



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

AGENDA

**MONDAY, DECEMBER 8, 2025
4:00 P.M.**

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

THIS MEETING WILL BE HELD AT THE ABOVE DATE, TIME, AND LOCATION AND MEMBERS OF THE PUBLIC MAY ATTEND IN PERSON AT THE DISTRICT OFFICE LOCATED AT 990 E. MISSION RD., FALLBROOK, CA 92028. FOR THE CONVENIENCE OF MEMBERS OF THE PUBLIC WHO DO NOT WISH TO ATTEND IN PERSON, FALLBROOK PUBLIC UTILITY DISTRICT PROVIDES A MEANS TO OBSERVE AND PROVIDE PUBLIC COMMENTS AT THE MEETING VIA WEB CONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION. PLEASE NOTE THAT IN THE EVENT OF TECHNICAL ISSUES THAT DISRUPT THE ABILITY OF MEMBERS OF THE PUBLIC TO VIEW THE MEETING OR PROVIDE PUBLIC COMMENTS THROUGH THE WEB CONFERENCE OPTION, THE MEETING WILL CONTINUE.

Join Zoom Meeting

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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 / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

PUBLIC COMMENT

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

- A. ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS
 - 1. President
 - 2. Vice-President
- B. APPOINTMENTS TO BOARD STANDING COMMITTEES
 - 1. Fiscal Policy & Insurance
 - 2. Personnel
 - 3. Engineering & Operations
 - 4. Regional & Community Coordination
- C. EMPLOYEE OF THE QUARTER FOR NOVEMBER 2025
 - 1. Joe Di Carlo
- D. NEW CERTIFICATIONS
 - 1. Brandon Salgado, Water Distribution Operator, Grade D2
 - 2. Justin Cameron, Wastewater Treatment Plant Operator, Grade II

II. CONSENT CALENDAR----- (ITEMS E-H)

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.

- E. CONSIDER APPROVAL OF MINUTES
 - 1. October 27, 2025 Regular Board Meeting

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

- F. CONSIDER 2026 BOARD OF DIRECTORS REGULAR MEETING SCHEDULE

Recommendation: The Board establish the 2026 Board of Directors' regular meeting schedule, to include postponing the May regular meeting by two days to Wednesday, May 27, 2026 at 4:00 p.m. and combining the November and December regular Board meetings to Monday, December 7, 2026, at 4:00 p.m.

G. CONSIDER ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: That the Board authorize and approve, in advance, Directors' attendance to the CSDA Webinar on SB 707 Brown Act Revamp.

H. CONSIDER ADOPTING RESOLUTION NO. 5101 HONORING GARY ARANT FOR HIS DEDICATED SERVICE

Recommendation: That the Board adopt Resolution No. 5101, honoring Gary Arant for his over 36 years of dedicated and distinguished service to the Valley Center Municipal Water District and the water industry.

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

I. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK

Presented by: Noelle Denke, Public Information Officer

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

J. CONSIDER APPROVING DISTRICT'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR FISCAL YEAR 2024-25

Recommendation: The Committee recommends that the Board approve the ACFR for Fiscal Year Ending June 30, 2025.

K. CONSIDER RECOMMENDATIONS BY THE COMMUNITY BENEFIT PROGRAM COMMITTEE

Recommendation: That the Board approve the Projects as recommended by the Committee and direct the Committee to finalize contract terms for each of these Projects using the Contract template and authorize the General Manager to execute these contracts.

L. CONSIDER ADOPTING RESOLUTION NO. 5102 APPROVING THE INCREASED RATES FOR WATER AND RECYCLED WATER SERVICE CHARGES, AND RATES FOR WASTEWATER SERVICE CHARGES AND TAKING OTHER RELATED ACTIONS

Recommendation: That the Board adopt Resolution No. 5102 adopting calendar year 2026 rates and charges for water, recycled water and wastewater services.

M. CONSIDER RED MOUNTAIN RESERVOIR LONG-TERM WATER QUALITY MANAGEMENT PLAN

Recommendation: The Board award the further study of water quality of Red Mountain Reservoir to Trussel Technologies in the amount of \$80,960.

N. CONSIDER THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION SPECIAL DISTRICTS ADVISORY COMMITTEE ELECTION BALLOT AND VOTE CERTIFICATION TO FILL SEVEN (7) OPEN SEATS

Recommendation: The Board consider the nominations for the LAFCO Special Districts Advisory Committee and authorize the President to cast its votes on the ballots provided.

O. CONSIDER REJECTION OF BIDS FOR THE WATER RECLAMATION PLANT CREEK CROSSING REPLACEMENT PROJECT

Recommendation: That the Board reject all bids.

V. **ORAL/WRITTEN REPORTS**-----**(ITEMS 1-7)**

1. General Counsel
2. General Manager
 - a. MWD/EMWD Update
 - b. Engineering and Operations Report
 - c. Federal Funding Update
3. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
4. Public Information Officer
5. Notice of Approval of Per Diem for Meetings Attended
 - Notification of approval for Directors' attendance to the Hoover Dam tour hosted by EMWD on November 7-8, 2025.
6. Director Comments/Reports on Meetings Attended
7. Miscellaneous

VI. **ADJOURNMENT OF MEETING**

* * * * *

DECLARATION OF POSTING

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

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

December 3, 2025
Dated / Fallbrook, CA

/s/ Lauren Eckert
Executive Assistant/Board Secretary

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 8, 2025
SUBJECT: Election of Officers to the Board of Directors

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

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

Year	President	Vice President
2025	Don McDougal	Ken Endter
2024	Jennifer DeMeo	Don McDougal
2023	Charley Wolk	Jennifer DeMeo
2022	Dave Baxter	Charley Wolk
2021	Jennifer DeMeo	Dave Baxter

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

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 8, 2025
SUBJECT: Appointments to Board Standing Committees

Purpose

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

Summary

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

As of December 1, 2025, the appointments to the Board standing committees were as follows:

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

Recommended Action

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

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 8, 2025
SUBJECT: November 2025 Employee of the Quarter

Joe Di Carlo was chosen as the November 2025 Employee of the Quarter for the following reasons:

“Joe has progressed rapidly in the instrumentation and controls arenas. He played a major role in the success of the DeLuz Skid Pump and Toyon Pump Station Project. With guidance from me, Joe almost independently fabricated and wired the motor controls cabinet for the DeLuz Skid Pump and both Toyon Pump Station motor controls cabinets, including all field wiring and instrumentation. By doing so, he is gaining a firm grasp of fairly complex automated motor controls. Additionally, he has been involved in almost every electrical/SCADA project we have tackled over the last year. Some other examples of projects include: UV Plant interim 480V UPS system, new WRP scrubber electrical and controls, new Toyon Tank SCADA RTU, Ethernet radio system upgrades and numerous backup power upgrades around our service area. He has also done a great job in helping to keep operations online for all of the various treatment plants and pumping facilities we maintain and he has built a great reputation around the District of being a dedicated and hard worker. He’s always busy and looking for the next task to work on.”

Joe received a Certificate of Appreciation and a monetary award of \$150. Additionally, Joe will have lunch with the General Manager, a member of the Board of Directors, and the previous Employee of the Quarter.

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MEMO

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: December 8, 2025
SUBJECT: Approval of Minutes

Recommended Action

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

1. October 27, 2025 Regular Board Meeting



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

MINUTES

**MONDAY, OCTOBER 27, 2025
4:00 P.M.**

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President McDougal called the October 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
Ken Endter, Member/Vice President
Dave Baxter, Member
Jennifer DeMeo, Member
Charley Wolk, Member

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
David Lloyd, Acting General Counsel
Dave Shank, Assistant General Manager/CFO
Jodi Brown, Management Analyst
Isabel Casteran, Safety & Risk Officer
Aaron Cook, Engineering Manager
Mick Cothran, Engineering Technician II
Aiden Crayne, Associate Engineer
Jorge Ibarra, Utility Worker II
Carl Quiram, Operations Manager
Peter Velasco, Utility Worker II
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Mark Mervich

PLEDGE OF ALLEGIANCE

President McDougal led the Pledge of Allegiance.

APPROVAL OF AGENDA

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

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

NOES: None

ABSTAIN: None

ABSENT: None

PUBLIC COMMENT

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

There were no public comments on non-agenda items.

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

A. NEW CERTIFICATIONS

1. Peter Marshall, Mechanical Technologist, Grade 1
2. Favio Flores, Water Distribution Operator, Grade D1
3. Josh Hargrove, Mechanical Technologist, Grade 3

The Board recognized Peter Marshall for receiving his Mechanical Technologist, Grade 1 certification, Favio Flores for receiving his Water Distribution Operator, Grade D1 certification, and Josh Hargrove for receiving his Mechanical Technologist, Grade 3 certification.

B. MANAGER'S AWARDS

1. Peter Velasco
2. Jorge Ibarra
3. Favio Flores

The Board recognized Peter Velasco, Jorge Ibarra, and Favio Flores for receiving a Manager's Award for exceptional customer service.

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

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

- C. CONSIDER APPROVAL OF MINUTES
1. September 22, 2025 Regular Meeting

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

- D. CONSIDER NOTICE OF COMPLETION – WRP SCRUBBER REPLACEMENT PROJECT

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

- E. CONSIDER CALL FOR NOMINATIONS FOR THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION SPECIAL DISTRICTS ADVISORY COMMITTEE

Recommendation: *Staff recommends re-nominating Jack Bebee to serve on the San Diego Local Agency Formation Commission (LAFCO) Special Districts Advisory Committee.*

There were no public comments on Consent Calendar items.

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

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

III. INFORMATION ----- (ITEM F)

- F. DOWNTOWN PIPELINE PROJECT

Presented by: *Aaron Cook, Engineering Manager*

Engineering Manager Cook presented a slide show providing an update of the status of the Downtown Pipeline Replacement Project.

President McDougal asked if the work being done at Mission and Aviation is an FPUD project. Engineering Manager Cook responded there were two projects. The one at Mission and Aviation was an SDG&E project. The current project at Mission and Main was a County sidewalk project.

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

G. CONSIDER IMPLEMENTATION PLAN FOR THE INTERGOVERNMENTAL SERVICE AGREEMENT (IGSA) BETWEEN FPUD AND MARINE CORP BASE CAMP PENDLETON (CPEN)

Recommendation: That the Board adopt Resolution No. 5100 amending the FY2025-26 District Budget to include the CPEN expenses and that the Board supports the required staffing and budget amendment, including 14 new positions showing in the IGSA with CPEN so the District is prepared to quickly move forward once the agreement is signed.

General Manager Bebee provided an overview of this item, noting it went through the Regional and Community Coordination Committee. He also described the benefit to the District, including savings to ratepayers and that this would build more robust operations. He explained it would be set up where Camp Pendleton pays upfront, and then we work through that account as a separate enterprise. General Manager Bebee added that the budget amendment, proposed positions, and salary changes were also included in this item.

Director Wolk asked about the positions from the District that partially supports this project. General Manager Bebee explained it was shown in the budget. Director Wolk asked how we were going to keep track of it. General Manager Bebee responded it would probably be allocated on a fixed percentage but will need to be worked out.

Mark Mervich stepped to the podium to ask about the size of Camp Pendleton's wastewater system. General Manager Bebee reported it was about the same size as the District's current wastewater system.

MOTION: Director Endter moved to adopt Resolution No. 5100 amending the FY2025-26 District Budget to include the CPEN expenses and support the required staffing and budget amendment, including 14 new positions showing in the IGSA with CPEN so the District is prepared to quickly move forward once the agreement is signed; Director Baxter seconded. Motion carried; VOTE:

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

H. CONSIDER AWARD OF RECOVERY PUMP WELL REHABILITATION PROJECT

Recommendation: That the Board award the Recovery Pump Well Rehabilitation Project to the lowest responsible bidder, Brax, for \$77,880.01.

There were no public comments on agenda item H.

Engineering Manager Cook provided an overview of this item, explaining this was a small well that collects water that seeps from Red Mountain Reservoir and puts the water back into the reservoir. He reported it was originally built in 1986, and the casing is old and deteriorating. The well will be rehabilitated by replacing the casing, along with a new pump and pipe.

Director Wolk asked how they clean the bottom. Engineering Manager Cook explained it is an air scouring process. Director Wolk confirmed it will not be pumped into the reservoir.

MOTION: Director Wolk moved to award the Recovery Pump Well Rehabilitation project to the lowest responsible bidder, Brax, for \$77,880.01; Director DeMeo seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

I. CONSIDER AWARD OF SEWER MAIN RELINING PROJECT – FY26

Recommendation: That the Board award the FY26 Sewer Main Relining Project to the lowest responsible bidder, Sancon Technologies in the amount of \$156,871.

There were no public comments on agenda item I.

Engineering Manager Cook explained this item was our routine sewer main relining process for this fiscal year. He explained the process of relining.

Director DeMeo asked how they reline. Engineering Manager Cook explained they use a collapsible material and go in through manhole and pull it out through the next manhole downstream. They then inject heat into the pipe, which causes the material to expand and harden.

MOTION: Director Endter moved to award the FY26 Sewer Main Relining Project to the lowest responsible bidder, Sancon Technologies, in the amount of \$156,871; Director Wolk seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

J. CONSIDER AWARD OF SMGTP BACKUP GENERATOR PROJECT

Recommendation: That the Board award the SMGTP Backup Generator Project to SCW Construction in the amount of \$1,570,692.

There were no public comments on agenda item J.

Engineering Manager Cook provided an overview of this item, explaining that the treatment plant has no backup power in the event of a power outage or safety shutoff. He reported we have been pursuing grants and received a grant from the Department of Defense for this project. Engineering Manager Cook reported the lowest bidder retracted their bid due to calculation errors in their bid price. The grant is worth up to \$1,297,000.

MOTION: Director Endter moved to award the SMGTP Backup Generator project to SCW Construction in the amount of \$1,570,692; Director Wolk seconded. Motion carried; VOTE:

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

K. CONSIDER INITIAL EVALUATION OF RED MOUNTAIN RESERVOIR RENEWAL

Recommendation: No formal action is required at this point as future contract and spending obligation will be brought for Board approval. Staff requests that the Board support staff's recommendation to prepare a request for proposal (RFP) to engage a consultant to further evaluate the replacement cost, evaluate expanding the deliveries of local water and to finalize a preliminary funding strategy for the reservoir.

There were no public comments on agenda item K.

General Manager Bebee provided an overview of this item. He noted this item came up with the FP&I Committee, and several options were discussed. This item was to further evaluate those options.

Director DeMeo asked the FP&I Committee if they were convinced we should keep the reservoir. Director Wolk responded that they thought it was beneficial to keep it. He went on to explain what a large and costly project this will be.

Director Wolk requested the Board direct staff to prepare the RFP instead of support staff to prepare the RFP.

MOTION: Director Baxter moved to direct staff to prepare a request for proposal (RFP) to engage a consultant to further evaluate the replacement cost, evaluate expanding the deliveries of local water and to finalize a preliminary funding strategy for the reservoir; Director DeMeo seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

L. CONSIDER APPROVING THE CALENDAR YEAR 2026 INCREASE FOR WATER, RECYCLED WATER AND WASTEWATER SERVICES RATES AND CHARGES

Recommendation: That the Board approve the proposed rate and charges increases and adopt calendar year 2026 rates and charges for water, recycled water and wastewater services at the December Board meeting.

AGM/CFO Shank presented a slideshow on the recommended calendar year 2026 rates and charges for water, recycled water, and wastewater services.

President McDougal suggested putting out a message that breaks down the savings of detachment over the three-year period.

AGM/CFO Shank reported we will be coming back with the Administrative Code changes and the formal rates and charges changes at the December Board meeting.

MOTION: Director DeMeo moved to approve the proposed rate and charges increases for calendar year 2026 as recommended and will adopt the calendar year 2026 rates and charges for water, recycled water, and wastewater services at the December Board meeting; Director Endter seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

V. **ORAL/WRITTEN REPORTS**-----**(ITEMS 1-7)**

1. General Counsel

- Acting General Counsel Lloyd reported the legislative sessions is now over.

2. General Manager
 - a. MWD/EMWD Update
 - b. Engineering and Operations Report
 - c. Federal Funding Update
 - General Manager Bebee announced he will not be at the next Board meeting.
 - General Manager Bebee reported he provided a printout of the MWD report.
3. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - AGM/CFO Shank provided an overview of the written reports included in the packet.
4. Public Information Officer
5. Notice of Approval of Per Diem for Meetings Attended
6. Director Comments/Reports on Meetings Attended
 - Director DeMeo reported she would be attending a Hoover Dam tour hosted by EMWD.
7. Miscellaneous

VI. ADJOURNMENT OF MEETING

There being no further business to discuss, the October Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 5:07 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: December 8, 2025
SUBJECT: Proposed 2026 Board of Directors Regular Meeting Schedule

Purpose

To establish the 2026 Board meeting dates.

Summary

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

For 2026, the Memorial Day holiday falls on Monday, May 25, which is the fourth Monday of the month, and conflicts with the regular Board meeting schedule. Accordingly, the proposal is to postpone the May regular Board meeting date by two days to Wednesday, May 27, 2026, at 4:00 p.m.

Additionally, it has been the Board's practice to combine the November and December regular Board meetings into one meeting to accommodate the fall/winter holiday schedule. The proposed 2026 schedule combines the November and December regular meetings to Monday, December 7, 2026, at 4:00 p.m., as follows:

Month	Day	Month	Day	Month	Day	Month	Day
January	26	April	27	July	27	October	26
February	23	May	27	August	24	November	<i>Combined with December</i>
March	23	June	22	September	21	December	7

Recommendation

The Board establish the 2026 Board of Directors' regular meeting schedule, to include postponing the May regular meeting by two days to Wednesday, May 27, 2026 at 4:00 p.m. and combining the November and December regular Board meetings to Monday, December 7, 2026, at 4:00 p.m.

M E M O

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: December 8, 2025
SUBJECT: Consider Advance Approval to Attend Meetings

Purpose

To authorize Directors' attendance, travel, and expenses to events requiring approval by the Board of Directors in advance.

Summary

Article 2 of the Administrative Code prescribes that compensation for attendance and reimbursement for expenses at occasions, events, or meetings related to District business, other than those listed in section 2.12, shall be determined by the Board of Directors, in advance, on a case-by-case basis.

The request is for advance approval to the following event:

1. CSDA Webinar: SB 707 Brown Act Revamp, scheduled for December 10, 2025.

Recommended Action

That the Board authorize and approve, in advance, Directors' attendance to the CSDA Webinar on SB 707 Brown Act Revamp.

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 8, 2025
SUBJECT: Resolution 5101 Honoring Gary Arant (Valley Center Municipal Water District) for His Distinguished Service

Purpose

To acknowledge and honor Gary Arant, General Manager of Valley Center Municipal Water District, for his 36 years of dedicated service, leadership, and contributions to the region's water community.

Summary

Gary Arant is concluding a remarkable 36-year career with Valley Center Municipal Water District, including nearly three decades as its General Manager. Throughout his tenure, Mr. Arant has been a steady and influential leader in regional water planning, infrastructure advancement, interagency collaboration, and long-range resource management. His commitment to public service and his thoughtful, partnership-driven approach have significantly strengthened the reliability and resiliency of water service throughout North San Diego County.

In recognition of his achievements and his lasting impact on the region's water community, staff recommends that the Board adopt a resolution formally acknowledging Mr. Arant's exceptional service and extending the District's sincere appreciation and best wishes on his retirement.

Budgetary Impact

There is no budgetary impact.

Recommended Action

That the Board adopt Resolution No. 5101, honoring Gary Arant for his over 36 years of dedicated and distinguished service to the Valley Center Municipal Water District and the water industry.

RESOLUTION NO. 5101

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT HONORING GARY ARANT FOR HIS YEARS OF DEDICATED AND DISTINGUISHED SERVICE

* * * * *

WHEREAS, Gary Arant joined the Valley Center Municipal Water District (VCMWD) on March 1, 1989, and will conclude his service on December 30, 2025, marking nearly 37 years of continuous and exceptional public service; and

WHEREAS, during his tenure, nearly three decades of which he served as General Manager, Gary Arant oversaw VCMWD's evolution from a primarily agricultural water provider to a modern municipal district, guiding the agency through significant changes in water supply planning, infrastructure development, and community growth; and

WHEREAS, Mr. Arant's leadership strengthened regional water reliability, enhanced long-range resource management, and supported numerous collaborative efforts with neighboring agencies that improved resiliency across North San Diego County; and

WHEREAS, throughout his career, Mr. Arant has been recognized for his steady leadership, professionalism, and thoughtful, partnership-driven approach to addressing the complex challenges of water resource management; and

WHEREAS, the Valley Center community, the regional water industry, and partner agencies have greatly benefited from his dedication, expertise, and unwavering commitment to public service; and

WHEREAS, the Fallbrook Public Utility District Board of Directors desires to formally recognize and express its sincere appreciation for Mr. Arant's longstanding leadership and his significant contributions to water resource management across North San Diego County;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Fallbrook Public Utility District hereby acknowledges and honors Gary Arant for his nearly 37 years of devoted service to the Valley Center Municipal Water District and his significant contributions to the water community; and

BE IT FURTHER RESOLVED that the Board extends its deepest appreciation and best wishes to Mr. Arant for a fulfilling and well-deserved retirement.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 8th day of December, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

MEMO

TO: Board of Directors
FROM: Noelle Denke, Public Information Officer
DATE: December 8, 2025
SUBJECT: Recognition and Commendation of Student Artwork

Purpose

To commend the top 14 student 4th grade artists the who submitted artwork for the 2026 “What Does Water Mean to Me?” calendar. They are from FPUD service area schools.

Summary

We have a new contest theme this year: it’s “What Does Water Mean to Me?” During classroom presentations I gave, students played an interactive water bingo game, where they learned about the water cycle, the need to conserve water and protect our storm drains, and the fact that our district is now 100 years old. Students were asked to draw a picture explaining “What Does Water Mean to Me”? It could show how water is life – with plants, people and animals drinking water. It could show how water is fun – showing swimming, splash time, playing with pets, etc. It could show that water is food, helping your family’s salad grow or that cows drink water to give milk. It could show water in the community – like water towers, or rain helping a neighbor’s garden. They were encouraged to draw what “water is” for them.

Approximately 600 4th grade students were visited in their classrooms and about 300 submitted posters for the contest. Fourteen of those posters really stood out for their creativity, artistic skill, and expression of the contest theme. I want to recognize those 14 artists. Twelve posters will be printed inside the calendar, one for each of the 12 months of the year, and the 13th and 14th posters will appear on the front cover and on a page for January 2027.

The winners will receive Amazon gift cards, and items with the FPUD logo on them: a reusable water bottle, reusable grocery bag and some school supplies. They will also have their artwork specially matted and framed. Additionally, the top three and the calendar cover student will win a T-shirt with their artwork printed on it.

The winners’ artwork will be displayed in the FPUD boardroom hallway for one year.

The top 14 are:

- Giana Rodriguez, St. Peter the Apostle Catholic School, Mrs. Montejano’s class
- Elli Mullins, Live Oak Elementary, Mr. Acevedo’s class
- Elizabeth Bernier, St. Peter the Apostle Catholic School, Mrs. Montejano’s class
- Ava Parker, Live Oak Elementary, Mr. Acevedo’s class
- Melanie Cantrell, Fallbrook STEM Academy, Miss Goulet’s class

- Santiago Cortez, Fallbrook STEM Academy, Miss Goulet's class
- Hazel Ussher, Maie Ellis Elementary, Ms. Vazquez-Quintero's class
- Maria Tomas Tomas, Fallbrook STEM Academy, Miss Goulet's class
- Adeline Ramirez, William H. Frazier Elementary, Mrs. Gomez's class
- Ezekiel Higinio, Zion Christian Learning Center, Mrs. Montejano's class
- First place: Callie Robinson, William H. Frazier Elementary, Mrs. Smith's class
- Second place: Ariana Reyes, Live Oak Elementary, Ms. Wupuy's class
- Third place: Mikey Strizic, St. Peter the Apostle Catholic School, Mrs. Montejano's class
- Cover artwork: Aubree Schilling, Live Oak Elementary, Ms. Wupuy's class

M E M O

TO: Board of Directors
FROM: Fiscal Policy and Insurance (FP&I) Committee
DATE: December 8, 2025
SUBJECT: Review of District's Draft Fiscal Year 2024-25 Annual Comprehensive Financial Report.

Purpose

Approve the District's Annual Comprehensive Financial Report (ACFR) for Fiscal Year ending June 30, 2025, Attachment A.

Summary

The issuance of an ACFR is considered an industry best management practice and is central to transparent and complete financial disclosure to stakeholders. The District has now received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finances Officers Association for its last seven annual financial reports. The receipt of this award is the result the District's focus on adopting industry best management practices and enhancing its fiscal transparency.

On October 20th, the Fiscal Policy and Insurance Committee (the Committee) met and reviewed the Draft ACFR. At this meeting, staff and Joe Ludin, the engagement Partner from Clifton Larson Allen LLP (CLA), were present to review the financial statements and other draft sections of ACFR. The Committee's comments and suggestions are included in the ACFR.

Joe Ludin will be present at the Board meeting and will make a short presentation on the audit process and this year's financial results as well as address any questions the Board has. In addition, he will be reviewing the correspondences from the Auditor to the Board, which are provided as Attachment B.

Recommended Action

The Committee recommends that the Board approve the ACFR for Fiscal Year Ending June 30, 2025.

Attachment A



A Special District in the State of California
Annual Comprehensive Financial Report
For the Fiscal Year Ending June 30, 2025

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A Special District within the State of California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year ending June 30, 2025

Current Board of Directors:

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

Prepared by District Management:

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

Acknowledgment: District Management would like to thank Jodi Brown, Annalece Bokma, Aaron Cook, Mick Cothran, Todd Jester, Jesse Perez, Ian Smith, and Veronica Tamzil for their support in preparing this document.

Fallbrook Public Utility District
990 East Mission Road
Fallbrook, CA 92028
(760) 728-1125
www.fpud.com

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INTRODUCTORY SECTION



November 3, 2025

Board of Directors

Fallbrook Public Utility District

990 East Mission Road

Fallbrook, California 92028

To the Board of Directors and Citizens of Fallbrook:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the Fallbrook Public Utility District (District) for the fiscal year ended June 30, 2025. The purpose of this report is to provide the Board, the public, and other interested parties, with reliable and transparent financial information about the District.

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

CliftonLarsonAllen, LLP, Certified Public Accountants, have issued an unmodified opinion on the Fallbrook Public Utility District's financial statements for the year ended June 30, 2025. The independent auditors' report is located at the front of the financial section of this report.

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

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

990 East Mission Road
Fallbrook, California
92028-2232
www.fpud.com
(760) 728-1125

Board of Directors

Dave Baxter
Division 1

Ken Endter
Division 2

Jennifer DeMeo
Division 3

Don McDougal
Division 4

Charley Wolk
Division 5

Staff

Jack Bebee
General Manager

David Shank
*Assistant General Manager/
Chief Financial Officer*

Lauren Eckert
*Executive Assistant/
Board Secretary*

General Counsel

Paula de Sousa
Best Best & Krieger

District Profile

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

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

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

With rate payers struggling to afford water in the District's service area and no hope of rate relief, the District took the bold step of detaching from SDCWA in an effort to lower the cost of water. On January 1, 2024, the District successfully completed the Detachment process and annexed into EMWD's service area. This change immediately reduced the District's cost of wholesale water by approximately 30%. In addition, since the District did not use any SDCWA infrastructure, the only cost to the District for detachment was a negotiated fee.



Today's and future rate payers will benefit from lower water rates and charges as a result of detachment. In Calendar Year 2026, the District's cost of treated water is half what it would be if the District remained an SDCWA customer.

Water System

In the past, the District imported 99% of its potable water with the remaining 1% coming from a local well. With the Santa Margarita Groundwater Treatment Plant (SMGTP) now operational, a significant amount of the District's water supply will be provided through its Santa Margarita River Water Rights. This new local supply is expected to reduce the average annual amount of water purchased from EMWD by 40% or more and change the District's cost structure. The District's cost to treat and deliver the local water supply is less than the current cost of purchasing the same amount of water from EMWD. With a local supply available, the District's ratepayers are not only saving on the cost of water but also limiting the impact of future EMWD rate increases.

The District's water distribution system is comprised of 270 miles of pipeline, 7,000 valves, an ultraviolet disinfection water treatment plant, nine steel reservoirs, a 400-million-gallon treated water reservoir, seven pump stations and a groundwater treatment plant. District staff operate the system, and conduct all system maintenance and repairs. The District has nearly completed an Advanced Metering Infrastructure (AMI) system upgrade that will enable real-time meter reading and provide customers with real-time water use. The District has three connections to the imported water system that are connected to MWD owned pipelines.

The District's five-year average annual water sales is 6,937 acre-feet. Residential and commercial customers represent 73% of sales, and agricultural customers make up the remaining 27%. The District's historic sales trend is down due to improved water efficiency for both residential and commercial indoor and outdoor use, combined with sharp decreases in agricultural water demands. The decrease in agricultural water demands is being driven by the economics of agriculture production and the fact that high wholesale water costs make only limited crops profitable. The District's agricultural water sales have reduced from 7,000 acre-feet in Fiscal Year 2008 to 1,800 in Fiscal Year 2025 or down 74%.

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 12-mile ocean outfall line.

The District's wastewater system has 5,046 customers with an annual influent flow of 584 million gallons of wastewater. The District hauls approximately 300 dry tons of biosolids each year to various facilities for composting and land application.

Recycled Water System

The District's recycled water system includes 10.5 miles of buried pipe. Currently the District has 30 recycled water customers, and delivers an average of 0.5 million gallons per day to them. The District provides recycled water for nurseries, sports fields, home owners' associations, Fallbrook High School, street medians, and for freeway irrigation. In 2015, the District completed a \$27 million expansion and upgrade to the water reclamation plant to improve reliability of operation and provide storage for recycled water. The project was completed ahead of schedule and under budget.

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

The District has received 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.

Elected District Officials (As of 06/30/2025):

District #1 - Dave Baxter

District #2 - Ken Endter, Vice-President

District #3 - Jennifer DeMeo

District #4 - Don McDougal, President

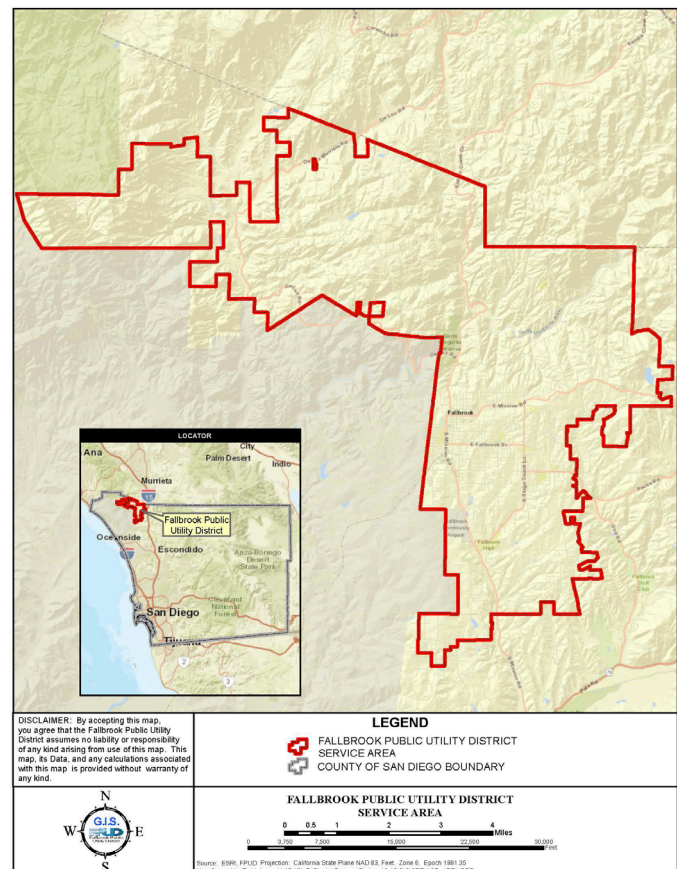
District #5 - Charley Wolk

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 2023 population is estimated to be 32,467 with 9,978 households. Fallbrook's population has remained relatively unchanged over the past several years.

The median household income in Fallbrook was \$87,293, which is less than the state median of \$100,600 and slightly higher than the national average of \$83,730. As of June 2025, San Diego County's unemployment rate was 4.9%, which is lower than the State's 5.8%.

The San Diego Association of Governments (SANDAG) projects that the County's population will approach 3.4 million residents in 2050, up from 3.3 million in 2023. The District's 2050 housing density is expected to increase slightly as housing demands increase. Employment is also expected to slightly increase by 2050.



Financial Policies

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

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

These policies can be found on the District's website as standalone documents or as part of the District's Administrative Code.

Long-Range Planning

The District engages in a wide range of long range planning activities. In 2022, the District completed the process of updating its 2017 financial plan. As part of the financial plan update, the District considered the economic benefits of detachment from San Diego County Water Authority (SDCWA) and annexing into Eastern Municipal Water District's (EMWD's) service area, established a rate and charge plan for each enterprise that ensured financial sustainability, and restructured rates and charges to better align level of service with cost of service. Each year a 10-year Capital Improvement Plan (CIP) is developed for water, recycled water and wastewater services' as part of the annual budget process. Other planning activities include establishing and funding a 115 Trust to offset the District's pension and Other Post Employment Benefits (OPEB) liabilities. On June 30, 2025, the trust held \$11.1 million in assets to offset in District's OPEB and Pension liabilities.

In 2025, the District adopted a new Triennial Strategic Plan to ensure the District's activities are aligned with the stakeholder interests. To benefit the community of Fallbrook by providing efficient and reliable services the District has identified the following long-range strategic focus areas. The strategic plan is available for review on our website, www.fpud.com.





Triennial Strategic Plan 2025-2028

OUR MISSION

Delivering exceptional water, wastewater and recycled water services and value to meet the evolving needs of the Fallbrook community.

OUR VISION

To continually advance innovative and sustainable solutions that provide outstanding utility service and deliver positive community outcomes.

OUR GUIDING PRINCIPLES

Guiding Principles are the core values that define how we lead, work, and serve. They set the standards for decision-making, shape our organizational culture, and ensure that our actions reflect a shared commitment to excellence, integrity, and service.



Community

Our customers,
our home.



Trust

Integrity and
transparency,
everyday.



Innovation

Lead, create, and
adapt.



Drive

Fueled by pride,
empowered to
achieve.



Stewardship

Financial,
infrastructure,
and resource
sustainability.



Alliances

Collaborate and
partner for better
outcomes.



Workplace

A culture of respect,
opportunity, and
safety for every
employee.

Major Initiatives

Operational Efficiency

The District is focused on driving operational efficiency by leveraging its information management systems into the decision-making processes and using Key Performance Indicators (KPIs) to evaluate operational performance. KPIs provide metrics (i.e. cost of wastewater treatment per million gallons) that can be compared to peer agencies or benchmarks and tracked over time to evaluate performance. These data are then used to optimize operations ensuring the highest level of operational efficiency is attained.

Table #1- Core Water and Wastewater KPIs

Key Performance Indicator	Target	FY 2025
Cost/AF for SMGTP Operations	Below EMWD rate of \$1,567/AF ⁽¹⁾	\$1,496/AF
Cost/MGD of Wastewater Influent Flows	Below \$3,500/MGD	\$3,167/MGD

(1) EMWD rate includes MWD fixed charges.

The District is delivering Santa Margarita River (SMR) water from Camp Pendleton (the District's local water supply) and treated at the new Santa Margarita Groundwater Treatment Plant (SMGTP) to rate payers at a cost less than the cost of imported treated water purchased from Eastern Municipal Water District (EMWD). Achieving this benchmark requires a high degree of

operational efficiency. In addition, the District's wastewater treatment cost also continues to be less than the benchmark set.

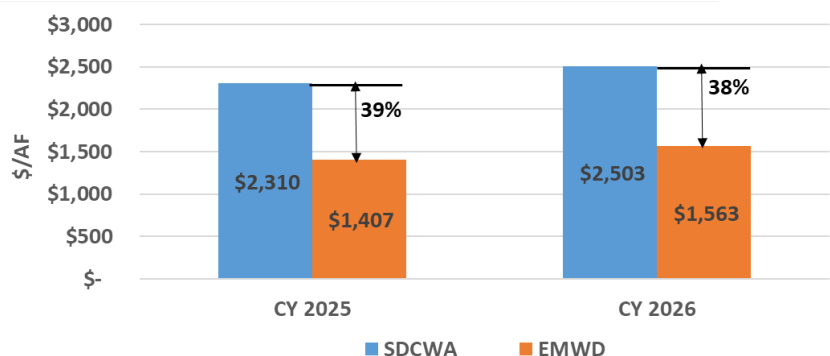
Integrating the District's Information management systems provides an opportunity to enhance the District's business intelligence. Whether it is saving money by streamlining business processes with Artificial Intelligence, optimizing equipment life-cycle costs, or providing operating staff key real time data to optimize system operations, modern and integrated information systems are necessary today. The District has updated and optimized its Computerized Maintenance Management System (CMMS) and Geographic Information System (GIS) and is implementing a new Enterprise Resource Planning (ERP) system. Each of these is a significant effort involving a wide range of staff across the organization. These efforts support better decisions driving efficient operations and minimize the District's operating costs.

Water Affordability

The District is committed to advocating for ratepayers and securing a reliable and affordable water supply. By detaching from SDCWA's service area and annexed into EMWD's service area, the District's monthly fixed charges decreased by approximately 87% and the cost of treated water by approximately 20%. These savings reset the District's cost of water at a lower level that continues to benefit the District's rate payers.

However, the District still faces wholesale water rate increases by the Metropolitan Water District (MWD), which are passed through by EMWD. In calendar years 2025 and 2026, MWD is increasing water rates by 11.1% and 9.5%, respectively. Compounded these increases result in a 21.7% increase in the District's imported water cost.

Chart #1- Cost Comparison of Imported Treated Water(\$/AF)



Offsetting these imported water cost increases is the District's low cost SMR water supply (local supply). The District plans for just over half of its water supply mix to be from local supplies. Due to the low and stable cost of the District's local supply, the District can manage the impact of imported water costs and keep water rate and charge increases in line with inflation. The District's goal is to provide rate payers with smooth and predictable rates and charges and also keep the average residential water bill lower than other surrounding utilities.

This year the District received a payment from Camp Pendleton for water that was not delivered in accordance with the Santa Margarita Conjunctive Use Settlement Agreement over the past two years. As a result, the District received a payment of \$2.75 million. This one-time payment offset the District's cost of imported water. As a result, the District's average cost of water for the year was reduced. Table 2 shows the adjusted average cost of water compared to EMWD. This highlights one of District's local supply development benefits to rate payers.

Table #2- Average Cost of Water

Average Cost of Water	SMGTP	EMWD ⁽¹⁾
Cost/AF of Treated Water	\$1,496	\$ 1,567
Adjusted Average Cost of Water ⁽²⁾	\$ 711	

(1) EMWD rate includes MWD fixed charges.

(2) Includes Water Bank Buy Down.

Asset Management

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 400 years, which means a significant number of assets in operation were well beyond their expected service life. With this replacement cycle, the frequency of asset failures is expected to increase significantly over the near-term resulting in an increasing number of emergency water disruptions and property damage claims. Over the past several years, the District has seen an increase in the frequency of emergency water pipeline repairs. In an attempt to mitigate this trend, The District is updating and enhancing its asset management program to better determine both the asset's condition and consequence of failure to support better asset renewal and replacement decisions. With the overall goal of driving the water system's asset service life down from 400 years to 100 years, the District will continue to proactively manage the renewal and rehabilitation program targeting prioritized assets.

Continuous Improvement

The District is focused on leveraging its information management systems into the decision making processes. This includes not only providing field crews and engineering with a mix of information critical to effectively planning and making asset repair and replacement decisions but also providing operating staff key real time data to optimize system operations. Better decisions driving efficient operations will help ensure the District's rates and charge are minimized.

Looking Forward

Inter-Agency regional cooperation and partnerships are being carefully evaluated as a way to reinforce the District's emergency response teams and general operations, reduce training costs, and sharing other administrative services to lower the District's cost to ratepayers. The ability to share staffing resources across agencies provides access to resources when needed but does not require the District to maintain those resources all the time. This provides the ability for all partners to achieve a higher level of efficiency than if each had to maintain the resources to meet peak/emergency demands. The benefit to ratepayers' is stable rates and charges that are minimized.

The District's organizational chart is shown on the page 9.



Acknowledgments

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



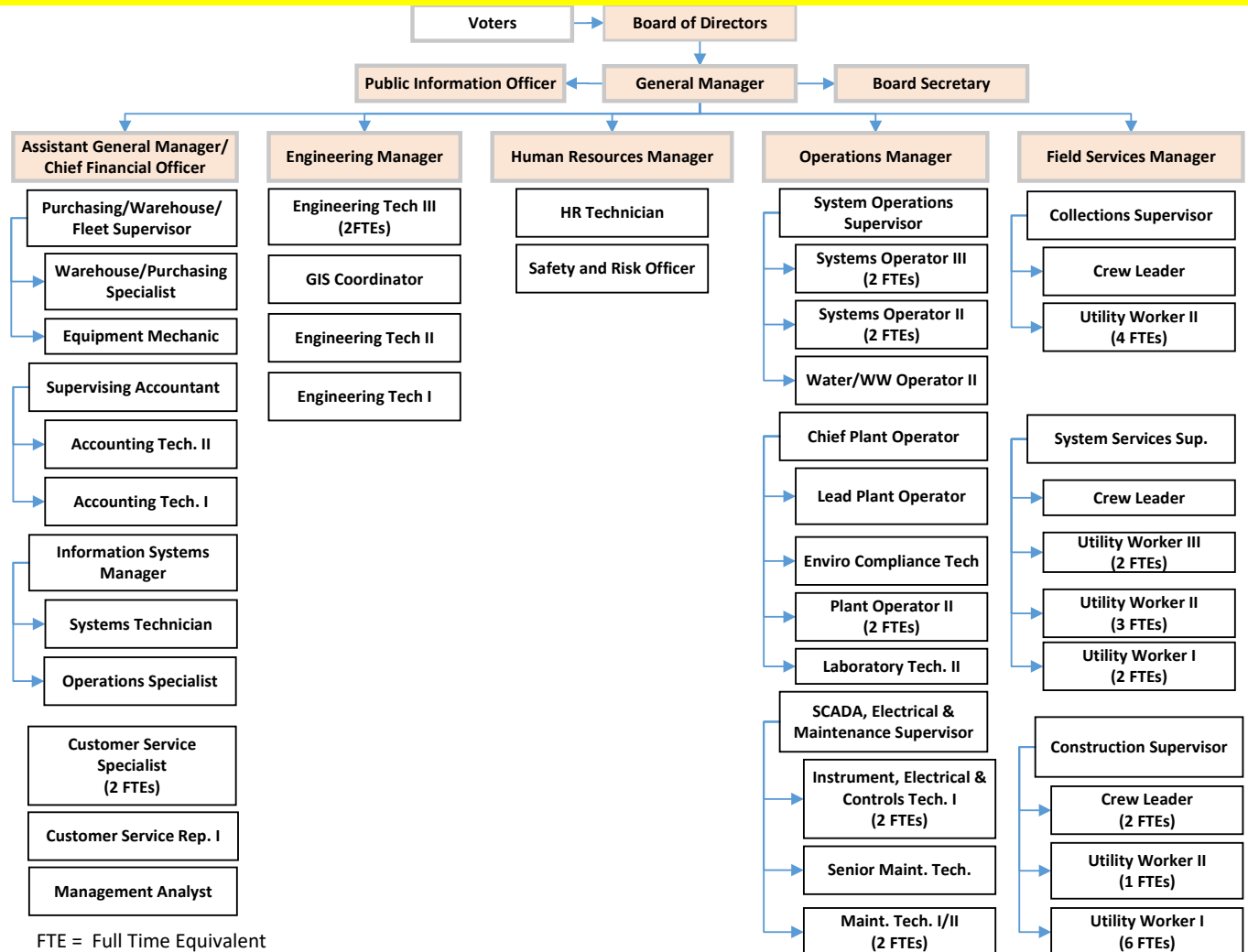
Jack Bebee
General Manager



David Shank
Assistant General Manager/CFO

Fiscal Year Organizational Structure (Total FTE 71)

Fiscal Year 2024-2025 Organizational Structure - Total Requested Regular FTE=71



Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Fallbrook Public Utility District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Fallbrook Public Utility District
Fallbrook, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fallbrook Public Utility District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fallbrook Public Utility District as of June 30, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fallbrook Public Utility District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fallbrook Public Utility District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Board of Directors
Fallbrook Public Utility District

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fallbrook Public Utility District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fallbrook Public Utility District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Directors
Fallbrook Public Utility District

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2025 was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fallbrook Public Utility District's basic financial statements. The Schedule of Operating Income and Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Operating Income and Expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with GAAS, the basic financial statements of the District as of and for the year ended June 30, 2024, (not presented herein), and have issued our report thereon dated November 22, 2024 which contained unmodified opinions on the financial statements. The schedule of operating income and expense for the year ended June 30, 2024, for the year ended June 30, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of operating income and expense is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2024.

Board of Directors
Fallbrook Public Utility District

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section and Continuing Disclosure but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
November 3, 2025

Management's Discussion and Analysis

This section of the Fallbrook Public Utility District's (District) annual financial report provides management's summary and analysis of the District's financial performance for fiscal year ending June 30, 2025. Management's Discussion and Analysis (MD&A) are broken into the following sections:

- Financial Statement Overview
- Financial Highlights & Analysis
- Capital Assets
- Debt Administration

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

Financial Statement Overview

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

The Basic Financial Statements include the following:

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

Financial Highlights

This year the District's net financial position increased 10.3% from the June 30, 2024 balance of \$103,300,858 to the June 30, 2025 balance of \$113,974,355. The increase was driven by an 10.8% year over year increase in water sales revenue and increased non-operating revenue. The District's Total Assets increased to \$229,122,467, which is a 2.9% increase from last year. The increase was driven by an increase capital asset investment and higher unrestricted assets related to the water bank and other non-operating revenues. This year Camp Pendleton chose to pay down the Santa Margarita Conjunctive Use Project (SMCUP) water bank, which resulted in \$2,754,444 of non-operating revenues. The increase in District's Restricted Assets is due to the contributions made to the District's 115 Pension Trust. Of the District's assets, 76.7% are related to infrastructure, which is the largest class of assets. Liabilities decreased to \$117,839,872 or 4.2% from year ending June 30, 2024 largely due to the scheduled paydown of the District's debt. Deferred outflows of Resources dipped slightly due to changes in the District's OPEB benefits/obligations and recognition of pension plan performance.

The District's operating loss decreased from \$4,175,425 in fiscal year ending June 30, 2024 to \$1,537,838 in fiscal year ending June 30, 2025. The decrease was driven by an increase in water sales. Overall, the District's operating revenues increased 8.2% or from \$31,103,675 to \$33,664,086 in fiscal years ending June 30, 2024 and 2025, respectively. After net non-operating revenues and capital contributions, the District's fiscal year ending June 30, 2025 increase in net position was \$10,673,497.

Financial Analysis

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

Fiscal year 2025 compared to Fiscal Year 2024

The largest and most significant portion of the District's net position is its investment in capital assets, which are used to provide services to its customers. Water assets include the pipeline distribution system, the dam and disinfection facility at the Red Mountain reservoir, an advanced reverse osmosis water treatment plant and other equipment and structures. Wastewater assets include the sewage collections system, wastewater treatment plant, solar generating plant and equipment. Net capital assets increased to \$175,641,155 in fiscal year ending June 30, 2025, which reflects a slight increase in the District's rate of reinvestment in infrastructure.

