3/15/2022	3/15/2022	35,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	23.63		
3/15/2022	3/15/2022	115,000.00	64985TDC2	NY ST URBAN DEV CORP TXBL REV BONDS	1.31%	3/15/2026	602.60		
3/15/2022	3/15/2022	65,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	29.79		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/15/2022	3/15/2022	70,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	33.83		
3/15/2022	3/15/2022	40,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	43.00		
3/15/2022	3/15/2022	9,224.03	477870AC3	JDOT 2019-B A3	2.21%	12/15/2023	16.99		
3/15/2022	3/15/2022	9,582.70	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	20.04		
3/15/2022	3/15/2022	70,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/16/2026	60.67		
3/15/2022	3/15/2022	100,000.00	91324PCC4	UNITEDHEALTH GROUP INC CORP NOTES	2.87%	3/15/2023	1,437.50		
3/16/2022	3/16/2022	16,332.90	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	29.67		
3/16/2022	3/16/2022	20,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	21.00		
3/16/2022	3/16/2022	30,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	17.00		
3/20/2022	3/20/2022	25,000.00	36262XAD6	GMALT 2021-3 A4	0.50%	7/21/2025	10.42		
3/21/2022	3/21/2022	19,822.85	43815MAC0	HAROT 2019-2 A3	2.52%	6/21/2023	41.63		
3/21/2022	3/21/2022	35,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	25.67		
3/31/2022	3/31/2022	300,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	375.00		
3/31/2022	3/31/2022	500,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	625.00		
3/31/2022	3/31/2022	45,000.00	912828W71	US TREASURY NOTES	2.12%	3/31/2024	478.13		
3/31/2022	3/31/2022	250,000.00	91282CBT7	US TREASURY N/B NOTES	0.75%	3/31/2026	937.50		
3/31/2022	3/31/2022	400,000.00	9128282Y5	US TREASURY NOTES	2.12%	9/30/2024	4,250.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/31/2022	3/31/2022	250,000.00	912828ZF0	US TREASURY NOTES	0.50%	3/31/2025	625.00		
3/31/2022	3/31/2022	750,000.00	912828Q29	US TREASURY NOTES	1.50%	3/31/2023	5,625.00		
Total INTEREST		7,450,206.79					35,619.18		0.00
PAYDOWNS									
1/1/2022	1/25/2022	5,483.39	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/2022	5,483.39		
1/15/2022	1/15/2022	5,921.29	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	5,921.29		
1/15/2022	1/15/2022	1,590.47	477870AC3	JDOT 2019-B A3	2.21%	12/15/2023	1,590.47		
1/15/2022	1/15/2022	1,803.50	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	1,803.50		
1/16/2022	1/16/2022	2,202.59	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	2,202.59		
1/21/2022	1/21/2022	3,660.75	43815MAC0	HAROT 2019-2 A3	2.52%	6/21/2023	3,660.75		
2/1/2022	2/25/2022	5,736.96	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/2022	5,736.96		
2/15/2022	2/15/2022	5,675.09	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	5,675.09		
2/15/2022	2/15/2022	2,196.20	477870AC3	JDOT 2019-B A3	2.21%	12/15/2023	2,196.20		
2/15/2022	2/15/2022	1,699.62	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	1,699.62		
2/16/2022	2/16/2022	2,092.17	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	2,092.17		
2/21/2022	2/21/2022	3,455.85	43815MAC0	HAROT 2019-2 A3	2.52%	6/21/2023	3,455.85		
3/1/2022	3/25/2022	2,436.90	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/2022	2,436.90		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
3/15/2022	3/15/2022	3,140.49	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	3,140.49		
3/15/2022	3/15/2022	1,482.94	477870AC3	JDOT 2019-B A3	2.21%	12/15/2023	1,482.94		
3/15/2022	3/15/2022	1,622.38	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	1,622.38		
3/16/2022	3/16/2022	1,950.08	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	1,950.08		
3/21/2022	3/21/2022	3,273.78	43815MAC0	HAROT 2019-2 A3	2.52%	6/21/2023	3,273.78		
Total PAYDOWNS		55,424.45					55,424.45		0.00
SELL									
1/3/2022	1/5/2022	100,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	96,649.29		-1,608.85
1/3/2022	1/5/2022	150,000.00	912828L57	US TREASURY NOTES	1.75%	9/30/2022	152,310.85		2,489.33
1/11/2022	1/13/2022	25,000.00	91282CAT8	US TREASURY NOTES	0.25%	10/31/2025	23,937.58		-572.62
1/12/2022	1/19/2022	20,000.00	912828N30	US TREASURY NOTES	2.12%	12/31/2022	20,329.34		414.07
1/12/2022	1/13/2022	50,000.00	91282CCN9	US TREASURY N/B NOTES	0.12%	7/31/2023	49,545.77		-442.97
1/20/2022	1/24/2022	20,000.00	912828N30	US TREASURY NOTES	2.12%	12/31/2022	20,313.34		390.65
1/21/2022	1/24/2022	100,000.00	06406RAE7	BANK OF NY MELLON CORP NOTES (CALLABLE)	2.95%	1/29/2023	103,538.03		1,818.03
1/26/2022	1/28/2022	100,000.00	912828W71	US TREASURY NOTES	2.12%	3/31/2024	102,966.18		2,597.15
2/15/2022	2/17/2022	100,000.00	06406RAE7	BANK OF NY MELLON CORP NOTES (CALLABLE)	2.95%	1/29/2023	101,477.50		1,064.28
2/23/2022	2/25/2022	55,000.00	91282CAB7	US TREASURY NOTES	0.25%	7/31/2025	52,115.55		-2,116.85

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
3/1/2022	3/3/2022	60,000.00	912828N30	US TREASURY NOTES	2.12%	12/31/2022	60,823.06		885.89
3/10/2022	3/14/2022	35,000.00	91282CCL3	US TREASURY N/B NOTES	0.37%	7/15/2024	33,867.12		-1,081.47
3/10/2022	3/16/2022	50,000.00	912828N30	US TREASURY NOTES	2.12%	12/31/2022	50,608.80		612.95
3/10/2022	3/14/2022	50,000.00	912828N30	US TREASURY NOTES	2.12%	12/31/2022	50,616.60		628.17
Total SELL		915,000.00					919,099.01		5,077.76

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	750,000.00	AA+	Aaa	4/30/2019	5/3/2019	728,642.58	2.27	30.74	744,555.95	748,242.15
US TREASURY N/B NOTES DTD 06/30/2021 0.125% 06/30/2023	91282CCK5	500,000.00	AA+	Aaa	7/13/2021	7/14/2021	498,750.00	0.25	157.11	499,205.66	488,671.90
US TREASURY N/B NOTES DTD 07/31/2021 0.125% 07/31/2023	91282CCN9	300,000.00	AA+	Aaa	8/2/2021	8/4/2021	299,695.31	0.18	62.15	299,796.03	292,406.25
US TREASURY NOTES DTD 09/30/2021 0.250% 09/30/2023	91282CDA6	300,000.00	AA+	Aaa	10/1/2021	10/6/2021	299,894.53	0.27	2.05	299,920.31	291,703.14
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	400,000.00	AA+	Aaa	4/30/2019	5/3/2019	388,859.37	2.28	2,729.28	396,078.39	396,625.00
US TREASURY N/B NOTES DTD 10/31/2021 0.375% 10/31/2023	91282CDD0	310,000.00	AA+	Aaa	11/1/2021	11/3/2021	309,128.13	0.52	488.12	309,306.82	301,378.13
US TREASURY NOTES DTD 01/03/2017 2.250% 12/31/2023	912828V23	300,000.00	AA+	Aaa	4/30/2019	5/3/2019	299,578.12	2.28	1,696.82	299,841.70	299,906.25
US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	45,000.00	AA+	Aaa	4/30/2019	5/3/2019	44,662.50	2.29	2.61	44,862.67	44,810.15
US TREASURY NOTES DTD 04/30/2019 2.250% 04/30/2024	9128286R6	180,000.00	AA+	Aaa	1/3/2022	1/5/2022	185,674.22	0.87	1,700.55	185,097.41	179,521.88
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	100,000.00	AA+	Aaa	7/1/2019	7/3/2019	101,074.22	1.77	502.76	100,483.52	99,093.75
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	350,000.00	AA+	Aaa	7/13/2021	7/15/2021	349,070.31	0.46	275.55	349,290.86	334,031.25
US TREASURY NOTES DTD 07/31/2019 1.750% 07/31/2024	912828Y87	200,000.00	AA+	Aaa	12/2/2019	12/4/2019	200,695.31	1.67	580.11	200,348.27	196,875.00
US TREASURY N/B NOTES DTD 08/15/2021 0.375% 08/15/2024	91282CCT6	250,000.00	AA+	Aaa	9/1/2021	9/3/2021	249,824.22	0.40	116.54	249,858.49	238,085.95
US TREASURY NOTES DTD 10/02/2017 2.125% 09/30/2024	9128282Y5	400,000.00	AA+	Aaa	10/31/2017	11/4/2019	410,578.13	1.56	23.22	405,389.42	396,562.48
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	250,000.00	AA+	Aaa	7/1/2021	7/2/2021	257,861.33	0.57	1,256.87	256,140.29	243,515.63