Current assets increased and liabilities decreased from fiscal year ending June 30, 2024. The increase in current assets is due to higher Other Receivables related to the SMCUP Water Bank and other one-time non-operating payments. Cash and Cash Equivalents increased as a result of a reduction in the District's cash funding of water capital projects, which were funded by the 2024 Water Revenue Bond proceeds. The decrease in current liabilities is due to lower Accounts Payable at year-end due to timing of invoicing. At year-end, the trust offsetting the District's OPEB and pension liabilities held \$11,118,967, \$1,285,170 for OPEB and \$9,833,797 for pensions.

Net capital assets increased \$1,809,515 in fiscal year ending June 30, 2025. District wide depreciation in fiscal year ending June 30, 2025 was \$9,245,178. The increase in net capital assets indicates that the District's capital investments in system assets during fiscal year ending June 30, 2025 outpacing the rate of asset depreciation. This was due to a higher level of capital project execution.

The District's total net position increased by \$10,673,497 primarily attributable to the Nonoperating Revenue, which is predominantly made up of property taxes and capital improvement charges, investment income, and the addition of a water bank buy down. These along with offsetting nonoperating expenses of \$2,650,723, compensated for the operating loss of \$1,537,838.

Fiscal year 2024 compared to Fiscal Year 2023

The largest and most significant portion of the District's net position is its investment in capital assets, which are used to provide services to its customers. Water assets include the new groundwater treatment plant, the pipeline distribution system, the dam at the Red Mountain reservoir and equipment and structures. Wastewater assets include the sewage collections system, wastewater treatment plant, solar generating plant, equipment and ownership of the Ocean Outfall. Capital assets decreased to \$173,831,640 in fiscal year ending June 30, 2024 from \$174,509,824 in fiscal year ending June 30, 2023. The slight decrease in fiscal year ending June 30, 2024 was driven by the District's disposal of assets including land and equipment.

Current assets increased from fiscal year ending June 30, 2023 due largely to \$8,397,500 in unspent 2024 bond proceeds. At year-end, the trust offsetting the District's OPEB and pension liabilities held \$8,198,731, \$1,173,543 for OPEB and \$7,025,188 for pensions.

Net capital assets decreased \$678,184 in fiscal year ending June 30, 2024. District wide depreciation in fiscal year ending June 30, 2024 was \$9,027,049. The decrease in net capital assets indicates that the District's capital investments in system assets during fiscal year ending June 30, 2024 were slightly outpaced by the rate of asset depreciation.

Current liabilities increased by \$1,874,965 from fiscal year ending June 30, 2023. The driver behind the increase in current liabilities is the debt service on the 2024 Water Revenue Bonds.

The District's total net position decreased by \$4,996,680 due largely to the \$8,506,750 Special Item, which was the detachment payment made to the SDCWA.

Condensed Statements of Net Position

	June 30, 2025	June 30, 2024	June 30, 2023
Assets			
Unrestricted Current Assets	\$ 32,921,509	\$ 26,258,734	\$ 26,256,133
OPEB and Restricted Assets	18,198,809	20,035,878	13,794,060
Capital Assets, net	175,641,155	173,831,640	174,509,824
Lease Receivable, Net of Current Portion	2,350,994	2,600,875	2,192,063
Total Assets	229,112,467	222,727,127	216,752,080
Deferred Outflows of Resources	5,744,153	7,408,477	7,638,677
Liabilities			
Current liabilities	8,450,309	9,384,302	7,509,337
Noncurrent liabilities including Retention Payable	109,389,563	113,664,231	104,535,670
Total Liabilities	117,839,872	123,048,533	112,045,007
Deferred Inflows of Resources	3,042,393	3,786,213	4,048,212
Net Position			
Net Investment in Capital Assets	85,099,661	83,327,031	84,709,855
Restricted	18,198,809	8,559,689	10,707,799
Unrestricted	10,675,885	11,414,138	12,879,884
Total Net Position	\$113,974,355	\$ 103,300,858	\$ 108,297,538

Statements of Revenues, Expenses and Changes in Net Position

	For the Year Ended June 30, 2025	For the Year Ended June 30, 2024	For the Year Ended June 30, 2023
Operating Revenues			
Water	\$ 24,994,733	\$ 22,556,356	\$ 23,467,210
Recycled Water	1,382,485	1,154,745	1,102,493
Wastewater	7,286,868	7,392,574	7,059,790
Total Operating Revenues	33,664,086	31,103,675	31,629,493
Operating Expenses			
Cost of Water	5,795,983	6,659,144	10,716,859
Water Operations	12,945,934	12,563,218	7,769,158
Recycled Water Operations	576,932	542,253	446,834
Wastewater Operations	6,637,897	6,487,436	5,035,068
Operating Expenses Before Depreciation	25,956,746	26,252,051	23,967,919
Operating Income Before Depreciation	7,707,340	4,851,624	7,661,574
Depreciation	9,245,178	9,027,049	8,997,162
Total Operating Expenses Including Depreciation Operating Loss	(1,537,838)	(4,175,425)	(1,335,588)
Non-Operating Revenues (Expenses)			
Property Taxes	2,813,075	2,734,325	2,617,564
Capital Improvements Charges	3,354,701	3,087,841	2,838,696
Investment Income	2,502,631	2,006,744	932,974
Lease Interest Income	31,902	27,608	16,496
Water Availability Charges	198,987	199,452	200,107
MWD Local Resource Program	945,500	945,500	517,280
Lease Revenue	276,197	303,595	331,006
Intergovernmental Revenue-Federal Interest Rate Subsidy	56,074	72,101	86,153
Connection Fees	1,104,774	141,453	186,946
SDCWA Rate Refund	-	-	8,441
Water Supply Grant Funds	-	-	452,253
Net Gain (Loss) on Disposal of Capital Assets	749,822	327,395	170,307
Water Bank Buy Down	2,754,444	-	-
Community Benefit Program Expense	(651,685)	(266,448)	(96)
Interest Expense	(1,999,038)	(1,994,853)	(1,622,851)
Total Non-Operating Revenues, Net	12,137,384	7,584,713	6,735,276
Change in Net Position Before Capital Contributions and Special Item	10,599,546	3,409,288	5,399,688
Capital Contributions	73,951	100,782	175,868
Special Item	-	(8,506,750)	-
Change in Net Position	10,673,497	(4,996,680)	5,575,556
Net Position - Beginning of Year	103,300,858	108,297,538	102,721,982
Net position - End of Year	\$ 113,974,355	\$ 103,300,858	\$ 108,297,538

Fiscal year 2025 compared to Fiscal Year 2024

Fiscal year ending June 30, 2025 water revenues were up 10.8% or \$2,438,377 from fiscal year ending June 30, 2024 due to an increase in water sales. Wastewater revenues were down 1.4% from fiscal year ending June 30, 2024 levels due to a slight reduction in billable flows. While the Statements of Net Position shows the District's overall financial position, the Statements of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of the changes in the District's fiscal year ending June 30, 2025 net position. The District's net position increased by \$10,673,497 during fiscal year ending June 30, 2025.

Operating revenue increased \$2,560,411 primarily due to a combination of rate and charge increases and water sales of 6,886 AF in fiscal year ending June 30, 2025, which is an increase from 5,685 AF during fiscal year ending June 30, 2024. Recycled water sales trended with water sales and increased to 608 AF as compared to 503 AF in fiscal year ending June 30, 2024. Wastewater revenues decreased by \$105,706 from fiscal year ending June 30, 2024 due to normal fluctuations in billable flows. Operating revenues included potable water and recycled sales, monthly District water and wastewater operations charges.

Operating expenses were relatively flat decreasing by \$77,176 from fiscal year ending June 30, 2024. While the Cost of Water was down \$863,161 from fiscal year ending June 30, 2024 due to the District's increased use of local supply, water, wastewater and recycled operations were higher due to costs associated with treating local supplies and inflation on both labor and non-labor. Depreciation expense increased by \$218,129 from fiscal year ending June 30, 2024 as more assets capital assets are installed and depreciate. The District's GASB 68 Pension Expense was a \$3,227,545 operating expense this year, which is \$673,319 higher than fiscal year ending June 30, 2024.

The District's operating loss of \$1,537,838 when netted against combined nonoperating revenues and expenses of \$12,137,384 results in a \$10,599,546 increase in net position before capital contributions. The District's nonoperating revenues come from six primary sources, property taxes in the amount of \$2,813,075, water and wastewater capital improvement charges in the amount of \$3,354,701, investment income in the amount of \$2,502,631, MWD Local Resources Program payments of \$945,500, connection fees in the amount of \$1,104,774, the net gain on the disposal of capital assets in the amount of \$759,822, and the water bank buy down of \$2,754,444.

Fiscal year 2024 compared to Fiscal Year 2023

Fiscal year ending June 30, 2024 water sales revenues were down 3.9% or \$910,854 from fiscal year ending June 30, 2023 due to a decrease in water sales. Wastewater revenues were up 4.7% from fiscal year ending June 30, 2023 levels due to rate increases and higher billable flows. While the Statements of Net Position shows the District's overall financial position, the Statements of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of the changes in the District's fiscal year ending June 30, 2024 net position. The District's net position decreased by \$4,996,680 during fiscal year ending June 30, 2024.

Operating revenue decreased \$525,818 due to lower water sales. Recycled water sales were flat at 503 AF as compared to 594 AF in fiscal year ending June 30, 2023. Wastewater revenues increased by \$332,784 versus fiscal year ending June 30, 2023. Operating revenues included potable water and recycled sales, monthly District water and wastewater operations charges and pass-through charges from SDCWA.

Operating expenses increased by \$2,314,019 from fiscal year ending June 30, 2023. The increase in operating expense was driven by a \$4,794,060 increase in water operations and a \$1,452,368 increase in wastewater operations from fiscal year ending June 30, 2023. Local supply deliveries were 63% of water sales up from 24% in last year. The cost to treat this increased local supply flows drove up the water operations expenses. The District's GASB 68 Pension Expense this year switched to an expense from a credit last year due to changes in the actuarial assumptions of the District's pension obligations. This is the driver of the wastewater operations expense increase. The District's Depreciation expense increased by \$29,887 from fiscal year ending June 30, 2023.

The District's operating loss of \$4,175,425 when netted against combined nonoperating revenues and expenses of \$7,584,713 results in a \$3,409,288 increase in net position before capital contributions and detachment payment. The District's nonoperating revenues came from seven primary sources, property taxes in the amount of \$2,734,325, water and wastewater capital improvement charges in the amount of \$3,087,841, investment income in the combined amount of \$2,006,744, MWD Local Resources Program payments of \$945,500, Lease Revenues of \$303,595, the net gain on disposal of capital assets in the amount of \$327,395 and water availability charges in the amount of \$199,452.

Supplemental information for each of the three operations divisions can be found on page 76 of this report.

Capital Assets

The District has implemented an asset management program to improve the system reliability and reduce the number of unscheduled repairs. A critical component of the asset management program is the District's pipeline and valve replacement program. In fiscal year ending June 30, 2025, the District replaced 9,510 feet of pipe and 177 valves (129 by FPUD crews and 48 by contractors). The District's pipeline and valve replacement program's goal is to reduce the replacement cycle of pipelines to 100 years from the previous 400 year replacement cycle. Additional information on the District's capital asset activity can be found at Note 3 of the Notes to the Basic Financial Statements.

June 30, 2025, the District has the following commitments with respect to unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Completion Date
Toyon & De Luz Pump Stations	\$ 150,000	12/31/2025
Rattlesnake Tank Site Improvements	200,000	12/31/2025
Downtown Pipeline Replacement	3,800,000	9/30/2026
De Luz Connection Flow Control Facility	20,000	11/15/2025
UV Plant UPS Battery Replacement	35,000	11/15/2025
8MG Chlorination Station	150,000	12/31/2025
SMGTP Emergency Backup Generator*	1,200,000	8/31/2026
Sewer Main Relining FY25	25,000	10/31/2025
Scrubber Replacement	30,000	9/30/2025

* Project is grant funded, will be reimbursed for the majority of costs.

Debt Administration

At June 30, 2025, the District had \$93.5 million of long-term debt outstanding. \$1.2 million of this debt is attributable to the wastewater Qualified Energy Conservation Bonds (QECCB) solar loan, which qualifies for Federal Interest Rate Subsidy payments. The loan was originally for \$7.2 million. An additional \$2.2 million of indebtedness is attributable to the Red Mountain Disinfection Facility SRF loan, which was originally for \$6.16 million. \$15.4 million of indebtedness and \$2.1 million in unamortized premium is attributable to the District's Waste Water Revenue Refunding Bonds, which refunded the District's Wastewater Treatment Plant SRF loan, which was originally for \$29.6 million. The SRF loan for the SMGTP, was approved for \$63.9 million at the end of fiscal year ending June 30, 2022. The 2024 Water Revenue Bonds were issued in March 2024 for \$11,205,000 with \$11.1 million outstanding and an unamortized premium of \$736,963. Scheduled debt service payments (principal and interest) on the 2024 Water Revenue Bonds commenced in fiscal year 2025. During the year ending June 30, 2025 \$3.6 million of principal payments were made on the District's outstanding long-term obligations.

More detailed information about the District's debt structure is found in Note 7 to the Basic Financial Statements.

**FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

ASSETS	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 10,390,243	\$ 8,150,176
Investments	12,177,022	11,261,326
Receivables - Water Sales and Services	4,689,312	4,523,257
Accrued Interest Receivable	107,284	71,965
Property Taxes Receivable	43,886	41,816
Lease Receivable, Current Portion	249,881	241,958
Other Receivables	3,436,766	193,750
Inventory	1,644,256	1,626,706
Prepaid Expenses and Other Deposits	182,859	147,780
Restricted Assets:		
Cash and Cash Equivalents	10,530,815	7,660,875
Investments	7,667,994	12,375,003
Total Current Assets	<u>51,120,318</u>	<u>46,294,612</u>
NONCURRENT ASSETS		
Capital Assets:		
Capital Assets, Not Being Depreciated	16,692,611	16,783,490
Capital Assets Being Depreciated, Net	158,948,544	157,048,150
Total Capital Assets, Net	<u>175,641,155</u>	<u>173,831,640</u>
Lease Receivable, Net of Current Portion	2,350,994	2,600,875
Total Noncurrent Assets	<u>177,992,149</u>	<u>176,432,515</u>
 Total Assets	 229,112,467	 222,727,127
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts From Pension	5,504,669	7,065,224
Deferred Amounts From OPEB	239,484	343,253
Total Deferred Outflows of Resources	<u>5,744,153</u>	<u>7,408,477</u>

See accompanying Notes to Basic Financial Statements.

FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)

LIABILITIES	2025	2024
CURRENT LIABILITIES		
Accounts Payable	\$ 2,917,679	\$ 3,709,946
Accrued Wages	213,225	160,512
Construction and Other Deposits	21,229	17,882
Accrued Interest Payable	658,019	807,554
Retention Payable	78,100	290,772
Lease Liability, Current Portion	19,988	19,299
Subscription Liability, Current Portion	34,434	33,203
Compensated Absences, Current Portion	720,569	702,235
Current Portion of Other Long-Term Debt	3,787,066	3,642,899
Total Current Liabilities	8,450,309	9,384,302
NONCURRENT LIABILITIES		
Health Retirement Account Liability	284,421	285,183
Net OPEB Liability	140,801	117,970
Net Pension Liability	18,137,672	18,253,675
Lease Liability, Net of Current Portion	53,146	73,134
Subscription Liability, Net of Current Portion	-	34,434
Compensated Absences, Net of Current Portion	1,080,854	1,053,353
Long-Term Debt - Net of Current Portion	89,692,669	93,846,482
Total Noncurrent Liabilities	109,389,563	113,664,231
Total Liabilities	117,839,872	123,048,533
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts From Pension	515,386	958,726
Deferred Amounts From OPEB	69,658	94,877
Deferred Amounts From Lease Receivable	2,457,349	2,732,610
Total Deferred Inflows of Resources	3,042,393	3,786,213
NET POSITION		
Net Investment in Capital Assets	85,099,661	83,327,031
Restricted for:		
1958 Annex Projects	1,213,780	1,213,780
Debt Service Reserves	3,511,813	320,721
Capital Projects	3,639,419	-
Pension	9,833,797	7,025,188
Unrestricted	10,675,885	11,414,138
Total Net Position	\$ 113,974,355	\$ 103,300,858

See accompanying Notes to Basic Financial Statements.

FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

	2025	2024
OPERATING REVENUES		
Water	\$ 24,994,733	\$ 22,556,356
Recycled Water	1,382,485	1,154,745
Wastewater	7,286,868	7,392,574
Total Operating Revenues	<u>33,664,086</u>	<u>31,103,675</u>
OPERATING EXPENSES		
Cost of Water	5,795,983	6,659,144
Water Operations	12,945,934	12,563,218
Recycled Water Operations	576,932	542,253
Wastewater Operations	6,637,897	6,487,436
Operating Expenses Before Depreciation and Amortization	<u>25,956,746</u>	<u>26,252,051</u>
Operating Income Before Depreciation and Amortization	7,707,340	4,851,624
Depreciation and Amortization	<u>9,245,178</u>	<u>9,027,049</u>
Operating Income	(1,537,838)	(4,175,425)
NONOPERATING REVENUES (EXPENSES)		
Property Taxes	2,813,075	2,734,325
Capital Improvements Charges	3,354,701	3,087,841
Investment Income	2,502,631	2,006,744
Lease Interest Income	31,902	27,608
Water Availability Charges	198,987	199,452
MWD Local Resource Program	945,500	945,500
Lease Revenue	276,197	303,595
Intergovernmental Revenue - Federal Interest Rate Subsidy	56,074	72,101
Connection Fees	1,104,774	141,453
Gain on Disposal of Capital Assets	749,822	327,395
Community Benefit Program Expense	(651,685)	(266,448)
Water Bank Buydown	2,754,444	-
Interest Expense	(1,999,038)	(1,994,853)
Total Nonoperating Revenues (Expenses)	<u>12,137,384</u>	<u>7,584,713</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEM	10,599,546	3,409,288
CAPITAL CONTRIBUTIONS	73,951	100,782
SPECIAL ITEM	<u>-</u>	<u>(8,506,750)</u>
CHANGE IN NET POSITION	10,673,497	(4,996,680)
Net Position - Beginning of Year	<u>103,300,858</u>	<u>108,297,538</u>
NET POSITION - END OF YEAR	<u><u>\$ 113,974,355</u></u>	<u><u>\$ 103,300,858</u></u>

See accompanying Notes to Basic Financial Statements.

FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 30,255,015	\$ 31,228,612
Payments for Water	(5,802,094)	(6,109,602)
Payments for Services and Supplies	(11,582,576)	(11,101,610)
Payments for Employee Wages, Benefits and Related Costs	(8,421,902)	(8,270,200)
Payment for Special Item	-	(8,506,750)
Net Cash Provided (Used) by Operating Activities	4,448,443	(2,759,550)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Taxes	2,811,005	2,737,927
Net Cash Provided by Noncapital Financing Activities	2,811,005	2,737,927
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Lease Revenues Collected	242,894	267,724
Acquisition and Construction of Capital Assets	(11,637,515)	(7,311,254)
Proceeds From Sales of Capital Assets	750,894	434,824
Proceeds of Issuance of Debt	-	11,998,785
Principal Payments on Long-Term Debt	(3,645,401)	(3,543,712)
Interest Paid	(2,565,320)	(2,223,417)
Intergovernmental Revenue - Federal Interest Rate Subsidy	56,074	72,101
Capital Improvement Charges and Connection Fees	7,213,919	3,229,294
Proceeds from MWD Local Resource Program	945,500	945,500
Water Availability Charges	198,987	199,452
Net Cash Provided (Used) by Capital and Related Financing Activities	(8,439,968)	4,069,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchases) of Investments, Net	4,173,811	(8,209,446)
Interest Received	2,116,716	1,530,427
Net Cash Provided (Used) by Investing Activities	6,290,527	(6,679,019)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,110,007	(2,631,345)
Cash and Cash Equivalents - Beginning of Year	15,811,051	18,442,396
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 20,921,058</u>	<u>\$ 15,811,051</u>
FINANCIAL STATEMENT PRESENTATION		
Cash and Cash Equivalents	\$ 10,390,243	\$ 8,150,176
Cash and Cash Equivalents - Restricted Assets	10,530,815	7,660,875
Total Cash and Cash Equivalents	<u>\$ 20,921,058</u>	<u>\$ 15,811,051</u>

See accompanying Notes to Basic Financial Statements.

**FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR JUNE 30, 2024)**

	2025	2024
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (1,537,838)	\$ (4,175,425)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	9,245,178	9,027,049
Community Benefit Program Expenses	(651,685)	(266,448)
Special Item	-	(8,506,750)
(Increase) Decrease in:		
Receivables	(3,409,071)	124,937
Inventory	(17,550)	(221,599)
Prepaid Expenses And Other Deposits	(35,079)	(47,075)
Deferred Outflows of Resources	1,664,324	230,200
Increase (Decrease) in:		
Accounts Payable	(345,891)	610,479
Accrued Wages	52,713	12,548
HRA Liability	(762)	(22,285)
Net OPEB Obligation	22,831	(129,413)
Net Pension Liability	(116,003)	1,126,172
Compensated Absences	45,835	135,258
Deferred Inflows of Resources	(468,559)	(657,198)
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,448,443</u>	<u>\$ (2,759,550)</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in Fair Value of Investments	<u>\$ 382,498</u>	<u>\$ 493,104</u>
Acquisition and Construction of Capital Assets in Accounts Payable	<u>\$ 515,510</u>	<u>\$ 961,886</u>
Capital Assets Contributed	<u>\$ 73,951</u>	<u>\$ 100,782</u>

See accompanying Notes to Basic Financial Statements.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Operations of the District

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

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

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

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

Proprietary Fund

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

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Proprietary Fund (Continued)

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

Net Position

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

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted net position." As of June 30, 2025, \$719,769 of unrestricted net position is designated for Community Benefit Program.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

C. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The category of deferred outflow of resources reported in the statement of net position is related to pension and other postemployment benefits. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 9 and 10, respectively.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources reported on the statement of net position relate to pension, other postemployment benefits and leases. Deferred inflow related to lease receivables will be recognized as revenue in a systematic and rational manner over the life of the lease. Deferred inflows on pension and other postemployment benefits are more fully discussed in Notes 9 and 10, respectively.

D. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash, Cash Equivalents, and Investments (Continued)

State Investment Pool

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

Investment Valuation

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

E. Water Sales

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

F. Accounts Receivable and Allowance for Doubtful Accounts

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

G. Inventory

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

H. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses and are expensed during the periods benefited.

FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Restricted Assets

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

J. Capital Assets

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

Water Transmission and Distribution System:	
Impounding Dams and Reservoirs	50 Years
Pipelines	50 Years
Other	20 to 25 Years
Wastewater Collection System, and Treatment and Disposal Facilities	
Buildings and Structures	45 Years
Equipment	3 to 10 Years

Right-to-use leased assets and subscription assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

K. Lease Receivable

The District measures lease receivable at the present value of lease payments expected to be received during the lease term. Interest revenue is recognized ratably over the contract term.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Lease Payable

Lease payable represents the District's obligation to make lease payments arising from the lease. Lease payable is recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

M. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, four types of leave qualify for liability recognition for compensated absences – vacation, sick leave, executive leave and compensatory leave. The liability for compensated absences is reported as incurred in the proprietary fund financial statements. The liability for compensated absences includes salary-related benefits, where applicable. Compensated absences for the year ended June 30, 2025, were as follows:

Balance July 1, 2024	Net Change	Balance June 30, 2025	Due Within One Year
<u>\$ 1,755,628</u>	<u>\$ 45,795</u>	<u>\$ 1,801,423</u>	<u>\$ 720,569</u>

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

Capital contributions for water and wastewater represent contributions of capital assets from developers and revenues from the California State proposition programs. Capital contributions are recorded in the Statement of Revenues, Expenses and Changes in Net Position at acquisition value at the date the ownership is transferred to the District.

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

FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Property Taxes and Assessments

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

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

P. Use of Estimates

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

Q. Pensions

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

R. Other Postemployment Benefits

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS

Cash and investments at June 30, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Current Assets:

Cash and Cash Equivalents	\$ 10,390,243
Restricted Cash and Cash Equivalents	10,530,815
Investments	12,177,022
Restricted Investments	7,667,994
Total Cash and Investments	<u>\$ 40,766,074</u>

Cash and Investments Consist of the following:

Cash on Hand	\$ 1,300
Deposits with Financial Institutions	1,619,942
Investments	39,144,832
Total Cash and Investments	<u>\$ 40,766,074</u>

Investments Authorized by the California Government Code and the District's Investment Policy

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

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)**Investments Authorized by Debt Agreements**

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

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2025.

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund (LAIF)	\$ 7,254	\$ 7,254	\$ -	\$ -
U.S. Treasury Securities	7,279,258	449,987	1,614,849	5,214,422
California Asset Management Program (CAMP)	8,986,545	8,986,545	-	-
Asset Backed Securities	2,264,717	-	91,705	2,173,012
Medium-Term Notes	3,622,755	-	214,474	3,408,281
Municipal Bonds	254,603	112,662	-	141,941
Negotiable Certificates of Deposit	101,767	-	-	101,767
Federal Agency Collateralized Mortgage Obligations	3,108,646	-	871,975	2,236,671
Money Market	23,751	23,751	-	-
PARS Pooled Trust - Pension Trust	9,833,797	9,833,797	-	-
Investments with Fiscal Agent:				
Money Market	1,231,739	1,231,739	-	-
U.S. Treasury Securities	2,430,000	2,430,000	-	-
Total	\$ 39,144,832	\$ 23,075,735	\$ 2,793,003	\$ 13,276,094

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's Investment Policy, or debt agreements, and the Standard & Poor's (S&P) rating for each investment type at June 30, 2025.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)**Disclosures Relating to Credit Risk (Continued)**

Investment Type	Total	Minimum Rating*	Exempt from Disclosure	Ratings as of Year End			
				AAA	AA/AA-/AA+	A/A-/A+	Not Rated
Local Agency Investment Fund (LAIF)	\$ 7,254	Exempt	\$ -	\$ -	\$ -	\$ -	\$ 7,254
U.S. Treasury Securities	7,279,258	Exempt	-	-	7,279,258	-	-
California Asset Management Program (CAMP)	8,986,545	AAA	-	8,986,545	-	-	-
Asset Backed Securities	2,264,717	A	-	1,405,672	-	-	859,045
Medium-Term Notes	3,622,755	A	-	168,635	497,905	2,905,078	51,137
Municipal Bonds	254,603	A/A-1	-	-	254,603	-	-
Negotiable Certificates of Deposit	101,767	A/A-1	-	-	-	101,767	-
Federal Agency Collateralized Mortgage Obligations	3,108,646	AA	-	-	3,108,646	-	-
Money Market	23,751	A	-	23,751	-	-	-
PARS Pooled Trust							
- Pension Trust	9,833,797	Exempt	9,833,797	-	-	-	-
Investments with Fiscal Agent:							
Money Market	1,231,739	A	-	1,231,739	-	-	-
U.S. Treasury Securities	2,430,000	Exempt	2,430,000	-	-	-	-
Total	\$ 39,144,832		\$ 12,263,797	\$ 11,816,342	\$ 11,140,412	\$ 3,006,845	\$ 917,436

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

Concentration of Credit Risk

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The District holds no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments at June 30, 2025.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, the District's deposits with financial institutions (bank balances) were insured by the Federal Deposit Insurance Corporation or collateralized as required under California law.

Fair Value Measurements

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

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)**Fair Value Measurements (Continued)**

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

	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	June 30, 2025
Investments by Fair Value Level:				
Asset Backed Securities	\$ -	\$ 2,264,717	\$ -	\$ 2,264,717
Medium-Term Notes	-	3,622,755	-	3,622,755
Municipal Bonds	-	254,603	-	254,603
Negotiable Certificates of Deposit	-	101,767	-	101,767
U.S. Treasury Securities	-	9,709,258	-	9,709,258
Federal Agency Collateralized Mortgage Obligations	-	3,108,646	-	3,108,646
Total Investments by Fair Value Level	<u>\$ -</u>	<u>\$ 19,061,746</u>	<u>\$ -</u>	<u>19,061,746</u>
Investments Measured at Cost or Net Asset Value (NAV):				
Local Agency Investment Fund (LAIF)				7,254
California Asset Management Program (CAMP)				8,986,545
Money Market				1,255,490
PARS Pooled Trust - Pension Trust				9,833,797
Total Investments at Cost or Net Asset Value (NAV)				<u>20,083,086</u>
Total Investments				<u>\$ 39,144,832</u>

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2025 were as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2025
Capital Assets, Not Being Depreciated:					
Land and Property Rights-Water	\$ 11,589,882	\$ -	\$ (1,072)	\$ -	\$ 11,588,810
Land and Property Rights-Wastewater	1,128,164	-	-	-	1,128,164
Construction In Progress	4,065,444	10,263,059	-	(10,352,866)	3,975,637
Total Capital Assets, Not Being Depreciated	16,783,490	10,263,059	(1,072)	(10,352,866)	16,692,611
Capital Assets, Being Depreciated:					
Water Operations:					
Impounding Dam	35,386,102	-	-	56,895	35,442,997
Distribution System	74,484,699	-	-	8,229,628	82,714,327
Buildings and Structures	61,803,244	112,850	-	843,171	62,759,265
Equipment	10,915,838	279,906	-	148,026	11,343,770
Subscription Asset	102,536	-	-	-	102,536
Right-of-Use Lease Asset - Equipment	98,249	-	-	-	98,249
Total Water Operations	182,790,668	392,756	-	9,277,720	192,461,144
Wastewater Operations:					
Collection System	14,056,536	-	-	686,696	14,743,232
Treatment And Disposal Facilities	65,147,791	-	-	388,450	65,536,241
Equipment	1,210,285	399,950	-	-	1,610,235
Total Wastewater Operations	80,414,612	399,950	-	1,075,146	81,889,708
Recycle Operations:					
Distribution System	6,418,472	-	-	-	6,418,472
Total Recycle Operations	6,418,472	-	-	-	6,418,472
Total Capital Assets Being Depreciated	269,623,752	792,706	-	10,352,866	280,769,324
Less: Accumulated Depreciation for:					
Impounding Dam	(21,498,942)	(1,330,358)	-	-	(22,829,300)
Systems and facilities	(75,269,609)	(5,154,962)	-	-	(80,424,571)
Building and Structures	(7,716,705)	(2,029,255)	-	-	(9,745,960)
Equipment	(8,058,936)	(676,518)	-	-	(8,735,454)
Less: Accumulated Amortization for:					
Subscription Asset	(21,108)	(34,359)	-	-	(55,467)
Right-of-Use Lease Asset - Equipment	(10,302)	(19,726)	-	-	(30,028)
Total Accumulated Depreciation and Amortization	(112,575,602)	(9,245,178)	-	-	(121,820,780)
Total Capital Assets Being Depreciated, Net	157,048,150	(8,452,472)	-	10,352,866	158,948,544
Total Capital Assets, Net	\$ 173,831,640	\$ 1,810,587	\$ (1,072)	\$ -	\$ 175,641,155

NOTE 4 LEASE RECEIVABLE

The District, acting as lessor, leases several real properties for cell towers under long-term, noncancelable lease agreements. The leases expire at various dates through 2043 and provide various renewal options ranging from three months to five years. During the year ended June 30, 2025, the City recognized \$275,261 and \$29,523 in lease revenue and interest revenue, respectively, pursuant to these contracts. Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 LEASE RECEIVABLE (CONTINUED)

Total future payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 249,881	\$ 27,709	\$ 277,590
2027	228,595	25,876	254,471
2028	221,431	24,191	254,471
2029	188,124	22,527	245,622
2030	186,565	20,949	207,514
2031-2035	798,280	81,084	879,364
2036-2040	554,634	42,883	597,517
2041-2044	173,365	8,211	181,576
Total	<u>\$ 2,600,875</u>	<u>\$ 253,430</u>	<u>\$ 2,898,126</u>

NOTE 5 LEASE LIABILITY

The District leases a Konica Printer under a long-term, noncancelable lease agreement. The lease expires in 2029. An initial lease liability was recorded in the amount of \$98,249 for the use of the Konica Printer. As of June 30, 2025, the value of the lease liability is \$73,134. The District is required to make monthly fixed payments of \$1,853. The lease has an interest rate of 3.5110%. Total future payments under the lease agreement are as flows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 19,988	\$ 2,248	\$ 22,236
2027	20,701	1,535	22,236
2028	21,440	796	22,236
2029	11,005	113	22,236
Total	<u>\$ 73,134</u>	<u>\$ 4,692</u>	<u>\$ 88,944</u>

NOTE 6 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has entered into subscription based-information technology arrangements (SBITAs) for use of several information technology. The SBITA arrangements expire at various dates through 2026 and provide for renewal options. As of June 30, 2025, the value of the subscription liability is \$34,434.

Total future payments under the SBITA agreements are as flows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	<u>\$ 34,434</u>	<u>\$ 996</u>	<u>\$ 35,430</u>

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2025 were as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Red Mountain State Revolving Fund Loan	\$ 2,521,186	\$ -	\$ (333,166)	\$ 2,188,020	\$ 341,786
Qualified Energy Conservation Revenue Bonds	1,630,801	-	(433,953)	1,196,848	458,515
State Water Resources Control Board Loan	62,316,571	-	(1,630,780)	60,685,791	1,661,765
2021 Wastewater Revenue Refunding Bonds Series A	14,845,000	-	-	14,845,000	585,000
2021 Wastewater Revenue Refunding Bonds Series B	1,690,000	-	(1,130,000)	560,000	560,000
2024 Water Revenue Bonds	11,205,000	-	(65,000)	11,140,000	180,000
Unamortized Premium:					
2021 Wastewater Revenue Refunding Bonds	2,500,003	-	(372,890)	2,127,113	-
2024 Water Revenue Bonds	780,820	-	(43,857)	736,963	-
Subscription Liability	67,637	-	(33,203)	34,434	34,434
Lease Liability	92,433	-	(19,299)	73,134	19,988
Total Long-Term Debt	<u>\$ 97,649,451</u>	<u>\$ -</u>	<u>\$ (4,062,148)</u>	<u>\$ 93,587,303</u>	<u>\$ 3,841,488</u>

Red Mountain State Revolving Fund Loan

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 341,786	\$ 54,065	\$ 395,851
2027	350,629	45,223	395,852
2028	359,700	36,151	395,851
2029	369,006	26,844	395,850
2030	378,553	17,297	395,850
2031	388,346	7,504	395,850
Total	<u>\$ 2,188,020</u>	<u>\$ 187,084</u>	<u>\$ 2,375,104</u>

Qualified Energy Conservation Bonds (QECCB) Solar Loan

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LONG-TERM DEBT (CONTINUED)**Qualified Energy Conservation Bonds (QECB) Solar Loan (Continued)**

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 458,515	\$ 62,150	\$ 520,665
2027	484,114	35,465	519,579
2028	254,219	7,296	261,515
Total	<u>\$ 1,196,848</u>	<u>\$ 104,911</u>	<u>\$ 1,301,759</u>

State Water Resources Control Board Loan

On August 28, 2019, the District entered into an agreement with the State Water Resources Control Board for a Drinking Water State Revolving Fund Loan to finance the construction of the Santa Margarita Conjunctive Use Project water treatment plant. The maximum loan amount was \$53,334,000 with interest at 1.9%. On January 31, 2020, the SWRCB increased the original loan approval to \$63,916,954. Total proceeds from the loan were \$62,757,217 and accrued interest of \$2,560,055 was capitalized and added to the loan balance. The District's annual repayment, including principal and interest, is \$2,814,795. The repayment term is 30 years, maturing on March 1, 2053.

Future debt service requirements for the loan payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,661,765	\$ 1,153,030	\$ 2,814,795
2027	1,693,339	1,121,456	2,814,795
2028	1,725,512	1,089,283	2,814,795
2029	1,758,297	1,056,498	2,814,795
2030	1,791,704	1,023,091	2,814,795
2031-2035	9,482,280	4,591,696	14,073,976
2036-2040	10,417,984	3,655,992	14,073,976
2041-2045	11,446,023	2,627,953	14,073,976
2046-2050	12,575,508	1,498,468	14,073,976
2051-2053	8,133,379	311,007	8,444,386
Total	<u>\$ 60,685,791</u>	<u>\$ 18,128,474</u>	<u>\$ 78,814,265</u>

2021 Wastewater Revenue Refunding Bonds

On January 27, 2021, the District issued Wastewater Revenue Refunding Bonds, Series 2021A in the amount of \$14,845,000 and Series 2021B in the amount of \$5,035,000 for the purpose of refunding \$24,668,470 of the outstanding balance of the funds borrowed from the California State Water Resources Control Board in November 2012 and again in September 2013 for the purpose of assisting the District in funding costs associated with the Fallbrook Wastewater Treatment Plan I Rehabilitation project which was completed in May 2016.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LONG-TERM DEBT (CONTINUED)**2021 Wastewater Revenue Refunding Bonds (Continued)**

The 2021A bonds were issued with an original issue premium of \$3,806,332, which will be amortized over the life of the bonds. The Series 2021A bonds mature annually from September 1, 2025 to September 1, 2035 with an interest rate of 4%. The Series 2021B bonds mature annually from September 1, 2021 to September 2025 with interest rates between .297% and 1.012%. The Series 2021A bonds maturing on or after September 1, 2032 are subject to option redemption. The Series 2021B bonds are not subject to option redemption.

The District has pledged all of the Net System Revenues derived from the operation of its wastewater systems for the debt service payment of the bond. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Wastewater System during each fiscal year which are sufficient to yield Net Revenues which are at least equal to 100% of all operation and maintenance costs and all payments required to be payable from gross revenues and 120% of principal and interest of the bonds and any parity debt for each fiscal year. Net revenues are calculated as operating revenues plus non-operating revenue less total operating expenses (excludes depreciation) totaling \$21,843,762 by debt service during the year of \$6,151,156, resulting in a ratio of 355%.

Future debt service requirements for loan payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,145,000	\$ 584,934	\$ 1,729,934
2027	1,185,000	546,700	1,731,700
2028	1,230,000	498,400	1,728,400
2029	1,280,000	448,200	1,728,200
2030	1,335,000	395,900	1,730,900
2031-2035	7,535,000	1,116,500	8,651,500
2036	1,695,000	33,900	1,728,900
Total	<u>\$ 15,405,000</u>	<u>\$ 3,624,534</u>	<u>\$ 19,029,534</u>

2024 Water Revenue Bonds

On February 27, 2024, the District issued Water Revenue Bonds, Series 2024 in the amount of \$11,205,000 to finance capital improvements for the District's water system. The bonds were issued with an original issue premium of \$793,785, which will be amortized over the life of the bonds. The bonds mature annually from December 1, 2024 to December 1, 2053. Bonds maturing through December 1, 2043 bears annual interest rate of 5%. Bonds maturing beginning December 1, 2044 bears annual interest rate of 4%. Bonds maturing on December 1, 2033 to December 1, 2043 are subject optional redemption on redemption date of June 1, 2033, at par.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LONG-TERM DEBT (CONTINUED)**2024 Water Revenue Bonds (Continued)**

The District has pledged all of the Net System Revenues derived from the operation of its water systems for the debt service payment of the bond. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each fiscal year which are sufficient to yield Net Revenues which are at least equal to 100% of all operation and maintenance costs and all payments required to be payable from gross revenues and 120% of principal and interest of the bonds and any parity debt for each fiscal year. Net revenues are calculated as operating revenues plus non-operating revenue less total operating expenses (excludes depreciation) totaling \$21,843,762 by debt service during the year of \$6,151,156, resulting in a ratio of 355%.

Future debt service requirements for loan payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 180,000	\$ 503,662	\$ 683,662
2027	190,000	494,284	684,284
2028	200,000	485,713	685,713
2029	210,000	474,008	684,008
2030	220,000	463,109	683,109
2031-2035	1,280,000	2,132,978	3,412,978
2036-2040	1,640,000	1,765,656	3,405,656
2041-2045	2,110,000	1,294,051	3,404,051
2046-2050	2,610,000	780,835	3,390,835
2051-2054	2,500,000	208,131	2,708,131
Total	<u>\$ 11,140,000</u>	<u>\$ 8,602,427</u>	<u>\$ 19,742,427</u>

NOTE 8 INVENTORY

Inventory at June 30, 2025 consisted of the following:

Water Inventory	\$ 533,679
Materials Inventory	1,110,577
Total	<u>\$ 1,644,256</u>

NOTE 9 PENSION PLANS**A. General Information about the Pension Plan****Plan Description**

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

FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2024 measurement date, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.5% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rates	8%	6.50%
Required Employer Contribution Rates:		
Normal Cost Rate	14.990%	8.180%
Payment of Unfunded Liability	\$ 1,418,820	\$ 10,188

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

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

Supplemental Plan Funding

In Fiscal year ended June 30, 2017, the District entered into a Section 115 Trust (Trust) agreement with the Public Agency Retirement Services (PARS), as the trust administrator and U.S. Bank National Association (US Bank) as the trustee. The Trust funds are available to the District to pay for pension related expenditures or reduce pension liabilities. On June 30, 2025, the fair value of the funds held in the trust account was \$9,833,797. When evaluating the District's pension funding level these funds should be taken into account.

As of June 30, 2025, Fallbrook Public Utility District reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 18,137,672</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The Districts' proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

The Fallbrook Public Utility District's proportionate share of the net pension liability as of the measurement dates ended June 30, 2023 and 2024 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.36504%
Proportion - June 30, 2024	0.36344%
Change - Increase (Decrease)	-0.00160%

For the year ended June 30, 2025, the District recognized pension expense of \$3,227,544; of which \$2,130,179 pertains to water operations, \$161,377 pertains to recycled water operations, and \$935,988 pertains to wastewater and operations. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 2,226,333	\$ -
Differences Between Actual and Expected Experience	1,568,167	(61,189)
Change in Assumptions	466,176	-
Change In Employer's Proportion	10,931	(366,010)
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	188,898	(88,187)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,044,164	-
Total	<u>\$ 5,504,669</u>	<u>\$ (515,386)</u>

\$2,226,333 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025-26	\$ 778,682
2026-27	2,322,771
2027-28	19,321
2028-29	(357,824)
Total	<u>\$ 2,762,950</u>

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures to roll forward the total pension liability to June 30, 2024. The total pension liability was based on the following:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Mortality Rate Table	(2)
Postretirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
- (3) Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)****Long-Term Expected Rate of Return**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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

<u>Asset Class ⁽¹⁾</u>	<u>New Strategic Allocation</u>	<u>Real Return Real Return (a) (b)</u>	<u>Real Return Years 11+ ^(3,4)</u>
Global Equity	30.00 %	4.54 %	5.98 %
Global Equity - Noncap-Weighted	12.00	3.84	2.62
Private Equity	13.00	7.28	1.81
Treasury	5.00	0.27	7.23
Mortgage-Backed Securities	5.00	0.50	4.93
Investment Grade Corporates	10.00	1.56	(0.92)
High Yield	5.00	2.27	
Emerging Market Debt	5.00	2.48	
Private Debt	5.00	3.57	
Real Assets	15.00	3.21	
Leverage	(5.00)	(0.59)	
Total	<u>100.00 %</u>		

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

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

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

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

	Miscellaneous Plan
1% Decrease	5.90%
Net Pension Liability	<u>\$ 26,922,532</u>
Current Discount Rate	6.90%
Net Pension Liability	<u>\$ 18,137,672</u>
1% Increase	7.90%
Net Pension Liability	<u>\$ 10,906,439</u>

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2025, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

Employees hired before July 1, 2022, retiring after age 50, with 10 or more years of continuous employment, will have the mandatory amount estimated by the District at the date of retirement to be necessary to pay for 50% of the employee's monthly health insurance premium, and any additional costs for spouse and dependent(s) covered at the time of retirement. The difference between the total value of sick leave at retirement and the estimated cost benefit (medical, dental and vision) minus the estimated costs of 50% of the retiree's medical premium is deposited into a health reimbursement account at the District to pay for retiree benefits until Medicare entitlement or the account is depleted. The District's health reimbursement account (HRA) balance as of June 30, 2025 is \$277,611. The District will pay for half (50%) of the retiree-only monthly premium. Employees hired after July 1, 2022 are not eligible for District paid health benefits in retirement.

During the year ended June 30, 2017, the District entered into a trust agreement with Public Agency Retirement Services (PARS), as the trust administrator and U.S. Bank National Association (US Bank) as the trustee. Management of the OPEB Plan is vested with the General Manager of the District with oversight and governance by the District's Finance Committee. Benefit terms are as established by the District's board of directors and agreed upon between the District and the Fallbrook Public Utility District Employees' Association through Memorandum of Understanding. The PARS OPEB Trust issues a publicly available financial report for the fiduciary net position that is available upon request. On June 30, 2025, the PARS OPEB account's fair value was \$1,285,170.

Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

	Number of Participants
Inactive Employees Currently Receiving Benefits	12
Participating Active Employees	52
Total	64

Contributions

Benefit provisions and contribution requirements of plan members and the District are established and may be amended by the District. The plan does not require employee contributions. Administrative costs of this plan are financed through investment earnings. For the fiscal year ended June 30, 2025, total contributions of \$136,298 consists of \$50,025 in premium payments made by the District outside of the trust and implicit subsidy of \$86,273.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023, with update procedures to roll forward the net OPEB liability to June 30, 2024. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

The total OPEB liability as of June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Projected Salary Increase	3.0% per year
Expected Long-Term Investment Rate of Return, Net of Plan Investment Expense	6.00%
Healthcare Cost Trend Rates	5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2024-2029 and 4.00 percent for 2030 and later years.
Mortality	Preretirement Mortality Rates for Public Agency Miscellaneous from 2000-2019 CalPERS Experience Study. Postretirement Mortality Rates for Public Agency Miscellaneous from 2000-2019 CalPERS Experience Study.

Investment Policy

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

FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Investment Policy (Continued)

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

- The OPEB Plan assets should earn, on a long-term average basis, a rate of return equal to or more than the target rate of return of 6.0%;
- The OPEB Plan trust should seek to earn a return more than its policy benchmark over the long-term;
- The OPEB Plan assets will be managed on a total return basis which considers both investment income and capital appreciation. As the plan sponsor the District recognizes the importance of preservation of capital, but also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns.

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

	<u>Asset Class</u>	<u>Strategic Allocation</u>	<u>Real Rate of Return</u>
Fixed Income		50%	1.8%
Equity		50%	4.4%

Discount Rate

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**Changes in the Net OPEB Liability**

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2023, (Measurement Date)	\$ 1,291,303	\$ 1,173,333	\$ 117,970
Changes in the Year:			
Service Cost **	70,764	-	70,764
Interest on the Total OPEB Liability	78,007	-	78,007
Contribution - Employer	-	125,729	(125,729)
Net Investment Income	-	131,430	(131,430)
Administrative Expenses	-	(6,294)	6,294
Benefit Payments	(125,729)	(125,729)	-
Other Miscellaneous Expense	-	(124,925)	124,925
Net Changes	23,042	211	22,831
Balance at June 30, 2024, (Measurement Date)	\$ 1,314,345	\$ 1,173,544	\$ 140,801

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

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

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

	1% Decrease (5.0%)	Discount Rate (6.0%)	1% Increase (7.0%)
Net OPEB Liability	\$ 233,657	\$ 140,801	\$ 54,028

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (4.5% decreasing to 3.00%) or 1 percentage point higher (6.50% decreasing to 5.00%), than the current healthcare cost trend rates:

	1% Decrease ²	Trend Rates	1% Increase ³
Net OPEB Liability	\$ 9,751	\$ 140,801	\$ 293,317

² Trend rate for each future year reduced by 1.00%.