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	250,000.00	AA+	Aaa	6/18/2021	6/21/2021	248,496.09	0.66	3.42	248,805.81	235,546.88
US TREASURY NOTES DTD 04/30/2020 0.375% 04/30/2025	912828ZL7	300,000.00	AA+	Aaa	7/13/2021	7/14/2021	297,328.13	0.61	472.38	297,831.27	280,921.86
US TREASURY NOTES DTD 06/30/2020 0.250% 06/30/2025	912828ZW3	250,000.00	AA+	Aaa	7/1/2021	7/2/2021	245,439.45	0.71	157.11	246,292.79	232,265.63
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	205,000.00	AA+	Aaa	7/13/2021	7/14/2021	201,580.66	0.67	84.94	202,184.48	190,041.39
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	240,000.00	AA+	Aaa	8/2/2021	8/4/2021	237,412.50	0.52	99.45	237,838.72	222,487.49
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	500,000.00	AA+	Aaa	7/13/2021	7/14/2021	490,722.66	0.70	3.42	492,296.01	461,796.90
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	225,000.00	AA+	Aaa	7/1/2021	7/2/2021	219,840.82	0.79	236.19	220,731.12	207,421.88
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	150,000.00	AA+	Aaa	6/18/2021	6/21/2021	146,765.63	0.85	93.23	147,310.77	138,210.93
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	250,000.00	AA+	Aaa	9/1/2021	9/3/2021	246,611.33	0.69	155.39	247,053.06	230,351.55
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	100,000.00	AA+	Aaa	10/1/2021	10/6/2021	98,062.50	0.83	62.15	98,279.82	92,140.62
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	250,000.00	AA+	Aaa	6/18/2021	6/21/2021	248,603.52	0.87	5.12	248,830.93	233,125.00
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	250,000.00	AA+	Aaa	6/18/2021	6/21/2021	248,212.89	0.90	628.43	248,494.08	232,500.00
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	115,000.00	AA+	Aaa	2/15/2022	2/17/2022	109,312.89	1.96	289.08	109,469.25	106,950.00
US TREASURY N/B NOTES DTD 06/30/2021 0.875% 06/30/2026	91282CCJ8	95,000.00	AA+	Aaa	8/2/2021	8/4/2021	95,964.84	0.66	208.96	95,835.55	88,721.09
US TREASURY N/B NOTES DTD 11/30/2021 1.250% 11/30/2026	91282CDK4	300,000.00	AA+	Aaa	12/2/2021	12/3/2021	301,066.41	1.18	1,256.87	300,996.80	283,781.25
US TREASURY N/B NOTES DTD 12/31/2021 1.250% 12/31/2026	91282CDQ1	100,000.00	AA+	Aaa	1/3/2022	1/5/2022	99,531.25	1.35	314.23	99,553.39	94,484.38
Security Type Sub-Total		8,215,000.00					8,158,939.85	1.04	13,694.85	8,181,979.64	7,882,175.76