³ Trend rate for each future year reduced by 1.00%.

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$111,949. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 136,298	\$ -
Differences Between Actual and Expected Experience	55,040	(59,939)
Change in Assumptions	47,416	(9,719)
Differences Between Projected and Actual Earnings	730	-
Total	<u>\$ 239,484</u>	<u>\$ (69,658)</u>

\$136,298 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025-26	\$ 15,960
2026-27	44,181
2027-28	(4,737)
2028-29	(13,242)
2029-30	(265)
Thereafter	(8,369)

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**Payable to the OPEB Plan**

At June 30, 2025, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

NOTE 11 RISK MANAGEMENT

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

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

At June 30, 2025, the District participated in ACWA/JPIA as follows:

Liability – General, Auto & Public Officials Errors & Omissions – ACWA/JPIA pools for the first \$5 million and purchases excess coverage up to \$55 million per occurrence, except terrorism \$5 million, communicable disease \$10million, subsidence \$45 million, lead \$45 million, and mold \$45 million.

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

Property Program – ACWA/JPIA pools for the first \$10 million and purchases excess coverage up to \$500 million, except for Boiler & Machinery \$150 million per occurrence, Earthquake \$2,500,000 program aggregate and Flood \$25 million. Deductibles are \$25,000 for real and personal property, \$10,000 for mobile equipment, licensed vehicles/trailers, \$25,000 for boiler and machinery, except \$50,000 if Turbine or Power Generation equipment, 5% of total insurable values for earthquake and \$100,000 for flood. District's total insurable values is \$121,501,748.

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

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

Dam Failure Liability – For Red Mountain Dam. Coverage limit of \$4 million per occurrence.

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 COMMITMENTS AND CONTINGENCIES**Construction Commitments**

At June 30, 2025, the District had the following commitments with respect to unfinished capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Expected Completion Date</u>
Downtown Pipeline Replacement	\$ 3,800,000	September 2026
SMGTP Emergency Backup Generator	1,200,000	August 2026
Rattlesnake Tank Site Improvements	200,000	December 2025
Toyon & De Luz Pump Stations	150,000	December 2025
8MG Chlorination Station	150,000	December 2025
UV Plant UPS Battery Replacement	35,000	November 2025
Scrubber Replacement	30,000	September 2025
Sewer Main Relining	25,000	October 2025
De Luz Connection Flow Control Facility	20,000	November 2025

Litigation

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

NOTE 13 SEGMENT INFORMATION

The District reports one overall activity on its financial statements, however the District's identifiable activities include water services, recycled water services and wastewater services.

In January 2021, the District issued Wastewater Revenue Refunding Bonds (see Note 7). The District has pledged all of the Net System Revenues derived from the operation of its wastewater systems for the debt service payment of the bond.

In February 2024, the District issued Water Revenue Bonds (see Note 7). The District has pledged all of the Net System Revenues derived from the operation of its water systems for the debt service payment of the bond.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 SEGMENT INFORMATION (CONTINUED)

Condensed information for the wastewater and water activities segment as of and for the period ended June 30, 2025 are as follows:

	Water	Wastewater
Condensed Statement of Net Position:		
Current Assets	\$ 29,754,162	\$ 9,922,154
Capital Assets	132,016,418	39,294,207
Other Assets and Deferred Outflows of Resources	6,392,018	1,665,802
Total Assets and Deferred Outflows of Resources	168,162,598	50,882,163
Current Liabilities	2,953,466	1,018,863
Long-Term Debt	76,011,239	18,728,960
Net Pension and OPEB Liabilities	12,063,792	5,300,757
Deferred Inflows of Resources	2,843,478	169,663
Total Liabilities and Deferred Inflows of Resources	93,871,975	25,218,243
Net Investment in Capital Assets	56,350,465	20,410,971
Restricted for:		
1958 Annex Project	1,213,780	-
Debt Service Reserves	3,511,813	-
Capital Projects	3,639,419	-
Unrestricted	9,575,146	5,252,949
Net Position	<u>\$ 74,290,623</u>	<u>\$ 25,663,920</u>
	Water	Wastewater
Condensed Statement of Revenues, Expenses, and		
Changes in Net Position:		
Operation Revenues:		
Service Charges	\$ 24,994,733	\$ 7,286,868
Total Operating Revenues	24,994,733	7,286,868
Operating Expenses:		
Cost of Water	5,795,983	-
Operations and Maintenance	7,553,108	3,678,900
Administrative and General	5,388,501	2,958,997
Depreciation Expenses	5,998,878	3,096,545
Total Operating Expenses	24,736,470	9,734,442
Nonoperating Revenues (Expenses) and Transfers:		
Property Taxes	1,461,894	1,282,933
Capital Improvements Charges	1,926,133	1,428,568
Investment Income (1)	1,052,989	343,334
Other Revenues	5,232,731	922,693
Interest Expense	(1,684,388)	(314,650)
Transfers	(1,329,749)	107,577
Total Nonoperating Revenues (Expenses)	6,659,610	3,770,455
Changes in Net Position	6,917,873	1,322,881
Net Position - Beginning of Year	67,372,750	24,341,039
Net Position - End of Year	<u>\$ 74,290,623</u>	<u>\$ 25,663,920</u>

(1) Investment Income excludes the mark-to-market investment gain and investment earnings on the District's 115 Trust.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 SEGMENT INFORMATION (CONTINUED)

	Water	Wastewater
Condensed Statement of Cash Flows:		
Cash Flows from Operating Activities	\$ 4,213,018	\$ 779,809
Cash Flows from Noncapital Financing Activities	1,461,894	1,282,933
Cash Flows from Capital and Related Financing Activities	(8,021,948)	(1,830,475)
Cash Flows from Investing Activities	1,050,614	343,339
Net Change in Cash and Cash Equivalents	(1,296,422)	575,606
Cash and Cash Equivalents - Beginning of Year	23,048,393	7,996,259
Cash and Cash Equivalents - End of Year	<u>\$ 21,751,971</u>	<u>\$ 8,571,865</u>

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**FALLBROOK PUBLIC UTILITY DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY – DEFINED BENEFIT PENSION PLANS
LAST TEN FISCAL YEARS**

Fiscal Year-End	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Classic & PEPRA Miscellaneous Plan					
Plan's Proportion of the Net Pension Liability	0.36344%	0.36504%	0.48437%	0.48437%	0.34901%
Plan's Proportionate Share of the Net Pension Liability	\$ 18,137,672	\$ 18,253,676	\$ 17,217,505	\$ 9,197,304	\$ 14,721,348
Covered Payroll	\$ 7,001,542	\$ 6,456,461	\$ 5,694,940	\$ 5,394,615	\$ 5,448,979
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	259.05%	282.72%	302.33%	170.49%	270.17%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	72.14%	70.51%	83.49%	83.49%	72.50%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 1,985,723	\$ 1,913,165	\$ 1,708,723	\$ 1,828,758	\$ 1,733,944

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

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

There were no changes in assumptions.

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

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023

The discount rate was reduced from 7.15% to 6.90%

From fiscal year June 30, 2023 to June 30, 2024

There were no changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025

There were no changes in assumptions.

**FALLBROOK PUBLIC UTILITY DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY – DEFINED BENEFIT PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year-End	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Classic & PEPRA Miscellaneous Plan					
Plan's Proportion of the Net Pension Liability	0.13301%	0.13015%	0.12853%	0.12729%	0.12295%
Plan's Proportionate Share of the Net Pension Liability	\$ 13,629,333	\$ 12,541,929	\$ 12,746,294	\$ 11,014,856	\$ 8,439,096
Covered Payroll	\$ 5,179,369	\$ 5,216,869	\$ 5,271,090	\$ 4,743,986	\$ 4,753,842
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	263.15%	240.41%	241.82%	232.19%	177.52%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	75.26%	73.31%	74.06%	78.40%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 1,640,356	\$ 1,410,070	\$ 1,335,205	\$ 1,234,176	\$ 1,177,856

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

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

There were no changes in assumptions.

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

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023

The discount rate was reduced from 7.15% to 6.90%

From fiscal year June 30, 2023 to June 30, 2024

There were no changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025

There were no changes in assumptions.

**FALLBROOK PUBLIC UTILITY DISTRICT
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLANS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021
Contribution Deficiency (Excess)	\$ 2,226,333	\$ 1,985,723	\$ 1,913,165	\$ 1,708,723	\$ 1,548,933
Contributions in Relation to the Actuarially Determined Contributions	2,226,333	1,985,723	1,913,165	1,708,723	1,548,933
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 7,227,226	\$ 7,001,542	\$ 6,456,461	\$ 5,694,940	\$ 5,394,615
Contributions as a Percentage of Covered Payroll	30.80%	28.36%	29.63%	30.00%	28.71%

Notes to Schedule:

Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.300%	2.500%	2.500%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) Classic: 50-67 and PEPR: 52-67
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**FALLBROOK PUBLIC UTILITY DISTRICT
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS**

	2020	2019	2018	2017	2016
Contribution Deficiency (Excess)	\$ 1,407,555	\$ 1,224,180	\$ 1,081,154	\$ 968,372	\$ 870,680
Contributions in Relation to the Actuarially Determined Contributions	1,407,555	1,224,180	1,081,154	968,372	870,680
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,448,979	\$ 5,179,369	\$ 5,216,869	\$ 5,271,090	\$ 4,743,986
Contributions as a Percentage of Covered Payroll	25.83%	23.64%	20.72%	18.37%	18.35%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) Classic: 50-67 and PEPRA: 52-67
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

FALLBROOK PUBLIC UTILITY DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN FISCAL YEARS*

Fiscal Year-End	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:								
Service Cost	\$ 70,764	\$ 68,683	\$ 64,523	\$ 61,298	\$ 58,287	\$ 57,291	\$ 63,116	\$ 61,278
Interest on Total OPEB Liability	78,007	81,104	75,172	74,434	67,499	62,409	39,301	38,242
Difference Between Expected and Actual Experience	-	(78,103)	9,047	-	95,306	-	178,893	-
Changes of Assumptions	-	(53)	67,709	-	8,321	-	(122,601)	-
Benefit Payments, Including Refunds of	(125,729)	(124,925)	(118,674)	(134,400)	(99,787)	(86,699)	(115,569)	(31,396)
Net Change in Total OPEB Liability	23,042	(53,294)	97,777	1,332	129,626	33,001	43,140	68,124
Total OPEB Liability - Beginning of Year	1,291,303	1,344,597	1,246,820	1,245,488	1,115,862	1,082,861	1,039,721	971,597
Total OPEB Liability - End of Year (a)	1,314,345	1,291,303	1,344,597	1,246,820	1,245,488	1,115,862	1,082,861	1,039,721
Plan Fiduciary Net Position:								
Contributions - Employer	125,729	124,925	118,674	134,400	99,787	86,699	268,569	767,396
Net Investment Income	131,430	82,164	(162,270)	232,085	39,017	61,267	40,802	20,571
Administrative Expenses	(6,294)	(6,045)	(6,787)	(6,301)	(5,179)	(2,402)	(1,970)	(619)
Benefit Payments	(125,729)	(124,925)	(118,674)	(134,400)	(99,787)	(86,699)	(115,569)	(31,396)
	(124,925)	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	211	76,119	(169,057)	225,784	33,838	58,865	191,832	755,952
Plan Fiduciary Net Position - Beginning of Year	1,173,333	1,097,214	1,266,271	1,040,487	1,006,649	947,784	755,952	-
Plan Fiduciary Net Position - End of Year (b)	1,173,544	1,173,333	1,097,214	1,266,271	1,040,487	1,006,649	947,784	755,952
Net OPEB Liability (Asset) - Ending (a)-(b)	\$ 140,801	\$ 117,970	\$ 247,383	\$ (19,451)	\$ 205,001	\$ 109,213	\$ 135,077	\$ 283,769
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	89.29%	90.86%	81.60%	101.56%	83.54%	90.21%	87.53%	72.71%
Covered Payroll	\$ 7,001,542	\$ 6,456,461	\$ 5,694,940	\$ 5,394,615	\$ 5,448,979	\$ 5,448,979	\$ 5,179,369	\$ 5,684,049
Net OPEB Liability as Percentage of Covered Payroll	2.01%	1.83%	4.34%	-0.36%	3.76%	2.00%	2.61%	4.99%

Notes to Schedule:

Benefit Changes:

There Were No Changes in Benefits.

Changes in Assumptions:

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

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

**FALLBROOK PUBLIC UTILITY DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
FOR THE LAST TEN FISCAL YEARS***

	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution	\$ 85,161	\$ 82,680	\$ 99,437	\$ 75,659	\$ 73,456	\$ 66,239	\$ 72,529	\$ 74,065
Contributions in Relation to the Actuarially Determined Contributions	(136,298)	(125,729)	(124,924)	(118,673)	(134,400)	(99,786)	(67,197)	(202,055)
Contribution Deficiency (Excess)	<u>\$ (51,137)</u>	<u>\$ (43,049)</u>	<u>\$ (25,487)</u>	<u>\$ (43,014)</u>	<u>\$ (60,944)</u>	<u>\$ (33,547)</u>	<u>\$ 5,332</u>	<u>\$ (127,990)</u>
Covered Payroll	\$ 7,227,226	\$ 7,001,542	\$ 6,456,461	\$ 5,694,940	\$ 5,394,615	\$ 5,448,979	\$ 5,448,979	\$ 5,179,369
Contributions as a Percentage of Covered Payroll	1.18%	1.18%	1.54%	1.33%	1.36%	1.22%	1.33%	1.43%

Notes to Schedule:

Valuation Date	6/30/2023	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2018	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:								
Actuarial Cost Method	Entry age actuarial cost method **							
Discount Rate	6%							
Projected Salary Increases	3.0% Per Year							
Expected Long-Term Investment Rate of Return, Net of Plan Investment Expenses	6.00%							
Healthcare Cost Trend Rate	6.50 percent for 2022, 6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2059-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2022-2029 and 4.00 percent for 2030 and later years.							
Mortality	Preretirement mortality rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study.							

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

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

**FALLBROOK PUBLIC UTILITY DISTRICT
SCHEDULE OF OPERATING INCOME AND EXPENSES
YEAR ENDED JUNE 30, 2025**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

	Year Ended June 30, 2025			
	Water	Recycled Water	Wastewater	Total
OPERATING REVENUES				
Water Sales	\$ 24,994,733	\$ -	\$ -	\$ 24,994,733
Recycled Water Sales	-	1,382,485	-	1,382,485
Wastewater Sales	-	-	7,286,868	7,286,868
Total Operating Revenues	24,994,733	1,382,485	7,286,868	33,664,086
OPERATING EXPENSES				
Cost of Water Sold	5,795,983	-	-	5,795,983
Operations and Maintenance	7,557,433	492,389	3,678,900	11,728,722
Administrative and General Expenses	5,388,501	84,543	2,958,997	8,432,041
Total Operating Expenses Before Depreciation and Amortization	18,741,917	576,932	6,637,897	25,956,746
Depreciation and Amortization Expense	5,998,878	149,755	3,096,545	9,245,178
Total Operating Expenses	24,740,795	726,687	9,734,442	35,201,924
OPERATING INCOME (LOSS)	\$ 253,938	\$ 655,798	\$ (2,447,574)	\$ (1,537,838)
	Year Ended June 30, 2024			
	Water	Recycled Water	Wastewater	Total
OPERATING REVENUES				
Water Sales	\$ 22,556,356	\$ -	\$ -	\$ 22,556,356
Recycled Water Sales	-	1,154,745	-	1,154,745
Wastewater Sales	-	-	7,392,574	7,392,574
Total Operating Revenues	22,556,356	1,154,745	7,392,574	31,103,675
OPERATING EXPENSES				
Cost of Water Sold	6,659,144	-	-	6,659,144
Operations and Maintenance	7,256,617	459,062	3,575,765	11,291,444
Administrative and General Expenses	5,306,601	83,191	2,911,671	8,301,463
Total Operating Expenses Before Depreciation	19,222,362	542,253	6,487,436	26,252,051
Depreciation Expense	5,992,713	137,282	2,897,054	9,027,049
Total Operating Expenses	25,215,075	679,535	9,384,490	35,279,100
OPERATING INCOME (LOSS)	\$ (2,658,719)	\$ 475,210	\$ (1,991,916)	\$ (4,175,425)

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STATISTICAL SECTION

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Table #1 - Net Positions

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2015	\$ 67,995,640	\$ 2,231,947	\$ 4,807,404	\$ 75,034,991
2016	70,683,956	3,455,377	5,170,519	79,309,852
2017	76,004,617	3,495,635	5,668,185	85,168,437
2018	79,333,568	4,711,487	2,038,252	86,083,307
2019	81,264,522	9,477,694	6,465,333	97,207,549
2020	82,199,752	10,188,202	6,316,800	98,704,754
2021	83,368,399	10,340,855	10,112,885	103,822,139
2022	84,830,631	9,631,081	8,260,270	102,721,982
2023	84,709,855	10,707,799	12,879,884	108,297,538
2024	83,327,031	8,559,689	11,414,138	103,300,858
2025	85,099,661	18,198,809	10,675,885	113,974,355

Source: Fallbrook Public Utility District

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

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Changes in Net Position:			
Operating Revenues (See Table 4)	\$ 25,356,017	\$ 27,256,065	\$ 29,882,022
Operating Expenses (See Table 3)	(27,144,267)	(29,890,177)	(33,319,799)
Other Operating Revenues	-	-	-
Operating Income (loss)	\$ (1,788,250)	\$ (2,634,112)	\$ (3,437,777)
Non-Operating Revenues (expenses)			
Property Taxes Ad-Valorem	\$ 1,815,734	\$ 1,889,808	\$ 1,984,543
Capital Improvement Charges	2,224,529	2,283,558	2,476,452
California Solar Initiative Rebate	740,125	234,930	-
Investment income (Loss)	324,126	63,861	18,188
Lease Interest income	-	-	-
Water Availability Charges	200,808	200,730	229,400
MWD Local Resource Program	-	-	-
Lease Revenue	185,220	166,012	178,602
Intergovernmental Revenue - Federal Interest Subsidy	185,040	238,765	145,338
Connection Fees	131,894	238,124	411,774
SDCWA Rate Refund	-	-	-
COVID Relief Grant	-	-	-
Water Supply Grant Funds	-	-	-
Gain (Loss) on disposal of capital assets	(551,281)	-	(273,396)
Water Bank Buy Down	-	-	-
Community Benefit Program Expense	-	-	-
Other Non-Operating Revenues	91,361	32,729	-
Other Non-Operating Expenses	(916,212)	(1,174,011)	(959,015)
Total Non-Operating Revenues(expenses), net	\$ 4,431,344	\$ 4,174,506	\$ 4,211,886
Net income Before Capital Contributions	\$ 2,643,094	\$ 1,540,394	\$ 774,109
Capital Contributions	75,299	59,509	73,661
Capital Grant - Proposition 50	874,040 ⁽¹⁾	773,163	-
Capital Grant - Proposition 84	682,428 ⁽¹⁾	-	67,100
Special Item	-	-	-
Changes in Net Position	\$ 4,274,861	\$ 2,373,066	\$ 914,870
Net Position			
Beginning, as restated	\$ 75,034,991	\$ 79,309,852	\$ 85,168,437
Adjustments to restate balance	-	3,485,519	-
Ending, as restated	\$ 79,309,852	\$ 85,168,437	\$ 86,083,307

(1) State Proposition 50 in the amount of \$874,040 and State Proposition 84 in the amount of \$682,428 was received.

Source: Fallbrook Public Utility District

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

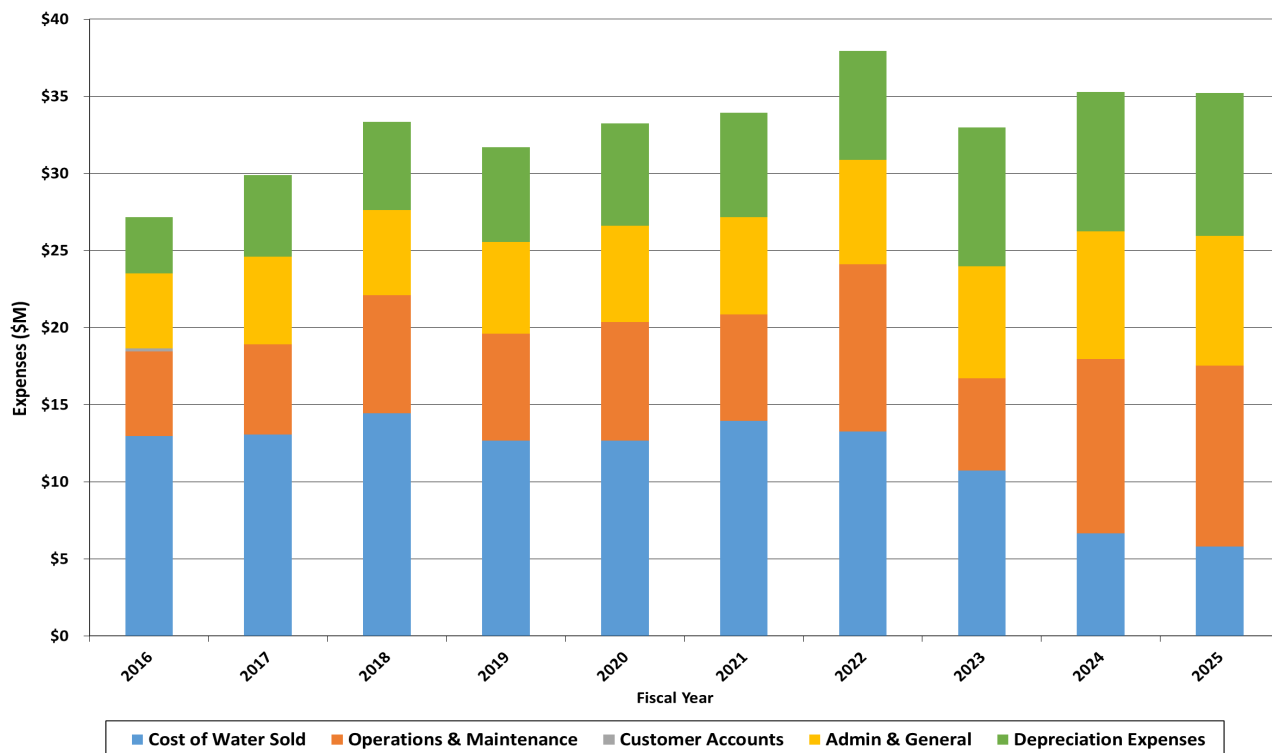
Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
\$ 26,944,550 (31,708,417)	\$ 28,931,007 (33,234,259)	\$ 32,511,601 (33,933,185)	\$ 32,814,986 (37,929,546)	\$ 31,629,493 (32,965,081)	\$ 31,103,675 (35,279,100)	\$ 33,664,086 (35,201,924)
-	-	-	-	-	-	-
\$ (4,763,867)	\$ (4,303,252)	\$ (1,421,584)	\$ (5,114,560)	\$ (1,335,588)	\$ (4,175,425)	\$ (1,537,838)
\$ 2,106,034 2,505,876	\$ 2,205,975 2,559,135	\$ 2,340,185 2,604,061	\$ 2,397,429 2,650,202	\$ 2,617,564 2,838,696	\$ 2,734,325 3,087,841	\$ 2,813,075 3,354,701
-	-	-	-	-	-	-
915,275	920,135	1,543,078	(1,835,245)	932,974	2,006,744	2,502,631
-	-	-	15,437	16,496	27,608	31,902
204,359	204,418	208,842	202,234	200,107	199,452	198,987
-	-	-	197,884	517,280	945,500	945,500
199,433	249,092	251,047	284,819	331,006	303,595	276,197
134,924	123,762	112,207	99,240	86,153	72,101	56,074
180,966	107,107	149,650	193,201	186,946	141,453	1,104,774
-	-	909,413	839,398	8,441	-	-
-	-	-	184,762	-	-	-
-	-	-	213,368	452,253	-	-
9,338,297	(31,450)	38,100	36,543	170,307	327,395	749,822
-	-	-	-	-	-	2,754,444
-	-	-	-	(96)	(266,448)	(651,685)
-	-	-	-	-	-	-
(909,966)	(910,224)	(1,665,457)	(1,524,767)	(1,622,851)	(1,994,853)	(1,999,038)
\$ 14,675,198	\$ 5,427,950	\$ 6,491,127	\$ 3,954,505	\$ 6,735,276	\$ 7,584,713	\$ 12,137,384
\$ 9,911,331	\$ 1,124,698	\$ 5,069,543	\$ (1,160,055)	\$ 5,399,688	\$ 3,409,288	\$ 10,599,546
73,789	372,507	47,842	59,898	175,868	100,782	73,951
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(8,506,750)	-
\$ 9,985,120	\$ 1,497,205	\$ 5,117,385	\$ (1,100,157)	\$ 5,575,556	\$ (4,996,680)	\$ 10,673,497
\$ 86,083,307 1,139,122	\$ 97,207,549 -	\$ 98,704,754 -	\$ 103,822,139 -	\$ 102,721,982 -	\$ 108,297,538 -	\$ 103,300,858 -
\$ 97,207,549	\$ 98,704,754	\$ 103,822,139	\$ 102,721,982	\$ 108,297,538	\$ 103,300,858	\$ 113,974,355

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

Fiscal Year	Water				Recycled			
	Cost of Water Sold	Operations & Maintenance	Customer Accounts	Admin & General ⁽¹⁾	Cost of Water Sold	Operations & Maintenance	Admin & General ⁽¹⁾	Other Expenses
2016	\$ 12,804,470	\$ 2,788,548	\$ 203,260	\$ 2,571,803	\$ 146,128	N/A	\$ 242,623	N/A
2017	13,067,064	3,030,201	N/A	2,963,305	N/A	622,997	346,173	N/A
2018	14,453,229	3,922,528	N/A	2,868,610	N/A	693,972	330,993	N/A
2019	12,650,795	3,444,139	N/A	3,807,921	N/A	548,821	51,473	N/A
2020	12,663,006	3,984,938	N/A	3,985,541	N/A	433,945	63,499	N/A
2021	13,955,908	3,330,054	N/A	4,036,546	N/A	378,419	63,071	N/A
2022	13,245,830	6,046,295	N/A	4,322,980	N/A	558,105	67,945	N/A
2023	10,716,859	3,126,443	N/A	4,642,715	N/A	373,973	72,861	N/A
2024	6,659,144	7,256,617	N/A	5,306,601	N/A	459,062	83,191	N/A
2025	5,795,983	7,557,433	N/A	5,388,501	N/A	492,389	84,543	N/A

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

Source: Fallbrook Public Utility District

Chart #1 - Operating Expenses by Activity

Source: Fallbrook Public Utility District

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

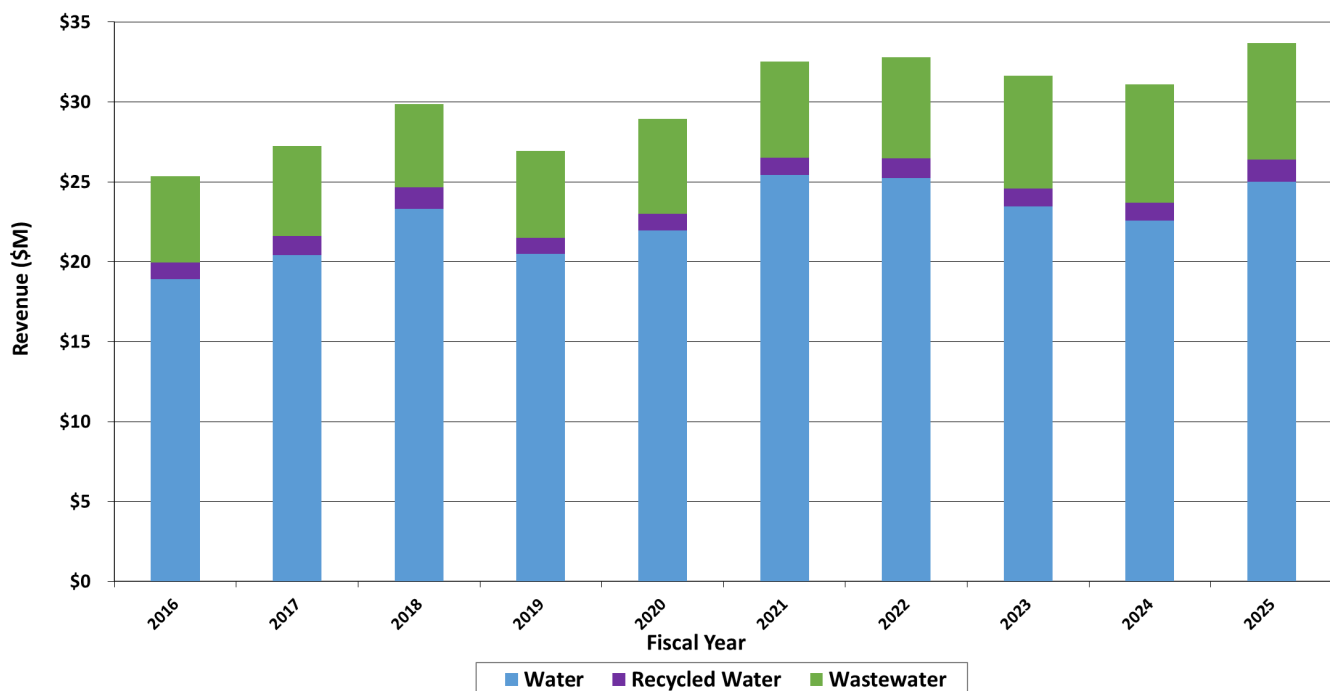
Fiscal Year	Wastewater			Depreciation Expenses	Total Operating Expenses
	Operations & Maintenance	Admin & General ⁽¹⁾	Other Expenses		
2016	\$ 2,709,284	\$ 2,038,033	N/A	\$ 3,640,118	\$ 27,144,267
2017	2,173,738	2,392,389	N/A	5,294,310	29,890,177
2018	3,039,790	2,316,954	N/A	5,693,723	33,319,799
2019	2,956,457	2,090,222	N/A	6,158,589	31,708,417
2020	3,286,965	2,178,369	N/A	6,637,996	33,234,259
2021	3,188,426	2,207,488	N/A	6,773,273	33,933,185
2022	4,242,550	2,378,061	N/A	7,067,780	37,929,546
2023	2,484,939	2,550,129	N/A	8,997,162	32,965,081
2024	3,575,765	2,911,671	N/A	9,027,049	35,279,100
2025	3,678,900	2,958,997	N/A	9,245,178	35,201,924

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

Fiscal Year	Water			Recycled			Wastewater		Total Operating Revenue
	Water Sales	Service Charges	Other Charges	Water Sales	Service Charges	Other Charges	Service Charges	Other Charges	
2016	\$12,328,995	\$5,000,621	\$1,583,301	\$ 824,925	\$ 59,359	\$156,353	\$5,402,353	\$ 110	\$25,356,017
2017	13,233,057	5,388,463	1,783,859	1,135,841	N/A	86,620	5,627,476	749	27,256,065
2018	16,194,537	5,777,173	1,340,062	1,153,170	17,956	156,060	5,258,183	(15,119)	29,882,022
2019	12,997,586	6,291,436	1,192,767	920,376	(17,974)	96,541	5,453,590	10,230	26,944,550
2020	14,040,914	6,782,468	1,116,852	949,040	51,745	58,520	5,924,878	6,590	28,931,007
2021	17,115,866	7,237,052	1,076,096	1,029,394	53,769	5,000	5,993,042	1,382	32,511,601
2022	16,464,444	7,664,909	1,116,430	1,169,287	58,063	5,000	6,323,887	12,966	32,814,986
2023	14,194,199	8,259,546	1,013,465	1,037,210	60,283	5,000	7,048,717	11,073	31,629,493
2024	13,574,167	8,378,478	603,711	1,087,836	61,909	5,000	7,350,294	42,280	31,103,675
2025	16,363,735	8,292,038	338,960	1,316,798	60,687	5,000	7,270,856	16,012	33,664,086

Source: Fallbrook Public Utility District

Chart #2 - Operating Revenues by Source



Source: Fallbrook Public Utility District

Table #5 - Water Rates (\$/Kgal*) ⁽¹⁾

Fiscal Year	Domestic			Commercial		Government	Special Ag Rate ⁽³⁾	Commercial Ag Rate ⁽³⁾	(AG) Agriculture Rate ⁽³⁾	(AD) Ag Domestic Rate ⁽³⁾	
	Tier 1	Tier 2	Tier 3 ⁽²⁾	Tier 1	Tier 2					Tier 1	Tier 2
2016	\$ 4.38	\$ 4.82	\$ 5.31	\$ 4.38	\$ 4.82	\$ 4.82	\$ 3.18	\$ 4.28	N/A	N/A	N/A
2017	5.21	5.74	6.32	5.21	5.74	5.74	3.65	4.97	N/A	N/A	N/A
2018	5.62	5.71	6.95	5.79	5.79	5.70	4.17	4.83	N/A	N/A	N/A
2019	5.96	6.05	7.37	6.14	6.14	6.04	4.42	5.12	N/A	N/A	N/A
2020	6.44	6.53	7.96	6.63	6.63	6.52	4.77	5.53	N/A	N/A	N/A
2021	6.83	6.92	8.44	7.03	7.03	6.91	5.06	5.86	N/A	N/A	N/A
2022	7.17	7.27	8.86	7.38	7.38	7.26	5.31	6.15	N/A	N/A	N/A
2023	7.31	8.06	N/A	7.72	7.72	7.72	5.63	6.38	N/A	N/A	N/A
2024	7.31	8.06	N/A	7.72	7.72	7.72	N/A	N/A	5.63	7.31	5.63
2025	7.57	8.34	N/A	7.99	7.99	7.99	N/A	N/A	5.83	7.57	5.83

*Kgal = 1,000 gal

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

Note: (2) - The District removed the Tier 3 domestic rate as of January 1, 2023.

Note: (3) - The District removed the Special Ag Rate and Commercial Ag Rate and replaced with Agriculture Rate (AG) and Ag Domestic Rate (AD) as of January 1, 2024.

Source: Fallbrook Public Utility District

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

Fiscal Year	¾" Meter	1" Meter	1 ½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2016	\$ 39.24	\$ 51.06	\$ 72.86	\$ 106.63	\$ 173.95	\$ 276.58	\$ 494.29	\$ 23.38
2017	41.59	54.12	77.23	113.03	184.39	293.17	523.95	24.78
2018	44.10	67.33	125.36	195.01	380.73	589.67	1,170.06	*Variable
2019	46.75	71.37	132.88	206.71	403.57	625.05	1,240.26	*Variable
2020	50.49	77.08	143.51	223.25	435.86	675.05	1,339.48	*Variable
2021	53.52	81.70	152.12	236.65	462.01	715.55	1,419.85	*Variable
2022	56.20	85.79	159.73	248.48	485.11	751.33	1,490.84	*Variable
2023	60.60	96.51	185.46	292.64	578.82	900.36	1,793.16	*Variable
2024	57.16	90.77	174.00	274.30	542.12	843.02	1,678.50	*Variable
2025	59.16	93.95	180.09	283.90	561.09	872.53	1,737.25	*Variable

* Standby rates are based on meter size

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

Source: Fallbrook Public Utility District

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

Fiscal Year	¾" Meter	1" Meter	1 ½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2016	\$ 46.24	\$ 61.06	\$ 88.26	\$ 130.42	\$ 214.60	\$ 333.44	\$ 600.90	\$ 23.38
2017	49.01	64.72	93.56	138.25	227.48	353.45	636.95	24.78
2018	44.10	67.33	125.36	195.01	380.73	589.67	1,170.06	*Variable
2019	46.75	71.37	132.88	206.71	403.57	625.05	1,240.26	*Variable
2020	50.49	77.08	143.51	223.25	435.86	675.05	1,339.48	*Variable
2021	53.52	81.70	152.12	236.65	462.01	715.55	1,419.85	*Variable
2022	56.20	85.79	159.73	248.48	485.11	751.33	1,490.84	*Variable
2023	60.60	96.51	185.46	292.64	578.82	900.36	1,793.16	*Variable
2024	57.16	90.77	174.00	274.30	542.12	843.02	1,678.50	*Variable
2025	59.16	93.95	180.09	283.90	561.09	872.53	1,737.25	*Variable

* Standby rates are based on meter size

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

Source: Fallbrook Public Utility District

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

Fiscal Year	¾" Meter	1" Meter	1 ½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2016	\$ 9.06	\$ 12.46	\$ 18.12	\$ 28.31	\$ 47.57	\$ 74.75	\$ 135.90	\$ 5.44
2017	9.45	12.99	18.90	29.53	49.61	77.96	141.75	5.67
2018	8.58	14.30	28.60	45.76	91.52	143.00	286.00	*Variable
2019	9.12	15.20	30.40	48.64	97.29	152.01	304.02	*Variable
2020	9.47	15.78	31.56	50.49	100.98	157.79	315.57	*Variable
2021	9.77	16.27	32.55	52.07	104.14	162.72	325.43	*Variable
2022	10.10	16.82	33.66	53.84	107.68	168.25	336.50	*Variable
2023	11.11	18.50	37.03	59.22	118.45	185.08	370.15	*Variable
2024	12.05	20.07	40.17	64.24	128.48	200.76	401.50	*Variable
2025	13.26	22.08	44.19	70.66	141.33	220.84	441.65	*Variable

* Standby rates are based on meter size

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

Source: Fallbrook Public Utility District

Table #9 - Sewer Rates by Customer Class (2016 - 2025)

Fiscal Year	2016	2017	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾	2023 ^{(1) (2)}	2024 ^{(1) (2)}	2025 ^{(1) (2)}
Fixed Rates (by meter size) (\$/month)			Fixed Rates by EDU							
3/4"	\$ 14.23	\$ 16.12	B Y EDU \$9.28/ EDU	B Y EDU \$9.70/ EDU	B Y EDU \$10.14/ EDU	B Y EDU \$10.60/ EDU	B Y EDU \$11.08/ EDU	Residential/ Domestic \$18.88/EDU	Residential/ Domestic \$26.68/EDU	Residential/ Domestic \$33.32/EDU
1"	21.55	24.01								
1 1/2"	39.86	43.75								
2"	61.84	67.42						Commercial/ Government \$12.14/EDU	Commercial/ Government \$12.75/EDU	Commercial/ Government \$13.07/EDU
3"	113.14	122.67								
4"	186.36	201.60								
6"	369.49	398.91								
Billable Flow Rates ⁽³⁾ (\$/Kgal)										
Single Family Residence, Ag Domestic, Multi - Family	\$ 8.21	\$ 8.77	\$ 9.44	\$ 9.86	\$ 10.32	\$ 10.79	\$ 11.28	\$ 10.22	\$ 9.16	\$ 7.96
Low -Strength Commercial, Schools, Churches	12.35	13.27	9.37	9.79	10.25	10.72	11.20	11.09	11.64	11.93
Medium Strength Commercial	12.35	13.27	11.57	12.09	12.65	13.22	13.81	13.82	14.51	14.87
High Strength Commercial	20.63	22.28	14.44	15.09	15.77	16.48	17.22	17.66	18.54	19.00

Notes:

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

(2) - The 2022 rate study changed the monthly fixed charge methodology effective January 1, 2023.

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

Source: Fallbrook Public Utility District

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

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Per EDU	\$ 10.70	\$ 10.84	\$ 11.16	\$ 11.53	\$ 11.62	\$ 11.63	\$ 11.68	\$ 12.66	\$ 13.35	\$ 14.60

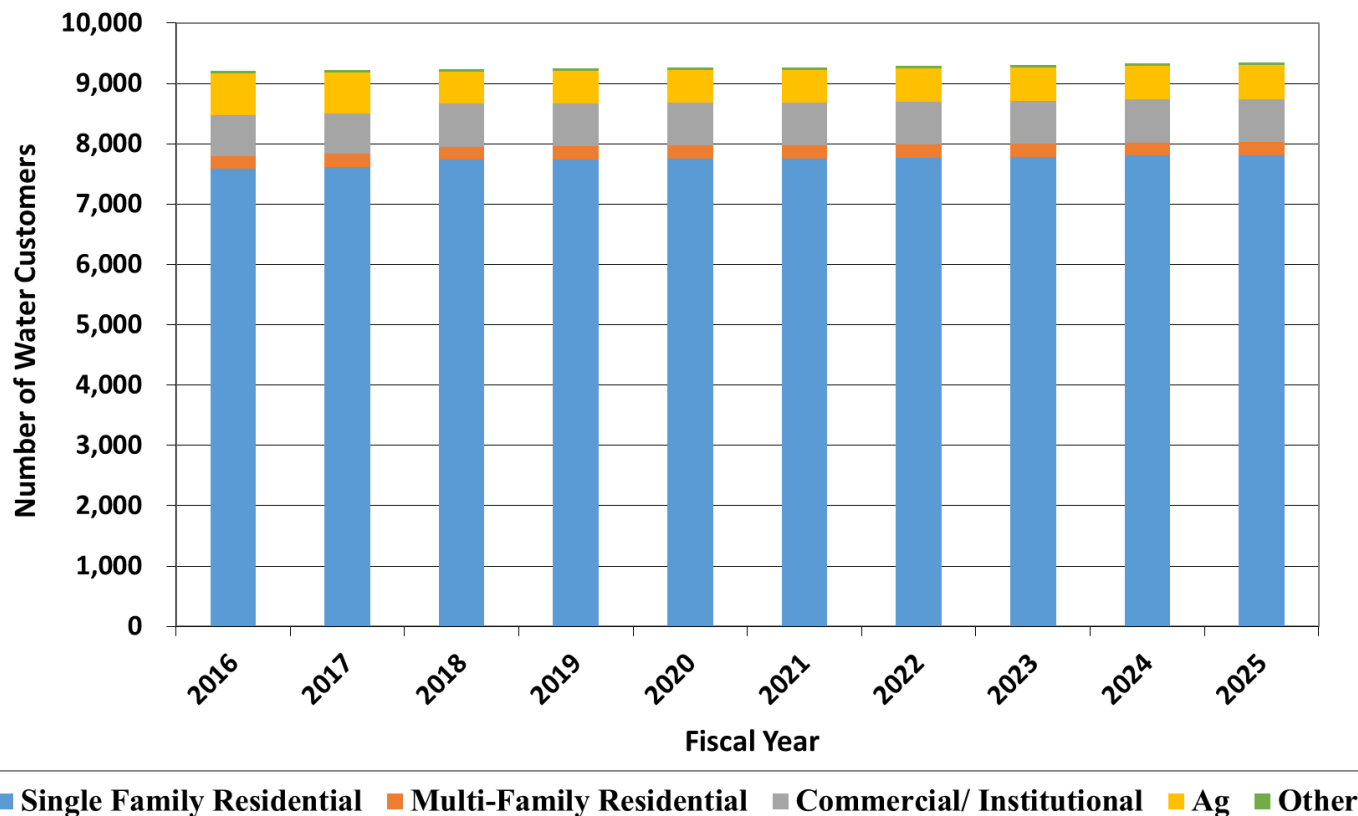
Source: Fallbrook Public Utility District

Table #11 - Number of Water Customers by Type

As of June 30	Single Family Residential	Multi-Family Residential	Commercial/ Institutional	Ag	Other	Total
2016	7,582	217	671	699	37	9,206
2017	7,617	217	673	674	38	9,219
2018	7,735	218	711	529	40	9,233
2019	7,742	218	713	533	45	9,251
2020	7,755	216	712	535	41	9,259
2021	7,757	218	711	543	41	9,270
2022	7,772	218	712	546	43	9,291
2023	7,787	217	712	551	43	9,310
2024	7,804	217	710	555	44	9,330
2025	7,809	217	716	559	44	9,345

Source: Fallbrook Public Utility District

Chart #3 - Number of Water Customers by Type

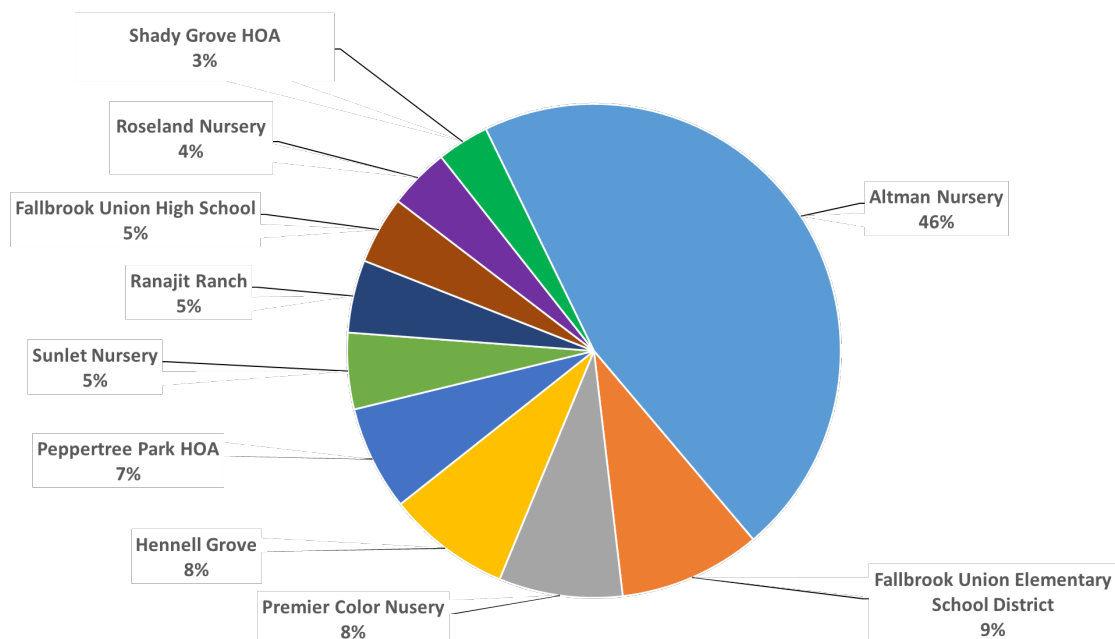


Source: Fallbrook Public Utility District

Table #12 - Top Ten Water and Recycled Water Customers

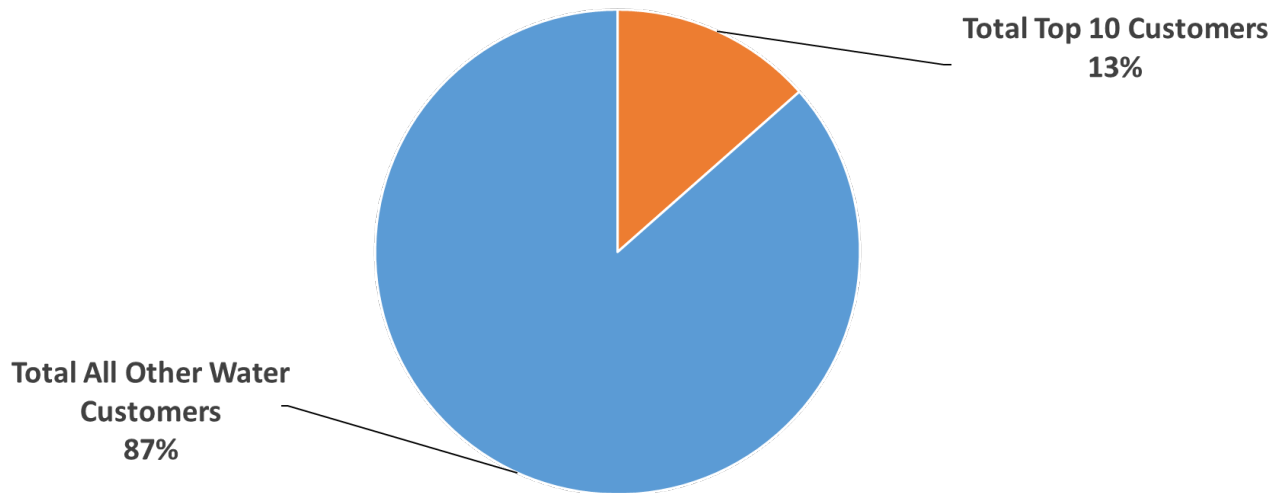
Fiscal Year 2016			Fiscal Year 2025		
Customer	Annual Usage (Kgal)	Percent of Total	Customer	Annual Usage (Kgal)	Percent of Total
Color Spot Nursery	151,654	5.47%	Altman Nursery	150,666	6.22%
Chandler Ranch	62,448	2.25%	Fallbrook Union Elementary School District	30,437	1.26%
Eco Farms Ranch	54,516	1.97%	Premier Color Nusery	26,524	1.09%
Sparrow Hawk Ranch	40,683	1.47%	Hennell Grove	26,503	1.09%
Balmar Farms	35,120	1.27%	Peppertree Park HOA	22,401	0.92%
Gilmore Ranch	33,785	1.22%	Sunlet Nursery	16,348	0.67%
Premier Color Nursery	32,742	1.18%	Ranajit Ranch	15,581	0.64%
Stewarts Avocados Farm	31,321	1.13%	Fallbrook Union High School	14,492	0.60%
Joseph Magdic	30,112	1.09%	Roseland Nursery	13,068	0.54%
California State Dept of Transportation	29,947	1.08%	Shady Grove HOA	11,134	0.46%
Total Top 10 Customers	502,328	18.13%	Total Top 10 Customers	281,360	13.50%
Total All Other Water Customers	2,268,962	81.87%	Total All Other Water Customers	1,730,902	86.50%
Total Water Consumed	2,771,290	100.00%	Total Water Consumed	2,012,262	100.00%