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Municipal											
NY ST URBAN DEV CORP TXBL REV BONDS DTD 10/21/2021 1.310% 03/15/2026	64985TDC2	115,000.00	AA+	NR	10/15/202	10/21/202	115,000.00	1.31	66.96	115,000.00	107,255.90
Security Type Sub-Total		115,000.00					115,000.00	1.31	66.96	115,000.00	107,255.90
Corporate											
CITIGROUP INC CORP NOTES DTD 02/20/2013 3.375% 03/01/2023	172967GL9	150,000.00	BBB+	A3	5/3/2019	5/7/2019	151,960.50	3.01	421.88	150,469.73	151,972.50
UNITEDHEALTH GROUP INC CORP NOTES DTD 02/28/2013 2.875% 03/15/2023	91324PCC4	100,000.00	A+	A3	11/20/2019	11/22/2019	102,556.00	2.07	127.78	100,735.72	100,860.80
BANK OF NY MELLON CORP CORP NOTES DTD 08/13/2018 3.450% 08/11/2023	06406RAJ6	150,000.00	A	A1	5/3/2019	5/7/2019	153,492.00	2.87	718.75	151,114.66	152,076.75
ABBOTT LABORATORIES CORP NOTES DTD 11/22/2016 3.400% 11/30/2023	002824BE9	135,000.00	AA-	A1	5/10/2019	5/14/2019	138,384.45	2.81	1,542.75	136,157.06	137,050.25
CHARLES SCHWAB CORP NOTES DTD 10/31/2018 3.550% 02/01/2024	808513AY1	145,000.00	A	A2	5/3/2019	5/7/2019	149,856.05	2.79	857.92	146,882.39	147,234.16
AMERICAN EXPRESS CO CORP NOTES (CALLABLE DTD 02/22/2019 3.400% 02/22/2024	025816CC1	100,000.00	BBB+	A2	7/10/2019	7/12/2019	104,008.00	2.47	368.33	101,600.78	101,273.10
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	150,000.00	BBB+	A1	7/19/2019	7/23/2019	158,779.50	2.56	2,454.17	153,825.28	152,989.20
CATERPILLAR FINL SERVICE CORP NOTES DTD 05/17/2019 2.850% 05/17/2024	14913Q2V0	95,000.00	A	A2	7/1/2019	7/3/2019	97,265.75	2.33	1,007.79	95,989.04	95,511.20
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 06/10/2021 0.450% 06/07/2024	24422EVQ9	20,000.00	A	A2	6/7/2021	6/10/2021	19,975.00	0.49	28.50	19,981.75	19,132.88
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	25,000.00	A-	A3	7/12/2019	7/16/2019	24,871.50	2.51	156.67	24,941.86	24,817.18

FALLBROOK PUBLIC UTILITY DISTRICT

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
US BANCORP NOTES (CALLABLE) DTD 07/29/2019 2.400% 07/30/2024	91159HHX1	145,000.00	A+	A2	7/30/2019	8/1/2019	144,870.95	2.42	589.67	144,939.82	144,017.05
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	145,000.00	BBB+	A2	9/3/2019	9/6/2019	144,408.40	1.84	218.51	144,713.30	142,332.73
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 09/10/2021 0.625% 09/10/2024	24422EVU0	35,000.00	A	A2	9/7/2021	9/10/2021	34,977.25	0.65	12.76	34,981.46	33,295.08
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 06/10/2021 0.657% 09/10/2024	38141GYE8	40,000.00	BBB+	A2	6/7/2021	6/10/2021	40,000.00	0.66	15.33	40,000.00	38,670.60
MORGAN STANLEY CORP NOTES DTD 10/23/2014 3.700% 10/23/2024	61761JVL0	40,000.00	BBB+	A1	8/2/2021	8/4/2021	43,722.00	0.77	649.56	42,962.41	40,681.56
PNC BANK NA CORP NOTES (CALLABLE) DTD 11/01/2019 2.200% 11/01/2024	693475AY1	100,000.00	A-	A3	11/5/2019	11/8/2019	99,967.00	2.21	916.67	99,982.87	98,332.10
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 01/13/2022 1.500% 01/13/2025	02665WEA5	50,000.00	A-	A3	1/11/2022	1/13/2022	49,960.50	1.53	162.50	49,963.31	48,195.80
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 01/24/2022 1.757% 01/24/2025	38141GZH0	45,000.00	BBB+	A2	1/19/2022	1/24/2022	45,000.00	1.76	147.15	45,000.00	43,838.82
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	10,000.00	A	A2	3/24/2022	3/28/2022	9,982.50	2.76	2.25	9,982.56	9,971.60
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 10/19/2021 1.164% 10/21/2025	61747YEG6	70,000.00	BBB+	A1	10/14/202	10/19/202	70,000.00	1.16	366.66	70,000.00	66,483.13
ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 1.200% 05/28/2026	04636NAA1	100,000.00	A-	A3	7/22/2021	7/26/2021	100,712.00	1.05	410.00	100,609.93	93,136.30
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 06/18/2021 1.125% 06/18/2026	89236TJK2	50,000.00	A+	A1	9/8/2021	9/13/2021	49,889.00	1.17	160.94	49,901.77	46,278.70
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/10/2022 1.700% 01/11/2027	24422EWA3	25,000.00	A	A2	1/11/2022	1/13/2022	24,859.00	1.82	95.62	24,865.03	23,617.10

FALLBROOK PUBLIC UTILITY DISTRICT

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
TARGET CORP CORPORATE NOTES DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	15,000.00	A	A2	1/19/2022	1/24/2022	14,974.50	1.99	54.44	14,975.44	14,492.36
TARGET CORP CORPORATE NOTES DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	50,000.00	A	A2	1/21/2022	1/25/2022	50,109.50	1.90	181.46	50,105.52	48,307.85
BANK OF NY MELLON CORP (CALLABLE) CORPOR DTD 01/26/2022 2.050% 01/26/2027	06406RBA4	100,000.00	A	A1	1/26/2022	1/28/2022	100,121.00	2.02	370.14	100,116.75	96,248.10
IBM CORP CORPORATE NOTES DTD 02/09/2022 2.200% 02/09/2027	459200KM2	80,000.00	A-	A3	2/23/2022	2/25/2022	79,012.80	2.47	254.22	79,031.89	77,139.36
HONEYWELL INTERNATIONAL (CALLABLE) CORP DTD 08/16/2021 1.100% 03/01/2027	438516CE4	70,000.00	A	A2	3/1/2022	3/3/2022	66,729.60	2.09	64.17	66,781.60	64,360.73
TRUIST FINANCIAL CORP NOTES (CALLABLE) DTD 03/02/2021 1.267% 03/02/2027	89788MAD4	85,000.00	A-	A3	3/10/2022	3/14/2022	79,866.00	2.57	86.75	79,916.94	78,836.31
Security Type Sub-Total		2,325,000.00					2,350,310.75	2.20	12,443.34	2,330,528.87	2,291,153.30
Agency CMBS											
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	80,404.47	AA+	Aaa	4/4/2018	4/9/2018	81,089.16	2.88	207.04	80,457.51	80,554.60
Security Type Sub-Total		80,404.47					81,089.16	2.88	207.04	80,457.51	80,554.60
ABS											
HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	16,549.07	NR	Aaa	5/21/2019	5/29/2019	16,548.45	2.52	11.58	16,548.88	16,589.06
COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	7,960.32	AAA	Aaa	5/21/2019	5/30/2019	7,958.71	2.51	8.88	7,959.73	7,979.22
JDOT 2019-B A3 DTD 07/24/2019 2.210% 12/15/2023	477870AC3	7,741.09	NR	Aaa	7/16/2019	7/24/2019	7,739.45	2.22	7.60	7,740.45	7,752.45
GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	14,382.82	AAA	NR	7/16/2019	7/24/2019	14,381.07	2.18	13.06	14,382.06	14,403.33

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
GMALT 2021-3 A4 DTD 08/18/2021 0.500% 07/21/2025	36262XAD6	25,000.00	AAA	NR	8/10/2021	8/18/2021	24,999.10	0.50	3.82	24,999.24	23,822.66
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	35,000.00	NR	Aaa	11/16/2021	11/24/2021	34,992.62	0.89	8.56	34,993.24	33,892.18
FORDO 2022-A A3 DTD 01/24/2022 1.290% 06/15/2026	345286AC2	40,000.00	AAA	NR	1/19/2022	1/24/2022	39,995.25	1.29	22.93	39,995.45	38,524.98
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	65,000.00	AAA	Aaa	7/21/2021	7/28/2021	64,989.31	0.55	15.89	64,990.79	63,060.30
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	70,000.00	AAA	Aaa	9/20/2021	9/27/2021	69,985.01	0.58	18.04	69,986.55	66,380.53
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	30,000.00	AAA	Aaa	10/13/202	10/21/202	29,999.24	0.68	8.50	29,999.31	28,658.45
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	35,000.00	AAA	NR	10/26/202	11/3/2021	34,995.23	0.81	12.60	34,995.62	33,624.52
HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	55,000.00	AAA	NR	3/9/2022	3/16/2022	54,997.88	2.22	50.88	54,997.90	54,324.75
COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/16/2026	14041NFY2	70,000.00	AAA	NR	11/18/2021	11/30/2021	69,990.35	1.04	32.36	69,991.00	67,031.31
GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	20,000.00	AAA	NR	1/11/2022	1/19/2022	19,998.26	1.26	10.50	19,998.33	19,465.93
Security Type Sub-Total		491,633.30					491,569.93	1.13	225.20	491,578.55	475,509.67
Managed Account Sub Total		11,227,037.77					11,196,909.69	1.30	26,637.39	11,199,544.57	10,836,649.23
Securities Sub Total		\$11,227,037.77					\$11,196,909.69	1.30%	\$26,637.39	\$11,199,544.57	\$10,836,649.23
Accrued Interest											\$26,637.39
Total Investments											\$10,863,286.62

Important Disclosures

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
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- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.