Source: Fallbrook Public Utility District

Chart #4 - Top Ten Water and Recycled Water Customers and their Relative Consumption Fiscal Year 2025

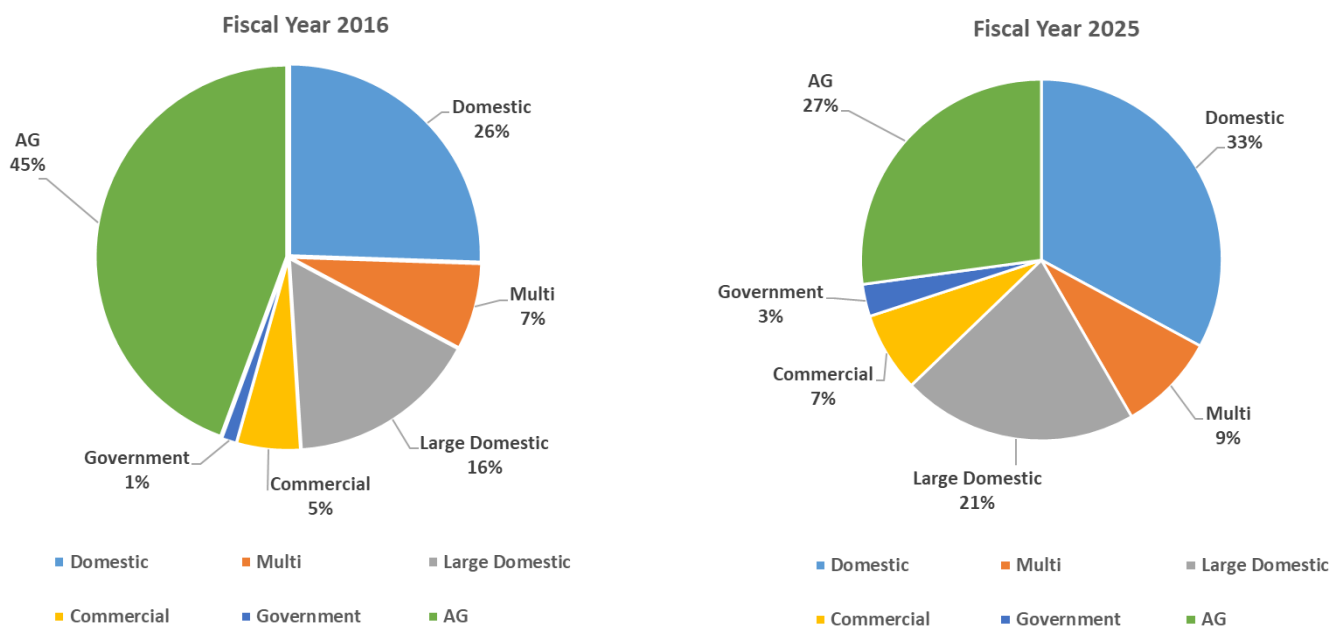
Source: Fallbrook Public Utility District

Chart #5 - Total Water and Recycled Water Consumed Fiscal Year 2025



Source: Fallbrook Public Utility District

Chart #6 - Breakdown of Water Sales by Customer Class for Fiscal Year 2016 vs Fiscal Year 2025



Source: Fallbrook Public Utility District

Table #13 - Water System

Fiscal Year	Miles of Water Mains	Service Connections	Annual Production (G)	Average Daily Production (gpd)
2016	269.11	9,197	3,235,951,180	8,865,620
2017	269.11	9,211	3,114,930,490	8,534,056
2018	269.11	9,244	3,287,934,350	9,008,039
2019	269.29	9,253	2,684,556,048	7,354,948
2020	269.36	9,262	2,602,343,841	7,129,709
2021	270.44	9,275	2,905,874,048	7,961,299
2022	271.62	9,295	2,686,152,719	7,359,323
2023	271.62	9,315	2,169,744,054	5,944,504
2024	271.69	9,337	2,124,124,914	5,819,520
2025	272.68	9,355	2,435,931,736	6,673,786

Source: Fallbrook Public Utility District

Table #14 - Water System Total Production⁽¹⁾

Fiscal Year	Total Used/Prod. (AF)	HCF
2016	9,930.80	4,325,856.48
2017	9,559.40	4,164,074.64
2018	10,090.30	4,395,334.68
2019	8,238.60	3,588,734.16
2020	7,986.30	3,478,832.28
2021	8,917.80	3,884,593.68
2022	8,243.50	3,590,868.60
2023	6,658.70	2,900,529.72
2024	6,518.70	2,839,545.72
2025	7,475.60	3,256,371.36

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

Source: Fallbrook Public Utility District

Table #15 - Sewer System

Fiscal Year	Miles of Sewer Lines	Sewer Connections	Annual Sewerage (G)	Daily Sewerage (GD)
2016	78.64	5,044	499,860,321.77	1,369,480.33
2017	78.64	5,049	507,140,810.66	1,389,426.88
2018	78.64	5,049	486,337,179.41	1,332,430.63
2019	78.70	5,004	556,424,471.00	1,524,450.00
2020	79.14	5,011	551,861,979.40	1,511,950.63
2021	79.14	5,029	551,882,461.86	1,512,006.74
2022	79.14	5,032	552,099,762.35	1,512,602.09
2023	79.14	5,039	598,986,532.11	1,641,058.99
2024	79.45	5,042	631,605,411.87	1,730,425.79
2025	79.47	5,046	583,526,231.24	1,598,702.00

Source: Fallbrook Public Utility District

Table #16 - Sewer System Influent Flow

Fiscal Year	Total Used/Prod. (AF)
2016	1,639.42
2017	1,706.45
2018	1,592.26
2019	1,707.60
2020	1,693.60
2021	1,693.70
2022	1,694.30
2023	1,838.22
2024	1,938.32
2025	1,790.77

Source: Fallbrook Public Utility District

Table #17 - Recycled Water System

Fiscal Year	Miles of Recycled Pipes	Service Connections	Used Annual Recycled Water (AF) (1)	Daily Usage (MGD)
2016	10.53	29	599.83	0.5
2017	10.53	30	671.34	0.6
2018	10.53	32	740.40	0.7
2019	10.53	33	562.66	0.5
2020	10.53	30	559.89	0.5
2021	10.53	30	556.54	0.5
2022	10.53	30	586.28	0.5
2023	10.53	30	493.83	0.4
2024	10.83	30	502.91	0.4
2025	10.78	30	608.08	0.5

Note: (1) - Includes water not billed at full rate

Source: Fallbrook Public Utility District

Table #18 - Recycled Water System Production

Fiscal Year	Total Prod./Disposed (AF)	Notes:
2016	1,534.02	G- Gallons
2017	1,556.36	GD - Gallons per Day
2018	1,492.51	AF - Acre Feet
2019	1,617.50	MG - Millions of Gallons
2020	1,656.50	MGD - Millions of Gallons per Day
2021	1,619.20	
2022	1,714.20	
2023	1,904.19	
2024	1,966.77	
2025	1,792.18	

Source: Fallbrook Public Utility District

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

Table #19- Annual Recycled Water Production and WRP Influent Flow

Fiscal Year	Annual Production	Daily Average Production	Total Used Production	Total Disposed	WRP Influent Flow (Acre-Ft)
2016	1,489.03	4.08	694.37	794.66	1,600.40
2017	1,570.92	4.30	664.82	906.11	1,694.43
2018	1,492.51	4.09	740.39	752.12	1,592.26
2019	1,617.50	4.43	562.70	1,054.80	1,707.60
2020	1,656.50	4.54	559.90	1,096.60	1,693.60
2021	1,619.20	4.44	556.50	1,062.70	1,693.70
2022	1,714.20	4.70	586.30	1,127.90	1,694.30
2023	1,904.19	5.22	493.83	1,410.36	1,838.22
2024	1,966.77	5.39	502.91	1,463.86	1,938.32
2025	1,792.18	4.91	608.08	1,184.09	1,790.77

Source: Fallbrook Public Utility District

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

Fiscal Year	Water Services	Wastewater Services	Recycled Water Services	General & Administrative	Community Benefit Program	Total FTE Employees
2016	20	13	5	28.8	0	66.8
2017	23	12	5	27.8	0	67.8
2018	24	15.2	2.8	25.8	0	67.8
2019	24	15.2	2.8	25.8	0	67.8
2020	25	15.2	2.8	24.8	0	67.8
2021	25	15.2	2.8	23.8	0	66.8
2022	26.4	15.8	2.8	24	0	69
2023	26.4	15.8	2.8	24	0.05	69
2024	28	15.7	2.3	23.99	0.01	70
2025	29.2	13.7	2.5	25.58	0.02	71

Source: Fallbrook Public Utility District

Table #21 -Assessed Valuation of Taxable Property

Fiscal Year	Secured		Unsecured		Total Assessed Value
	Water	Sewer	Water	Sewer	
	Local Assessed	Local Assessed			
2016	\$ 3,390,367,447	\$ 2,021,437,198	\$ 37,440,559	\$ 32,152,307	\$ 5,481,397,511
2017	3,518,846,961	2,098,501,032	36,135,611	31,163,876	5,684,647,480
2018	3,709,470,372	2,220,524,962	36,271,614	31,902,804	5,998,169,752
2019	3,895,955,738	2,337,209,037	41,211,234	35,075,356	6,309,451,365
2020	4,078,331,287	2,463,512,540	41,515,562	35,305,514	6,618,664,903
2021	4,268,726,975	2,583,369,560	42,961,480	37,819,020	6,932,877,035
2022	4,399,211,909	2,663,835,892	37,054,002	32,536,269	7,132,638,072
2023	4,739,631,751	2,878,119,724	46,156,838	41,126,926	7,705,035,239
2024	4,989,118,002	3,021,909,887	52,390,882	44,004,084	8,107,422,855
2025	5,235,422,857	3,162,860,197	56,340,283	47,700,044	8,502,323,381

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

Table #22 -Property Tax

Fiscal Year	Current Year Levy ⁽¹⁾			Revenues Collected ⁽²⁾			Uncollected Collected			Percent Uncollected
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total	
2016	\$ 982,997	\$ 890,717	\$ 1,873,715	\$ 970,998	\$ 879,769	\$ 1,850,767	\$ 11,999	\$10,949	\$22,948	1.2%
2017	1,022,747	927,792	1,950,539	1,009,595	915,788	1,925,384	13,151	12,004	25,155	1.3%
2018	1,072,468	978,636	2,051,105	1,060,447	967,619	2,028,066	12,021	11,017	23,039	1.1%
2019	1,122,771	1,028,393	2,151,164	1,108,272	1,015,057	2,123,329	14,499	13,336	27,835	1.3%
2020	1,169,224	1,079,727	2,248,951	1,154,850	1,066,408	2,221,258	14,374	13,319	27,693	1.2%
2021	1,221,575	1,131,688	2,353,264	1,205,539	1,116,772	2,322,312	16,036	14,916	30,952	1.3%
2022	1,274,829	1,179,737	2,454,566	1,245,713	1,152,659	2,398,372	29,116	27,078	56,194	2.3%
2023	1,388,768	1,293,644	2,682,412	1,359,100	1,265,875	2,624,974	29,668	27,769	57,438	2.1%
2024	1,456,831	1,350,968	2,807,799	1,429,521	1,325,488	2,755,009	27,310	25,480	52,790	1.9%
2025	1,513,271	1,398,958	2,912,229	1,484,013	1,371,770	2,855,783	29,258	27,188	56,446	1.9%

Notes:

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

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

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

Table #23 -Key Performance Indicators (KPIs) Fiscal Year 2025

Strategic Goal	Department	Key Performance Indicator	Target	FY 2024-25 Actual	Target Met
Exemplary Workforce and Culture	Safety	Maintain a Workers Compensation Experience Modification Rate below 1%	Below 1%	0.66%	Yes
	Human Resources	Employee engagement survey results; percentage of employees rating their overall morale as "high"	Above 25%	58%	Yes
Operational Optimization and Partnerships	Inventory/ Purchasing	Maintain an inventory shrinkage rate of less than 1%	Below 1%	0%	Yes
	Wastewater	Maintain energy consumption to stay within the annual average target	Below 1,932,000/ kWh	1,870,281/kWh	Yes
	Recycled	Maintain an overall compliance of >99.9% each month from all samples associated with the Title 22 and WDR Permit	>99.9%	99.7%	No
		Maintain energy consumption data to stay within the annual average target	Below 828,000 kWh	801,549/kWh	Yes
Safe and Reliable Water, Wastewater, and Recycled Water Services	Wastewater	Reduce 10-year average wastewater spills by 10% - Keep spills under 9,075 gallons	Below 9,075 gallons	2,699 gallons 10 year average	Yes
		Keep common sewer spills to 3 or less during the year	3 or less spills/year	0 spills; 2 privately owned sewer laterals	Yes
		Clean 20,000 feet of regular sewer mains each month to total 240,000 feet per year	240,000 feet/year	265,226 feet	Yes
		CCTV 8,000 feet of regular sewer mains each month to total 96,000 feet per year	96,000 feet/year	108,216 feet	Yes
Customer Service Excellence	Customer Service	Maintain an average customer service call wait time of less than 3 minutes	Below 3 minutes	0:49 seconds	Yes
		Percentage of customers enrolled in Watersmart-AMI portal (as a % of total District customers)	60% by Fiscal Year 2026	41%	Yes
Fiscal Sustainability and Transparency	Finance	Debt Coverage	>1.20	3.21	Yes
		Days Cash on hand	90 days or greater	118 days	Yes
Safe and Reliable Water, Wastewater, and Recycled Water Services	Water	Cost/Acre Foot of SMGTP Product Water Supply	Below EMWD rate \$1,567/AF	\$1,496/AF	Yes
		Sample 30 residents that meet the criteria for Lead and Copper	30 residents	32 residents	Yes
		Receive and treat all entitled deliveries to the SMGTP	100% of deliveries treated	61%	No
		100% regulatory compliance for water quality sampling	100% compliance	100%	Yes
Infrastructure and Technology Stability	Water	Cost/Valve Installed (Labor & Materials)	Below \$6,500/Valve	\$7,198/Valve	No
		Maintain 4,000 feet of right of ways/year	4,000 feet	5,665 feet	Yes
		Replace 100 water main valves/year	100 water main valves	129 water main valves	Yes
		Exercise 189 valves and 46 fire hydrants per month as part of a three year valve exercise program cycle	189 valves per mo 46 fire hydrants/mo	194 valves/mo 46 hydrants/mo	Yes
		Test 152 meters per year	152 meters	155 meters	Yes
		Fire flow test 5 hydrants per month	5 hydrants per month	62 fire hydrants tested	Yes
	Wastewater	Cost/MG of Wastewater Influent Flows	Below \$3,500/MG	\$3,167/MG	Yes

Source: Fallbrook Public Utility District

Table #24 -Pledged-Revenue Debt Service Coverage Ratio

Fiscal Year	Total Operating Revenues	Total Operating Expenses ⁽¹⁾	Non-Operating Revenue ⁽²⁾	Net Revenue Available for Debt Service	Debt Service	Coverage Ratio	Required Coverage Level
2016	\$ 25,356,017	\$ 24,281,233	\$ 5,898,837	\$ 6,973,621	\$ 1,302,876	5.35	1.20
2017	27,256,065	25,384,395	5,348,517	7,220,187	2,756,731	2.62	1.20
2018	29,882,022	27,626,075	5,170,901	7,426,848	2,758,501	2.69	1.20
2019	26,944,550	25,549,828	⁽³⁾ 6,246,867	6,731,623	2,760,019	2.44	1.20
2020	28,931,007	26,596,263	6,338,174	7,762,694	2,761,290	2.81	1.20
2021	32,511,601	27,159,912	8,156,584	11,842,816	3,101,093	3.82	1.20
2022	32,814,986	30,861,766	5,479,272	7,432,492	3,621,118	2.05	1.20
2023	31,629,493	23,967,919	8,358,127	16,019,701	3,822,936	4.19	1.20
2024	31,103,675	26,252,051	9,579,566	14,431,190	5,463,081	2.64	1.20
2025	33,664,086	25,956,746	14,136,422	21,843,762	6,151,156	3.55	1.20

Source: Fallbrook Public Utility District

Notes:

(1) - Excludes depreciation

(2) - Excludes debt interest expenses

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

Table #25 Computation of Direct and Overlapping Debt (As of 06/30/2025)

2024-2025 Assessed Valuation: \$5,291,763,140

	Total Debt (6/30/25)	% Applicable ⁽¹⁾	District's Share of Debt (6/30/25)
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 17,155,000	0.130%	\$ 22,302
Palomar Community College District	611,941,649	3.104	18,994,669
Bonsall Unified School District	8,712,480	0.432	37,638
Fallbrook Union High School District	37,715,000	62.011	23,387,449
Fallbrook Union School District	6,303,962	65.717	4,142,775
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 46,584,833
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	\$ 351,065,000	0.714%	\$ 2,506,604
San Diego County Pension Obligation Bonds	140,370,000	0.714	1,002,242
San Diego County Superintendent of Schools Certificates of Participation	5,125,000	0.714	36,593
Palomar Community College District Certificates of Participation	1,030,000	3.104	31,971
Bonsall Unified School District Certificates of Participation	5,712,200	0.432	24,677
Fallbrook Union High School District General Fund Obligations	6,072,714	62.011	3,765,751
Fallbrook Public Utility District	0	100.	0
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 7,367,838
TOTAL DIRECT DEBT			\$ 0
TOTAL OVERLAPPING DEBT			\$ 53,952,671
COMBINED TOTAL DEBT			\$ 53,952,671 ⁽²⁾

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

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

Ratios to 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.88%
Total Direct Debt	0.00%
Combined Total Debt	1.02%

Source: California Municipal Statistics Inc.

Table #26 - San Diego County Principal Employers

Fiscal Year 2016			Fiscal Year 2025*		
Employer Name	Number of Employees	% of Total County Employment	Employer Name	Number of Employees	% of Total County Employment
University of California, San Diego	30,671	2.03%	Naval Base San Diego ⁽¹⁾	43,003	2.81%
Sharp Healthcare	17,809	1.18%	University of California, San Diego ⁽²⁾	35,802	2.34%
County of San Diego	17,034	1.13%	County of San Diego	20,387	1.33%
Scripps Health	14,863	0.98%	Sharp Healthcare ⁽³⁾	19,000	1.24%
City of San Diego	11,347	0.75%	San Diego Unified School District	13,559	0.89%
Kaiser Permanente	8,406	0.56%	Scripps Health	13,445	0.88%
UC San Diego Health System	7,438	0.49%	City of San Diego	12,777	0.84%
San Diego Community College District	5,902	0.39%	Qualcomm Inc.	12,500	0.82%
General Atomics (and affiliated companies)	5,480	0.36%	Kaiser Permanente ⁽¹⁾	9,166	0.60%
Rady Children's Hospital - San Diego	5,129	0.34%	San Diego State University	7,104	0.46%
Total Top Ten County Employers	124,079	8.21%	Total Top Ten County Employers	186,743	12.22%
All Other County Employers	1,387,725	91.79%	All Other County Employers	1,341,496	87.78%
Total County Employment	1,511,804	100.00%	Total County Employment	1,528,239	100.00%

Sources:

U.S. Bureau of Labor Statistics; University of California; San Diego County; San Diego Unified; Sharp Healthcare; San Diego Unified School District; Scripps Health; City of San Diego; Qualcomm; San Diego State University

Note:

(1) Data for FY 2025 not available as of publication date. Data shown is for FY 2021.

(2) Number of employees excludes non-academic student staff.

(3) Number of employees is an approximate number.

* Data for FY 2025 not available as of publication date, data shown is for FY 2023.

Table #27 -Outstanding Debt, Demographic Statistics and Per Capita Statistics

Fiscal Year	District's Outstanding Long-Term Liabilities ⁽¹⁾			Total Outstanding Debt	Demographic Statistics				Per Capita Outstanding Debt	Per Capita Debt as a Percent of Personal Income
	Debt Issued	Lease Liability	Subscription Liability		Population Estimate ^{(1) (2)}	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾	Total Estimated Personal Income		
2016	\$38,841,278	-	-	\$38,841,278	32,757	\$55,074	4.9%	\$1,804,078,863	\$1,186	2.2%
2017	37,101,306	-	-	37,101,306	32,889	56,969	4.3%	1,873,648,656	1,128	2.0%
2018	35,314,028	-	-	35,314,028	33,021	59,014	3.7%	1,948,701,294	1,069	1.8%
2019	33,474,377	-	-	33,474,377	33,153	62,034	3.4%	2,056,613,202	1,010	1.6%
2020	⁽⁵⁾ 58,912,499	-	-	58,912,499	34,432	67,536	13.3%	2,325,399,552	1,711	2.5%
2021	⁽⁶⁾ 88,278,477	-	-	88,278,477	34,738	73,350	7.3%	2,548,032,300	2,541	3.5%
2022	⁽⁷⁾ 91,537,961	30,442	-	91,568,403	34,877	74,326	3.5%	2,592,264,334	2,625	3.5%
2023	⁽⁷⁾ 89,336,642	10,173	37,290	89,384,105	35,016	79,122	3.7%	2,770,572,333	2,553	3.2%
2024	⁽⁸⁾ 97,489,381	92,433	67,637	97,649,451	35,157	82,287	4.4%	2,892,920,807	2,778	3.4%
2025	⁽⁹⁾ 93,479,735	73,134	34,434	93,587,303	35,297	85,578	4.9%	3,020,672,190	2,651	3.1%

Sources:

(1) - Fallbrook Public Utility District

(2) - <https://datasurfer.sandag.org/>

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

(4) - U.S. Bureau of Labor Statistics, June 2025 unemployment rate

Notes:

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

(2) - Historic population estimated based upon a 0.4% growth rate and the 2021 population estimate of 34,738 calculated by FPUD GIS staff.

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

(4) - June 2025 unemployment rate.

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

(6) - Includes \$58.5 million in construction expenses/withdrawals.

(7) - Includes \$63.9 million in construction expenses/withdrawals.

(8) - Includes \$62.3 million in construction expenses/withdrawals.

(9) - Includes \$60.7 million in construction expenses/withdrawals.

CONTINUING DISCLOSURE



November 3, 2025

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Board of Directors

Dave Baxter
Division 1

Ken Endter
Division 2

Jennifer DeMeo
Division 3

Don McDougal
Division 4

Charley Wolk
Division 5

Staff

Jack Bebee
General Manager

David Shank
*Assistant General Manager/
Chief Financial Officer*

Lauren Eckert
*Executive Assistant/
Board Secretary*

General Counsel

Paula de Sousa
Best Best & Krieger

Subject: 2025 Annual Continuing Disclosure Report

We are pleased to present the Fallbrook Public Utility District's (District's) Annual Continuing Disclosure Report (Report) for Fiscal Year ending June 30, 2025. The information set forth herein has been furnished by the District and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein speaks only as of its date and are subject to change without notice and neither the District, nor the Trustee have any obligation to update this Report, other than as expressly provided in the Certificates. The delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described herein or to the information provided in any final official statement.

Wastewater

On January 12, 2021, the District issued \$19,880,000 in 2021 Wastewater Revenue Refunding Bonds Series A and Series B (collectively 2021 Bonds). The 2021 Bonds were issued to refund the outstanding principal of a California State Water Resources Control Board loan. The 2021 Bonds are payable from and secured by a pledge of Wastewater System Net Revenues, as defined by the Official Statement dated January 12, 2021 (2021 Official Statement).

This Report has been produced pursuant to the District's 2021 Bonds Continuing Disclosure Certificate (Certificate) covenants, in order to provide required information to the marketplace as provided for under S.E.C. Rule 15c2-12(b)(5). This information is for the benefit of interested parties and includes the information specified in the Certificate. For further information and a more complete description of the District and the 2021 Bonds please refer to the 2021 Official Statement.

Water

On February 27, 2024, the District issued \$11,205,000 in 2024 Water Revenue Bonds (2024 Bonds). The 2024 Bonds were issued to finance capital improvements of the District's water system. The 2024 Bonds are payable from and secured by a pledge of Water System Net Revenues, as defined by the Official Statement dated February 27, 2024 (2024 Official Statement).

This Report has been produced pursuant to the District's 2024 Bonds Continuing Disclosure Certificate (Certificate) covenants, in order to provide required information to the marketplace as provided for under S.E.C. Rule 15c2-12(b)(5). This information is for the benefit of interested parties and includes the information specified in the Certificate. For further information and a more complete description of the District and the 2024 Bonds please refer to the 2024 Official Statement.



Jack Bebee
General Manager



David Shank
Assistant General Manager/CFO

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I. Introduction

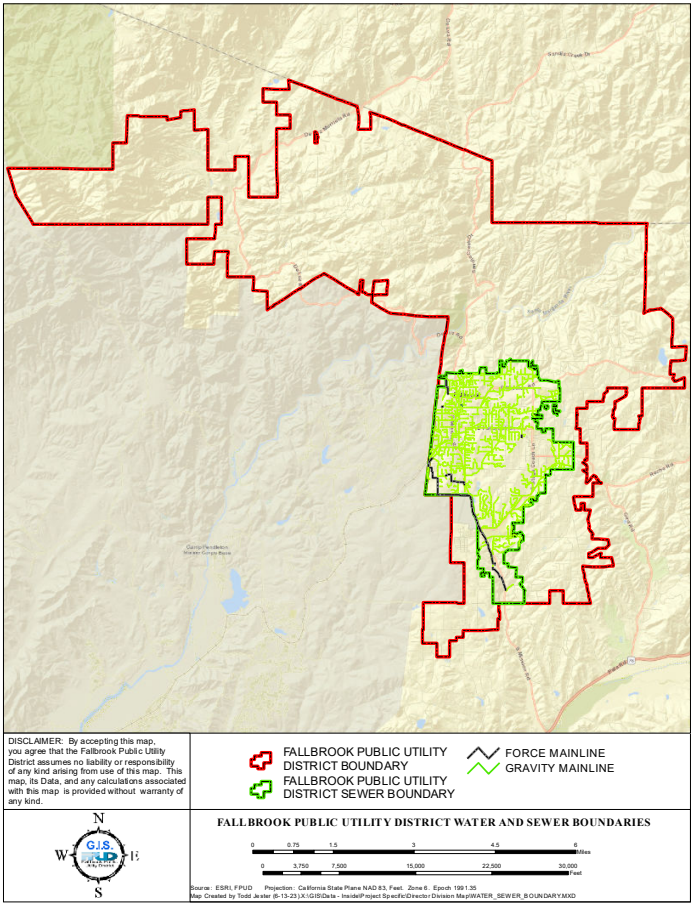
Fallbrook is an unincorporated community in San Diego County. The first permanent recorded settlement in Fallbrook was in 1869, in the east area of the District, which later became Live Oak County Park. While agriculture has always played a major role in the community, the first plantings were olives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

Fallbrook Public Utility District (District) was incorporated on June 5, 1922 to serve water from local area wells along the San Luis Rey River. Soon after it was established, the District began to grow. Annexations into the District have expanded the service area from 500 acres to 28,000 acres (44 square miles).

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 (as shown in the figure to the left). 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 and so did two new large nurseries. 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.

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

District Sewer Boundary Mains



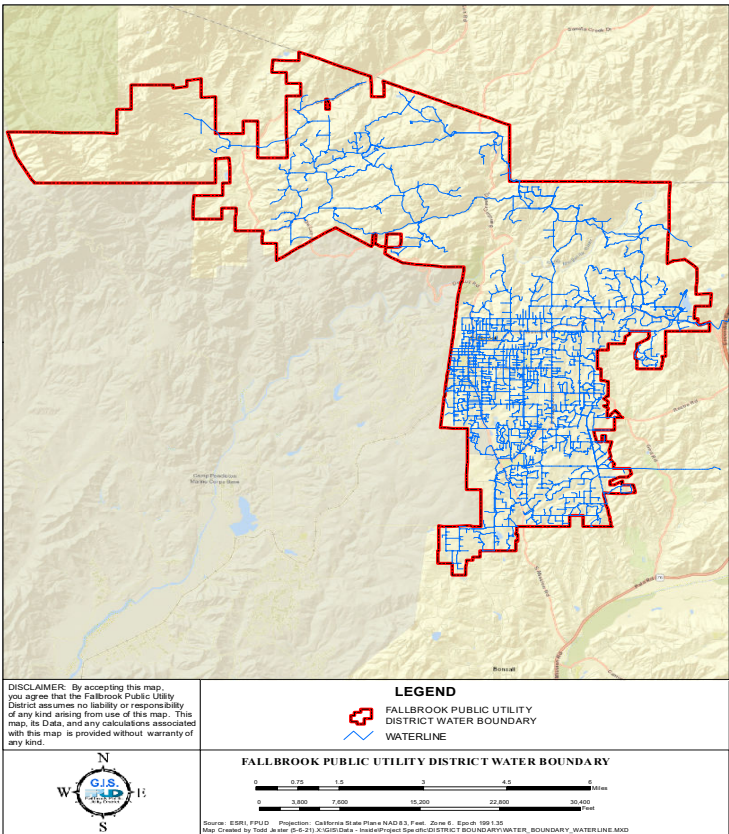
Wastewater System

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 12-mile ocean outfall line.

Water System

The District's water distribution system is comprised of 270 miles of pipeline, 7,000 valves, an ultraviolet disinfection water treatment plant, nine steel reservoirs, a 400-million-gallon treated water reservoir, seven pump stations and a groundwater treatment plant. District staff operate the system, and conduct all system maintenance and repairs. The District has nearly completed an Advanced Metering Infrastructure (AMI) system upgrade that will enable real-time meter reading and provide customers with real-time water use. The District has three connections to the imported water system that are connected to MWD owned pipelines.

District Service Area Pipelines



II. Bond Information

Principal Outstanding

Bond Issues	As of June 30, 2025
2021 Wastewater Revenue Refunding Bonds Series A	\$14,845,000
2021 Wastewater Revenue Refunding Bonds Series B	560,000
2024 Water Revenue Bonds	11,140,000

III. Financial Information

The audited financial statements for the District for the fiscal year ended June 30, 2025 have been filed separately on EMMA and are hereby incorporated by reference into this Report.

IV. Operating Information

Wastewater Tables

The following table shows the number of residential and non-residential connections for the Wastewater System for the years shown.

Table #1 - Number and Type of Wastewater Connections

As of June 30,	Residential	Non-Residential	Total
2018	4,641	408	5,049
2019	4,621	383	5,004
2020	4,630	381	5,011
2021	4,654	375	5,029
2022	4,659	373	5,032
2023	4,662	377	5,039
2024	4,664	378	5,042
2025	4,668	378	5,046

Source: Fallbrook Public Utility District

The following table shows the ten largest customers of the Wastewater System as of June 30, 2025 based on charges billed.

Table #2 - Ten Largest Wastewater Customers as of June 30, 2025

No.	Customer	Type of Business	Revenues	% of Total Revenues ⁽¹⁾
1	VALLEY VIEW MOBILE LODGE	Residential	\$ 119,230	1.37%
2	FALLBROOK UNION ELEMENTARY SCHOOL DISTRICT	Elementary School	100,257	1.16%
3	AMBERCREEK ASSOCIATION	Residential	95,493	1.10%
4	PINECREST APARTMENTS	Residential	89,035	1.03%
5	PINEVIEW PRESERVATION LP	Residential	87,955	1.01%
6	SUMMER RIDGE APARTMENTS	Residential	77,078	0.89%
7	COUNTRY VIEW APARTMENTS	Residential	75,887	0.87%
8	FALLBROOK HILLS APARTMENTS	Residential	73,565	0.85%
9	CPI GV CRESTVIEW ESTATES OW LLC	Residential	73,189	0.84%
10	SUNSHINE PARK ESTATES	Residential	70,683	0.81%
	Total, Top 10 Customers		\$ 862,373	9.94%

(1) Based on total Service Charges and CIC Charges for Fiscal Year 2024-25 of \$8,675,609.

Source: Fallbrook Public Utility District

The following table sets forth the historical average daily wastewater flow to the Water Reclamation Plant (WRP) for the fiscal years shown.

Table #3 - Historical Average Daily Flow at WRP

As of June 30,	Average Daily Sewer Flow (MGD)	Average Daily Sewer Flow (AF)
2010	1.73	5.30
2011	1.74	5.35
2012	1.67	5.13
2013	1.53	4.69
2014	1.48	4.54
2015	1.54	4.73
2016	1.37	4.20
2017	1.39	4.26
2018	1.33	4.09
2019	1.52	4.68
2020	1.51	4.63
2021	1.51	4.63
2022	1.51	4.63
2023	1.64	5.03
2024	1.73	5.31
2025	1.60	4.91

Source: Fallbrook Public Utility District

The following table shows the current and projected sewer services charges of the District.

Table #4 - Monthly Sewer Service Charges

	Effective Jan. 1, 2020	Effective Jan. 1, 2021	Effective Jan. 1, 2022	Effective Jan. 1, 2023	Effective Jan. 1, 2024	Effective Jan. 1, 2025
Monthly Fixed Charge Per EDU ⁽¹⁾						
Wastewater Charge-Combined ⁽²⁾	\$ 10.14	\$ 10.60	\$ 11.08	N/A	N/A	N/A
Residential/Domestic	N/A	N/A	N/A	\$ 18.88	\$26.68	\$33.32
Commercial/Government	N/A	N/A	N/A	12.14	12.75	13.07
Capital Improvement Charge (CIC) ⁽³⁾	11.62	11.63	11.68	12.66	13.35	14.60
Monthly Variable Charge Per 1,000 Gallons ⁽⁴⁾						
Single-Family, Multi-Family & Ag. Domestic	\$ 10.32	\$ 10.79	\$ 11.28	\$ 10.22	\$9.16	\$7.96
Gov't, Schools, Churches & Low-Strength Commercial	10.25	10.72	11.20	11.09	11.64	11.93
Medium-Strength Commercial	12.65	13.22	13.81	13.82	14.51	14.87
High-Strength Commercial	15.77	16.48	17.22	17.66	18.54	19.00

Notes:

(1) See Fallbrook Public Utility District Administrative Code Article 11 Section 11.7 for the Schedule of Equivalent Dwelling Units (EDUs) Methodology based on EDUs became effective January 1, 2018.

(2) The 2022 rate study changed the monthly fixed charge methodology effective January 1, 2023.

(3) Each January 1, the District is authorized to increase the Wastewater CIC in accordance with the Engineering News Record Construction Cost Index of February for Los Angeles of the preceding year ("ENR CCI"), not to exceed 10% annually.

(4) Residential variable charge based on 2-year adjusted average winter water usage. Commercial variable charge is based on adjusted monthly water usage.

Source: Fallbrook Public Utility District

The following table sets forth the historical assessed values for the fiscal years shown, for “Improvement District “S” which corresponds to the former geographic boundaries of the Fallbrook Sanitary District which was merged into the District and became the Wastewater System.

Table #5 - Historical Assessed Valuations-Improvement District “S”

Fiscal Year	Local Assessed	State Assessed	Unsecured Value	Total	% Change
2010	\$ 1,821,146,148	\$ 225,000	\$ 36,302,150	\$ 1,857,673,298	0.0%
2011	1,781,731,084	225,000	37,141,389	1,819,097,473	-2.1%
2012	1,783,734,000	225,000	33,883,225	1,817,842,225	-0.1%
2013	1,773,732,093	225,000	35,613,386	1,809,570,479	-0.5%
2014	1,811,990,591	-	34,916,821	1,846,907,412	2.1%
2015	1,928,060,834	-	35,184,912	1,963,245,746	6.3%
2016	2,021,437,198	-	32,152,307	2,053,589,505	4.6%
2017	2,098,501,032	-	31,163,876	2,129,664,908	3.7%
2018	2,220,524,962	-	31,902,804	2,252,427,766	5.8%
2019	2,337,209,037	-	35,075,356	2,372,284,393	5.3%
2020	2,463,512,540	-	35,305,514	2,498,818,054	5.3%
2021	2,583,369,560	-	37,819,020	2,621,188,580	4.9%
2022	2,663,835,892	-	32,536,269	2,696,372,161	2.9%
2023	2,878,119,724	-	41,126,926	2,919,246,650	8.3%
2024	3,021,909,887	-	44,004,084	3,065,913,971	5.0%
2025	3,162,860,197	-	47,700,044	3,210,560,241	4.7%

Source: Fallbrook Public Utility District; San Diego County Auditor-Controller

The following table sets forth the top 20 taxpayers within Improvement District “S” for Fiscal Year 2024-2025.

Table #6 - Top Taxpayers in Improvement District “S”

No.	Taxpayer	Primary Land Use	FY 2024-25 Assessed Valuation	% of Total
1	Contour Propco 1735 S Mission LLC	Assisted Living Facility	\$ 32,889,631	1.04%
2	Vista Fortuna LLC	Shopping Center	25,471,593	0.81%
3	Albertsons LLC	Supermarket	21,735,225	0.69%
4	Americare Health & Retirement LLC	Assisted Living Facility	19,125,796	0.60%
5	CPI/GV Crestview Estates Owner LLC	Mobile Home Park	15,311,043	0.48%
6	Axelgaard Manufacturing Co. Ltd.	Industrial	15,065,626	0.48%
7	Sheryl A. Hailey	Apartments	14,493,986	0.46%
8	Hampton Family Trust	Residential Properties	10,357,579	0.33%
9	Amber Creek Associates LLC	Apartments	10,133,262	0.32%
10	BRCC Investments LLC	Shopping Center	10,039,668	0.32%
11	VPU Fallbrook LLC	Medical Office	9,894,000	0.31%
12	Fallbrook Village Apartments LLC	Apartments	9,432,812	0.30%
13	Fallbrook Plaza LLC	Commercial	9,018,700	0.29%
14	Rec Properties LLC	Apartments	8,955,968	0.28%
15	Ark Properties LLC	Commercial	8,581,128	0.27%
16	Fallbrook Hills Apartments LLC	Apartments	8,551,510	0.27%
17	J & V Voza No. 1 LLC	Apartments	8,204,407	0.26%
18	Felipe and Concepcion Jimenez	Apartments	8,184,880	0.26%
19	Sunset Views Apartments LLC	Apartments	8,124,095	0.26%
20	Old Vine Apartments LLC	Apartments	7,819,678	0.25%
	Total, Top 20 Customers		\$ 261,390,587	8.26%
	Total Assessed Value, All Taxpayers		\$ 3,162,860,197	

Source: California Municipal Statistics

The following table presents historical Wastewater Fund revenues, expenses and debt service coverage for Fiscal Years 2020-21 to 2024-25.

Table #7 - Wastewater Revenues, Expenses and Debt Service Coverage

Fiscal Year Ending June 30,	2021	2022	2023	2024	2025
Operating Revenues:					
Service Charges	\$ 5,993,042	\$ 6,323,887	\$ 7,048,717	\$ 7,350,294	\$ 7,270,856
Other Charges	1,382	12,966	11,073	42,280	16,012
Sub-Total	\$5,994,424	\$6,336,853	\$7,059,790	\$ 7,392,574	\$ 7,286,868
Operating Expenses (Excludes Depreciation):					
Operations & Maintenance	\$ 3,188,427	\$ 3,827,472 ⁽¹⁾	\$ 2,484,939	\$ 3,575,765	\$ 3,678,900
Administrative & General	2,207,487	2,378,061	2,550,129	2,911,671	2,958,997
Sub-Total	\$5,395,914	\$6,205,533	\$5,035,068	\$ 6,487,436	\$ 6,637,897
Net Operating Income	\$ 598,510	\$ 131,320	\$2,042,722	\$ 905,138	\$ 648,971
Non-Operating Revenues (Expenses)					
Property Taxes	\$ 1,069,872	\$ 1,094,591	\$ 1,199,210	\$ 1,251,657	\$ 1,282,933
Capital Improvement Charges	1,171,245	1,179,305	1,241,192	1,329,146	1,428,568
Investment Income ⁽²⁾	71,912	82,914	137,514	224,510	343,334
Connection Fees	39,579	95,944	74,087	29,100	866,619
Sub-Total	\$2,352,608	\$2,452,754	\$2,652,003	\$ 2,834,413	\$ 3,921,454
NET REVENUES	\$2,951,118	\$2,584,075	\$4,676,725	\$ 3,739,551	\$ 4,570,425
Debt Service Expense:					
2010 Agreement (net of subsidy) ⁽³⁾	\$ 408,435	\$ 422,072	\$ 436,062	\$ 443,201	466,184
SRF Loan	1,750,772	-	-	-	-
2021 Refunding Bonds	22,271	1,729,884	1,731,022	1,730,746	1,733,575
Sub-Total	\$2,181,478	\$2,151,956	\$2,167,084	\$ 2,173,947	\$ 2,199,759
Debt Service Coverage (DSC)	1.35	1.20	2.16	1.72	2.08
QECB Loan Subsidy:					
Gross Interest Subsidy Rate (%)	70.0%	70.0%	70.0%	70.0%	70.0%
Sequestration Rate (%)	5.7%	5.7%	5.7%	5.7%	5.7%
Net Interest Subsidy Rate (%)	66.0%	66.0%	66.0%	66.0%	66.0%

(1) GASB 68 expense has been reduced by \$415,078.45 to reflect the non-cash cost of CalPERS risk mitigation and discount rate reduction.

(2) Investment Income excludes the mark-to-market investment gain and investment earnings on the District's 115 Trust.

(3) Amount shown is net of the 70% interest rate subsidy, adjusted for a sequestration rate of 5.7%.

Source: Fallbrook Public Utility District

Water Tables

The following table shows the number of residential and non-residential connections for the Water System for the years shown.

Table #1 - Number and Type of Water Connections

As of June 30,	Single-Family Residential	Multi-Family Residential	Commercial & Institutional	Agricultural	Other	Total
2014	7,582	217	680	660	32	9,171
2015	7,581	217	679	695	33	9,205
2016	7,582	217	671	699	37	9,206
2017	7,617	217	673	674	38	9,219
2018	7,735	218	711	529	40	9,233
2019	7,742	218	713	533	45	9,251
2020	7,755	216	712	535	41	9,259
2021	7,757	218	711	543	41	9,270
2022	7,772	218	712	546	43	9,291
2023	7,787	217	712	551	43	9,310
2024	7,804	217	710	555	44	9,330
2025	7,809	217	716	559	44	9,345

Source: Fallbrook Public Utility District

The following table shows the ten largest customers of the Water System as of June 30, 2025 based on charges billed.

Table #2 - Ten Largest Water Customers as of June 30, 2025

No.	Customer	Type of Business	Revenues	% of Total Revenues ⁽¹⁾
1	ALTMAN SPECIALTY PLANTS	Residential	\$ 410,985	1.55%
2	FALLBROOK UNION ELEMENTARY SCHOOL DISTRICT	Elementary School	290,217	1.09%
3	KENNETH HENNEL	Residential	169,087	0.64%
4	SHADY GROVE HOA	Residential	111,312	0.42%
5	PINECREST APARTMENTS	Residential	102,756	0.39%
6	VALLEY VIEW MOBILE LODGE	Residential	100,263	0.38%
7	RANAJIT SAHU	Residential	97,400	0.37%
8	NAVAL WEAPONS STATION	Government	95,670	0.36%
9	COUNTRY VIEW APARTMENTS	Residential	76,520	0.29%
10	AMBERCREEK ASSOCIATION	Residential	76,501	0.29%
	Total, Top 10 Customers		\$1,530,712	5.76%

(1) Based on total Service Charges and CIC Charges for Fiscal Year 2024-25 of \$26,589,343.

Source: Fallbrook Public Utility District

The following table sets forth the historical annual water production for the fiscal years shown.

Table #3 - Historical Water Production

As of June 30,	Annual Production (gallons)	Average Daily Production (gallons per day)	Percent Change
2014	4,361,417,880	11,949,090	
2015	3,860,910,744	10,577,838	-11.5%
2016	3,119,208,698	8,545,777	-19.2%
2017	2,995,417,903	8,206,624	-4.0%
2018	3,287,934,345	9,008,039	9.8%
2019	2,620,689,253	7,179,971	-20.3%
2020	2,602,343,841	7,129,709	-0.7%
2021	2,905,939,218	7,961,477	11.7%
2022	2,686,152,719	7,359,323	-7.6%
2023	2,169,744,054	5,944,504	-19.2%
2024	2,124,124,914	5,819,520	-2.1%
2025	2,435,931,736	6,673,786	14.7%

Source: Fallbrook Public Utility District

The following table sets forth the historical volumetric monthly water charges for the fiscal years shown.

Table #4 - Historical Volumetric Water Charges (\$/Kgal*)⁽¹⁾

Fiscal Year	Domestic			Commercial		Government	Special Ag Rate	Commercial Ag Rate	(AG) Agriculture Rate	(AD) Ag Domestic Rate	
	Tier 1	Tier 2	Tier 3 ⁽²⁾	Tier 1	Tier 2					Tier 1	Tier 2
2014	\$ 4.03	\$ 4.64	\$ 5.11	\$ 4.03	\$ 4.64	\$ 4.64	\$ 3.14	\$ 4.06	N/A	N/A	N/A
2015	4.19	4.61	5.08	4.19	4.61	4.61	3.14	4.06	N/A	N/A	N/A
2016	4.38	4.82	5.31	4.38	4.82	4.82	3.18	4.28	N/A	N/A	N/A
2017	5.21	5.74	6.32	5.21	5.74	5.74	3.65	4.97	N/A	N/A	N/A
2018	5.62	5.71	6.95	5.79	5.79	5.70	4.17	4.83	N/A	N/A	N/A
2019	5.96	6.05	7.37	6.14	6.14	6.04	4.42	5.12	N/A	N/A	N/A
2020	6.44	6.53	7.96	6.63	6.63	6.52	4.77	5.53	N/A	N/A	N/A
2021	6.83	6.92	8.44	7.03	7.03	6.91	5.06	5.86	N/A	N/A	N/A
2022	7.17	7.27	8.86	7.38	7.38	7.26	5.31	6.15	N/A	N/A	N/A
2023	7.31	8.06	N/A	7.72	7.72	7.72	5.63	6.38	N/A	N/A	N/A
2024	7.31	8.06	N/A	7.72	7.72	7.72	N/A	N/A	5.63	7.31	5.63
2025	7.37	8.34	N/A	7.99	7.99	7.99	N/A	N/A	5.83	7.57	5.83

*Kgal = 1,000 gal

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

Note: (2) - The District removed the Tier 3 domestic rate as of January 1, 2023.

Source: Fallbrook Public Utility District

The following table sets forth the historical fixed monthly water charges for the fiscal years shown.

Table #5 - Historical Non-Agricultural/Government Monthly Water Service Charge (\$/month)

Fiscal Year	¾" Meter	1" Meter	1 ½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2014	\$ 36.63	\$ 47.66	\$ 68.02	\$ 99.54	\$ 162.38	\$ 258.19	\$ 461.43	\$ 21.83
2015	38.10	49.57	70.74	103.52	168.88	268.52	479.89	22.70
2016	39.24	51.06	72.86	106.63	173.95	276.58	494.29	23.38
2017	41.59	54.12	77.23	113.03	184.39	293.17	523.95	24.78
2018	44.10	67.33	125.36	195.01	380.73	589.67	1,170.06	*Variable
2019	46.75	71.37	132.88	206.71	403.57	625.05	1,240.26	*Variable
2020	50.49	77.08	143.51	223.25	435.86	675.05	1,339.48	*Variable
2021	53.52	81.70	152.12	236.65	462.01	715.55	1,419.85	*Variable
2022	56.20	85.79	159.73	248.48	485.11	751.33	1,490.84	*Variable
2023	60.60	96.51	185.46	292.64	578.82	900.36	1,793.16	*Variable
2024	57.16	90.77	174.00	274.30	542.12	843.02	1,678.50	*Variable
2025	59.16	93.95	180.09	283.90	561.09	872.53	1,737.25	*Variable

* Standby rates are based on meter size

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

Source: Fallbrook Public Utility District

The following table sets forth the historical fixed monthly water charges for the fiscal years shown.

Table #6 - Historical Monthly Water Service Charge (Ag/Gov) (\$/month)

Fiscal Year	¾" Meter	1" Meter	1 ½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2014	\$ 44.89	\$ 59.28	\$ 85.69	\$ 126.62	\$ 208.35	\$ 323.73	\$ 583.40	\$ 21.83
2015	44.89	59.28	85.69	126.62	208.35	323.73	583.40	22.70
2016	46.24	61.06	88.26	130.42	214.60	333.44	600.90	23.38
2017	49.01	64.72	93.56	138.25	227.48	353.45	636.95	24.78
2018	44.10	67.33	125.36	195.01	380.73	589.67	1,170.06	*Variable
2019	46.75	71.37	132.88	206.71	403.57	625.05	1,240.26	*Variable
2020	50.49	77.08	143.51	223.25	435.86	675.05	1,339.48	*Variable
2021	53.52	81.70	152.12	236.65	462.01	715.55	1,419.85	*Variable
2022	56.20	85.79	159.73	248.48	485.11	751.33	1,490.84	*Variable
2023	60.60	96.51	185.46	292.64	578.82	900.36	1,793.16	*Variable
2024	57.16	90.77	174.00	274.30	542.12	843.02	1,678.50	*Variable
2025	59.16	93.95	180.09	283.90	561.09	872.53	1,737.25	*Variable

* Standby rates are based on meter size

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

Source: Fallbrook Public Utility District

The following table sets forth the historical monthly water capital improvement charges for the fiscal years shown.

Table #7 - Historical Monthly Water Capital Improvement Charge (CIC) (\$/month)

Fiscal Year	¾" Meter	1" Meter	1 ½" Meter	2" Meter	3" Meter	4" Meter	6" Meter	Standby
2014	\$ 8.00	\$ 11.00	\$ 16.00	\$ 25.00	\$ 42.00	\$ 66.00	\$ 120.00	\$ 4.30
2015	8.59	11.81	17.18	26.84	45.10	70.87	128.85	5.15
2016	9.06	12.46	18.12	28.31	47.57	74.75	135.90	5.44
2017	9.45	12.99	18.90	29.53	49.61	77.96	141.75	5.67
2018	8.58	14.30	28.60	45.76	91.52	143.00	286.00	*Variable
2019	9.12	15.20	30.40	48.64	97.29	152.01	304.02	*Variable
2020	9.47	15.78	31.56	50.49	100.98	157.79	315.57	*Variable
2021	9.77	16.27	32.55	52.07	104.14	162.72	325.43	*Variable
2022	10.10	16.82	33.66	53.84	107.68	168.25	336.50	*Variable
2023	11.11	18.50	37.03	59.22	118.45	185.08	370.15	*Variable
2024	12.05	20.07	40.17	64.24	128.48	200.76	401.50	*Variable
2025	13.26	22.08	44.19	70.66	141.33	220.84	441.65	*Variable

* Standby rates are based on meter size

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

Source: Fallbrook Public Utility District

Table #8 -Historical Assessed Valuation of Taxable Property

Fiscal Year	Secured	Unsecured	Total Assessed Value
	Water	Water	
	Local Assessed		
2014	\$ 3,058,914,090	\$ 39,761,073	\$ 3,098,675,163
2015	3,234,556,718	40,480,476	3,275,037,194
2016	3,390,367,447	37,440,559	3,427,808,006
2017	3,518,846,961	36,135,611	3,554,982,572
2018	3,709,470,372	36,271,614	3,745,741,986
2019	3,895,955,738	41,211,234	3,937,166,972
2020	4,078,331,287	41,515,562	4,119,846,849
2021	4,268,726,975	42,961,480	4,311,688,455
2022	4,399,211,909	37,054,002	4,436,265,911
2023	4,739,631,751	46,156,838	4,785,788,589
2024	4,989,118,002	52,390,882	5,041,508,884
2025	5,235,422,857	56,340,283	5,291,763,140

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

The following table sets forth the top 20 taxpayers within water for Fiscal Year 2024-2025.

Table #9 - Top Taxpayers in Water

No.	Taxpayer	Primary Land Use	FY 2024-25 Assessed Valuation	% of Total
1	Contour Propco 1735 S Mission LLC	Assisted Living Facility	\$ 32,889,631	0.63%
2	Vista Fortuna LLC	Shopping Center	25,471,593	0.49%
3	Albertsons LLC	Supermarket	21,735,225	0.42%
4	Americare Health & Retirement LLC	Assisted Living Facility	19,125,796	0.37%
5	CPI/GV Crestview Estates Owner LLC	Mobile Home Park	15,311,043	0.29%
6	Axelgaard Manufacturing Co. Ltd.	Industrial	15,065,626	0.29%
7	Sheryl A. Hailey	Apartments	14,493,986	0.28%
8	Hampton Family Trust	Residential Properties	10,357,579	0.20%
9	Amber Creek Associates LLC	Apartments	10,133,262	0.19%
10	BRCC Investments LLC	Shopping Center	10,039,668	0.19%
11	VPU Fallbrook LLC	Medical Office	9,894,000	0.19%
12	Fallbrook Village Apartments LLC	Apartments	9,432,812	0.18%
13	Fallbrook Plaza LLC	Commercial	9,018,700	0.17%
14	Rec Properties LLC	Apartments	8,955,968	0.17%
15	Ark Properties LLC	Commercial	8,581,128	0.16%
16	Fallbrook Hills Apartments LLC	Apartments	8,551,510	0.16%
17	J & V Voza No. 1 LLC	Apartments	8,204,407	0.16%
18	Felipe and Concepcion Jimenez	Apartments	8,184,880	0.16%
19	Sunset Views Apartments LLC	Apartments	8,124,095	0.16%
20	Old Vine Apartments LLC	Apartments	7,819,678	0.15%
Total, Top 20 Customers			\$ 261,390,587	4.99%
Total Assessed Value, All Taxpayers			\$ 5,235,422,857	

Source: California Municipal Statistics

The following table presents historical Water Fund revenues, expenses and debt service coverage for Fiscal Years 2020-21 to 2024-25.

Table #10 - Water Revenues, Expenses and Debt Service Coverage

Fiscal Year Ending June 30,	2021	2022	2023	2024	2025
Operating Revenues:					
Water Sales	\$ 17,115,866	\$ 16,464,444	\$ 14,194,199	\$ 13,574,167	\$ 16,363,735
Fixed Service Charges	7,237,052	7,664,909	8,259,546	8,378,478	8,292,038
Other Charges	1,076,096	1,116,430	1,013,465	603,711	338,960
Sub-Total	\$25,429,014	\$ 25,245,783	\$ 23,467,210	\$ 22,556,356	\$ 24,994,733
Operating Expenses (Excludes Depreciation):					
Cost of Water Sold	\$ 13,955,908	\$ 13,245,830	\$ 10,716,859	\$ 6,659,144	\$ 5,795,983
Operations & Maintenance	3,330,054	6,046,295 ⁽¹⁾	3,126,441	7,256,617	7,557,437
Administrative & General Expenses	4,036,546	4,322,980	4,642,717	5,306,601	5,388,501
Sub-Total	\$21,322,508	\$ 23,615,105	\$ 18,486,017	\$ 19,222,362	\$ 18,741,921
Net Operating Income	\$ 4,106,506	\$ 1,630,678	\$ 4,981,193	\$ 3,333,994	\$ 6,252,812
Non-Operating Revenues (Expenses)					
Property Taxes	\$ 1,214,791	\$ 1,245,229	\$ 1,355,239 ⁽²⁾	\$ 1,416,793 ⁽²⁾	\$ 1,461,894
Capital Improvement Charges	1,413,080	1,457,378	1,589,961	1,758,695	1,926,133
Investment Income ⁽³⁾	987,540	(1,174,671)	752,646	1,287,999	1,743,280
Connection Fees	110,071	97,257	112,859	112,353	210,395
Sub-Total	\$ 3,725,482	\$ 1,625,193	\$ 3,810,705	\$ 4,575,840	\$ 5,341,702
NET REVENUES	\$ 7,831,988	\$ 3,255,871	\$ 8,791,898	\$ 7,909,834	\$ 11,594,514
Debt Service Expense:					
2010 SRF Loan	\$ 395,851	\$ 395,851	\$ 395,851	\$ 395,851	\$ 395,851
2018 SRF Loan	411,558	974,071	1,174,396	2,814,795	2,814,795
Sub-Total	\$ 807,408	\$ 1,369,922	\$ 1,570,247	\$ 3,210,646	\$ 3,210,646
Debt Service Coverage (DSC)	9.7	2.4	5.6	2.5	3.6

(1) Increases in operations and maintenance expenses were due to the commissioning/commencing of operations of a new water treatment plant, increase GASB 68 pension expenses and other expenses.

(2) Property tax includes \$546,000 transferred to Community Benefit Program.

(3) Investment income in Fiscal Year ending June 30, 2022 includes a “mark-to-market” loss of \$1,325,967.

Source: Fallbrook Public Utility District

V. Significant Events

Pursuant to the provisions of the Continuing Disclosure Certificate, the District shall provide, in a timely manner and in no event in excess of ten (10) Business Days after the occurrence of such Significant Event, notice of such Significant Event with the MSRB. For a list of Significant Events please refer to the 2021 and 2024 Official Statements.

On October 25, 2024, the District reported a significant event. S&P Global Ratings upgraded the District's wastewater revenue refunding bonds' long term rating to AA- from A+ with a stable outlook.

Attachment B



Board of Directors
Fallbrook Public Utility District
Fallbrook, California

We have audited the financial statements of Fallbrook Public Utility District (the District) as of and for the year ended June 30, 2025, and have issued our report thereon dated November 3, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit our Engagement Letter dated April 17, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements.

As described in Note 1, the District changed accounting policies by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, effective July 1, 2024. Accordingly, the accounting change has been applied to the beginning of the period of adoption.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

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

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

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

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were Note 7 for District's pension plans and Note 8 for the District's other post-employment benefits.

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

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

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

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 3, 2025.

Management consultations with other independent accountants

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

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

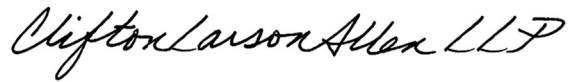
With respect to the Schedule of Operating Income and Expenses accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 22, 2024.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the Introductory and Statistical Sections and the Continuing Disclosure. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Irvine, California
November 3, 2025



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

Board of Directors
Fallbrook Public Utility District
Fallbrook, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Fallbrook Public Utility District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Fallbrook Public Utility District's basic financial statements, and have issued our report thereon dated November 3, 2025.

Report on Internal Control Over Financial Reporting

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

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

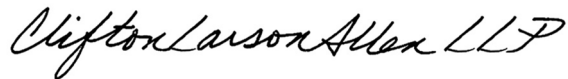
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
November 3, 2025

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 8, 2025
SUBJECT: Consider Recommendations by the Community Benefit Program Committee

Summary

The Community Benefit Program recommends, promotes, coordinates projects, oversees funding and ensures timely completion of projects proposed by nonprofit and qualified organizations related to parks, recreation facilities, and roads and street lighting within FPUD's service area. The program intends to benefit Fallbrook residents by using unrestricted public property tax revenue received by FPUD and allocated to the Community Benefit Program. The Committee Benefit Program is administered by the Board-appointed Community Benefit Program Committee (Committee), which is made of volunteers that are District ratepayers. The Community Benefit Program Committee has completed their review and developed recommendations for approval of projects for Fiscal Year 2025-2026 as part of the Community Benefit Program. Each Fiscal Year, the District allocates \$546,000 in property tax revenue to fund the Program. In accordance with the District's Administrative Code, Board approval is required to complete the funding process.

Description

The Committee held numerous public workshops and public meetings to inform the public about the funding opportunity available under the Community Benefit Program (Program). The Committee received applications from 15 organizations (Attachment A), which included a total of 23 proposed projects. On November 10, 2025, the Committee held a public meeting to finalize the scoring and make recommendations for funding. The Committee completed the process, formally recommending the Board approve 11 projects for a total amount of \$861,846 (Attachment B).

	Organization	Project	\$ Grant Request	\$ Amount Approved
1	Fallbrook Land Conservancy	Los Jilqueros Preserve maintenance, safety & Public access improvements	90,500	90,500
2	Fallbrook Land Conservancy	Save our Forest Treescape & Downtown Beautification	26,455	26,455
3	Fallbrook Healthcare District	Education Building ADA Compliant Bathrooms	165,280	120,000
4	Fallbrook Village Association	Parks Preservation & Conservation Jackie Heyneman Park & Pico Promenade	24,900	24,900
5	North County Fire Protection District	Renovation & Modernization of Roy Noon Meeting Hall	200,00	200,000
6	Fallbrook Village	Parks Preservation & Conservation	24,900	24,900

	Association	Vince Ross Square, Railroad Maintenance		
7	Fallbrook Sports Association	Routine Monthly Maintenance	51,400	51,400
8	Mission Resource Conservation	Mission Medians	99,262	51,312
9	Fallbrook Youth Baseball	Septic Tank Repair and Expansion	27,567	27,567
10	Fallbrook Sports Association	System Retro-fit of Existing Field Lighting with Dark Sky LED Lighting 3 fields	314,812	214,812
11	Fallbrook Trails Council	Excavation and Trail Repairs	30,000	30,000
12	Mission Resource conservation	Fallbrook Community Garden Project	119,888	0
13	Fallbrook Fire Safe Counsel	Fire Safe Signage	10,500	0
14	Fallbrook Village Association	Refurbishment & Preservation of Pico Pathway & Curbing, Heyneman Park Asphalt Accessway & Parking Area	89,400	0
15	Fallbrook Trails Council	Maintenance & Security Services	25,000	0
16	Fallbrook Center for the Arts, Inc	Outdoor Stage	50,000	0
17	Fallbrook Gem & Mineral Society	Lot Improvement, Fencing, Handicap Parking, Gates, Paving, Stripping	109,000	0
18	Fallbrook Senior Center	Roof Tiles, Solar panels, Sidewalks & Driveways Power Washed.	3,200	0
19	Fallbrook Trails Council	Arborist Services	9,800	0

Staff and District's legal counsel worked with the Committee to develop a contract template to be completed and executed with the entities approved for funding. A copy of the agreement is included in Attachment C.

Budgetary Impact

The District has allocated property tax revenues into the Program. At the beginning of each fiscal year, \$546,000 is transferred into the Program. The current balance in the Program is \$1,120,324. If the Board approves the recommended projects, the remaining balance will be \$258,478.

Recommended Action

That the Board approve the Projects as recommended by the Committee and direct the Committee to finalize contract terms for each of these Projects using the Contract template and authorize the General Manager to execute these contracts.

Attachment A

Applications Received

1. Boys & Girls Clubs of North County
2. Charles E Swisher Veterans of Foreign Wars Post 1924
3. Fallbrook Center for the Arts, Inc.
4. Fallbrook Community Youth Baseball, Inc.
5. Fallbrook Fire Safe Council
6. Fallbrook Gem and Mineral Society
7. Fallbrook Historical Society
8. Fallbrook Land Conservancy
9. Fallbrook Regional Health District
10. Fallbrook Senior Citizens Service Club
11. Fallbrook Sports Association
12. Fallbrook Trails Council
13. Fallbrook Village Association
14. Mission Resource Conservation District
15. North County Fire Protection District

Attachment B

James Mendelson
Community Benefit Program Committee Chair
990 E. Mission Road
Fallbrook, CA 92028

November 28, 2025

Fallbrook Public Utility District Board of Directors
c/o Jack Bebee, Fallbrook Public Utility District General Manager
990 E. Mission Road
Fallbrook, CA 92028

Re: Community Benefit Program Committee Recommendations

Dear Fallbrook Public Utility District Board Members:

The Fallbrook Public Utility District (FPUD) Community Benefit Program Committee (CBP) has solicited, received and reviewed twenty-two applications in accordance with Article 23 of the FPUD Administrative Code.

In consultation with FPUD, three requests were determined to be outside the guidelines of Article 23. At the November 10, 2025 CBP regularly scheduled public meeting, the Committee determined the funding recommendation contained in the table below and hereby formally submits them to the FPUD Board of Directors. It is requested that they be included on the agenda for the regularly scheduled December 8th meeting as an action item for Board approval.

	Organization	Project	\$ Grant Request	\$ Amount Approved
1	Fallbrook Land Conservancy	Los Jilqueros Preserve maintenance, safety & Public access improvements	90,500	90,500
2	Fallbrook Land Conservancy	Save our Forest Treescape & Downtown Beautification	26,455	26,455
3	Fallbrook Healthcare District	Education Building ADA Compliant Bathrooms	165,280	120,000
4	Fallbrook Village Association	Parks Preservation & Conservation Jackie Heyneman Park & Pico Promenade	24,900	24,900
5	North County Fire Protection District	Renovation & Modernization of Roy Noon Meeting Hall	200,00	200,000
6	Fallbrook Village Association	Parks Preservation & Conservation Vince Ross Square, Railroad Maintenance	24,900	24,900
7	Fallbrook Sports Association	Routine Monthly Maintenance	51,400	51,400
8	Mission Resource Conservation	Mission Medians	99,262	51,312
9	Fallbrook Youth Baseball	Septic Tank Repair and Expansion	27,567	27,567
10	Fallbrook Sports Association	System Retro-fit of Existing Field Lighting with Dark Sky LED Lighting 3 fields	314,812	214,812
11	Fallbrook Trails Council	Excavation and Trail Repairs	30,000	30,000
12	Mission Resource conservation	Fallbrook Community Garden Project	119,888	0
13	Fallbrook Fire Safe Counsel	Fire Safe Signage	10,500	0

14	Fallbrook Village Association	Refurbishment & Preservation of Pico Pathway & Curbing, Heyneman Park Asphalt Accessway & Parking Area	89,400	0
15	Fallbrook Trails Council	Maintenance & Security Services	25,000	0
16	Fallbrook Center for the Arts, Inc	Outdoor Stage	50,000	0
17	Fallbrook Gem & Mineral Society	Lot Improvement, Fencing, Handicap Parking, Gates, Paving, Stripping	109,000	0
18	Fallbrook Senior Center	Roof Tiles, Solar panels, Sidewalks & Driveways Power Washed.	3,200	0
19	Fallbrook Trails Council	Arborist Services	9,800	0

Current Funding Available	1,120,324
Amount Requested	1,471,864
Amount CBP recommends FPUD approve	861,846
Carryover Balance	258,478
Anticipated available funding for next FY	804,478

I and fellow CBP members will attend your December 8, 2025 meeting to present these recommendations and provide a brief status report on our committee. Please feel free to contact me prior to the meeting with any questions or concerns.

Respectfully submitted,

James Mendelson

James Mendelson, FPUD CBP Chair

(949) 201-9967

fcbpchair@outlook.com



Attachment C

**Fallbrook Public Utility District
Community Benefit Program Funding Agreement**

This Community Benefit Program Grant Agreement (“Agreement”) is made and entered into as of [Insert Date] by and between the Fallbrook Public Utility District (“District”) and [Insert Community Organization Name](“Recipient”).

1. Purpose

The District allocates funding each fiscal year to its Community Benefit Program, which grants funding to community organizations. Accordingly, this Agreement grants funding under the District’s Community Benefit Program to Recipient in order to [Describe project/service for which funds will be used] and the useful lifetime of the project as outlined in Recipient’s Proposal submitted on or about [Insert Date]. Recipient’s work plan for its Community Benefit Program Grant Proposal is incorporated herein by reference.

2. CBP Funds

The award amount of \$ [Insert Amount] (“CBP” Funds”) granted to Recipient pursuant to this Agreement may be payable in two payments if the award amount exceeds \$100,000.00. If the award amount exceeds \$100,000.00, an initial payment necessary to meet the Recipient’s needs will be made. Any remaining balance of the award amount will be made in a second payment on. [Insert Date or state, is not applicable].

3. Terms of Agreement

The term of this Agreement is from [Insert Date] through [Insert Date], except in the event that this Agreement is terminated earlier as set forth herein.

4. Budget and Payment Schedule

In the event a second payment is made for award amounts exceeding \$100,000.00, those payments will be made upon the District’s receipt of an initial report with the appropriate back-up documentation as explained herein.

Recipient’s initial report is due no later than [Insert Date or state, is not applicable].

Recipient must submit a final report 13 months from the date of this contract’s execution.

The initial and final reports shall verify award funds have been spent in accordance with the purpose of the funding and shall be submitted with a cover letter, a list of expenditures and accounting, copies of documents including, but not limited to, contracts, invoices, receipts, checks, bank statements, credit card statements and payroll expense reports. If Recipient fails to provide timely reports, Recipient may be subject to discontinuance of funding or a return of CBP Funds to District. Reports shall be delivered to the District’s office.

5. Recipient Obligations

Recipient shall cooperate in efforts undertaken by District to evaluate the effectiveness and use of the CBP Funds. Recipient shall participate in and comply with all on-site evaluation and contract monitoring procedures, including interviews with Recipient's staff. Recipient shall also provide written status reports to District as set forth herein. Recipient shall attend at least one (1) regular meeting of the District during the Agreement term.

6. Procurement Requirements

All services and projects procured using CBP Funds shall comply with the District's procurement and competitive bidding procedures set forth in Article 5 of the District's Administrative Code, which includes but is not limited to the following bidding requirements:

- a. Purchases under \$10,000 shall be purchased in the most prudent and economical manner possible.
- b. Purchases of \$10,000 or more shall be made only after obtaining three (3) written quotations.
- c. Purchases greater than \$60,000 up to \$200,000 require compliance with the District's Informal Bid Procedures.
- d. Purchases greater than \$200,000 require compliance with the District's Formal Bid Procedures. In the event that CBP Funds exceed \$200,000, additional terms and conditions related to the use of such funds will apply.

If the services and/or project undertaken by Recipient pursuant to this Agreement constitute a "public works" or "maintenance" project, Recipient shall comply with all applicable Labor Code requirements, including but not limited to, payment of prevailing wage rates, employment of apprentices, hours of labor, submission of payroll records and registration with the Department of Industrial Relations (DIR). The performance of such services and/or project may be subject to compliance monitoring and enforcement by the DIR.

7. Acknowledgement Requirement

Recipient shall provide acknowledgement to the District with an official sponsor line as well as the Fallbrook Public Utility District logo on all print and electronic materials, press releases, website references, and any other form of written and verbal publicity that relates to the funded service(s) and/or project. Recipient shall have no other permission to otherwise publicize or use the Fallbrook Public Utility District logo without the prior written consent of the District. District will provide Recipient with monthly content to be used for social media promotion of the District.

8. Changes or Modifications to the Use of District CBP Funds

Recipient shall submit to District, in writing, any requests for revisions prior to implementation of any proposed changes in the use of CBP Funds. The District must receive such requests at least thirty (30) days prior to the date that requested changes are to be implemented.

9. Legal Responsibility/Liability

In authorizing execution of this Agreement, the Recipient is solely responsible for ensuring that CBP Funds are allocated for the purpose or purposes for which this Agreement was intended, as outlined in Recipient's Proposal. Recipient shall be responsible for compliance with all terms of this Agreement. In no event shall District be legally responsible or liable for Recipient's performance or failure to perform under the terms of this Agreement.

In the case of physical improvements to real property paid for with CBP Funds ("CBP Funded Physical Improvements"), Recipient agrees and acknowledges that during the useful life of the CBP Funded Physical Improvements:

1. The real property upon which CBP Funded Physical Improvements were made must be accessible to the public.
2. Recipient shall be responsible for returning to the District, CBP Funds granted under this Agreement if, due to Recipient's action or inaction, the real property upon which CBP Funded Physical Improvements were made is no longer accessible for the public.

10. Reduction of Awarded Funds

District may reduce, suspend, or terminate the payment or amount of the CBP Funds if the Recipient is not meeting the objectives of the Agreement as determined in the District's sole discretion. Recipient understands and agrees that its failure to comply with its obligations under this Agreement, including, without limitation, paragraphs 13, 18, and 20 herein, may result in Recipient's disqualification from participation in subsequent contract cycles with the District. Recipient hereby expressly waives any and all claims against District for damages arising from the termination, suspension, or reduction of the CBP Funds.

11. Other Funding Sources

Recipient shall make available, as requested by District, information regarding any other funding sources for the project or service(s) provided by Recipient.

12. Fund Use Description

Recipient shall make available for prospective participants or others a description detailing the nature of the project or service(s) that are being funded by District. This written project description may be a separate document or incorporated in the overall project materials developed by Recipient. Upon request, Recipient shall provide a copy of the project or service(s) description to the District.

13. Independent Contractor Status

The relationship between District and Recipient, and the agents, employees, and subcontractors of Recipient, in the performance of this Agreement shall be one of independent contractors, and no agent, employee, or subcontractor of Recipient shall be deemed an officer, employee, or agent of District.

14. Use of Funds for Lobbying or Political Purposes

Recipient is prohibited from using CBP Funds provided by District for any political campaign or to support attempts to influence legislation by any governmental body.

15. Federal, State, Local Laws, Regulations, and Organizational Documents

Recipient shall comply with all federal, state, and local laws and regulations, including but not limited to labor laws, occupational and general safety laws, and licensing laws. All licenses, permits, notices, and certificates as are required to be maintained by Recipient shall be in effect throughout the term of this Agreement. Recipient shall immediately notify District if any required licenses or permits are canceled, suspended, or otherwise become ineffective.

16. Conflict of Interest/Self-Dealing

Recipient and Recipient's officers and employees shall not have a financial interest or acquire any financial interest, direct or indirect, in any business entity or source of income that could be financially affected by, or otherwise conflict in any manner or degree with, the performance of services required under this Agreement

17. Authorization and License to Use Commercial Image in Promotional Materials

Recipient understands that District may wish to utilize Recipient's name and logo, along with any photographic or video images of Recipient's premises, operations, and activities in promotional materials designed to publicize the District's mission and service to the community served by the District. By entering into this Agreement, Recipient hereby grants permission and license to the District to utilize Recipient's name, logo, and commercial image, along with any photographs, videotape footage, or other graphic illustrations of Recipient's premises, operations, and activities, as further consideration for receipt of the CBP Funds.

18. Indemnification

To the fullest extent permitted by law, Recipient shall indemnify, defend and hold District and the CBP Committee, including past and current CBP Committee members, harmless against and from any and all claims or suits for damages or injury arising from Recipient's performance of this Agreement or from any activity, work, or thing done, permitted or suffered by Recipient in conjunction with the performance of this Agreement. Recipient shall further indemnify, defend and hold District and past and current CBP Committee members harmless against and from any and all claims or suits arising from any breach or default of any performance of an obligation of Recipient hereunder, and against and from all costs, attorneys' fees, expenses and liabilities related to any claim or any action or proceeding brought within the scope of this indemnification. This indemnification obligation shall survive termination of this Agreement.

19. Documentation of Revenues and Expenses

Recipient shall maintain an accounting system that accurately reflects and documents all fiscal transactions for which the CBP Funds are used. Recipient shall maintain full and complete documentation of all revenue and expenses (including subcontracted, overhead, and indirect

expenses) and procurement documentation associated with use of the CBP Funds. During the term of this Agreement and thereafter, District and its authorized representative(s) shall have the right to review all Recipient financial records, including records related to the use of CBP Funds.

20. Reports and Record Retention

All Recipient records pertaining to the use of CBP Funds shall be maintained at Recipient's main local office for at least five (5) years following the year in which funds were granted and will be made available for District review upon request.

21. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action brought to enforce these terms and conditions shall be brought in a state or federal court in the County of San Diego.

22. Assignment or Transfer

Recipient shall not assign or transfer any interest in this Agreement or entitlement to CBP Funds without the written consent of District.

23. Entire Agreement, Amendment

This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both parties.

24. Notices

Any notice required or permitted thereunder may be given by a party to the other party at the address set forth in the signature block of this Agreement. Either party may change its address for purposes of notice by complying with the requirements of this section.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**FALLBROOK PUBLIC UTILITY
DISTRICT**

[INSERT RECIPIENT NAME]

By: _____

By: _____

Name: Jack Bebee

Name: _____

Title: General Manager

Title: _____

990 E. Mission Rd.

Address: Fallbrook, CA 92028

Address: _____

M E M O

TO: Board of Directors
FROM: Fiscal Policy & Insurance Committee
DATE: December 8, 2025
SUBJECT: Consider Adopting Resolution No. 5102 Approving the Increased Rates for Water and Recycled Water Service Charges, and Rates for Wastewater Service Charges and Taking Other Related Actions

Purpose

Adopt Calendar Year (CY) 2026 rates and charges for water, recycled water and wastewater services. The Board was presented with the Committee's recommended Calendar Year 2026 rates and charges at the October 27, 2025 Board meeting. The Board approved the proposed rates and charges and asked staff to bring them to the December Board meeting for final adoption.

Summary

Calendar Year 2026 is the fourth year of the adopted Five Year Financial Plan (the Plan). The Plan adopted by the Board in 2022 had a maximum increase of 6.5% each year for water, a maximum increase of 2.5% each year for recycled water and a maximum increase of 5.0% each year for wastewater. At the time the plan was adopted, the Board committed conducting an annual review of the District's financial position to determine the actual required annual increase. Accordingly, each year the District's current financial data, sales projections, and operating and capital cost data are taken into account by the Board when setting the annual rate increase. This allows the Board to balance the need to ensure the future fiscal sustainability of the District with the desire to provide rate relief to current rate payers.

On January 1, 2024, the District Detached from the San Diego County Water Authority (SDCWA) and annexed into Easter Municipal Water District's (EMWD's) service area. The District now purchases wholesale water from EMWD at the Metropolitan Water District's (MWD's) rate plus an administrative fee from EMWD. In calendar year 2026, MWD's treated water rate increase is 9.5% with the fixed charges increasing by approximately 11.4%. After careful review, the Committee recommended a 5.0% water rate and charge increase. The increase maintains stable rates and charges going forward and brings the District in line with its reserve targets.

After reviewing the Wastewater System's FY 2026 financial performance, the Committee recommended a 3.5% in wastewater rates and charges. The new wastewater billing methodology has stabilized revenues and reduced the rate increases necessary to keep the District on track with the Plan's fiscal objectives. The Committee recommended the Recycled Water rates and charges be increased in-line with the Plan at 1.0%.

In addition, construction service fees, Capital Improvement Charges and system buy-in capacity charges are being adjusted for inflation based upon the Engineering News-

Record Los Angeles Construction Cost Index (the Index) per the District's Administrative Code. With the exception of the Water Capital Improvement Charge, the adjustments are based upon the change in the index from February 2024 to February 2025, which was 2.54%. The Water Capital Improvement Charge is increased by the Index plus three percent with a maximum allowable increase of 10%. Therefore, the Water Capital Improvement Charge increase is 5.54%. The Wastewater Capital Improvement Charge is increased by the 2.54%. Changes to the Administrative Code also reflect these and other changes to CY 2026 rates and charges.

The Committee's recommended rates and charges keep the District on track to maintain its financial position, continue its investment in infrastructure and maintain reserve levels. Attachments A, B, and C show the recommended rate and charge adjustments to Articles 10, 11 and 12, respectively, of the Administrative Code. The resolution adopting the calendar year 2026 rates and charges is Attachment D. Exhibit A of Attachment E shows the adopted calendar year 2025 rates and charges along with the calendar year 2026 recommended rates and charges.

Recommended Action

That the Board adopt Resolution No. 5102 adopting calendar year 2026 rates and charges for water, recycled water and wastewater services.

Attachment A

Article 10. **Water Service Connections & Rules for Delivery of Water**

Sec. 10.1 Definitions.

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

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

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

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

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

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

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

The term "Agricultural purposes", as used herein, shall mean the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption. Water used for agricultural purposes may be eligible for the Agricultural Water Rate. The term "Agricultural", as used herein, shall mean the use of water through a single service connection for agricultural purposes.

The term "Domestic purposes", as used herein, shall mean the use of water for residential (up to and including two units) purposes and businesses that use water for incidental domestic purposes only. If an agricultural parcel has a permanent residence, the first 5 units

of water provided each month is considered for domestic purposes regardless of the number of residences on the property. Parcels using water for Agricultural purposes are eligible for the Agricultural-Domestic (AD).

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

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

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

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

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

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

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

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

Sec. 10.2 Remote Meter Agreements.

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

Sec. 10.3 Temporary Service Agreements.

A Temporary Service Agreement is a recorded agreement between the District and a consumer that a meter will be placed temporarily at a location remote

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

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

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

Sec. 10.4 Engineering Fees.

Sec. 10.4.1 Plan Check Fees.

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

Sec. 10.4.2 Fees for District to Inspect Contractor Installed Facilities

A) Water Meter Service Line Installation

- ¾" to 2" 5 hours @ \$ 137.71 = \$ 688.55
- 3" and larger 9 hours @ \$ 137.71 = \$ 1,239.39

B) Fire Hydrant Installation 9 hours @ \$ 137.71 = \$ 1,239.39

C) Fire Service Installation 9 hours @ \$ 137.71 = \$ 1,239.39

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

Sec. 10.5 Rules for Service of Water.

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

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All parcels desiring water must abut a District pipeline, and all meters will be located on the parcel being served unless the General Manager approves a Remote Meter Agreement, or the Board of Directors authorizes a Temporary Service Agreement subject to certain conditions as described in Section 10.3.

Each consumer desiring water furnished by the District shall furnish a plat of the property to be served, individually file a written application for such service, and in the form provided by the District, shall state the location, the number of acres served, the legal owner thereof, the purpose for which water is to be used and such other data regarding consumer's water production and use practices as required by the District. Based on the information provided, and verified by physical inspection if appropriate, each application will be assigned a user code: Agricultural (AG); Agricultural-Domestic (AD); Domestic (D); Commercial (C), Government (G); or Multi-Unit (M) in accordance with the definitions provided in Section 10.1.

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

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

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

Sec. 10.6 Meter and Service Line Installations.

Before any service connection with the water distribution system of the District is made, the District shall collect from the applicant who desires water service an installation charge as set forth below. A connection fee based on the demand factor shall be paid in addition to the installation charges and is described in Article 10.8 of this Administrative Code. Reclaimed meter and service line connections shall be capitalized as part of the project and not charged to the customer. Installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Meter Size	Meter and Service Line*	Meter Only on Existing Service Line	Service Line Only*
¾"	\$ 4,817	\$ 629	\$ 4,190
1"	\$ 4,932	\$ 742	\$ 4,190
1-1/2"	\$ 6,135	\$ 1,392	\$ 4,742
2"	\$ 6,700	\$ 1,703	\$ 4,997
3", 4" or 6"	Cost	Cost	Cost

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Recycled, any size	No charge	No charge	No charge
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* If paving for a service line is less than or equal to 15 feet, there is an additional charge of \$~~2,839~~. If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of \$~~5,206~~. If County road inspection is required, there is an additional fee of \$~~1,665~~.

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Sec. 10.7 Meter Relocation Fees.

Meter Size	Relocation and Service Line*
¾"	\$ 6,047
1"	\$ 6,047
1-1/2"	\$ 6,693
2"	\$ 6,948

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* If paving is required up to 30 feet, there is an additional fee of \$~~5,638~~. If County road inspection is required, there is an additional fee of \$~~1,665~~.

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Sec. 10.8 Connection/Capacity Fees.

A connection fee shall be paid at the time meter service is applied for, for all permanent service connections, which fee shall be in addition to the charges made for the actual cost of labor and materials necessary to make the physical connection to the water system. The capacity fee for the connection is based on the demand that could be placed on the District's water system by reason of the connection. The extent of demand will be determined on the basis of the size of the water meter necessary to provide the estimated quantity of water usage for the connection. The demand factor for each meter size shall be calculated on the basis of the rated capacity of each size of meter divided by the rated capacity of a ¾" meter at a pressure of 40 pounds per square inch (20 gpm), hereinafter referred to as an "equivalent meter unit" (EMU). Connection/ capacity charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing current fees to calculated fees.

Effective January 1, ~~2026~~, the schedule of capacity fees based on the demand factor of each meter size shall be as follows:

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Meter Size	Capacity Demand Factor (EMU)	Capacity Fee
¾"	1	\$ 7,485
1"	1.6	\$ 11,976
1-1/2"	3	\$ 22,455
2"	5.2	\$ 38,922
3"	9.6	\$ 71,856
4"	16.4	\$ 122,754
6"	30	\$ 224,550

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

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

Sec. 10.8.1 Removal of Meters.

An owner of a parcel who has a meter and is not required to have District water for their parcel can request to have their meter removed and discontinue service. A fee of \$100 will be charged for meter removal. Once the meter is removed, if service is later requested for the parcel, it will be subject to all the fees identified in Article 10, including installation and connection/capacity fees as if it is a new service.

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

1. The District will verify that the parcel does not have a residence or that another supply is available for the residence. If District water service is necessary as a health and safety concern for the residence then the meter cannot be removed.
2. The parcel owner shall sign a form that will be recorded on their deed indicating that water service was discontinued and re-establishing service will require payment of all fees similar to any other new water customer.
3. The District will remove the meter based on the fee established for meter removal.
4. The owner will be deleted from the District's customer database and no further monthly operations, capital improvement or standby fees will be charged to the parcel. The parcel will be subject to Water Availability Charges, unless the parcel owner requests deferral in accordance with Article 15.
5. If the water service is requested in the future for this parcel it will be similar to any other parcel without water service and subject to all necessary fees including installation and connection/capacity fees.

Sec. 10.8.2 Meter Testing Costs.

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

<u>Meter Size</u>	<u>Fee for testing</u>
¾" – 1"	\$ 158
1 ½" – 2"	\$ 214
Over 2"	To be tested by an outside agency at a cost to be determined on actual time and materials.

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

- B) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District.
- C) Premises that have internal cross-connections that are not abated to the satisfaction of the District.
- D) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
- E) Premises having a repeated history of cross-connections being established or reestablished.

Sec. 10.22.2 Backflow Device Installation on New Services.

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

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

Reduced Pressure Principle Devices (installed along with new meter)

For each ¾ inch meter	\$ 907
For each 1 inch meter	\$ 932
For each 1-1/2 inch meter	\$ 1,606
For each 2 inch meter	\$ 1,857
For each 3, 4 or 6 inch meter	Cost

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

Sec. 10.22.3 Reduced Pressure Backflow Preventer Retrofits.

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

General Design Considerations.

- A) The design and construction of the backflow prevention assembly shall meet the requirements called for in this specification.
- B) The nominal size of the backflow prevention device shall be equal to the size of the purchased meter. For example, a (1") meter shall have a (1") backflow prevention device.

- C) The assembly shall include same size valves located on either side of the backflow prevention assemblies. Four test cocks shall be appropriately located on the assembly for testing and certification.
- D) The nominal size of reduced-pressure principle detector assemblies shall be as shown on the Approved Plans or as directed by the Fire Department of jurisdiction.
- E) Enclosures and concrete slabs shall be provided only as shown on the Approved Plans or as required by the agency of jurisdiction.

Sec. 10.22.4 Reduced Pressure Backflow Preventer Device Retrofit –Installed by Property Owner

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

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

Installation.

- 1) Installations of retrofit backflow devices will not be performed by District Personnel and is the sole responsibility of the property owner.
- 2) Forty-eight (48) hours prior to installation, the Backflow Department will be notified at (760) 728-1125, extension 1129. Installations and inspections will be scheduled Monday through Thursday's only – excluding all District holidays. District personnel will shut off the angle stop before the meter. If the installer or property owner shuts off the angle stop and causes damage, the installer and property owner will be responsible for damages. The damages will be calculated at a time and materials rate.
- 3) Installation shall comply with the latest edition of the Uniform Plumbing Code and applicable District requirements.
- 4) Backflow prevention assemblies shall be installed in accordance with the District's standard drawings.
- 5) Water service and fire service shut-off valves will be secured closed during installation until an approved backflow prevention device is installed and tested in compliance with this specification.

- 6) When static pressure exceeds 175 psi, a pressure-reducing valve may be installed. Please contact the Backflow Department for determination of necessity.
- 7) After installation of the backflow device, the Backflow Department must be notified to inspect the installation to insure that the device meets the District specifications. It will then be tested by District personnel.
- 8) There will be no charge if the backflow device is installed correctly and test properly on the first inspection. If the backflow device fails the first test, it shall be the responsibility of the property owner to have any necessary repairs made. Repairs must be made according to District specifications. Any additional inspections will be charged one hundred forty dollars (\$144) plus the costs of parts if needed.
- 9) Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.
- 10) Any damages or leaks after the customer shut-off valve will be the property owner's responsibility.

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Sec. 10.22.5 Well Destruction and Alteration.

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

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

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

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

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

If the property owner chooses not to follow the California Water Code (listed above) within sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to curb or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and a Reduced Pressure Backflow Device is installed (See Section 10.22.3&4) and passes and meets the District standards.

Sec. 10.23 Booster Pumps.

No person shall place or cause to be placed a device to raise the pressure of water supplied him by the District unless said booster system plans and proposals have been submitted to the District's General Manager and written approval for its installation and use has been secured. In the event such apparatus is installed without permission, the General Manager will immediately discontinue service to the consumer and resume service only after satisfactory removal or correction and payment of turn-on charges and payment for any repair or treatment necessary for sanitary and safe operation.

Sec. 10.23.1 Fallbrook Service Area Pressure Zones. Any approved individual service booster pump in the following pressure zones will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer:

- 1) Toyon Heights
- 2) Sachse
- 3) Red Mountain
- 4) Gheen
- 5) Modified Town
- 6) Rattlesnake

Sec. 10.23.2 DeLuz Heights Service Area Pressure Zones. Any approved individual service booster pump in the DeLuz Service Area will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer, with the exception of the following meter numbers:

- 1) Meter No. 7783
- 2) Meter No. 7784
- 3) Meter No. 7789

Sec. 10.24 Fire Hydrants.

For installing, maintaining and use of fire hydrants, the following will apply:

The District will install fire hydrants and necessary piping so required where and when jointly approved by the District staff and the Chief of the Fire District at the cost of the North County Fire Protection District.

In the event hydrants are required as part of pipeline extensions to service a subdivision or consumer, the cost of such hydrants will be included in the cost of the extension construction and paid for by the subdivider or consumer. Charges for installation of hydrants on the existing District distribution system will be as follows:

Model J-3700 (2-port hydrant).....\$ 13,583(complete assembly)

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Model J-3765 (3-port hydrant).....\$ ~~16,660~~ (complete assembly)
Fire flow testing\$ ~~632~~

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If paving over 20 feet is required, there is an additional fee of \$ ~~332~~ per trench foot. If county road inspection is required, there is an additional fee of \$ ~~1,665~~.

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Charges for fire hydrants will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Maintenance and repairs to hydrants, valves and connecting pipelines, will be performed by the District at the expense of the North County Fire Protection District.

Sec. 10.25 Automatic Sprinkler and Fire Protection Systems.

For automatic sprinkler and fire protection systems, the District upon request, will install a detector check valve system subject to the payment of the following installation charges by the user:

4 inch serviceCost
6 inch serviceCost
8 inch serviceCost

Sec. 10.26 Construction Meters.

For each use of a fire hydrant by any person not officially associated with a fire fighting organization, by pre-arrangement and approval of the District, and upon receipt of a \$ ~~1,634~~ deposit, a meter installation charge of \$ ~~158~~ will be made. There will be a relocation charge of \$ ~~158~~ to cover cost of moving a construction meter. Upon notification by customer that the construction meter is no longer needed, District staff will retrieve the meter. Charges for construction meters will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Upon retrieval, deposits will be refunded to the customer less any accrued operations charges and water use charges. The cost to repair a damaged construction meter will be deducted from the deposit. The construction meter will be locked to the fire hydrant and moved only by District staff. If the meter is stolen, the District will bear the cost of replacement.

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Sec. 10.27 Water Used for Annual Crops.

For each use of water for agricultural purposes solely for the growing of annual crops, as described in Sec. 10.1, Temporary Ag Service, the connection charge levied by Sec. 10.8 will not be assessed for this purpose.

All other fees, assessments, and charges of this Administrative Code will be in effect. The Board of Directors will determine annually the availability of water for these purposes, and the use will be continued on a year to year basis at the discretion of the Board of Directors.

Sec. 10.28 Illegal Use of Water.

The District may discontinue service to any consumer who uses or permits the use of District water beyond District boundaries or who within the District permits the flow of water beyond the limits of his property which is recorded as being

Attachment B

of unusual strength or character may be accepted by the District for treatment, subject to payment as agreed thereof by the discharger.

Sec. 11.16 Fees and Charges.

Sec. 11.16.1 Sewer Service Charges.

Every user of the District's sewer system must pay a sewer service charge for the use of the District's sewer system in an amount and at a frequency established by the Board.

Sec. 11.16.2 Capacity Fees.

a) Capacity Fee Amount. Prior to issuance, reissuance, or amendment of a sewer permit the following capacity fees shall be paid by an applicant for a sewer permit for each equivalent dwelling unit determined by the District in accordance with Section 11.7:

Capacity Fee	\$ <u>9,217</u> per EDU
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b) Adjustments to Capacity Fees. Capacity fee charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

c) Financing Capacity Fees. Finance options are available for customers who owe additional fees to the District due to property expansions that did not purchase additional capacity and/or visual audits conducted by District staff as follows:

1. Any amounts financed by the District require a signed agreement and Promissory Note. Any amount greater than \$10,000 will also require a Trust Deed.
2. Any delinquent amounts will be transferred to the property tax bill.
3. Amounts up to \$3,000 are due immediately with no financing option.
4. Amounts between \$3,001 and \$5,000 may have terms of up to one year at the Local Agency Investment Fund (LAIF) rate + 2%.
5. Amounts between \$5,001 and \$10,000 may have terms of up to two years at the LAIF rate + 3%; interest to be re-calculated at the one year anniversary.
6. Amounts greater than \$10,001 may have terms up to three years at the LAIF rate + 4%; interest to be re-calculated at the one year and two year anniversaries.
7. Liens will not be offered as a methods of postponing payment of fees.

Sec. 11.16.3 Plan Check Fees.

- a) An applicant must pay a plan check fee in accordance with the following:
1. Plan checks less than 500 lineal feet, water or sewer, \$500 each.
 2. Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, \$1,000 each.
 3. Plan checks greater than 1,000 lineal feet, \$1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 11.16.4 Lateral Fees.

If the District staff will be utilized to install a lateral from the main line and to put in a clean-out box and overflow device, the applicant shall pay the following fee upon submission of an application. The fee is to cover the cost to install a lateral from the main line and to install the clean-out box and overflow device, if a lateral is required based on the nature of the application:

Length	Depth	Crew Size	Hours	Cost
≤ 15'	≤ 8'	4	36	\$ 9,497
≤ 15'	>8'	4	56	\$ 13,755
>15' to 30'	≤8'	5	90	\$ 18,242
>15' to 30'	>8'	5	115	\$ 21,236
>30'	Any	5	Actual	Actual

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If paving less than or equal to 15 feet is required, there is an additional fee of \$ ~~2,839~~. If paving is greater than 15 feet up to 30 feet is required, there is an additional fee of \$ ~~5,206~~. If county road inspection is required, there is an additional fee of \$ ~~1,665~~.

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

Sec 11.16.5 Fees for District to Inspect Contractor-Installed Facilities.

If a contractor will install the sewer lateral and related facilities, the applicant shall pay a sewer lateral inspection fee on a time and materials basis. Upon submission of an application, the applicant shall pay a deposit for the estimated inspection fee, calculated as follows:

Sewer Lateral Installation Estimated inspection hours @ \$ ~~137.71~~ = Estimated inspection fee

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If the actual time per form inspection is less than the District's estimate, the District will refund the excess amount to the applicant. If the actual time to perform inspection exceeds the estimated time, the applicant shall pay the remaining amount due to the District as a

Attachment C

Article 12. Water and Sewer Rates and Service Charges.

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

Effective January 1, ~~2026~~, the following rates for water deliveries to each class of service are established:

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Sec. 12.1 Volumetric Water, Recycled Water and Pumping Rates.

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

Domestic (D), Large Lot Domestic (LD), Multi-Unit (M).

1-5 units per month~~\$7.95~~ per unit

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Over 5 units per month~~\$8.76~~ per unit

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Commercial (C), Government (G), Irrigation Only (I).

All usage~~\$8.39~~ per unit

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Agricultural (AG).

All usage~~\$6.12~~ per unit

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Agricultural-Domestic (AD).

1-5 units per month~~\$7.95~~ per unit

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Over 5 units per month~~\$6.12~~ per unit

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Water Shortage Emergency Surcharges

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 six Water Shortage Response Levels. Article 17 Water Shortage Response Program provides information on the program and the applicable water use rates.

Volumetric Recycled Water Rate.

Recycled water furnished within the District service area for any appropriate purpose will be billed at ~~\$6.68~~ per 1,000 gallons. Recycled water sold outside the District service area will be sold by contract with specific customers.

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Construction Meter.

Water furnished for construction purposes will be billed at \$9.14 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 ~~\$0.79~~ per 1,000 gallons to recover the cost of electricity.

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Sec. 12.2 Monthly Fixed Charges.

Effective January 1, ~~2026~~, the following rates and charges are established and shall be collected by the District for water and recycled water service:

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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	\$62.12	\$27.43	\$18.95	NA
1 inch meter	\$98.65	\$37.29	\$26.55	NA
1-1/2 inch meter	\$189.09	\$61.70	\$45.37	NA
2 inch meter	\$298.10	\$91.13	\$68.04	\$8.33
3 inch meter	\$589.14	\$169.69	\$128.56	\$9.67
4 inch meter	\$916.16	\$257.95	\$196.57	\$11.99
6 inch meter	\$1,824.11	\$503.04	\$385.41	\$20.32
8 inch meter	NA	NA	NA	\$34.69

NA- Not applicable

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For construction meters, a service charge of ~~\$447.15~~ 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	\$11.10
For each 1 inch device	\$11.22
For each 1-1/2 inch device	\$14.39
For each 2 inch device	\$15.57
For each 3 inch device	\$34.04
For each 4 inch device	\$41.06
For each 6 inch device	\$52.85

Sec. 12.3 Place Holder for Future Changes

Sec. 12.4 Water Capital Improvement Charge.

For each water account, an additional \$~~13.99~~ per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, ~~2026~~. 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.

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The CIC 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 CIC will be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the CIC 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
3/4 inch meter	1.0	\$13.99
1 inch meter	1.67	\$23.30
1-1/2 inch meter	3.33	\$46.64
2 inch meter	5.33	\$74.57
3 inch meter	10.67	\$149.16
4 inch meter	16.67	\$233.07
6 inch meter	33.33	\$466.12

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Sec. 12.5 Billing Periods.

Billing due dates fall on the 10th, 20th, and 30th of the month depending on meter location in the District. All charges for water and sewer services during specified meter read dates are due and payable when rendered. Bills become delinquent the day after the due date. Residential accounts not paid within 30 days of the due date are sent past due statements and the meters are subject to lock-up for non-payment after being delinquent for 60 days (See District Residential Discontinuation of Service Policy available on the District

Sec. 12.8.1 Theft of Water.

Water is defined as stolen from the customer if the water is stolen from the customer's side of the meter. Water stolen from a mainline, hydrant, District pipeline, appurtenance, or tampering with a customer's meter is defined as water being stolen from the District.

Water Stolen from Customer.

Customers who have reported water theft to the District must also notify local law enforcement agencies. The District will require proof of theft from a law enforcement agency that a theft of water occurred. Customer's asking for credit on the bill for water theft will be processed by account type. If a full price M&I customer, the District may discount the estimated amount of water stolen and charge the District's wholesale cost of water for the amount stolen. An estimate of the amount of water stolen will be made by District staff using that customer's usage history. Water sold to Agricultural customers and Agricultural-Domestic is sold at District cost so no discount may be applied. If the stolen water caused the customer's allocation bank to be adversely affected, the District will restore the estimated amount stolen to the customer's allocation bank. If the water theft resulted in an overuse penalty, the District will credit the penalty to the customer for the estimated amount of water stolen.

Water Stolen from District.

Any theft of water from the District will be reported to law enforcement agencies. If the theft is due to meter tampering, the customer will be charged a \$250 fee for tampering with the meter plus time and materials to place the meter back into proper position. If a water theft from the District due to meter tampering occurs again on the same meter, the customer will be charged a \$500 fee for tampering and an item will be brought forward to the Board of Directors to consider discontinuance of service. An estimate of the amount of water stolen will be calculated and billed to the customer's account. Collection of said fees are subject to all District regulations regarding collection of past due accounts.

Sec. 12.9 Volumetric Wastewater Charges.

Wastewater service charges are established upon each property within the District that is connected to a sewer line of the District whether said premises are occupied or unoccupied. Volumetric Wastewater Charges are applied to estimated billable wastewater flows, which are based upon adjusted water deliveries. The charge per killogallon of wastewater flow is shown below:

User Class	Volumetric Wastewater Charge (\$/kgal)
Agricultural-Domestic (AD)	\$ 6.82
Residential (LD, D, M))	\$ 6.82
Government (G)	\$ 12.35

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User Class	Volumetric Wastewater Charge (\$/kgal)
Commercial – Low Strength* (C L)	\$ 12.35
Commercial – Medium Strength* (C M)	\$ 15.39
Commercial – High Strength* (C H)	\$ 19.67

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*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:

Customer Class	Return to Sewer Factor
Residential (Multi-Family, Single Family)	80%
Non-Residential/Commercial	90%
Low / Medium / High	90%
Government	
Low / Medium / High	90%
Schools	80%
Churches	80%
Special	
Low / Medium / High	100%
Special 10% RTS (1-10%)	
Low / Medium / High	10%
Special 20% RTS (11-20%)	
Low / Medium / High	20%
Special 30% RTS (21-30%)	
Low / Medium / High	30%
Special 40% RTS (31-40%)	
Low / Medium / High	40%
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%
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, AD), 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 20 units.
2. 80% of this water is assumed to be returned to sewer/billable flow.
3. The Volumetric Wastewater Charge (\$/kgal) is applied to this flow.
4. Consumption analysis is performed annually. Appeal for consumption is available.
5. No prior history customer (new customer) will be placed at that customer class median of 6. For customers with at least one winter of use data, that data will be used for 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. 80% 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), 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 2026 public elementary school rate is \$1.55 per student and \$2.31 per staff, per month.
4. CY 2026 public junior high school and administrative offices rate is \$2.31 per person, per month.
5. Rates to be increased by the overall percentage increase in wastewater revenues each year.

Sec. 12.10 Monthly Fixed Wastewater Charge.

For each Residential/Domestic sewer account, which includes D, LD, M, AD accounts, effective January 1, 2026, the Monthly Fixed Wastewater Charge shall be \$40.41 per month per Equivalent Dwelling Unit (EDU). For Comercial (C) and Government (G) accounts, effective January 1, 2026, the Monthly Fixed Wastewater Charge shall be \$13.53 per month per EDU. For all customer types, the EDUs will be calculated per Administrative Code Sections 11.7.2, 11.7.3, or 11.7.4.

Sec. 12.10.1 Wastewater Capital Improvement Charge.

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For each account, an additional \$ ~~14.97~~ per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge Effective January 1, ~~2026~~. This charge is dedicated to Wastewater Debt Service and Wastewater Capital Improvements. The Wastewater Capital Improvement Charge has been implemented to partially fund the debt service payments for upgrades to the Wastewater Treatment Plant. EDUs will be calculated per Administrative Code Sections 11.7.2, 11.7.3, or 11.7.4. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10%. Staff will report back to the Board of Directors every five (5) years with analysis of its necessity. The Capital Improvement Charge will only be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

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Attachment D

RESOLUTION NO. 5102

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT, ADJUSTING RATES FOR WATER, RECYCLED WATER, AND WASTEWATER SERVICE CHARGES IN ACCORDANCE WITH A PREVIOUSLY ADOPTED SCHEDULE OF ADJUSTMENTS, ADOPTING INCREASES IN THE RATES FOR OTHER CHARGES IMPOSED BY THE DISTRICT, REVISING PORTIONS OF THE DISTRICT'S ADMINISTRATIVE CODE ACCORDINGLY, AND OTHER RELATED ACTIONS

* * * * *

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

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

WHEREAS, on November 16, 2022, the District held a public hearing and protest proceeding in accordance with article XIII D, section 6 of the California Constitution ("Article XIII D"), on the question of whether to adopt new or increased rates for the District's water, recycled water, and wastewater service charges (the "Charges"); and

WHEREAS, notice of such public hearing was provided to all property owners and customers of record as required by Article XIII D, and such notice included authority for the District to adjust the rates for the Charges annually in accordance with a formula for calculating inflation, or a schedule of adjustments, all as described more fully in the notice; and

WHEREAS, at the public hearing, the District did not receive written protests from a majority of the separate parcels subject to the Charges, and pursuant to Resolution No. 5036, adopted the Charges and the schedule of adjustments and inflationary increases; and

WHEREAS, in accordance with such schedule of adjustments and inflationary increases, the District now wishes to increase the rates for the Charges to a rate equal to or less than the maximum rate authorized pursuant to Resolution No. 5036 commencing January 1, 2026; and

WHEREAS, the Charges, as adjusted, shall not exceed the proportional cost of providing the service for which the Charges were imposed; and the Charges, as adjusted, shall continue to comply with the substantive provisions of Article XIII D; and

WHEREAS, the Charges, as adjusted, shall be equal to or less than the maximum rates approved by the Board of Directors in Resolution No. 5036, and, in accordance with

Government Code sections 53750(h)(2) and 53756, the adjustments to the Charges as contemplated herein shall not constitute an “increase” for purposes of Article XIII D; and

WHEREAS, the District further wishes to adjust certain other fees and charges, including without limitation the District’s water and wastewater connection fees, capacity fees, inspection fees, and other related fees and charges, in accordance with pre-approved formulae for inflation in order to ensure such fees and charges (the “Other Charges”) reflect the cost of providing the service or regulatory activity for which such Other Charges are imposed; and

WHEREAS, the Other Charges, as adjusted, shall not exceed the reasonable estimated cost of providing the service or regulatory activity for which such Other Charges are imposed, and are adjusted in accordance with a pre-approved formula for accounting for inflation; and

WHEREAS, the schedule of Charges and Other Charges, as adjusted by this Resolution, is attached hereto as Exhibit “A” and incorporated by this reference; and

WHEREAS, the District has further determined that it is appropriate to adopt revisions to Article 12 (attached as Exhibit “B”), Article 10 (attached as Exhibit “C”), and Article 11 (attached as Exhibit “D”) to reflect the adjustment to the Charges and the Other Charges, and to incorporate additional changes;

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

1. Incorporation of Recitals:

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

2. Inconsistency with other Fees:

To the extent any Charges or Other Charges established by this Resolution and the revisions to the Administrative Code approved hereby are inconsistent with the Charges, Other Charges, or any other fee or charge previously adopted by the Board of Directors; it is the explicit intention of the Board of Directors that the Charges and Other Charges adjusted pursuant to this Resolution and included in the revised Articles attached hereto shall prevail. The purpose of this Resolution is to set the rates for the Charges and the Other Charges within maximum rates and according to inflationary increases previously approved and adopted by the District. Nothing contained herein shall be deemed to be a re-adoption of any Charge, Other Charge, or any other fee or charge of the District, nor shall it be deemed an “increase” within the meaning of Government Code section 53750.

3. Charges:

In accordance with the authority granted pursuant to Resolution No. 5036, the

Board of Directors hereby sets the rates for the Charges in the amounts set forth in Exhibit “A” and the revisions to Article 12, attached hereto as Exhibit “D” and incorporated herein by this reference. The Board of Directors finds that the Charges, as adjusted and set pursuant to this Resolution, do not exceed the proportional cost of providing the property-related service for which they are imposed, and otherwise meet the requirements set forth in Article XIII D. The Board further finds that the Charges, as adjusted, shall be equal to or less than the maximum rates approved by the Board of Directors in Resolution No. 5036, and therefore this action does not constitute an “increase” for purposes of Article XIII D. The Charges, as adjusted, shall be effective for the respective property-related service commencing January 1, 2026.

4. Other Charges:

The Board of Directors hereby sets the rates for the Other Charges in the amounts set forth in Articles 10, 11, and 12, as revised and attached as Exhibits “B,” “C,” and “D” hereto, in accordance with pre-approved authorization for inflationary adjustments. The Board of Directors further finds that no Other Charge adjusted pursuant to this Resolution shall exceed the reasonable estimated cost of providing the service or product for which it is imposed, or the reasonable regulatory costs of issuing licenses, permits, and conducting inspections and investigations associated therewith. The Other Charges, as adjusted, shall be effective January 1, 2026.

5. Authorization:

The General Manager is hereby authorized and directed to take all actions necessary to implement and collect the Charges and the Other Charges, and to revise Articles 10, 11, and 12 in substantially the forms attached hereto, to reflect the new or increased rates for the Charges and Other Charges.

6. CEQA Compliance:

The Board of Directors finds that the administration, operation, maintenance, and improvements of the District’s water, recycled water, and wastewater systems, which are to be funded by the Charges and Other Charges, are necessary to maintain service within the District’s existing water, recycled water, and wastewater service areas as described herein. The Board of Directors further finds that the administration, operation, maintenance and improvements of the District’s water, recycled water, and wastewater systems, to be funded by the Charges and Other Charges, will not expand the District’s water, recycled, and wastewater systems. The Board of Directors further finds that adjustments to the rates for the Charges and Other Charges are necessary and reasonable to fund the administration, operation, maintenance and improvements of the District water, recycled water, and wastewater systems. Based on these findings, the Board determines that the adjustments to the Charges and Other Charges by this Resolution are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the District, 990 E

Mission Rd, Fallbrook, CA 92028. The custodian for these records is the secretary of the District.

7. Severability:

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

8. Effective Date of Resolution:

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 8th day of December, 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT A
SCHEDULE OF CHARGES AND OTHER CHARGES

WATER INSTALLATION

FALLBROOK PUBLIC UTILITY DISTRICT / METER AND SERVICE INSTALLATION CHARGES

Meter Size	3/4"	1"	1½"	2"	3"	4"	6"
Acreage Served	0 - 1	1 - 3 ½	3 ½ - 8	8 - 15	15 - 35	35 - 80	80+
Maximum Rate of Flow - GPM	16 - 24	40	80	145	277	460	878
Meter Installation	<u>\$613629</u>	<u>\$724742</u>	<u>\$1,3581,392</u>	<u>\$1,6611,703</u>	Cost	Cost	Cost
FPUD Connection Fee	<u>\$7,3007,485</u>	<u>\$11,68011,976</u>	<u>\$21,90022,455</u>	<u>\$37,96038,922</u>	<u>\$70,08071,856</u>	<u>\$119,720122,754</u>	<u>\$219,00024,550</u>
Service Line Installation (No Paving)	<u>\$4,0864,190</u>	<u>\$4,0864,190</u>	<u>\$4,6254,742</u>	<u>\$4,8734,997</u>	Cost	Cost	Cost
Paving for Service Line ≤15' (Add)	<u>\$2,7692,839</u>	<u>\$2,7692,839</u>	<u>\$2,7692,839</u>	<u>\$2,7692,839</u>	Cost	Cost	Cost
Paving for Service Line = >15' <30' (Add)	<u>\$5,0775,206</u>	<u>\$5,0775,206</u>	<u>\$5,0775,206</u>	<u>\$5,0775,206</u>	Cost	Cost	Cost
County Inspection on Public Roadway (Add)	<u>\$1,6241,665</u>	<u>\$1,6241,665</u>	<u>\$1,6241,665</u>	<u>\$1,6241,665</u>	Cost	Cost	Cost
Meter Relocation (No Paving)	<u>\$5,8976,047</u>	<u>\$5,8976,047</u>	<u>\$6,5276,693</u>	<u>\$6,7766,948</u>	Cost	Cost	Cost
Meter Relocation with Paving Up to 30' (Add)	<u>\$5,4985,638</u>	<u>\$5,4985,638</u>	<u>\$5,4985,638</u>	<u>\$5,4985,638</u>	Cost	Cost	Cost
RP Backflow Device Installed with Meter*	<u>\$885907</u>	<u>\$909932</u>	<u>\$1,5661,606</u>	<u>\$1,8121,857</u>	Cost	Cost	Cost
RP Backflow Device Retrofit**	Installation is the responsibility of the property owner; First inspection is free; additional inspection <u>\$140-144</u> plus costs (each).						
RP Backflow Device on Reclaimed Water Meters	Installed at no cost.						

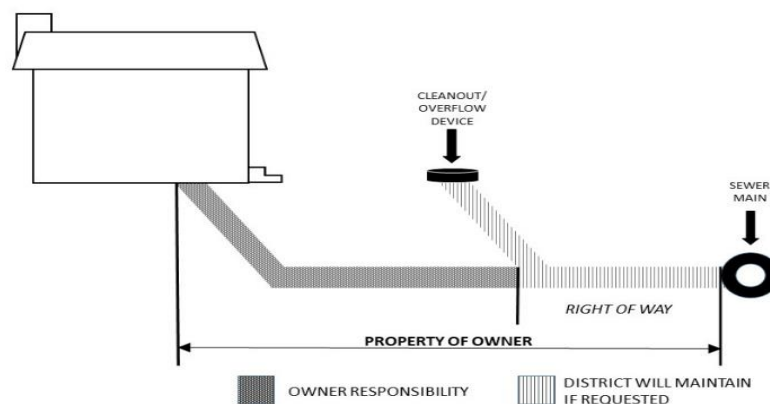
FIRE HYDRANT, including installation: Model J-3700.....\$13,24713,583 **Inspection Fee's:** 3/4" to 2".....5 hrs @ \$134.30137.71
 = \$671.50688.55
 Model J-3765.....\$16,24716,660 3" and Larger.....9 hrs @ \$134.30137.71
 = \$1,208.701,239.39
 Trench > 20'\$324332/trench foot Fire Hydrant Install.....9 hrs @ \$134.30137.71
 = \$1,208.701,239.39 County Inspection:.....\$1,6241,665 if required Fire Service
 Install.....9 hrs @ \$134.30137.71 = \$1,208.701,239.39

- * The District shall install Reduced Pressure Backflow Preventers on new potable water meter services when applicable pursuant to Article 10 of the FPUD Administrative Code.
- ** The property owner shall be responsible for the Reduced Pressure Backflow Device Retrofit pursuant to Article 10 of the FPUD Administrative Code. Once the device is installed, passes the backflow test, and meets the District's standards, the device will become the property of the District. The device will be charged the standard monthly service charges and will be tested annually.

WASTEWATER INSTALLATION

SEWER PERMIT FEES: Capacity Fees. The following capacity fees shall be paid by the applicant for each equivalent dwelling unit determined by the District:

	<u>Amount per Equivalent Dwelling Unit</u>
Standard Capacity Fee	\$ <u>8,989,217</u>
Annexation Fee	\$ 11,389
<u>Lateral Installation Fee:</u>	
≤ 15' Length, ≤ 8' Depth	\$ <u>9,262,497</u>
≤ 15' Length, > 8' Depth	\$ <u>13,415,13,755</u>
> 15'- 30' Length, ≤ 8' Depth	\$ <u>17,790,18,242</u>
> 15'- 30' Length, > 8' Depth	\$ <u>20,710,21,236</u>
> 30' Length, Any Depth	\$ Cost
County Road Inspection	\$ <u>1,624,1,665</u>
Paving ≤ 15'	\$ <u>2,769,2,839</u>
Paving 16'-30'	\$ <u>5,077,5,206</u>



Owners Responsible for Cleanout/Overflow Devices

Your sewer cleanout is your first line of defense in preventing a potential sewer overflow problem and can save you from unnecessary messy clean ups and prevent a larger emergency such as a sewer main stoppage. The cleanout device is a pipe that rises to the ground surface from the lateral line that carries sewage from your home to a main sewer line. The device, housed in a concrete box or green plastic circular container and equipped with an easily removable floating lid, normally can be found within five feet of a property line. If you have trouble locating the device, please call the District at 760-728-1125 and we will be happy to help you locate it.

The device is used to clean the sewer lateral. To protect the property if a main sewer line is blocked, sewage backing up into your line will “overflow” through the device rather than back up into your home. To ensure proper functioning of the cleanout you should make sure the device doesn’t become covered by dirt, paving material, structures, or any other covering.

The homeowner is responsible for the sewer line between the home and the sewer main in the street.

If at any time you experience a problem that causes a backup in your lateral, it is best to contact the District first. District personnel will be dispatched to your property to assist you. If the problem is located between the District main and the property line clean out, the District will assist with mechanical or chemical root control only. All repairs will be the sole responsibility of the owner. If it is determined that the problem is located between the cleanout and the house, you will be responsible for all repairs including the expense of calling a plumber.

WATER R A T E S

FALLBROOK PUBLIC UTILITY DISTRICT / CUSTOMER BILLING INFORMATION

Meters are read in three cycles each month for billing periods ending on the 10th, 20th, and 30th. An account is placed in a cycle according to the location of the meter within the District. All customers are billed on a monthly basis. Payment is due and payable upon receipt and delinquent after the due date shown on the bill. In the event delinquent accounts are not paid a disconnection processing fee will be charged and services may be interrupted without further notice.

MONTHLY CHARGES

METER SIZE	WATER FIXED SERV. CHARGE	WATER CIC CHARGE	STANDBY FIXED SERV. CHARGE	RECYCLED FIXED SERV. CHARGE	BACKFLOW DEVICE
3/4"	\$59.1662.12	\$13.2613.99	\$18.0518.95	\$27.1627.43	\$11.10
1"	\$93.9598.65	\$22.0823.30	\$25.2926.55	\$36.9237.29	\$11.22
1 1/2"	\$180.09189.09	\$44.1946.64	\$43.2145.37	\$61.0961.70	\$14.39
2"	\$283.90298.10	\$70.6674.57	\$64.8068.04	\$90.2391.13	\$15.57
3"	\$561.09589.14	\$141.33149.16	\$122.44128.56	\$168.01169.69	\$34.04
4"	\$872.53916.16	\$220.84233.07	\$187.21196.57	\$255.40257.95	\$41.06
6"	\$1737.251824.11	\$441.65466.12	\$367.06385.41	\$498.06503.04	\$52.85

FIRE SERVICE SIZE	MONTHLY CHARGE
1"	NA
1 1/2"	NA
2"	\$7.938.33
3"	\$9.219.67
4"	\$11.4211.99
6"	\$19.3520.32
8"	\$33.0434.69

C = Commercial; M = Multi Unit; D = Domestic; LD = Large Lot Domestic; G = Government; SS = Standby; R=Recycled; AG = Agricultural; AD = Agricultural-Domestic; I = Irrigation Only; CIC = Capital Improvement Charge; F = Fire Service

Temporary Construction Meter: \$1,5941,634 deposit plus \$154-158 installation; \$154-158 relocation; operations charge \$425-85447.15 per month

Initiate Standby Service: \$50
Delinquent Processing Fee: \$30
Disconnection Processing Fee: \$50

Fire Flow Test: \$616632
Broken / Tampered Lock Fee: \$100
Meter Testing Fee (¾" & 1" meters): \$154158
Meter Testing Fee (1 ½" & 2" meters): \$209214

Residential: Domestic (D), Large Lot Domestic (LD), and Multi Unit (M)
1 - 5 units per month..... \$7.577.95
Over 5 units per month \$8.348.76
Government (G): All usage \$7.998.39
Commercial (C): All usage..... \$7.998.39

Recycled Water (R): All usage \$6.616.68
Construction Water (C): All usage\$9.14
Pumping Charges (DSA & Toyon only)\$0.7579
Irrigation Only (I): All usage..... \$7.998.39

AGRICULTURE
Agricultural (AG): All usage \$5.836.12
Ag-Domestic (AD): 1 - 5 units..... \$7.577.95
Over 5 units per month \$5.836.12

ALL PRICES ARE PER UNIT (1 unit = 1,000 gal.)

If you have any questions about these rates or how they will affect your account, please contact FPUD at (760) 728-1125

WASTEWATER R A T E S

FALLBROOK PUBLIC UTILITY DISTRICT / CUSTOMER BILLING INFORMATION

Wastewater service charges are established upon each property within the District that is connected to a wastewater line of the District whether said premises are occupied or unoccupied.

USER CLASS	COMMODITY RATE
	1,000 GAL OF WASTEWATER *
Single Family Residence, Ag Domestic, Multi-Family (<i>Average BOD & SS = 0 -200</i>)	\$ 7.96 6.82/Unit
Government, Schools, Churches, and Low-Strength Commercial	\$ 11.93 12.35/Unit
Medium Strength Commercial (<i>Average BOD & SS = 201 – 600</i>)	\$ 14.87 15.39/Unit
High Strength Commercial (<i>Average BOD & SS = ≥ 601</i>)	\$ 19.00 19.67/Unit

*Residential sewer billable flow is calculated based upon a 2 year winter average water use, adjusted by the RTS (Return to Sewer). Residential RTS is 80%

**Commercial sewer billable flow is calculated based upon monthly water usage, adjusted by the RTS (Return to Sewer). Commercial RTS is 90%

FIXED CHARGES

Monthly Fixed Wastewater Charge Residential / Domestic	\$ 33.32 40.41 /Equivalent Dwelling Unit (EDU)
Monthly Fixed Wastewater Charge Commercial / Government	\$ 13.07 13.53 /Equivalent Dwelling Unit (EDU)
Wastewater Capital Improvement Charge (per month)	\$ 14.60 14.97 /EDU

EXHIBIT B

**REVISIONS TO ARTICLE 10 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2026**

[COMMENCING ON NEXT PAGE]

Article 10.

Water Service Connections & Rules for Delivery of Water

Sec. 10.1

Definitions.

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

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

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

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

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

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

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

The term "Agricultural purposes", as used herein, shall mean the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption. Water used for agricultural purposes may be eligible for the Agricultural Water Rate. The term "Agricultural", as used herein, shall mean the use of water through a single service connection for agricultural purposes.

The term "Domestic purposes", as used herein, shall mean the use of water for residential (up to and including two units) purposes and businesses that use water for incidental domestic purposes only. If an agricultural parcel has a permanent residence, the first 5 units

of water provided each month is considered for domestic purposes regardless of the number of residences on the property. Parcels using water for Agricultural purposes are eligible for the Agricultural-Domestic (AD).

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

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

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

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

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

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

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

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

Sec. 10.2 Remote Meter Agreements.

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

Sec. 10.3 Temporary Service Agreements.

A Temporary Service Agreement is a recorded agreement between the District and a consumer that a meter will be placed temporarily at a location remote

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

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

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

Sec. 10.4 Engineering Fees.

Sec. 10.4.1 Plan Check Fees.

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

Sec. 10.4.2 Fees for District to Inspect Contractor Installed Facilities

- A) Water Meter Service Line Installation
 - ¾" to 2" 5 hours @ \$ 137.71= \$ 688.55
 - 3" and larger 9 hours @ \$ 137.71= \$ 1,239.39
- B) Fire Hydrant Installation 9 hours @ \$ 137.71= \$ 1,239.39
- C) Fire Service Installation 9 hours @ \$ 137.71= \$ 1,239.39

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

Sec. 10.5 Rules for Service of Water.

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

All parcels desiring water must abut a District pipeline, and all meters will be located on the parcel being served unless the General Manager approves a Remote Meter Agreement, or the Board of Directors authorizes a Temporary Service Agreement subject to certain conditions as described in Section 10.3.

Each consumer desiring water furnished by the District shall furnish a plat of the property to be served, individually file a written application for such service, and in the form provided by the District, shall state the location, the number of acres served, the legal owner thereof, the purpose for which water is to be used and such other data regarding consumer's water production and use practices as required by the District. Based on the information provided, and verified by physical inspection if appropriate, each application will be assigned a user code: Agricultural (AG); Agricultural-Domestic (AD); Domestic (D); Commercial (C), Government (G); or Multi-Unit (M) in accordance with the definitions provided in Section 10.1.

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

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

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

Sec. 10.6 Meter and Service Line Installations.

Before any service connection with the water distribution system of the District is made, the District shall collect from the applicant who desires water service an installation charge as set forth below. A connection fee based on the demand factor shall be paid in addition to the installation charges and is described in Article 10.8 of this Administrative Code. Reclaimed meter and service line connections shall be capitalized as part of the project and not charged to the customer. Installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

<u>Meter Size</u>	<u>Meter and Service Line*</u>	<u>Meter Only on Existing Service Line</u>	<u>Service Line Only*</u>
3/4"	\$ 4,817	\$ 629	\$ 4,190
1"	\$ 4,932	\$ 742	\$ 4,190
1-1/2"	\$ 6,135	\$ 1,392	\$ 4,742
2"	\$ 6,700	\$ 1,703	\$ 4,997
3", 4" or 6"	Cost	Cost	Cost

Recycled, any size	No charge	No charge	No charge
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- * If paving for a service line is less than or equal to 15 feet, there is an additional charge of \$ 2,839. If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of \$ 5,206. If County road inspection is required, there is an additional fee of \$ 1,665.

Sec. 10.7 Meter Relocation Fees.

Meter Size	Relocation and Service Line*
3/4"	\$ 6,047
1"	\$ 6,047
1-1/2"	\$ 6,693
2"	\$ 6,948

- * If paving is required up to 30 feet, there is an additional fee of \$ 5,638. If County road inspection is required, there is an additional fee of \$ 1,665.

Sec. 10.8 Connection/Capacity Fees.

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

Effective January 1, 2026, the schedule of capacity fees based on the demand factor of each meter size shall be as follows:

<u>Meter Size</u>	<u>Capacity Demand Factor (EMU)</u>	<u>Capacity Fee</u>
3/4"	1	\$ 7,485
1"	1.6	\$ 11,976
1-1/2"	3	\$ 22,455
2"	5.2	\$ 38,922
3"	9.6	\$ 71,856
4"	16.4	\$ 122,754
6"	30	\$ 224,550

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

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

Sec. 10.8.1 Removal of Meters.

An owner of a parcel who has a meter and is not required to have District water for their parcel can request to have their meter removed and discontinue service. A fee of \$100 will be charged for meter removal. Once the meter is removed, if service is later requested for the parcel, it will be subject to all the fees identified in Article 10, including installation and connection/capacity fees as if it is a new service.

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

1. The District will verify that the parcel does not have a residence or that another supply is available for the residence. If District water service is necessary as a health and safety concern for the residence then the meter cannot be removed.
2. The parcel owner shall sign a form that will be recorded on their deed indicating that water service was discontinued and re-establishing service will require payment of all fees similar to any other new water customer.
3. The District will remove the meter based on the fee established for meter removal.
4. The owner will be deleted from the District's customer database and no further monthly operations, capital improvement or standby fees will be charged to the parcel. The parcel will be subject to Water Availability Charges, unless the parcel owner requests deferral in accordance with Article 15.
5. If the water service is requested in the future for this parcel it will be similar to any other parcel without water service and subject to all necessary fees including installation and connection/capacity fees.

Sec. 10.8.2 Meter Testing Costs.

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

<u>Meter Size</u>	<u>Fee for testing</u>
¾" – 1"	\$ 158
1 ½" – 2"	\$ 214
Over 2"	To be tested by an outside agency at a cost to be determined on actual time and materials.

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

Sec. 10.8.3 Adjustment to Fees for Meters and Connections.

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

Sec. 10.9 Credit for Connection Fees and Fees for Increased Meter Size.

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

Owners of parcels presently receiving water service through a District meter that are not in the process of subdividing their land, but require a larger meter service connection due to a change in land use, shall pay a connection fee equal to the difference between connection fees for the old and new meters in accordance with the schedule in Sec. 10.8.

Sec. 10.10 Place Holder for Future Changes.

Sec. 10.11 Place Holder for Future Changes.

Sec. 10.12 Installation or Extension Line Costs.

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

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

Sec. 10.13 Customer Valve.

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

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

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

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

If there is an emergency, the District, at its discretion, can make temporary repairs and charge the customer a minimum of \$50. However, the District is under no obligation to

repair leaks beyond the customer valve and assumes no long term liability for those repairs. It is recommended that the customer obtain the services of a licensed plumber to make permanent repairs.

Sec. 10.14 Water Must Pass Through Meter.

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

Sec. 10.15 Mains, Service Pipes, Equipment Belonging to District.

All water mains, extensions of service pipes, meters, and all other equipment used in the delivery of water to any meter, including the meter and the customer valve shall belong to and be the property of the District, and shall be maintained and repaired by the District.

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

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

Sec. 10.16 Meter Area Clean and Consumer Line Free from Leaks.

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

Sec. 10.17 Fires.

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

Sec. 10.18 Access to Meters.

No person shall place or cause to be placed on or about or around any meter, hydrant, stopcock or service connection of any of the mains, pipes or water-works of the District any material of any kind which may serve or act as an obstruction to the free access or use of such meter, hydrant, stopcock or service connection. Upon failure to remove such obstruction after reasonable notice, the District shall have the right to have

the water shut off and keep the same from being turned on again until such obstruction is removed and the necessary fee for turning on said water paid to the District.

Sec. 10.19 Temporary Discontinuance of Service for Repairs, etc.

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

Sec. 10.20 Allowances or Rebates.

No allowance or rebates in rates or charges shall be made under any circumstances, except as hereinafter in this Administrative Code authorized, and the rates herein prescribed for service of water shall be a charge against any and all property as hereinbefore specified, until the District shall receive written notice of request to discontinue the water to such property, provided, however, that notwithstanding such written notice or request, the District shall still collect the minimum amount prescribed by this Administrative Code for the standby service as long as the meter is in place.

Sec. 10.21 Water Served to Others.

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

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

Sec. 10.22 Backflow Prevention Devices.

In accordance with Title 17 of the California Administrative Code, backflow prevention devices to protect the District distribution system from possible contamination will be owned and maintained by the District. The device will be located at the service connections. The type of protection that shall be required to prevent backflow into the public water supply shall be commensurate with the degree of hazard that exists on the customer premises. The type of protective device that will be required (listed in an increasing level of protection) includes: Double check Valve Assembly-(DC), Reduced Pressure Principle Backflow Prevention Device-(RP) and an Air gap Separation-(AG). The customer may choose a higher level of protection than required by FPUD. The minimum types of backflow protection required to protect the public water supply, at the water user's meter connection to the property with various degrees of hazard, are listed below. Situations not covered in the listed below shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by FPUD.

Sec. 10.22.1 Type Of Backflow Protection Required.

1. An (AG) is required on premises where there are waste water pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
2. An (AG) is required on premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
3. An (RP) is required on premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected. Any sign of injection systems on the property, including unused systems will require an (RP).
4. Auxiliary Water Supplies--Any water supply other than that received from a public water system.
 - A) (AG) is required on premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. A RP or DC may be provided in lieu of an AG if approved by the District.
 - B) An (RP) is required on premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system.
5. Recycled Water
 - A) An (AG) is required on premises where the public water system is used to supplement the recycled water supply.
 - B) An (RP) is required on premises where recycled water is used, and there is no interconnection with the potable water system.
 - C) An (RP) is required on residences using recycled water for landscape irrigation as part of an approved dual plumbed use area. If the District is also the supplier of the recycled water, to utilize an alternative backflow protection plan that includes an annual inspection and annual shutdown test of the recycled water and potable water systems.
6. Fire Protection Systems
 - A) An (RP) is required on premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).

- B) An (AG) is required on premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. A RP may be provided in lieu of an AG if approved by the District.
 - C) An (RP) is required on Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used.
 - D) An (RP) is required on Premises where the fire system is supplied from the public water system and where recycled water is used in a separate piping system within the same building.
 - E) A (DC) is required for single family residence with fire protection system. The (DC) needs to be installed and maintained by the property owner.
7. An (RP) is required on premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
 8. An (RP) is required on premises where there is a repeated history of cross-connections being established or re-established.
 9. An (RP) is required where adjacent parcels under common ownership are served by more than one meter. RP devices will be required at each meter.
 10. An (RP) is required on all new Agricultural (AG) and Agricultural-Domestic (AD) services. An RP will be installed by the District only with the new meter services.
 11. Property owners who appeal to the District to change classification from a classification other than agricultural (AG, AD) will be required to install a Reduced Pressure Backflow Preventer at the property owners expense. See Section 10.22.3 & 4.

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

- A) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.

- B) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District.
- C) Premises that have internal cross-connections that are not abated to the satisfaction of the District.
- D) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
- E) Premises having a repeated history of cross-connections being established or reestablished.

Sec. 10.22.2 Backflow Device Installation on New Services.

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

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

Reduced Pressure Principle Devices (installed along with new meter)

For each $\frac{3}{4}$ inch meter	\$ 907
For each 1 inch meter	\$ 932
For each 1-1/2 inch meter	\$ 1,606
For each 2 inch meter	\$ 1,857
For each 3, 4 or 6 inch meter	Cost

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

Sec. 10.22.3 Reduced Pressure Backflow Preventer Retrofits.

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

General Design Considerations.

- A) The design and construction of the backflow prevention assembly shall meet the requirements called for in this specification.
- B) The nominal size of the backflow prevention device shall be equal to the size of the purchased meter. For example, a (1") meter shall have a (1") backflow prevention device.

- C) The assembly shall include same size valves located on either side of the backflow prevention assemblies. Four test cocks shall be appropriately located on the assembly for testing and certification.
- D) The nominal size of reduced-pressure principle detector assemblies shall be as shown on the Approved Plans or as directed by the Fire Department of jurisdiction.
- E) Enclosures and concrete slabs shall be provided only as shown on the Approved Plans or as required by the agency of jurisdiction.

Sec. 10.22.4 Reduced Pressure Backflow Preventer Device Retrofit –Installed by Property Owner

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

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

Installation.

- 1) Installations of retrofit backflow devices will not be performed by District Personnel and is the sole responsibility of the property owner.
- 2) Forty-eight (48) hours prior to installation, the Backflow Department will be notified at (760) 728-1125, extension 1129. Installations and inspections will be scheduled Monday through Thursday's only – excluding all District holidays. District personnel will shut off the angle stop before the meter. If the installer or property owner shuts off the angle stop and causes damage, the installer and property owner will be responsible for damages. The damages will be calculated at a time and materials rate.
- 3) Installation shall comply with the latest edition of the Uniform Plumbing Code and applicable District requirements.
- 4) Backflow prevention assemblies shall be installed in accordance with the District's standard drawings.
- 5) Water service and fire service shut-off valves will be secured closed during installation until an approved backflow prevention device is installed and tested in compliance with this specification.

- 6) When static pressure exceeds 175 psi, a pressure-reducing valve may be installed. Please contact the Backflow Department for determination of necessity.
- 7) After installation of the backflow device, the Backflow Department must be notified to inspect the installation to insure that the device meets the District specifications. It will then be tested by District personnel.
- 8) There will be no charge if the backflow device is installed correctly and test properly on the first inspection. If the backflow device fails the first test, it shall be the responsibility of the property owner to have any necessary repairs made. Repairs must be made according to District specifications. Any additional inspections will be charged one hundred forty dollars (\$ 144) plus the costs of parts if needed.
- 9) Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.
- 10) Any damages or leaks after the customer shut-off valve will be the property owner's responsibility.

Sec. 10.22.5 Well Destruction and Alteration.

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

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

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

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

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

If the property owner chooses not to follow the California Water Code (listed above) within sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to curb or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and a Reduced Pressure Backflow Device is installed (See Section 10.22.3&4) and passes and meets the District standards.

Sec. 10.23 Booster Pumps.

No person shall place or cause to be placed a device to raise the pressure of water supplied him by the District unless said booster system plans and proposals have been submitted to the District's General Manager and written approval for its installation and use has been secured. In the event such apparatus is installed without permission, the General Manager will immediately discontinue service to the consumer and resume service only after satisfactory removal or correction and payment of turn-on charges and payment for any repair or treatment necessary for sanitary and safe operation.

Sec. 10.23.1 Fallbrook Service Area Pressure Zones. Any approved individual service booster pump in the following pressure zones will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer:

- 1) Toyon Heights
- 2) Sachse
- 3) Red Mountain
- 4) Gheen
- 5) Modified Town
- 6) Rattlesnake

Sec. 10.23.2 DeLuz Heights Service Area Pressure Zones. Any approved individual service booster pump in the DeLuz Service Area will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer, with the exception of the following meter numbers:

- 1) Meter No. 7783
- 2) Meter No. 7784
- 3) Meter No. 7789

Sec. 10.24 Fire Hydrants.

For installing, maintaining and use of fire hydrants, the following will apply:

The District will install fire hydrants and necessary piping so required where and when jointly approved by the District staff and the Chief of the Fire District at the cost of the North County Fire Protection District.

In the event hydrants are required as part of pipeline extensions to service a subdivision or consumer, the cost of such hydrants will be included in the cost of the extension construction and paid for by the subdivider or consumer. Charges for installation of hydrants on the existing District distribution system will be as follows:

Model J-3700 (2-port hydrant).....\$ 13,583(complete assembly)

Model J-3765 (3-port hydrant).....\$ 16,660(complete assembly)
Fire flow testing\$ 632

If paving over 20 feet is required, there is an additional fee of \$ 332 per trench foot. If county road inspection is required, there is an additional fee of \$ 1,665.

Charges for fire hydrants will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Maintenance and repairs to hydrants, valves and connecting pipelines, will be performed by the District at the expense of the North County Fire Protection District.

Sec. 10.25 Automatic Sprinkler and Fire Protection Systems.

For automatic sprinkler and fire protection systems, the District upon request, will install a detector check valve system subject to the payment of the following installation charges by the user:

4 inch serviceCost
6 inch serviceCost
8 inch serviceCost

Sec. 10.26 Construction Meters.

For each use of a fire hydrant by any person not officially associated with a fire fighting organization, by pre-arrangement and approval of the District, and upon receipt of a \$ 1,634 deposit, a meter installation charge of \$ 158 will be made. There will be a relocation charge of \$ 158 to cover cost of moving a construction meter. Upon notification by customer that the construction meter is no longer needed, District staff will retrieve the meter. Charges for construction meters will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Upon retrieval, deposits will be refunded to the customer less any accrued operations charges and water use charges. The cost to repair a damaged construction meter will be deducted from the deposit. The construction meter will be locked to the fire hydrant and moved only by District staff. If the meter is stolen, the District will bear the cost of replacement.

Sec. 10.27 Water Used for Annual Crops.

For each use of water for agricultural purposes solely for the growing of annual crops, as described in Sec. 10.1, Temporary Ag Service, the connection charge levied by Sec. 10.8 will not be assessed for this purpose.

All other fees, assessments, and charges of this Administrative Code will be in effect. The Board of Directors will determine annually the availability of water for these purposes, and the use will be continued on a year to year basis at the discretion of the Board of Directors.

Sec. 10.28 Illegal Use of Water.

The District may discontinue service to any consumer who uses or permits the use of District water beyond District boundaries or who within the District permits the flow of water beyond the limits of his property which is recorded as being

served by the meter service through which the water is supplied. After discontinuing service for such cause, a charge of \$100 plus the estimated cost of the water so wasted or misused will be made and water service will not be resumed until paid.

Sec. 10.29 Water Service Outside District.

In the event that the District should at any time have surplus water over and above that which may be needed and used within the limits of the District, then and in that event, the Directors of the District are hereby authorized to enter into a contract for the sale of such surplus water outside the boundaries of the District, upon such terms and conditions and for such rates as the Directors may at the time deem for the best interests of said District, provided, however, that in no case shall the Directors of said District, in fixing the rate to be charged for water in such contract, charge less than a sum which would represent the cost of actually developing and delivering said water outside of said boundaries of said District.

Sec. 10.30 Application of Water Service to Affordable Housing

Per Government Code Sec. 65589.7, effective July 1, 2006, the District shall not deny or condition the approval of an application for water service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- b) The District is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections; or
- c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or
- e) The applicant fails to agree to reasonable terms and conditions for water service from the District which is generally applicable to other development projects seeking water service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 10.30.1 Review of Service Policies.

At least once every five (5) years after passage of this policy, the policies contained in this section shall be presented to the Board of Directors of the District

for a review and evaluation of the written policies governing water service to proposed developments that include housing units affordable to lower income households.

Sec. 10.31 Administrative Fees.

The following administrative fees will be charged for the preparation, processing, and recording of the following documents:

Insufficient Funds Check	\$25
Temporary Service Agreements	\$50
Remote Meter Agreements	\$50
Quitclaim of Easement	\$50
Grant of Easement	\$50
Grant Deed	\$50
Temporary Sewer Service Agreements	\$50
Repayment Agreements	\$100

ARTICLE 19 (Renumbered as Article 10 by Resolution 5006)

Sec. 19.1,19.4,19.6, 19.21, 19.23 & 19.28 – Rev. 6/93
 Sec. 19.5, 19.21 & 19.24 – Rev. 2/94
 Sec. 19.8 – Rev. 4/95
 Sec. 19.1 – Rev. 8/95
 Sec. 19.33-19.43 – Rev. 8/95
 Sec. 19.5, 19.24-19.25 – Rev. 9/96
 Sec. 19.6-19.8 – Rev. 9/96
 Sec. 19.23 – Rev. 10/96
 Sec. 19.8 – Rev. 6/97
 Sec. 19.1 – Rev. 7/97
 Sec. 19.11 – Rev. 7/98
 Sec. 19.9 – Deleted (all parcels paid) – Rev. 9/98
 Sec. 19.21 – Rev. 6/99
 Sec. 19.8 – Rev. 7/99
 Sec. 19.9 – Rev. 11/99
 Sec. 19.20.2 – Rev. 11/99
 Sec. 19.9.2 – Rev. 7/00
 Sec. 19.8 – Rev. 12/00
 Sec. 19.8 – Rev. 8/01
 Sec. 19.21, 19.23 – Rev. 07/03
 Sec. 19.6, 19.21 – Rev. 6/04
 Sec. 19.8, Rev. 1/05
 Sec. 19.5 – Rev. 7/05
 Sec. 19.4 & 19.8 – Rev. 3/06
 Sec. 19.5, 19.6, 19.19, & 19.21 – Rev. 6/06
 New sec. 19.27 added 6/06
 Sec. 19.5, 19.8 & 19.23 – Rev. 12/06
 New Sec. 19.4 – Added 2//07
 Sec. 19.20 – Rev. 3/07
 Sec. 19.22 – Rev. 6/07

ARTICLE 19 CONTINUED
(Renumbered as Article 10 by
Resolution 5006)

Sec. 19.6 – Rev. 6/07; 19.7 – Added 6/07; 19.20 – Rev. 6/07; 19.22 – Rev. 6/07

New 19.11 – added 8/07

Sec. 19.1 (last para pg. 1) & 1st para. Pg. 2 – Rev. 12/07

Sec. 19.8.2 – Add 3/08

Sec. 19.1, 19.6, 19.7, 19.8, 19.8.1, 19.9, 19.14, 19.22, 19.24, 19.26, 19.27, and 19.31 – Rev. 6/08

Sec. 19.1, 19.6, 19.8, 19.8.2, 19.10, 19.11.2, 19.11.3, 19.11.4, 19.11.5, 19.11.6, 19.22,

19.24, - Rev. 6/09

19.1, 19.5 Rev. 8/09

Sec. 19.22-19.22.5 – Rev. 10/09

Sec. 19.8.1 – Rev. 5/10

Sec. 19.5 – Rev. 10/10

Sec. 19.3 – Rev 12/10

Sec. 19.6, 19.7, 19.8.2, 19.22.2, 19.24, 19.26 – Rev. 5/11

Sec. 19.8, 19.9 – Rev. 4/12

Sec. 19.1, 19.5, 19.6, 19.7, 19.8, 19.8.2, 19.22.2, 19.24, 19.26 – Rev. 6/12

Sec. 19.5, 19.6, 19.7, 19.8, 19.8.2, 19.22.2, 19.24, 19.26 – Rev. 6/13

Sec. 19.1, 19.5, 19.6, 19.7, 19.8, 19.8.2, 19.10, 19.22.2, 19.24, 19.26 – Rev. 6/14

Sec. 19.8.1 – Rev. 10/14

Sec. 19.6, 19.7, 19.8, 19.8.2, 19.22.2, 19.24, 19.26 Rev. 6/15

Secs. 19.1, 19.5, 19.11, 19.11.1, 19.11.2, 19.11.3,

19.11.4, 19.11.5, 19.11.6, 19.22.1 Rev. 3/16

19.4.2 (add), 19.6, 19.7, 19.8, 19.8.2, 19.10, 19.22.2, 19.24, 19.26 – Rev. 7/16

Sec. 19.10 - Rev. 1/17

Secs. 19.4.2, 19.6, 19.7, 19.8, 19.8.2, 19.10, 19.22.2, 19.22.4, 19.24, 19.26 –

Rev. 12/18

Secs. 19.12.1, 19.12.2, 19.24 – Rev. 7/19

Secs. 19.4.2, 19.6, 19.7, 19.8, 19.8.2, 19.10, 19.22.2, 19.24, 19.26 – Rev.

12/19

Secs. 19.1, 19.5, 19.11, 19.11.1, 19.11.2, 19.11.3, 19.11.4, 19.11.5,

19.11.6 – Rev. 12/20

ARTICLE 19 CONTINUED
(Renumbered as Article 10 by
Resolution 5006)

Secs. 19.4.2, 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.22.4, 19.24, 19.26 –
Rev. 12/20

Secs. 10.1, 10.2, 10.4.2, 10.5, 10.6,
10.7, 10.8, 10.8.1, 10.8.2, 10.10,
10.11.1, 10.11.5, 10.22.1, 10.22.2,
10.24, 10.26 – Rev. 12/21

Secs. 10.4.2, 10.6, 10.7, 10.8, 10.8.2,
10.10, 10.22.2, 10.24, 10.25, 10.26 –
Rev 12/22

Secs. 10.1, 10.4.2, 10.5-10.8, 10.8.2,
10.9-10.11, 10.22.1, 10.22.2, 10.24,
10.26 – Rev. 12/23

Secs. 10.4.2, 10.6, 10.7, 10.8, 10.8.2,
10.22.2, 10.22.2, 10.24, 10.26 – Rev
12/24

EXHIBIT C

**REVISIONS TO ARTICLE 11 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2026**

[COMMENCING ON NEXT PAGE]

Article 11. Sewer Service Requirements and Fees

Sec 11.1 Definitions.

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

The word “applicant,” as used herein, shall mean a person making application to the District for a permit for a sewer connection, Special Use Permit, determination or redetermination.

The term “application,” as used herein, shall mean the application form approved by the District for applicants to submit a request for sewer service to the District or for a Special Use Permit, or determination or redetermination of equivalent dwelling units.

The term “Authorized Inspector,” as used herein, shall mean the person designated by the General Manager to conduct inspections and take enforcement actions for the purpose of ensuring compliance with this chapter.

The term “Board,” as used herein, shall mean the governing board of the Fallbrook Public Utility District or any successor-in-interest.

The term “BOD,” as used herein, means biochemical oxygen demand.

The term “bypass” means the diversion of waste streams from any portion of the sewer system.

The term “discharge” means the addition of any material to the District’s sewer system.

The term “District,” as used herein, shall mean the Fallbrook Public Utility District or any successor-in-interest or any person authorized by the Board or General Manager to act as a representative of the District.

The term “Domestic Sewage” shall mean the liquid and water-borne wastes derived from humans in dwelling units and non-industrial commercial structures or uses, said wastes being of such character as to permit satisfactory disposal into a public sewer or private disposal system without special treatment.

The term “Equivalent Dwelling Unit” or “EDU,” as used herein, shall mean an increment of wastewater flow attributable to a single-family residence and as further discussed in Section 11.7.

The term “Industrial User” refers to a person whose discharges or processes have a different characteristic than domestic sewage or domestic activities and which may require special review or a Special Use Permit in accordance with this Article.

The term “Owner,” as used herein, shall mean the holder of record title to a parcel or parcels of real property located within the District.

The term “Parcel Map,” as used herein, shall mean the division of a parcel of land into four (4) or fewer lots in compliance with the Subdivision Map Act.

The term “Parcel of Land,” as used herein, shall mean a separate parcel of land recognized as a separate unit by the Assessor’s office for the County of San Diego and legally subdivided by California law.

The term “pass through” means wastewater leaving the District’s sewer system in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the state or federal law, regulation, or order.

The term “Permit,” when used as a noun as used herein, shall mean permit for a sewer connection required by the District for any discharger to the District’s sewer system and includes a sewer permit, a Special Use Permit, a temporary sewer service agreement, and any other authorization to connect to and use the District’s sewer system.

The term “person,” as used herein, shall mean any individual, entity, partnership, firm, association, corporation or public agency, including the State of California and the United States of America.

The term “Project,” as used herein, shall mean the development, use, building or structure for which the owner is seeking sewer service and all developments, uses, buildings, and structures which have not previously secured a sewer permit from the District.

The term “sewer system” or “District’s sewer system” shall mean all of the publicly owned property involved in the operation of the sewage collection, treatment, and disposal system in the District, including land, sewers and appurtenances, pumping stations, and the treatment works and equipment.

The term “Special Use Permit” shall mean a permit for a sewer connection issued by the District to certain industrial users of the District’s sewer system in accordance with Section 11.9.

The Term “SS,” as used herein, means suspended solids.

The term “Subdivision,” as used herein, shall mean any improved or unimproved real property, or a portion thereof, shown on the latest equalized County Assessment Tax Roll as a unit or as contiguous units which is divided into five (5) or more parcels for the purpose of sale, lease or financing.

The term “upset” means an incident in which there is temporary noncompliance with requirements of the District’s sewer system regulations.

The term “user” refers to any person who connects to or discharges to or authorizes, permits, facilitates, or allows the connection or discharge to the District’s sewer system.

Sec 11.2 Prohibited Connections.

It shall be unlawful for any person to connect to or to facilitate, authorize, permit, or allow connection to the District sewer system or to add or to facilitate, authorize, permit, or allow the addition of any building, apartment, trailer, or other unit to an existing sewer connection or commence construction of any sewer line within the District without having first obtained a written permit from the District authorizing such connection or construction in accordance with Division 20.2 of this Article. No permit to connect shall be issued except to the owner of the property or the owner’s duly authorized agent.

Sec 11.3 Prohibited Uses and Prohibited Discharges.

It is unlawful for any person to use or discharge to, or to facilitate, authorize, permit, or allow the use of or discharge to, the sewer system except in accordance with Division 20.3.

Industrial users subject to the pretreatment standards specified in Part 403 of Title 40 of the Code of Federal Regulations are prohibited from connecting to or discharging into the District’s sewer system.

Sec 11.4 Permit Required.

No person or entity shall be entitled to establish, authorize, cause, facilitate or allow a connection or discharge to the District’s sewer system without first obtaining a sewer permit in accordance with Section 11.4, a Special Use Permit in accordance with Section 11.9 or a temporary sewer service agreement in accordance with Section 11.10 and paying required fees in accordance with this Article.

No person or entity shall be entitled to discharge or to authorize, cause, facilitate, or allow a discharge to the District’s sewer system except as authorized by a sewer permit, Special Use Permit or temporary sewer service agreement. Permits are issued only for the use expressly authorized by the permit.

If a permit does not show thereon the number of equivalent dwelling units for which it is issued, the holder of the permit may seek a determination of the equivalent dwelling units authorized by the permit in accordance with this Article.

The holder of a permit who seeks to undertake any of the following actions on the property associated with the permit must submit an application for a redetermination of equivalent dwelling units as set forth in Section 11.7 and/or a redetermination of strength classification under Section 11.8 and, if required apply for a new or amended permit and pay fees in accordance with this Article:

- a) add a new or change an existing use of a property;

- b) remodel, renovate, or enlarge a structure that discharges or connects to the District's sewer system;
- c) construct any additional improvements on the parcel of property that discharges or connects to the District's sewer system;
- d) discharge a greater volume of wastewater than is authorized by an existing sewer permit;
- e) discharge wastewater with a greater concentration of BOD, SS or other constituent than is authorized by the sewer permit.

No sewer permit required by this Section is valid until the applicant has paid all fees and charges of the District and complied with all requirements of this Administrative Code. An applicant does not have any right to sewer service until the permit is issued. Upon issuance of the permit, monthly service charges will commence in accordance with this Article.

Sec 11.5 Sewer Permit Application Process.

Sec 11.5.1 Submission of Application.

Any person required to obtain a permit in accordance with Section 11.4 must submit a request for sewer service from the District on the application form approved by the District. The application shall be made in the name of the Owner and be signed by the Owner or Owner's authorized representative. No application shall be deemed complete for the purposes of processing until the District has obtained all information requested by District staff to process the application, which may include but is not limited to the following:

- a) Environmental Review.

Upon request, the applicant shall provide the District with all documents evidencing any environmental review of the project for which the applicant seeks sewer service. If the District determines that additional environmental review is necessary, the applicant shall be required to complete this additional environmental review. All environmental review shall be at the applicant's sole cost and expense. The District may elect to utilize the applicant's environmental expert or may elect to retain its own environmental consultant at the applicant's sole cost and expense. Where District staff determines that the environmental review is insufficient, the District may require a deposit for additional environmental review as determined necessary by District staff. All costs for such additional environmental review shall be paid by the applicant.

- b) Plans and Specifications.

Except where waived by District staff, all applications for a sewer permit shall be accompanied by a complete set of all plans and specifications for the proposed development prepared by an architect or engineer licensed in the State of California. The District shall have no obligation to process any application until District staff has received

all plans and specifications determined necessary by District staff to consider the impacts of the proposed project on the District's sewer system.

c) **Parcel Maps and Subdivisions.**

Applications for sewer service to parcel maps and subdivisions will not be processed until the applicant submits an executed application form and the District has been provided with a copy of the parcel map or subdivision map prepared by a licensed civil engineer in the State of California. The parcel map or subdivision map shall show all proposed sewer facilities. Where the parcel map or subdivision will require a pipeline extension, the applicant will be required to execute a pipeline extension agreement.

Sec 11.5.2 Determination of Equivalent Dwelling Unit and Strength.

Upon receiving an application for issuance of a sewer permit, the District will determine the number of equivalent dwelling units and anticipated strength classification for which the Permit shall be issued, and fees shall be calculated in accordance with this Article.

Sec 11.5.3 Payment of Fees.

Before a sewer permit may be issued, the applicant must pay the following fees or arrange for payment of the fees pursuant to Section 11.16:

- a) Capacity fees in accordance with Section 11.16.2;
- b) Plan Check fees in accordance with Section 11.16.3;
- c) Lateral fees in accordance with section 11.16.4, if applicable;
- d) Fees to inspect contractor-installed laterals in accordance with Section 11.16.5, if applicable; and
- e) Annexation fee in accordance with Section 11.16.6, if applicable.

Sec 11.6. Sewer Availability Forms and Letters.

If an applicant has submitted a completed application, all environmental review has been completed to the satisfaction of the District, and the District has reviewed and approved the applicant's plans for sewer service, and all fees have been paid or guaranteed, the District may issue a sewer availability letter or execute the Sewer Project Facility Availability form provided by the County of San Diego.

Execution of the sewer availability letter or form is not a commitment that the District will provide sewer service to any project nor is it a guarantee that sewer service will be available to serve the project at the time a sewer commitment is actually made. Execution of the sewer availability letters or forms merely indicates that sewer service is available at the time the District executes the sewer availability letter or form. The District is not committed to provide sewer service until the District issues the permit, the applicant pays

all deposits and fees required by the District, and all sewer facilities required to serve the project by the District have been completed and accepted by the District.

Sec 11.7 Equivalent Dwelling Units.

a) Equivalent Dwelling Unit Schedules.

1. The following schedule shall be used when determining the equivalent dwelling units and class of service for any connection to the District's sewer system.

(SEE SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE ON THE FOLLOWING PAGES)

SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE

Equivalent Class	Description	Dwelling Units
Class 1	Single Family Residence	
	Single family residence	1.00
	Mobile home on individual parcel	1.00
Class 2	Apartment/Condominium/Attached Cottage-Mobile Home	
	Per detached cottage with bathroom and kitchen on a parcel with a single family residence	0.80
	Per mobile home on a parcel with a single family residence	0.80
	Per apartment unit	0.80
	Per condominium/duplex unit	0.80
	Accessory Dwelling Unit* (As defined by State Government Code.)	
	*Capacity Fees do not apply to Accessory Dwelling Units (ADUs) that are exempt from such fees under State Law. Sewer Service Fees still apply, and they are determined by the applicable EDU factor.	0.40
Class 3	Mobile Home Park	
	Per separate mobile home space	0.80
	Motel/Hotel with no restaurant	
Class 4	Per motel/hotel with kitchen unit	0.80
Class 41	Per motel/hotel without kitchen unit	0.50
	A Separate Business, Retail Shop With Office, Or Packing House Equipped With Restroom Facilities, Or Not So Equipped But Located In A Building Or Complex With Common Restroom	
Class 5	First 3500 square feet (exterior building area) facilities	1.33

Class 55	Per additional 1000 square feet (exterior building area)	0.38
	Automotive Service Station	
Class 6	4 pumps or less	2.00
Class 61	More than 4 pumps	3.00
Class 62	Per recreational vehicle holding tank disposal station	1.00
Class 7	Church, Fraternal Lodge Or Similar Auditorium	
	Per 200 seating capacity	1.00
Class 8	Bakery	
	Per 3500 square feet (exterior building area)	1.00
Class 9	Theater	
	Per 150 seating capacity	1.33
Class 10	Hospital	
	Per bed	0.65
Class 11	Convalescent or Boarding Home	
	Per bed	0.30
Class 13	Elementary School / Daycare	
	Per 60 Students	1.00
	Junior High School	
	Per 40 Students	1.00
Class 17	High School	
	Per 30 Students	1.00
Class 14	Mortuary	1.00
Class 21	Car Wash with water recovery system and public restroom	2.00
Class 23	Self Service Laundry	2.00
	Restaurants	
Class 24	Restaurant Under 2500 Square feet	3.00
Class 25	Restaurant 2501-7000 Square feet	4.00
Class 26	Restaurant Over 7000 Square feet	5.00

	Grocery Stores	
Class 32	Grocery Stores Under 2500 feet	3.00
Class 33	Grocery Stores 2501-7000 Square feet	4.00
Class 34	Grocery Stores Over 7000 Square feet	5.00
Class 88	Standby	0.70

2. Unclassified Users. Users whose use is not classified in the above table are considered “unclassified users.” District staff shall determine the number of equivalent dwelling units for which a permit shall be issued to an unclassified user, including but not limited to commercial and industrial users, based upon the estimated volume of wastewater to be discharged therefrom into the District’s sewer system. An unclassified user that is also an Industrial User may be required to obtain a Special Use Permit pursuant to Section 2.9.

b) Determination and Redetermination of Equivalent Dwelling Units.

1. Determination of Equivalent Dwelling Units.

The holder of an existing sewer permit which does not show thereon the number of equivalent dwelling units for which it is issued, may make application to the District for a determination of equivalent dwelling units based on the current use of the property to which the permit relates.

Upon receipt of an application, the District shall determine the number of equivalent dwelling units which shall be credited to the permit based on this section.

Upon completing the determination of the number of equivalent dwelling units to be assigned to an existing permit, the District shall amend the permit to show thereon the number of equivalent dwelling units assigned thereto and shall also make a notation of such equivalent dwelling units assigned to the existing in the appropriate District record.

2. Redetermination of Equivalent Dwelling Units.

Upon receiving an application for a redetermination, the District shall determine the number of equivalent dwelling units assigned to such permit and the number of equivalent dwelling units required by the action undertaken by the permit holder. If the permit does not accurately show the number of equivalent dwelling units for which it was issued or which will exist after the action undertaken by the permit holder, the District shall determine the number of equivalent dwelling units to be assigned to such permit in the manner above provided in this section, and whether the action undertaken by the permit holder will necessitate additional equivalent dwelling units.

If additional equivalent dwelling units are required as a result of the action undertaken by the permit holder, the applicant will be required to acquire additional equivalent dwelling units in accordance with Section 11.4, to construct any additional sewer facilities determined necessary by the District to adequately serve the property, and to pay fees required by this Article based on the fees in effect at the time the application is submitted for the additional number of equivalent dwelling units calculated by District staff.

3. Reduction in Equivalent Dwelling Units.

If any determination or redetermination conducted in accordance with this Section results in a reduction in equivalent dwelling units, such reduction in capacity will reduce the ongoing capital improvement charge, but will not result in any refund of capacity fees.

Sec 11.8 Determination and Classification of Strength (BOD and SS).

The District shall use the following guidance when determining the anticipated concentrations of BOD and SS for discharges to the District's sewer system:

- a) Low strength: BOD < 200 mg/l and SS < 200 mg/l: Retail, laundry, church or community facility with no kitchen, offices, car wash, nursing home or hospital.
- b) Medium strength: BOD 200 - 700 or SS 200 -700: hotel, auto service station, hotel with restaurant, light manufacturing.
- c) High strength: BOD > 700 mg/l or SS > 700 mg/l: Restaurant, mortuary, manufacturing or high strength wastes.

The allowable discharge strength classification shall be set forth in the permit.

Industrial Users required to obtain a Special Use Permit may be subject to alternative strength classification requirements and/or additional discharge requirements pursuant to Section 11.9.

Any user or applicant whose actual or proposed discharge is determined by the District to have characteristics that may adversely impact sewer system operations or the District's ability to comply with state and federal laws, regulations, or orders must immediately cease any actual discharge and obtain and implement a Special Use Permit in accordance with Section 11.9 before commencing or recommencing any such discharge.

Sec. 11.9 Special Use Permits.

Any user or applicant whose actual or proposed discharge is determined by the District to have characteristics that may adversely impact sewer system operations or the District's ability to comply with state and federal laws, regulations, or orders must immediately cease

any actual discharge and obtain and implement a Special Use Permit before commencing or recommencing any such discharge.

Applicants for Special Use Permits shall complete and file the standard application form and submit all applicable fees. Applications for a Special Use Permit shall include such additional information as may be required by the General Manager, which may include, but not be limited to, sewage constituents and characteristics (as may be determined by a laboratory approved by the District), and any other information deemed necessary by the District to evaluate the application.

The Special Use Permit shall be subject to all requirements and provisions applicable to general permits under this Article, but may also be subject to one or more of the following:

- a) Limitation of the volume discharged;
- b) Restriction of peak flow discharges;
- c) Pretreatment of wastewater prior to discharge;
- d) Discharge of certain wastewater only to specified sewers of the District;
- e) Relocation of the point of discharge;
- f) Prohibition or limitation of discharge of certain wastewater constituents;
- g) Restriction of discharge to certain hours of the day;
- h) Filing of periodic self-monitoring discharge reports or results of periodic measurements;
- i) Installation of a suitable manhole together with such necessary meters and other appurtenances to facilitate observation, sampling, and measurement of the wastes;
- j) Payment of additional charges to defray increased costs of the District created by the wastewater discharge; and
- k) Such other conditions as may be required to achieve the purpose of this section.

Sec 11.10 Temporary Sewer Service Agreement.

A Temporary Sewer Service Agreement is a recorded agreement between the District and a user that a sewer will be placed temporarily at a location remote from the property to be served, where the District intends, at some future date, to extend the District sewer system to abut the property described in the agreement, and that the consumer is responsible for extending a temporary private line from the sewer to the property to be served, and obtaining whatever temporary easements are required for such extension. Temporary sewer service agreements shall establish the financial obligations of the user related to the

future installation costs of the District's distribution system and the cost of relocation of the sewer, and shall be binding upon the signatory and all successor owners of said property.

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

Sec. 11.11 Permit Modifications.

The terms and conditions of a permit may be subject to modification by the District, in accordance with any changes in the effluent standards limitations or prohibited substances by superior regulators or in response to violations of this Code. The discharger shall be informed of any proposed changes in the permit at least thirty (30) days prior to the effective date of change, except in the case of violations of a permit or other order of the District, which may be modified as needed to protect public health, safety, and welfare, the District's sewer system, or personnel. Any modifications or new conditions in the permit shall include a reasonable time schedule for compliance.

No person shall discharge sewage in excess of the quantity or quality limitations set by a permit. Anyone desiring to discharge wastes or use wastewater facilities that are not in conformance with terms of a permit must apply to the District for an amendment to the permit or for a Special Use Permit, as applicable.

Sec. 11.12 Permits Non-Transferable.

A permit issued for a particular parcel of land is specifically limited to use for that parcel of land. A permit shall not be transferred to or used for a parcel of land which is not specifically described in the permit. Permits may be used only for the use which is specifically set forth on the permit.

Sec 11.13 Application of Sewer Service to Affordable Housing.

Per Government Code Sec. 65589.7, effective July 1, 2006, the District shall not deny or condition the approval of an application for sewer service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or

- b) The District is subject to a compliance order issued by the State Water Resources Control Board, Division of Drinking Water that prohibits new water connections; or
- c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or
- e) The applicant fails to agree to reasonable terms and conditions for sewer service from the District which is generally applicable to other development projects seeking sewer service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 11.14 Sewer Use Requirements.

Sec. 11.14.1 General Conditions for Sewage Disposal.

No person shall discharge to the District's sewer system except through a connection permitted in accordance with Division 20.2 and in accordance with the sewer use requirements of this Division 20.3 and on payment of fees and charges provided in Division 20.4. Unless specifically authorized in a Special Use Permit issued by the District, no person shall discharge to the District's sewer system anything other than domestic sewage that complies with the requirements of this Article.

No person shall discharge to the District' sewer collection system in any manner that does the following:

- a) Create nuisances such as odors,
- b) Menace or endanger public health or safety or damage public or private structures, facilities or improvements,
- c) Impose unreasonable collection, treatment, or disposal costs to the District,
- d) Interfere with wastewater treatment processes,
- e) Exceed quality requirements set by regulatory government agencies,
- f) Detrimentially affect the local environment,
- g) Causes or contributes or threatens to cause or contribute to a bypass of untreated waste, pass through, or upset; or
- h) Cause or contribute to a violation of any permits applicable to the District's sewer system or treatment facilities.

Sec. 11.14.2 Discharge Prohibition.

Unless written approval has been provided by the District, no person shall discharge or cause to be discharged into the District's sewer, directly or indirectly, the following:

- a) Any storm water, surface water, groundwater, roof runoff, subsurface drainage, uncontaminated cooling water, or industrial process waters.
- b) Pollutants which create a fire or explosion hazard, including but not limited to any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.
- c) Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant, including but not limited to cyanides in excess of two (2) mg/L as CN in the wastes as discharged to the public sewer.
- d) Pollutants which will cause corrosive structural damage to the sewer system, but in no case any waters or wastes having a pH lower than 6.0 or in excess of 9.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewage works.
- e) Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewage works such as, but not limited to, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, ashes, unground garbage, whole blood, paunch manure, hair and fleshings, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
- f) Any pollutant, including oxygen demanding pollutants (BOD, etc.) released in a discharge at a flow rate and/or pollutant concentration which will cause interference with the sewer system.
- g) Brine from on-site regenerated ion exchange water treating devices.
- h) Water softener waste or any other salt water brine wastes.
- i) Any trucked or hauled pollutants, except at discharge points designated by the District.
- j) Fats, oils and grease (FOG) from food service establishments, except in compliance with the District's FOG program.
- k) Any other substances, materials, waters, or wastes if it appears likely in the opinion of the District's General Manager that such wastes can harm either the sewers, sewage treatment process, or equipment, have an adverse effect on the receiving

stream, or can otherwise endanger life, limb, public property, or constitute a nuisance. In making a determination as to the acceptability of these wastes, the General Manager will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, capacity of the sewage treatment plant, degree of treatability of wastes in the sewage treatment plant, and other pertinent factors. The substances prohibited are:

- l) Heat in amounts which will inhibit biological activity in the sewer system resulting in interference, but in no case any liquid or vapor having a temperature higher than one hundred fifty (150) °F (65°C).
- m) Any water or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of two hundred (200) mg/L or containing substances which may solidify or become viscous at temperatures between thirty two (32) and one hundred fifty (150) °F (0 and 65° C).
- n) Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three fourths (3/4) horsepower (0.76 hp metric) or greater shall be subject to the review and approval of the District.
- o) Any waters or wastes containing strong acid iron picking wastes, or concentrated plating solutions whether neutralized or not.
- p) Any water or wastes containing boron, cadmium, chromium, copper, iron, lead, manganese, mercury, selenium, tin, zinc and similar objectionable or toxic substances, or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite sewage at the sewage treatment works exceeds the limits established by the District for such materials. And, any water or wastes containing constituents in excess of those required by the District's current permits.
- q) Any water or wastes containing phenols or other taste odor producing substances, in such concentrations exceeding limits which may be established by the District as necessary, after treatment of the composite sewage, to meet the requirements of the State, Federal, or other public agencies of jurisdiction for such discharge to the receiving waters.
- r) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the District in compliance with applicable State or Federal regulations.
- s) Materials which exert or cause:
 - 1. Any waters or wastes containing more than 350 parts per million by weight of suspended solids or have a 5 day B.O.D. greater than 300

parts per million by weight, or a C.O.D. greater than 600 parts per million by weight.

2. Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions).
 3. Unusual B.O.D. chemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment works.
 4. Unusual volume of flow or concentration of wastes constituting “slugs” as defined herein.
- t) Waters or wastes containing substances which are not amenable to treatment or reduction by the sewage treatment processes employed, or are amenable to treatment only to such degree that the sewage treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

Sec. 11.14.3 FOG Compliance Program.

The District has prepared and adopted a fats, oils, and grease (FOG) program on the implementation and enforcement of this Article. The District may require compliance with the FOG program as a condition of a Special Use Permit under this Article. FOG program may be updated as needed to achieve the applicable performance standards for the sewer system.

Sec. 11.15 Miscellaneous Provisions.

Sec. 11.15.1 Provide Information.

Users must provide information regarding the nature of any discharge to the system on request of the District.

Sec. 11.15.2 Users Outside the District.

The Board of Directors of the District shall have the power under Sec. 16474 of the Public Utilities Code to establish by agreement or resolution, the fees and charges and such other conditions as it deems appropriate that shall be imposed for providing sewer services to premises located outside the District. The provision of sewer services to premises outside the District shall also comply with applicable law, including but not limited to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code § 56000 et seq.).

Sec. 11.15.3 Agreements.

No statement contained in this Article shall be construed as preventing any special agreement or arrangement between the District and any discharger whereby waste

of unusual strength or character may be accepted by the District for treatment, subject to payment as agreed thereof by the discharger.

Sec. 11.16 Fees and Charges.

Sec. 11.16.1 Sewer Service Charges.

Every user of the District's sewer system must pay a sewer service charge for the use of the District's sewer system in an amount and at a frequency established by the Board.

Sec. 11.16.2 Capacity Fees.

a) Capacity Fee Amount. Prior to issuance, reissuance, or amendment of a sewer permit the following capacity fees shall be paid by an applicant for a sewer permit for each equivalent dwelling unit determined by the District in accordance with Section 11.7:

Capacity Fee	\$ 9,217 per EDU
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b) Adjustments to Capacity Fees. Capacity fee charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

c) Financing Capacity Fees. Finance options are available for customers who owe additional fees to the District due to property expansions that did not purchase additional capacity and/or visual audits conducted by District staff as follows:

1. Any amounts financed by the District require a signed agreement and Promissory Note. Any amount greater than \$10,000 will also require a Trust Deed.
2. Any delinquent amounts will be transferred to the property tax bill.
3. Amounts up to \$3,000 are due immediately with no financing option.
4. Amounts between \$3,001 and \$5,000 may have terms of up to one year at the Local Agency Investment Fund (LAIF) rate + 2%.
5. Amounts between \$5,001 and \$10,000 may have terms of up to two years at the LAIF rate + 3%; interest to be re-calculated at the one year anniversary.
6. Amounts greater than \$10,001 may have terms up to three years at the LAIF rate + 4%; interest to be re-calculated at the one year and two year anniversaries.
7. Liens will not be offered as a methods of postponing payment of fees.

Sec. 11.16.3 Plan Check Fees.

- a) An applicant must pay a plan check fee in accordance with the following:
1. Plan checks less than 500 lineal feet, water or sewer, \$500 each.
 2. Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, \$1,000 each.
 3. Plan checks greater than 1,000 lineal feet, \$1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 11.16.4 Lateral Fees.

If the District staff will be utilized to install a lateral from the main line and to put in a clean-out box and overflow device, the applicant shall pay the following fee upon submission of an application. The fee is to cover the cost to install a lateral from the main line and to install the clean-out box and overflow device, if a lateral is required based on the nature of the application:

Length	Depth	Crew Size	Hours	Cost
≤ 15'	≤ 8'	4	36	\$ 9,497
≤ 15'	>8'	4	56	\$ 13,755
>15' to 30'	≤8'	5	90	\$ 18,242
>15' to 30'	>8'	5	115	\$ 21,236
>30'	Any	5	Actual	Actual

If paving less than or equal to 15 feet is required, there is an additional fee of \$ 2,839. If paving is greater than 15 feet up to 30 feet is required, there is an additional fee of \$ 5,206. If county road inspection is required, there is an additional fee of \$ 1,665.

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

Sec 11.16.5 Fees for District to Inspect Contractor-Installed Facilities.

If a contractor will install the sewer lateral and related facilities, the applicant shall pay a sewer lateral inspection fee on a time and materials basis. Upon submission of an application, the applicant shall pay a deposit for the estimated inspection fee, calculated as follows:

Sewer Lateral Installation Estimated inspection hours @ \$ 137.71= Estimated inspection fee

If the actual time per form inspection is less than the District's estimate, the District will refund the excess amount to the applicant. If the actual time to perform inspection exceeds the estimated time, the applicant shall pay the remaining amount due to the District as a

condition of service. If the applicant fails to pay within the time specified by the District, the District may include the remaining amount in its bill for sewer service or seek collection through any other lawful means.

Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 11.16.6 Annexation Fees.

An applicant must pay a sewer annexation fee for any connection located in an area that is required to be annexed to the sewer service area after March 23, 2012 in accordance with state law. Annexation fees are due with the other sewer permit fees when applying for a sewer permit and are calculated for each equivalent dwelling unit determined by the District in accordance with Section 11.7.

Annexation Fee (if required)	\$11,389 per EDU
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Sec. 11.16.7 Fees and Charges May Be Collected with Taxes.

Notwithstanding any other provision of this Administrative Code, the fees and charges required by this Code, including the connection fee and the sewer service charges, or either of them may be collected on the tax roll in the same manner and together with the general taxes of the District pursuant to Section 16469 of the Public Utilities Code.

Sec. 11.17 Right of Entry and Inspection.

To the fullest extent permitted by law, the officers, employees, and agents of the District shall have the right to enter upon any premises within the District to inspect and verify compliance with the Administrative Code or any permit, order, ordinance or authorization issued by the District. The District has the right to conduct routine inspections and sampling at any location where discharges to the sewer system occur.

Sec. 11.18 Enforcement – Generally.

In addition to any remedies provided in this Code or available under any applicable law, the District may take any enforcement action or combination of enforcement actions provided in this Division against any person who violates any provision of this Article.

Sec. 11.19 Administrative Enforcement.

Sec. 11.19.1 Monitoring.

The Authorized Inspector may require any discharger who violates any provision of this Article or any permit, agreement, or other authorization issued in accordance with this Article to pay all costs associated with follow-up sampling, cost of analysis, and inspections needed to return the discharger to compliance. The discharger may be required

to install and maintain pre-treatment, monitoring, and sampling facilities to ensure compliance with this Code.

Sec. 11.19.2 Citations.

The Authorized Inspector may issue an administrative citation directing a user or discharger to cease any action that violates any provision of this Article or any permit, agreement, or other authorization issued in accordance with this Article and may require the user or discharger to take any action necessary on a reasonable timeline to return to compliance and to pay penalties and costs authorized by law or this Article.

Sec. 11.19.3 Termination of Service and Revocation of Permit.

In addition to other statutes or rules authorizing termination of service for delinquency in payment for sewer service, the District may revoke any permit issued pursuant to these regulations. The District may also terminate the sewer or water service to any property, if a violation of any provision of this Article or a permit is found to exist, or if any wastewater discharge into the District's sewer system causes or threatens to cause a condition of contamination, pollution, or nuisance.

When deemed necessary for the preservation of public health or safety, or for the protection of public or private property, the District may suspend or terminate sewer or water service to any person using the sewer system in a manner endangering the public health or safety, or public or private property. If such endangerment shall be imminent, the District may act immediately to suspend sewer service without notice or warning to said discharger. In terminating service, the District may sever all pertinent connections to the public sewer.

Sec. 11.19.4 Permit Amendment.

In the event that the user demonstrates non-compliance or potential non-compliance with the limitations set forth in this Article or in any permit, agreement, or other authorization issued in accordance with this Article, the District may require the user to obtain a Special Use Permit or may modify an existing permit.

Sec. 11.19.5 Cost Recovery.

A person violating this Code or a permit or agreement or other authorization issued in accordance with this Article, or who discharges wastewater that causes a deposit, obstruction, damage, or any other impairment to the District's sewer system shall become liable for all expense, loss, or damage sustained by the District by reason of such violation or discharge. Such expenses, losses and damages include the District's costs of investigation and of taking any enforcement action required to return the user to compliance.

In addition to such costs, the District may recover reasonable attorneys' fees, court costs, court reporters' fees and other expenses of litigation by means of an appropriate lawsuit or

other remedy against the person or discharger found to have violated these regulations or any discharge permit issued.

The District may condition the provision or continued provision of service on the payment of such expenses, losses, and damages.

Sec. 11.19.6 Administrative Complaint – Pretreatment Violations.

- a) In accordance with Section 54740.5 of the Government Code, the Authorized Inspector may issue an administrative complaint to any person who violates any requirement adopted or ordered by a local agency pursuant to Section 11.9. The administrative complaint shall allege the act or failure to act that constitutes the violation of the requirements, this Section, and the proposed civil penalty.
- b) The administrative complaint shall be served by personal delivery or certified mail on the person subject to the discharge requirements, and shall inform the person served that a hearing shall be conducted within 60 days after the person has been served. The hearing shall be before a hearing officer designated by the General Manager. The person who has been issued an administrative complaint may waive the right to a hearing, in which case no hearing will be conducted. A person dissatisfied with the decision of the hearing officer may appeal to the Board within 30 days after notice of the hearing officer's decision.
- c) If after the hearing, or appeal, if any, it is found that the person has violated reporting or discharge requirements, the hearing officer or Board may assess a civil penalty against that person. In determining the amount of the civil penalty, the hearing officer or Board may take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the economic benefit derived through any noncompliance, the nature and persistence of the violation, the length of time over which the violation occurs and corrective action, if any, attempted or taken by the discharger.
- d) Civil penalties may be imposed as follows:
 1. In an amount which shall not exceed two thousand dollars (\$2,000) for each day for failing or refusing to furnish technical or monitoring reports.
 2. In an amount which shall not exceed three thousand dollars (\$3,000) for each day for failing or refusing to timely comply with any compliance schedule established by the Authorized Inspector.
 3. In an amount which shall not exceed five thousand dollars (\$5,000) per violation for each day for discharges in violation of any waste discharge limitation, permit condition, or requirement issued, reissued, or adopted by the District.

4. In an amount which does not exceed ten dollars (\$10) per gallon for discharges in violation of any suspension, cease and desist order or other orders, or prohibition issued, reissued, or adopted by the District.
 5. The amount of any civil penalties imposed under this section which has remained delinquent for a period of 60 days shall constitute a lien against the real property of the discharger from which the discharge originated resulting in the imposition of the civil penalty. The lien provided herein shall have no force and effect until recorded with the county recorder and when recorded shall have the force and effect and priority of a judgment lien and continue for 10 years from the time of recording unless sooner released, and shall be renewable in accordance with the provisions of Sections 683.110 to 683.220, inclusive, of the Code of Civil Procedure.
- e) All moneys collected under this section shall be deposited in a special account of the District and shall be made available for the monitoring, treatment, and control of discharges into the District's sewer system or for other mitigation measures.
 - f) Unless appealed, orders setting administrative civil penalties become effective and final upon issuance thereof, and payment shall be made within 30 days. Copies of these orders shall be served by personal service or by registered mail upon the party served with the administrative complaint and upon other persons who appeared at the hearing and requested a copy.
 - g) The local agency may, at its option, elect to petition the superior court to confirm any order establishing civil penalties and enter judgment in conformity therewith in accordance with the provisions of Sections 1285 to 1287.6, inclusive, of the Code of Civil Procedure.
 - h) No penalties shall be recoverable under this section for any violation for which civil liability is recovered under Section 54740 of the Government Code.

Sec. 11.20 Public Nuisance.

- a) Discharge of wastewater in any manner that is in violation of this Article or a permit, or any order issued by the District as authorized herein, is hereby declared a public nuisance and shall be corrected or abated as directed by the District. Any person creating such a public nuisance is guilty of a misdemeanor and may be referred for criminal prosecution.
- b) If any wastes or waters are discharged, or are proposed to be discharged to the public sewers, which waters contain the substances or possess the characteristics prohibited under this Article, and which in the judgement of the District, may have a deleterious effect upon the sewage works, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the District may:
 1. Reject the wastes,

2. Require pretreatment to an acceptable condition for discharge to the public sewers,
3. Require control over the quantities and rates of discharge,
4. Require discharger to obtain and comply with an Special Use Permit under this Article,
5. Require payment to cover the added cost of handling and treating the wastes not covered by the sewer charges levied by the District, and/or
6. Take any or all enforcement actions available to the District for violations of this Article.

Sec. 11.21 Civil Enforcement.

Sec. 11.21.1 Injunction.

Whenever a discharge of wastewater or other action is found to be in violation of this Code or a permit, or otherwise causes or threatens to cause a condition of contamination, pollution, or nuisance, the District may petition the Superior Court for the issuance of a temporary restraining order, preliminary injunction, permanent injunction, or all, as may be appropriate to restrain such action or require compliant actions.

Sec. 11.21.2 Other Actions.

The District may take any other civil action available at law or in equity to enforce the provisions of this Code.

Sec. 11.21.3 Criminal Enforcement.

Violations of this Code may constitute violations of other federal, state, or local laws. The District may refer such violations to the appropriate law enforcement agency for prosecution.

Sec. 11.22 Appeal Process.

Sec. 11.22.1 Appeals of Determinations and Redeterminations of EDUs.

- a) The owner of a property subject to a determination or redetermination made in accordance with Section 11.7 may appeal that determination or redetermination to the General Manager within fifteen (15) days after the District delivers notice of the determination or redetermination in accordance with Section 11.23 by submitting a written appeal and supporting documentation.
- b) The appellant may submit evidence and the hearing officer shall only consider evidence that is relevant to whether the determination or redetermination was made in error and whether an alternative determination or redetermination is justified,

such as evidence that discharges will be lower than the typical industry values identified in the schedule or otherwise determined by the District.

- c) The hearing officer will grant the appeal in whole or in part if it determines that the evidence submitted by the appellant justifies an alternative determination.

Sec. 11.22.2 Appeals of Special Use Permit Requirements.

- a) Any person subject to a Special Use Permit issued in accordance with Section 11.9 may appeal any term or condition included in the Special Use Permit to the General Manager within fifteen (15) days after the Special Use Permit is delivered in accordance with Section 11.23 by submitting a written appeal and supporting documentation.
- b) The appellant may submit evidence and the hearing officer shall only consider evidence regarding (a) the discharger's ability to meet the District's effluent standards; (b) the requested variance and its impacts on the operation of any District wastewater treatment plant or improvements.
- c) The hearing officer will grant the appeal in whole or in part if the following criteria can be demonstrated: (a) that the discharger is unable to meet the District's effluent standards by means of reasonable modifications to the discharging facility; (b) that the requested variance will not directly impact the operation of any District wastewater treatment plant or improvements, cause the wastewater or sludge of such plant to violate applicable requirements, or harm facilities or personnel; and (c) that the easing of any effluent standards will not violate any State or Federal requirements applicable to the District.

Sec. 11.22.3 Appeals of Administrative Enforcement Actions.

- a) Any person subject to an administrative enforcement action appeal from the issuance thereof to the General Manager within fifteen (15) days of the date of delivery of the administrative enforcement action by the Authorized Inspector. A person subject to an order to remedy a condition which poses an immediate threat to the public health, safety or welfare shall comply with that order during the pendency of any appeal.
- b) The only issues on appeal may be whether there was a violation as alleged in the administrative enforcement action and whether the appellant is the person responsible for the violation or corrective action.
- c) The amount of any fine or penalty imposed with the administrative enforcement action must be submitted together with the written appeal. Any fine which has been deposited shall be refunded if it is determined, after a hearing, that the person subject to the administrative enforcement action was not responsible for the violation or that there was no violation as alleged in the administrative enforcement action.

Sec. 11.22.4 Hearing on Appeal.

- a) Whenever a hearing is required or held in accordance with this Article, the General Manager or hearing officer appointed by the General Manager shall endeavor to set a date for the hearing that is not less than fifteen (15) and not more than sixty (60) days after the date that the written appeal is filed.
- b) The District shall notify person requesting the hearing of the time and place set for the hearing at least ten (10) days prior to the date of the hearing.
- c) The failure of any person requesting a hearing to appear at the hearing shall constitute a forfeiture of the appeal and any fine, and shall be a bar to judicial review of the action based upon a failure to exhaust administrative remedies.
- d) The hearing officer shall only consider evidence that is relevant to the issues identified in this Section.
- e) The appellant shall be given the opportunity to testify and present witnesses and evidence concerning the administrative citation.
- f) The District's determination or redetermination, permit or agreement, or administrative enforcement action and any additional document created by the District shall constitute prima facie evidence of the respective facts contained in those documents. Formal rules of evidence shall not apply.
- g) Upon request, the person requesting a hearing shall be provided with copies of the citations, reports and other documents submitted or relied upon by the District when taking the action subject to the appeal. In addition, if the District submits any additional written reports concerning action subject to the hearing to the hearing officer for consideration at the hearing, then a copy of said documentation also shall be served by mail on the person requesting the hearing.
- h) The hearing officer may continue the hearing and request additional information from the District or the person requesting the hearing prior to issuing a written decision.
- i) After considering all of the testimony and evidence submitted at the hearing, the hearing officer may immediately issue a verbal decision or may issue a written decision within ten (10) days of the hearing. The decision shall include the reasons for the decision and such decision shall be final. If the hearing officer determines that the administrative citation should be upheld, then the fine amount on deposit with the city shall be retained by the city. If the hearing officer determines that an administrative citation should be canceled and the fine was deposited with the city, then the city shall promptly refund the amount of the deposited fine.
- j) If any action is not timely appealed as provided in this Article, the action becomes final.

Sec. 11.22.5 Appeal to Board.

The decision of a hearing officer issued in accordance with this Article may be appealed to the Board within fifteen (15) days after delivery of the notice of such decision in accordance with Section 11.23. An appeal under this Section must be submitted to the General Manager on a form or in a format specified by the District. The only issue on appeal shall be whether the decision of the hearing officer is supported by the evidence.

Sec 11.22.6 Judicial Review.

Any person subject to a decision of the Board on an appeal of a decision of a hearing officer may obtain review of the decision of the Board by filing a petition with the Superior Court of San Diego in accordance with the timelines and provisions applicable to writs of mandate under Code of Civil Procedure section 1094.5.

Sec 11.23 Delivery of Notice.

Notice of any administrative enforcement action or other action of the District required be delivered pursuant to the requirements of this Article shall be subject to the following:

- a) Notice of any administrative enforcement action shall state that the recipient has a right to appeal the matter as set forth in Section 11.22 of this Article.
- b) Notice shall be delivered by personal service to the recipient, deposit in the U.S. mail, postage prepaid for first class delivery, by facsimile service with confirmation of receipt, by posting on the property, or by any other means permitted by law, including by electronic mail on consent of the person receiving the notice.
- c) Delivery shall be deemed complete as follows:
 1. Upon personal service;
 2. As indicated on the return receipt of any notice mailed by certified mail, return receipt requested;
 3. Three (3) days after deposit in the U.S. mail, postage pre-paid for first class deliver; or
 4. Where the owner or occupant of any property cannot be located after the reasonable efforts any notice shall be deemed delivered after posting on the property for a period of five (5) business days.
- d) Where the recipient of notice is the owner of the property, the address for notice shall be the address from the most recently issued equalized assessment roll for the property or as otherwise appears in the current records of the City.

ARTICLE 20 (Renumbered
as Article 11 by Resolution
5006)

Revised in its entirety – 6/93,
6/94, 6/95, 9/96

Sec. 20.7, Sec. 20.7.2 – Rev.
6/99

Sec. 20.6 – Rev. 11/99

Sec. 20.5.4 & 20.5.5 – Rev.
6/06

Sec. 20.7.1 & 20.7.2 – Rev.
6/06

Sec. 20.6.1 – Rev. 10/06

New Sec, 20.6 – Added 2//07

Sec. 20.7.5; 20.7.8; 20.8;
20.8.1; 20.8.2 – Rev. 6/07

20.8.1 – Rev. 3/08

20.7.2, 20.7.4, 20.7.5, 20.7.6,
20.8, 20.8.2 – Rev. 6/08

Sec. 20.7.2 – Rev. 8/08

Sec. 20.8.1, 20.8.2 – Rev.
6/09

Sec. 20.11 – Rev. 12/10

Sec. 20.8.2 – Rev. 5/11

Sec. 20.8.1 – Rev. 6/11

Sec. 20.8.1 – Rev. 4/12

Sec. 20.2, 20.4, 20.6.2, 20.6.3,
20.7.1, 20.7.2, 20.7.3, 20.7.4,
20.7.5, 20.7.6, 20.8.2 – Rev.
6/12

Sec. 20.7.2, 20.7.3 – Rev.
7/12

Sec. 20.8 – Rev. 6/13

Sec. 20.8.1, 20.8.2 – Rev.
6/14

Sec. 20.8.1, 20.8.2 – Rev.
6/15

Secs. 20.5.2 (add), 20.8.1,
20.8.2 – Rev. 7/16

Secs. 20.5.2, 20.8, 20.8.2 –
Rev. 12/18

Sec. 20.7.2 – Rev. 7/19

Revised in its entirety – 8/20

Sec. 20.16.2, 20.16.4, 20.16.5
– 12/20

Secs. 11.16.2, 11.16.4,
11.16.5 – Rev. 12/21

Secs. 11.7, 11.16.2, 11.16.4,
11.16.5 – Rev. 12/22

Secs. 11.16.2, 11.16.4,
11.16.5 – Rev. 12/23

Secs. 11.16.2, 11.16.4,
11.16.5 – Rev. 12/24

EXHIBIT D

**REVISIONS TO ARTICLE 12 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2026**

[COMMENCING ON NEXT PAGE]

Article 12. Water and Sewer Rates and Service Charges.

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

Effective January 1, 2026, the following rates for water deliveries to each class of service are established:

Sec. 12.1 Volumetric Water, Recycled Water and Pumping Rates.

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

Domestic (D), Large Lot Domestic (LD), Multi-Unit (M).

1-5 units per month\$7.95 per unit

Over 5 units per month\$8.76 per unit

Commercial (C), Government (G), Irrigation Only (I).

All usage\$8.39 per unit

Agricultural (AG).

All usage\$6.12 per unit

Agricultural-Domestic (AD).

1-5 units per month\$7.95 per unit

Over 5 units per month\$6.12 per unit

Water Shortage Emergency Surcharges

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 six Water Shortage Response Levels. Article 17 Water Shortage Response Program provides information on the program and the applicable water use rates.

Volumetric Recycled Water Rate.

Recycled water furnished within the District service area for any appropriate purpose will be billed at \$6.68 per 1,000 gallons. Recycled water sold outside the District service area will be sold by contract with specific customers.

Construction Meter.

Water furnished for construction purposes will be billed at \$9.14 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 \$0.79 per 1,000 gallons to recover the cost of electricity.

Sec. 12.2 Monthly Fixed Charges.

Effective January 1, 2026, 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	\$62.12	\$27.43	\$18.95	NA
1 inch meter	\$98.65	\$37.29	\$26.55	NA
1-1/2 inch meter	\$189.09	\$61.70	\$45.37	NA
2 inch meter	\$298.10	\$91.13	\$68.04	\$8.33
3 inch meter	\$589.14	\$169.69	\$128.56	\$9.67
4 inch meter	\$916.16	\$257.95	\$196.57	\$11.99
6 inch meter	\$1,824.11	\$503.04	\$385.41	\$20.32
8 inch meter	NA	NA	NA	\$34.69

NA- Not applicable

For construction meters, a service charge of \$447.15 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	\$11.10
For each 1 inch device	\$11.22
For each 1-1/2 inch device	\$14.39
For each 2 inch device	\$15.57
For each 3 inch device	\$34.04
For each 4 inch device	\$41.06
For each 6 inch device	\$52.85

Sec. 12.3 Place Holder for Future Changes

Sec. 12.4 Water Capital Improvement Charge.

For each water account, an additional \$13.99 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, 2026. 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.

The CIC 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 CIC will be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the CIC 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
3/4 inch meter	1.0	\$ 13.99
1 inch meter	1.67	\$23.30
1-1/2 inch meter	3.33	\$ 46.64
2 inch meter	5.33	\$74.57
3 inch meter	10.67	\$ 149.16
4 inch meter	16.67	\$ 233.07
6 inch meter	33.33	\$ 466.12

Sec. 12.5 Billing Periods.

Billing due dates fall on the 10th, 20th, and 30th of the month depending on meter location in the District. All charges for water and sewer services during specified meter read dates are due and payable when rendered. Bills become delinquent the day after the due date. Residential accounts not paid within 30 days of the due date are sent past due statements and the meters are subject to lock-up for non-payment after being delinquent for 60 days (See District Residential Discontinuation of Service Policy available on the District

website). Non-Residential accounts not paid within 30 days of the due date are subject to meter lock-up. All water accounts accrue a \$30 Delinquent Processing Fee on the 31st day of delinquency.

Accounts not paid within 30 days after lock-up and accounts that have tampered with the meter to obtain water illegally are subject to removal of meters and permanent disconnection of water service. Standby charges will continue to accrue after the meter has been removed.

If a meter has been locked for non-payment for a period of 90 days, it may be placed on Standby Service by FPUD. Standby Service charges will accrue from that time until an application for service restoration has been received by the District.

The District must be notified in a timely manner with the name and mailing address of the new owner or tenant and the upcoming date of transfer. Notification of the transfer of property ownership, or tenancy, is the responsibility of the owner/seller. The District is not responsible for the proration of the final billing if notification is not received prior to the date of sale, or change of tenancy.

Sec. 12.5.1 Unclaimed Funds

Unclaimed funds in an amount less than \$15 or where the depositor's name is unknown will become FPUD general funds if unclaimed for 1 year. Unclaimed funds in an amount greater than \$15 become may become FPUD general funds once the following procedure is completed:

1. The FPUD treasurer will publish notice once a week for two (2) successive weeks in a newspaper of general circulation published within FPUD boundaries.

2. The notice will state the amount of unclaimed money, the formal name of the fund in which the money is held, and a statement that the money will become FPUD property after a specified date ("Effective Date"). The Effective Date will be no less than forty-five (45) days nor more than sixty (60) days of the date of the first publication of the notice ("Claim Period").

3. Upon the expiration of the Claim Period, and if there are no claims filed with FPUD or verified lawsuits filed with the superior court, the funds will become FPUD property and may be transferred to FPUD's general fund.

Any person with a claim to such money may file a claim prior to the Effective Date with the FPUD treasurer. Pursuant to Government Code Section 50052, the claim shall include the following information: claimant's name, address, amount of claim, grounds upon which the claim is founded, and any other information that may be required by the FPUD treasurer. FPUD has the right to accept or reject a claim. If the claim is accepted, FPUD will return the money without interest. If FPUD rejects the claim, the claimant may file a verified complaint against FPUD with the superior court within thirty (30) days of receiving notice of FPUD's rejection pursuant to Government Code Section 50052. In the event that the original customer or depositor is deceased, such person's heir, beneficiary, or duly appointed representative may file a claim before the Effective Date as provided in Government Code Section 50052.5.

Sec. 12.6 Meter Locks and Restrictors.

If for any reason, other than District convenience, a water meter shall be locked by the District, the water may not be again turned on to serve the property through such meter until all past due charges plus the Disconnection Processing Fee of Fifty Dollars (\$50) shall have been paid to the District. A Delinquent Processing Fee of \$30 to process and deliver delinquent account notices and a fee of \$100 for broken or damaged locks may also apply. Damage to corporation or angle stop in attempt to restore services locked for non-payment will be billed at actual time and material and added to the water bill.

If flow restrictors are required for any reason in order to implement policies within this Administrative Code, the fees are as follows:

<u>Meter Size</u>	<u>Installation Fee</u>
3/4" and 1" Meters	\$144
1-1/2" and larger	\$611

Sec. 12.7 Meter Not Registering.

Whenever, for any reason, a meter fails to register correctly, the consumer will be charged an amount for the previous billing period increased or decreased by the percentage change in total billing by the District for all consumers for the two billing periods.

Sec. 12.8 Water Rates or Service Charges Lien on Property.

In addition to any other remedy provided therein or by law for the collection of any water rate, charges or account, all rates or service charges provided for in this Administrative Code shall be charged and become a charge against the property on which the water is furnished and against the owner thereof, and all charges for water so served to a property shall be and become a lien against the premises upon which the water is used or served.

Standby accounts with a delinquent balance greater than \$500 as of April 1st of each year may be sent notification of intent to place delinquent and unpaid charges on the annual tax roll. The notification will be sent by May 1st and provides the customer 60 days to bring the account current. If the amount is not brought current by July 1st, the portion of the delinquency due as of the prior April 1st may be reported to the County Treasurer for inclusion on the annual taxes levied on the property.

If for any reason or cause the sums of money owing for such water services are not paid as required by the terms and provisions of this Administrative Code, the District shall have the right to shut off such water, and in no case shall service of water be resumed on the same property until all such delinquencies and additional turn-on charges shall have been paid in full. Delinquent bills from former owners or tenants are the responsibility of the present owner. Prior to appealing any delinquent bills to the Board, the current owner shall demonstrate that they have pursued recovery of the funds from the prior owner or agents involved in the real estate transaction.

Sec. 12.8.1 Theft of Water.

Water is defined as stolen from the customer if the water is stolen from the customer's side of the meter. Water stolen from a mainline, hydrant, District pipeline, appurtenance, or tampering with a customer's meter is defined as water being stolen from the District.

Water Stolen from Customer.

Customers who have reported water theft to the District must also notify local law enforcement agencies. The District will require proof of theft from a law enforcement agency that a theft of water occurred. Customer's asking for credit on the bill for water theft will be processed by account type. If a full price M&I customer, the District may discount the estimated amount of water stolen and charge the District's wholesale cost of water for the amount stolen. An estimate of the amount of water stolen will be made by District staff using that customer's usage history. Water sold to Agricultural customers and Agricultural-Domestic is sold at District cost so no discount may be applied. If the stolen water caused the customer's allocation bank to be adversely affected, the District will restore the estimated amount stolen to the customer's allocation bank. If the water theft resulted in an overuse penalty, the District will credit the penalty to the customer for the estimated amount of water stolen.

Water Stolen from District.

Any theft of water from the District will be reported to law enforcement agencies. If the theft is due to meter tampering, the customer will be charged a \$250 fee for tampering with the meter plus time and materials to place the meter back into proper position. If a water theft from the District due to meter tampering occurs again on the same meter, the customer will be charged a \$500 fee for tampering and an item will be brought forward to the Board of Directors to consider discontinuance of service. An estimate of the amount of water stolen will be calculated and billed to the customer's account. Collection of said fees are subject to all District regulations regarding collection of past due accounts.

Sec. 12.9 Volumetric Wastewater Charges.

Wastewater service charges are established upon each property within the District that is connected to a sewer line of the District whether said premises are occupied or unoccupied. Volumetric Wastewater Charges are applied to estimated billable wastewater flows, which are based upon adjusted water deliveries. The charge per killogallon of wastewater flow is shown below:

User Class	Volumetric Wastewater Charge (\$/kgal)
Agricultural-Domestic (AD)	\$ 6.82
Residential (LD, D, M))	\$ 6.82
Government (G)	\$ 12.35

User Class	Volumetric Wastewater Charge (\$/kgal)
Commercial – Low Strength* (C_L)	\$ 12.35
Commercial – Medium Strength* (C_M)	\$ 15.39
Commercial – High Strength* (C_H)	\$ 19.67

*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:

Customer Class	Return to Sewer Factor
Residential (Multi-Family, Single Family)	80%
Non-Residential/Commercial	90%
Low / Medium / High	90%
Government	
Low / Medium / High	90%
Schools	80%
Churches	80%
Special	
Low / Medium / High	100%
Special 10% RTS (1-10%)	
Low / Medium / High	10%
Special 20% RTS (11-20%)	
Low / Medium / High	20%
Special 30% RTS (21-30%)	
Low / Medium / High	30%
Special 40% RTS (31-40%)	
Low / Medium / High	40%
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%
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, AD), 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 20 units.
2. 80% of this water is assumed to be returned to sewer/billable flow.
3. The Volumetric Wastewater Charge (\$/kgal) is applied to this flow.
4. Consumption analysis is performed annually. Appeal for consumption is available.
5. No prior history customer (new customer) will be placed at that customer class median of 6. For customers with at least one winter of use data, that data will be used for 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. 80% 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), 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 2026 public elementary school rate is \$1.55 per student and \$2.31 per staff, per month.
4. CY 2026 public junior high school and administrative offices rate is \$2.31 per person, per month.
5. Rates to be increased by the overall percentage increase in wastewater revenues each year.

Sec. 12.10 Monthly Fixed Wastewater Charge.

For each Residential/Domestic sewer account, which includes D, LD, M, AD accounts, effective January 1, 2026, the Monthly Fixed Wastewater Charge shall be \$40.41 per month per Equivalent Dwelling Unit (EDU). For Comercial (C) and Government (G) accounts, effective January 1, 2026, the Monthly Fixed Wastewater Charge shall be \$13.53 per month per EDU. For all customer types, the EDUs will be calculated per Administrative Code Sections 11.7.2, 11.7.3, or 11.7.4.

Sec. 12.10.1 Wastewater Capital Improvement Charge.

For each account, an additional \$ 14.97 per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge Effective January 1, 2026. This charge is dedicated to Wastewater Debt Service and Wastewater Capital Improvements. The Wastewater Capital Improvement Charge has been implemented to partially fund the debt service payments for upgrades to the Wastewater Treatment Plant. EDUs will be calculated per Administrative Code Sections 11.7.2, 11.7.3, or 11.7.4. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10%. Staff will report back to the Board of Directors every five (5) years with analysis of its necessity. The Capital Improvement Charge will only be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

ARTICLE 21 CONTINUED

(Renumbered as Article 12 by Resolution 5006)

ARTICLE 21 (Renumbered as Article 12 by Resolution 5006)

Sec. 21.1 – Rev. 7/02
Sec. 21.2-21.8.2 – Rev. 9/96
Sec. 21.3 – Rev. 10/96
Sec. 21.4 & 21.9 – Rev. 6/97
Sec. 21.4 – Rev 7/02
Sec. 21.9 – Rev. 10/97
Sec. 21.9 – Rev. 6/04
Sec. 21.9 – Rev. 1/05
Sec. 21.1, 21.3, 21.4, 21.9 – Rev. 6/05
Sec. 21.1, 21.2, 21.4, & 21.9 – Rev. 6/06
Sec. 21.9, Flat Rate + Metered Flow – Rev. 7/06
Sec. 21.9 (Flat Rate classification) – Rev. 10/06
Sec. 21.4 (construction meters), Sec. 21.5 & Sec. 21.6 – Rev. 12/06
Sec. 21.5 – Rev. 3/07
Sec. Sec. 21.1, 21.2, 21.4 , 21.10, 21.10.1– Rev. 6/07
Sec. 21.5 – Added 6/07
Sec. 21.10.2 – Deleted 6/07
Sec. 21.11 – Added 10/07
Sec. 21.4.1 – Added 12/07; Sec. 21.7 renamed and addition of flow restrictors – Rev. 12/07
Sec. 21.1, 21.2, 21.4, 21.5, 21.7, 21.10, and 21.11 – Rev. 6/08
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2 (added), 21.5, 21.7, 21.10 (new table), 21.10.1, - Rev. 6/09
Sec. 21.4, 21.10 – Rev. 12/09
Sec. 21.6, 21.9 – Rev. 5/10
Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 – Rev. 6/10
Sec. 21.9.1 (added) – Rev. 9/10
Sec. 21.1, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 - Rev. 6/11
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/12
Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/13
Sec. 12.1, 21.2, 21.4, 21.5, 21.9.1, 21.10, 21.10.1 – Rev. 6/14
Sec. 21.1, 21.2, 21.5 – Rev. 1/15
Sec. 21.1, 21.2, 21.3, 21.4, 21.4.2, 21.5, 21.10, 21.10.1 Rev 6/15
Sec. 21, 21.1 – Rev. 11/15
Secs. 21, 21.2, 21.4, 21.5, 21.7, 21.10, 21.10.1 – Rev. 7/16
Secs. 21, 21.1 - Rev. 12/16
All Secs. – Rev. 12/17
Sec. 21.3 – Rev. 6/18

ARTICLE 21 CONTINUED
(Renumbered as Article 12 by Resolution 5006)
ARTICLE 21 (Renumbered as Article 12 by Resolution 5006)
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
Secs. 21, 21.1, 21.2, 21.3, 21.4, 21.5, 21.9, 21.10, 21.10.1 – Rev 12/19
Secs. 21.5, 21.6, 21.5.1 (added) – Rev. 1/20
Sec 21.3 – Rev 6/20
Secs. 21, 21.1, 21.2, 21.3, 21.4, 21.9, 21.10, 21.10.1 – Rev 12/20
Sec 12.3 – Rev 6/21
Secs. 12, 12.1, 12.2, 12.3, 12.4, 12.6, 12.8, 12.9, 12.10, 12.10.1 – Rev 12/21
Secs. 12.3 – Rev 6/22
Secs. 12.1, 12.2, 12.3, 12.4, 12.5, 12.9, 12.10, 12.10.1 – Rev 11/22
Sec. 12.2 – Rev 12/22
Sec. 12.9 – Rev 4/23
Secs. 12.1, 12.2, 12.3, 12.4, 12.8.1, 12.9, 12.10, 12.10.1, - Rev 12/23
Sec. 12.8 – Rev 4/24
Secs. 12, 12.1, 12.2, 12.4, 12.9, 12.10, 12.10.1 – Rev 12/24

M E M O

TO: Board of Directors
FROM: Engineering and Operations Committee
DATE: December 8, 2025
SUBJECT: Red Mountain Reservoir Long-term Water Quality Management Plan

Description

This past year the Red Mountain Reservoir water became a taste and odor issue. In diagnosing the problem we hired Trussell Technologies, an area expert in water treatment, to help us with a sampling plan. Their plan gave us a good understanding of what the problem was. It was partly caused by having the reservoir full due to the overabundance of CPEN water over the wet winters.

Purpose

The District would now like to move forward with Trussell on the development of a long-term management plan. The project approach aims to address color, taste, and odor issues at the reservoir while maximizing storage and use of water year-round. Trussell will develop reservoir management alternatives and present an alternatives analysis for FPU's consideration. Upon selecting a preferred alternative, Trussell will further develop a cost analysis and prepare an implementation and transition strategy for the new reservoir management approach.

Summary

It is in the District's best interest to manage the reservoir water quality at any level. Over the years there will be dry years when the reservoir stays low and wet years when the reservoir gets high and we are storing more water. This work will be important as we finalize plans for the RMR Liner Project as physical improvements may be needed which would be incorporated into the separate efforts to plan the relining project.

Budgetary Impact

There is no budgetary impact. The work will be completed within the Board authorized total capital budget.

Recommended Action

That the Board award the further study of water quality of Red Mountain Reservoir to Trussell Technologies in the amount of \$80,960.

Attachment 1 - Proposal



October 29, 2025

Carl Quiram
Operations Manager
Fallbrook Public Utility District

Subject: Long-Term Management Plan to Address Color, Taste, and Odor Issues at Red Mountain Reservoir – Trussell Technologies Inc.

Dear Mr. Quiram,

Trussell Technologies (Trussell) is pleased to submit the enclosed scope of work and budget proposal for the professional services required to assist Fallbrook Public Utility District (FPUD) with the development of a long-term management plan for Red Mountain Reservoir. Our project approach aims to address color, taste, and odor issues at the reservoir while maximizing storage and use of water year-round. Trussell will develop reservoir management alternatives and present an alternatives analysis for FPUD's consideration. Upon selection of a preferred alternative, Trussell will further develop a cost analysis and prepare an implementation and transition strategy for the new reservoir management approach.

We look forward to a successful collaboration with FPUD on this important project. Please feel free to reach out if you have any questions or need further clarification on the enclosed proposal.

Respectfully,

A handwritten signature in blue ink, appearing to read "S. Trussell", written in a cursive style.

Shane Trussell, Ph.D., P.E., BCEE
Trussell Technologies, Inc.



Fallbrook Public Utility District

Scope of Work and Budget Proposal for a Long-Term Management Plan to Address Color, Taste, and Odor Issues at Red Mountain Reservoir

Trussell Technologies (Trussell) was retained by the Fallbrook Public Utility District (FPUD) to identify the origin of recent color, taste, and odor issues at the Red Mountain Reservoir (RMR). Via an RMR sampling campaign, data analysis, and chlorine demand bench testing, Trussell and FPUD worked to troubleshoot and implement a short-term solution for managing the RMR water quality issues during the summer months when the reservoir becomes stratified. Now, as a part of this new effort, Trussell will assist FPUD with developing a long-term management plan to implement solutions to permanently address these water quality issues so they do not become a recurring threat to FPUD's ability to use RMR water during the problematic summer months. The project is centered around three primary tasks: 1) developing an alternatives analysis to identify potential solutions, 2) developing a strategy for implementing the selected alternative and transitioning operations to prepare for the implementation, and 3) producing a cost analysis for the selected alternative.

Task 1: Project Management

Trussell will prepare monthly invoices and accompanying progress reports as well as conduct general project management, coordination with FPUD, scheduling, and budget tracking. Trussell staff will lead semiregular virtual meetings with FPUD to discuss updates to ensure that the project is progressing smoothly. In addition, Trussell staff will lead a kickoff meeting with FPUD to discuss project goals, scope of work, deliverables, and schedule.

Assumptions:

- The project timeline will be 4 months from Notice to Proceed.
- One 1-hour kickoff meeting.
- Monthly 1-hour progress meetings.
- All meetings will be virtual and attended by up to 3 Trussell team members.

Deliverables:

- Monthly invoices with progress reports.
- Meeting notes.

Task 2: Long-Term Management Alternatives Development

Task 2.1: Alternatives Analysis

Trussell will lead the development of up to three (3) alternatives for the long-term management of water quality issues at RMR. The preliminary development of these alternatives will be based on the data gathered during the sampling efforts of the previous scope and communications with equipment vendors. Trussell will develop high-level capital and O&M costs to help with the selection of a preferred alternative, which includes engaging with vendors for equipment quotations. O&M costs will include



anticipated labor, chemical, electrical, and/or equipment replacement costs, if applicable. The alternatives analysis will evaluate multiple factors including, but not limited to:

- Ability to remediate water quality issues
- Capital and operations and maintenance (O&M) costs
- Construction challenges (e.g., footprint, power)
- Permitting challenges (e.g., coordination with Division of Drinking Water)
- O&M considerations (e.g., operational complexity)
- Timeline implications

Assumptions:

- There will not be a standalone TM developed for Task 2.1. Conclusions will be shared with FPUD in the Alternatives Analysis Workshop and a summary of the alternatives analysis will be presented in the RMR Long-Term Management Plan (Task 4).

Deliverables:

- Findings incorporated into RMR Long-Term Management Plan (Task 4).

Task 2.2: Alternatives Analysis Workshop

Trussell will lead an Alternatives Analysis Workshop with FPUD to review findings and discuss feedback on a preferred alternative. Trussell will create a slide deck for the workshop that will be shared with FPUD after the workshop has concluded. The workshop will include designated discussion time to determine the preferred alternative strategy.

Assumptions:

- One virtual workshop up to 2 hours in duration.
- Workshop will be attended by up to 3 Trussell team members.
- Trussell and FPUD will select the preferred alternative during this workshop.
- Trussell will provide expert opinion on the selection of the alternative, but it is ultimately up to FPUD to decide how to proceed.

Deliverables:

- Alternatives Analysis Workshop slide deck
- Alternatives Analysis Workshop notes

Task 3: Implementation and Transition Strategy

Based on the preferred alternative selected by FPUD following the alternatives workshop, Trussell will develop an implementation and transition strategy for the new mode of operations. Trussell will provide operational recommendations that prioritize maximizing the recovery of existing water in the reservoir. Trussell will lead a 1-hour discussion with FPUD to review findings and discuss feedback. The final approach will be documented in the RMR Long-Term Management Plan to be developed as part of Task 4.



Assumptions:

- One 1-hour virtual meeting with FPUD staff and up to 3 Trussell team members.

Deliverables:

- Findings incorporated into RMR Long-Term Management Plan (Task 4).

Task 4: RMR Long-Term Management Plan Technical Memorandum

Based on the preferred alternative, Trussell will prepare a brief technical memorandum (TM) detailing the long-term management plan for RMR. The TM will summarize the alternatives analysis, present the preferred alternative as an outcome of the Analysis Alternatives Workshop, and describe the implementation and transition strategy for the preferred alternative. Trussell will also develop a capital improvement project (CIP) description for the preferred alternative. Trussell will submit a draft TM for review by FPUD and produce a final TM that incorporates FPUD's comments.

Deliverables: Draft and Final TM

Budget

A total allocation of \$80,960 is sought for the services discussed above and a breakdown is provided in the following page.



Project Budget

Task No.								
	Staff Classification	Senior Company Officer	Principal Engineer I	Supervising Engineer III	Supervising Engineer I	Engineer I	Total Labor Hours	Total Cost
	Hourly Billing Rate	\$400	\$360	\$340	\$300	\$210		
1	Project Management	2	2	10	10	18	42	\$ 11,700.00
2	Long-Term Management Alternatives Development	8	8	28	44	96	184	\$ 48,960.00
2.1	Alternatives Development	8	8	24	40	88	168	\$ 44,720.00
2.2	Alternatives Analysis Workshop	0	0	4	4	8	16	\$ 4,240.00
3	Implementation and Transition Strategy	2	2	4	8	16	32	\$ 8,640.00
4	Technical Memorandum	2	2	6	6	30	46	\$ 11,660.00
TOTAL		14	14	48	68	160	304	\$ 80,960.00



**TRUSSELL TECHNOLOGIES, INC.
HOURLY BILLING RATES**

	Billing Rate	
	Normal	Expert
	Hourly Rate ¹	Daily Rate ²
Senior Company Officer	\$ 400	\$4,800
Principal Engineer III	\$ 390	\$4,680
Principal Engineer II	\$ 370	\$4,440
Principal Engineer I	\$ 360	\$4,320
Supervising Engineer III	\$ 340	-
Supervising Engineer II	\$ 320	-
Supervising Engineer I	\$ 300	-
Senior Engineer III	\$ 280	-
Senior Engineer II	\$ 260	-
Senior Engineer I	\$ 250	-
Engineer II	\$ 230	-
Engineer I	\$ 210	-
Senior Drafter I	\$ 210	-
Associate Engineer II	\$ 190	-
Associate Engineer I	\$ 185	-
Assistant Engineer II	\$ 175	-
Assistant Engineer I	\$ 155	-
Lab Assistant II	\$ 145	-
Lab Assistant I	\$ 125	-
Senior Office Manager II	\$ 210	-
Senior Office Manager I	\$ 190	-
Office Manager III	\$ 185	-
Office Manager II	\$ 175	-
Office Manager I	\$ 155	-
Office Assistant II	\$ 145	-
Office Assistant I	\$ 125	-

1. Time will be billed in 15 minute increments
2. Time will be billed in increments of one day

Other Direct Costs

Mileage for vehicle use to be reimbursed at current IRS rate.

Travel, equipment rental and other direct costs to be reimbursed at actual cost plus 5%.

Outside Professional Services:

Outside professional services to be reimbursed at actual cost plus 15%

Trussell Technologies respectfully requests the ability to update billing rates at a frequency of every twelve (12) months, based on CPI and other cost increases. Justification for the request would be provided for review, comment, and approval.

9/26/25

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 8, 2025
SUBJECT: Consider the San Diego Local Agency Formation Commission Special Districts Advisory Committee Election Ballot and Vote Certification to Fill Seven (7) Open Seats

Purpose

To consider nominations to fill seven (7) open seats on the 15-member San Diego Local Agency Formation Commission (LAFCO) Special Districts Advisory Committee (SDAC).

Summary

By letter dated November 12, 2025, LAFCO has provided a Ballot and Vote Certification for consideration by the Board to cast an Election Ballot and Vote Certification for seven eligible nominees. Nominations have been received for the following candidates. Write-ins are also permitted (*incumbent member):

- *Mike Sims (Bonita-Sunnyside Fire Protection District)
- *James Gordon (Deer Springs Fire Protection District)
- Erica Wolski (Ramona Municipal Water District)
- *Jack Bebee (Fallbrook Public Utility District)
- Kurt Worden (Lower Sweetwater Fire Protection District)
- Lindsay Leahy (Valley Center Municipal Water District)
- *Albert C. Lau (Santa Fe Irrigation District)
- *Kimberly Thorner (Olivenhain Municipal Water District)
- *Dave McQuead (Rancho Santa Fe Fire Protection District)
- *Mark Robak (Otay Water District)

Details of the process, the Ballot and vote Certification Form, and Nominee resumes are attached in Attachment A for the Board's review. Attachment B includes requests for support the District has received to date. State Law specifies the District's vote be cast by the presiding officer, or an alternate member designated by the Board, and a valid signature is required on the ballot. The deadline for receipt of ballots by LAFCO is 5:00 p.m. on Monday, December 22, 2025.

Recommendation

The Board consider the nominations for the LAFCO Special Districts Advisory Committee and authorize the President to cast its votes on the ballots provided.

Attachment A



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

CALL FOR BALLOTS

November 12, 2025

TO: Independent Special Districts in San Diego County

FROM: Erica Sellen, Commission Clerk

SUBJECT: Call for Ballots |
Election to Special Districts Advisory Committee

On September 29, 2025, the San Diego Local Agency Formation Commission (LAFCO) solicited nominations pursuant to Government Code Section 56332 to fill seven open seats on the 15-member Special Districts Advisory Committee. A total of ten nominations were received following a 30-day filing period. All terms on the Special Districts Advisory Committee are four-years.

San Diego LAFCO is now issuing ballots to all 58 independent special districts in San Diego County and inviting each district to cast a ballot selecting up to seven eligible nominees. Write-in candidates are permitted, and spaces have been provided for that purpose. **Only cast one vote for each nominee on the ballot and vote certification form; a ballot that is cast for more than the indicated number of positions will be disregarded.** The ballot and vote certification form along with nominee resumes provided by the candidates are attached.

State Law specifies a district's vote is to be cast by its presiding officer, or an alternate member designated by the board and a valid signature is required on the ballot. **A ballot received without a signature will be voided.** A minimum of **30** ballots must be received to certify that a legal election was conducted. A candidate for a special districts advisory committee member must receive at least a majority of the votes cast to be elected. The ballots will be kept on file in this office and will be made available upon request.

Ballots may be submitted by mail, courier, hand delivered, or via email to Erica.Sellen@sdcounty.ca.gov. The deadline for receipts of the ballots by LAFCO is **5:00 p.m. on Monday, December 22, 2025**, any ballots received after the deadline will be voided. All election materials are available on the website: www.sdlafco.org. Should you have any questions, please contact me by email or at (619) 321-3380.

Erica Sellen
Commission Clerk

Attachments:

- A) Ballot and Vote Certification form
- B) Nominee Resumes

Administration

Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T 619.321.3380
E lafo@sdcounty.ca.gov
www.sdlafco.org

Paloma Aguirre
County of San Diego

Joel Anderson
County of San Diego

Monica M. Steppe, Alt.
County of San Diego

Kristi Becker
City of Solana Beach

Dane White
City of Escondido

John McCann Alt.
City of Chula Vista

Chair Stephen Whitburn
City of San Diego

Marni von Wilpert, Alt.
City of San Diego

Vice Chair Barry Willis
Alpine Fire Protection

Jo MacKenzie
Vista Irrigation

David Drake, Alt.
Rincon del Diablo

Brigitte Browning
General Public

Eileen Delaney, Alt.
General Public

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SPECIAL DISTRICTS ADVISORY COMMITTEE MEMBER
ELECTION BALLOT and VOTE CERTIFICATION

VOTE FOR ONLY SEVEN NOMINEES

- * **Mike Sims** (Bonita-Sunnyside Fire Protection District) []
- * **James Gordon** (Deer Springs Fire Protection District) []
- Erica Wolski** (Ramona Municipal Water District) []
- * **Jack Bebee** (Fallbrook Public Utility District) []
- Kurt Worden** (Lower Sweetwater Fire Protection District) []
- Lindsay Leahy** (Valley Center Municipal Water District) []
- * **Albert C. Lau** (Santa Fe Irrigation District) []
- * **Kimberly Thorner** (Olivenhain Municipal Water District) []
- * **Dave McQuead** (Rancho Santa Fe Fire Protection District) []
- * **Mark Robak** (Otay Water District) []

Write-Ins

[]

[]

As presiding officer or his/her delegated alternate as provided by the governing board, I hereby certify that I cast the votes of the _____ for the Special Districts Advisory Committee election.
(Name of Independent Special District)

(Signature)

(Print Name)

(Print Title)

(Date)

Please note: The order in which the candidates' names are listed was determined by random selection.

Return this Election Ballot and Vote Certification form to:
San Diego LAFCO
Erica Sellen
2550 Fifth Avenue, Suite 725
San Diego, CA 92103
Email: Erica.Sellen@sdcounty.ca.gov

* Incumbent member

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Bio for Chief Mike Sims

I have been with Bonita FD for 30 years and in the Fire Service for 35 years

Promoted to Fire Chief at the Bonita Fire Protection District in 2018

Secretary for the San Diego County Fire Chiefs Association and Fire Districts Association

Chair of the Heartland Communications Facility Authority (our 911 dispatch center)

Chair of the Heartland Training Facility Authority (the training facility for all Central Zone FDs)

Advisory Committee member for San Diego LAFCO

Married for 30 years with 2 adult children

Hobbies include mountain biking, metal fabrication and working on classic cars

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James E. Gordon
Director, Deer Springs Fire Protection District
415.852.1086
jegordon888@gmail.com

Professional History

- Director, Berkeley Research Group; October 2012 to 2014
- Managing Director, Navigant Consulting Asia; March 2005 to October 2012.
- Vice President of Pinkerton Consulting & Investigations; March 2001 to March 2005.
- Executive Vice President and CEO of Online Security; March 2000 to March 2001.
- Managing Director of Kroll Associates; March 1999 to March 2000.
- Managing Director of The Investigative Group, Inc.; June 1990 to March 1999.
- Partner, Philips & Gordon, Litigation Consulting Firm: May 1980 to June 1990.

Former Professional Associations

- American Bar Association (Associate Member)
- Inter-Pacific Bar Association
- High Technology Crime Investigator Association (HTCIA)

James Gordon retired in 2014 after a successful international consulting career and is serving his third term as a Director of the Deer Springs Fire Protection District. Mr. Gordon's professional career includes more than 25 years of experience and expertise advising clients faced with complex high stakes business disputes, litigation and investigations, especially in cross-border matters. Mr. Gordon has served as a consulting and testifying expert as well as a third-party neutral in a diverse range of business and discovery disputes.

Mr. Gordon was based in Hong Kong from 2009 to 2012 as Managing Partner for a global expert services and consulting firm. Mr. Gordon was the consulting expert and project lead on a diverse range of complex matters, including: special committee forensic investigations for Boards of U.S. listed Chinese companies; cross-border discovery; allegations of business fraud; undisclosed related third party asset transfers; Foreign Corrupt Practices Act (FCPA) investigations; deep-dive M&A and FCPA due diligence; international arbitration; royalty disputes; intellectual property rights (IPR); and dumping/trade issues.

Mr. Gordon worked on many of the highest-profile regulatory and enforcement investigations in US history, including: the Wall Street IPO Securities Litigation; Tyco; WorldCom; Parmalat; HealthSouth; and Enron. His work involved matters throughout Asia, China, Canada, UK and the United States

advising clients and their counsel in responding to investigations by: U.S. Department of Justice (DOJ); Securities and Exchange Commission (SEC); Federal Energy Regulatory Commission (FERC); the New York Stock Exchange (NYSE); NASDAQ; Federal Trade Commission (FTC); United States International Trade Counsel (USITC) and Congressional and Senate Investigations.

Mr. Gordon was a frequent presenter at In-House Corporate Counsel events, American Bar Association conferences and at the International Pacific Bar Association on topics critical to managing business risks

and resolving cross-border disputes including; *"Anti-Corruption and Fraud Investigations in Asia," "Managing Counterparty Business Risk with Business Intelligence and Analytics," "Developing Cost Effective Strategies for Managing Cross-Border Discovery," "Electronic Discovery in Asia-U.S. Cross-Border Disputes,"* and *"Evidentiary Issues in CIETAC Arbitrations."*

Representative Client Assignments

Special Committee Investigation for Chinese Board of US Listed Company

- For a US listed Chinese company, Mr. Gordon was retained by the Board of Directors to conduct an internal investigation in response to whistle blower allegations. Mr. Gordon led an extensive investigation throughout China to drill down on allegations of accounting irregularities; numerous dealings with related undisclosed third parties; and the sale of one of the company's manufacturing facilities that was not an arm's length transaction. Based on Mr. Gordon's investigation, the company restated its financial statements, changed auditors and Mr. Gordon presented his team's findings to US based regulatory agencies.

Audit Committee Internal Bank Investigation

- Mr. Gordon worked the bank's general counsel and the auditors pertaining to a wide-ranging internal investigation which included: investigating whistle blower allegations; an in-depth information technology review; investigation of an external data breach; and investigation of internal misconduct. The summary of Mr. Gordon's findings was provided to numerous regulatory and law enforcement agencies as well as the AMEX and NASDAQ stock exchanges resulting in no adverse impact to the client.

Major US Financial Institution – Breach of Contract Dispute

- Mr. Gordon was retained as the Court appointed Third-party Neutral Expert in a matter pertaining to allegations of a breach of an Insurance Recovery Agreement for thousands of real estate properties owned by the bank. Mr. Gordon led a team in analyzing hundreds of millions of fields of data from disparate sources including bank loan foreclosure and real estate owned ("REO") property records, asset manager records, hazard insurance recovery provider data, and insurance claims. The case successfully resolved within a week of Mr. Gordon's testimony.

ERICA WOLSKI

105 Earlham St | Ramona, CA 92065 | 760.877.9247 | ewolski@rmwd.org

EDUCATION

California State Polytechnic University Pomona, Pomona, CA B.S. Civil Engineering,
Environmental Option, December 2001

EXPERIENCE

General Manager

Ramona Municipal Water District | Ramona, CA

June 2022 – Present

Responsible for administrative activities of an agency that provides water, wastewater and parks and recreation services. Duties include budget development, contract negotiations, and oversight of day-to-day service delivery including of the above services. Implements vision and direction of the elected board of directors. Informs board of issues and opportunities. Interfaces with community organizations, government entities, and individuals on behalf of the organization. Items worked while at Ramona MWD that are related to LAFCO:

- Implementation of 2021 Municipal Service Review recommendations
- Fire/EMS Transfer from Ramona MWD to County Fire Protection District
- Out of Agency Service agreement to provide potable and recycled water to the Barona Reservation

Regional Manager

Woodard & Curran, San Diego, CA

September 2018 – June 2022

Managed a team of 23 people that included water resources/stormwater planners, engineers and hydrologists; environmental planners, and the software development team. Led or advised on technical completion for complex and challenging projects and performed technical tasks of significant difficulty or complexity in recycled water and regulatory work, primarily for potable reuse projects.

Associate Sanitary Engineer -

State Water Resources Control Board – Division of Drinking Water, Multiple, CA

2002–2005 & 2010–2018

Worked in multiple field offices inspecting and permitting drinking water and recycled water systems throughout the state of California. Provided oversight of County Local Primacy Agency program for San Diego and Imperial County small water system programs.

MEMBERSHIPS/ACTIVITIES

- American Water Works Association – member since 2002
- American Water Works Association – Water Utility Council 2017-present
- California Special Districts Association, member
- WateReuse California, member
- Ramona Leadership Council – monthly gathering of local heads of governments and non-profits to discuss community needs

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SUMMARY: Over twenty years experience in all aspects of management and operation of public water and wastewater utilities. Oversee District operation with a staff of 68 FTE's with water treatment and distribution, wastewater treatment, reclamation and collection services.

EXPERIENCE: **Fallbrook Public Utilities District** **9/2017-Present**
General Manager

Oversee all District functions including Finance, Customer Service, Public Relations, Human Resources, Operations, and Engineering. Responsible for establishing a productive and positive work environment. Facilitates development and implementation of the Board of Directors overall vision for the District. Communicates and Coordinates District operational needs with the Board of Directors.

EXPERIENCE: **Fallbrook Public Utilities District** **2009-2017**
Assistant General Manager/District Engineer

Oversee all operations, engineering and planning functions of the District including maintenance/construction, meter services, purchasing, water system operations and wastewater treatment/water reclamation. Responsible for Planning and setting goals for each department and monitoring performance. Responsible for developing and implementing all capital projects.

EXPERIENCE: **Palomar College** **2010-Present**
Instructor – Advanced Water Treatment and Water Reclamation

Instructor of the advanced water treatment and water reclamation course at Palomar College. Course is designed for operators seeking their Grade III or IV water treatment operator or advanced water treatment certifications and additional training in advanced water treatment concepts including ozonation, UV, membranes and water recycling. Course reviews advanced water treatment and water recycling concepts and calculations.

EXPERIENCE: **Malcolm Pirnie, Inc.** **2000-2009**
Environmental Engineering Consulting
Sr. Project Engineer/Project Manager

Served as project Manager and/or Design Manager on 5-10 projects at any time. Managed overall project budget and resources for projects. Coordinated design and start-up with operations staff. Responsible for technical quality on numerous design projects valued at \$6 to \$50 million dollars in construction. Developed planning studies for facilities or agencies to guide future improvements, detailed design drawings for civil and mechanical and instrumentation and control disciplines and oversee construction of facilities.

EDUCATION:	California State University – San Marcos Masters of Business Administration	2005-2007
	University of Illinois at Urbana-Champaign M.S. Environmental Engineering	1998-2000
	Washington and Lee University B.S. Physics-Engineering	1994-1998

LISCENCES:	Professional Civil Engineer, State of California. Grade 5 Water Distribution Operator California Grade 4 Water Treatment Operator California Grade 5 Wastewater Treatment Operator California Grade 4 Advanced Water Treatment Operator Certification Certified Special District Manager, California Special Districts
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PROFESSIONAL ORGANIZATIONS/COMMITTEES:

San Diego California Special District Association Past Chair

San Diego LAFCO – Special District Advisory Group Vice Chair

American Water Works Association – Chair of Management and Leadership Technical Advisory Workgroup. Member Technical Advisory Group (TAG) to help establish legislative and policy priorities.

American Water Works Association CA/NV Section Trustee

ACWA, CSDA, WateReuse, California Water Environment Association - Member

Member of Fallbrook Village Rotary

Past Assignments

Chair of AWWA Management and Leadership Division. Chair and Vice chair of various CA-NV AWWA committees. Member of AWWA Technical and Education Council. Chair of San Diego Chapter of Water Reuse. Board member San Diego County Water Authority.

KURT WORDEN

(619) 245-4550

kworden0@gmail.com

Lincoln Acres

CA 91950-7748

United States

PROFILE

Special district board president with two decades of governance leadership, fiscal discipline, and intergovernmental collaboration. Experienced in advancing community safety, ensuring transparent operations, and representing small district interests in countywide planning and service delivery.

EXPERIENCE

Lower Sweetwater Fire Protection District (LSFPD) — Board President (2004 - Term Expiring December 6, 2028)

Led board oversight of fire protection and emergency medical services for Lincoln Acres through contract with National City Fire Department.

Chaired monthly public meetings, ensuring transparency, accountability, and meaningful community participation.

Maintained structurally balanced budgets, formal reserve policies, and timely audits; resolved historical compliance issues to strengthen fiscal accountability.

Coordinated with San Diego County Supervisors and departments to align fire protection priorities and support community risk reduction initiatives.

Represented Lincoln Acres residents in county-level forums and LAFCO processes, advocating for small district needs in regional service delivery and boundary planning.

Collaborated with regional agencies and service providers to ensure operational continuity, effective emergency response, and long-term service sustainability.

FISCAL ACCOMPLISHMENTS

Maintained structurally balanced budgets and formal reserve policies.

Ensured transparency through public posting of budgets and audits.

Resolved historical compliance issues, strengthening accountability.

INTERGOVERNMENTAL & COMMUNITY ENGAGEMENT

Partnered with San Diego County Supervisors and departments to secure funding, align fire protection priorities, and strengthen community risk reduction initiatives.

Represented Lincoln Acres residents in county-level discussions, ensuring small district needs were considered in broader service delivery planning.

Chaired open public meetings and maintained transparent communications, reinforcing trust and accountability between the district and the community.

Collaborated with regional agencies and service providers to maintain operational continuity and improve emergency response coordination.

PROFESSIONAL BACKGROUND

President, NDIA San Diego Chapter – Led board governance and industry-government collaboration initiatives.

Business Development Manager, Nova Power Solutions, Inc. (2006-Present)

Retired Master Chief Petty Officer, U.S. Navy (1981-2006)

EDUCATION

University of Redlands – Business Studies (coursework completed toward B.S., 2012)

AB1234 Ethics & Brown Act training (current)

SKILLS

Executive Advising & Policy Guidance – Principal advisor to senior leadership on workforce readiness, organizational policy, and community well-being.

Governance & Regulatory Oversight – Experienced in special district governance, compliance, and service delivery review.

Community & Stakeholder Engagement – Skilled in representing diverse groups, bridging leadership decisions with community impact.

Cross-Functional Collaboration – Adept at building consensus across agencies, partners, and stakeholders.

AWARDS

Meritorious Service Medal – Recognized for executive-level leadership as Senior Enlisted Advisor to a U.S. Navy Carrier Strike Group and Senior Cryptologic Manager for Naval Surface Forces.

Navy and Marine Corps Commendation Medal (5 awards) – Sustained excellence in leadership, policy advising, and workforce development.

NDIA Certificate of Recognition – Honored for fostering government-industry collaboration as Chair of the Navy Gold Coast Conference.

Lindsay Leahy, PE
General Manager – Valley Center Municipal Water District

SUMMARY

Accomplished water industry professional with over sixteen years of experience in the planning, design, construction, and operation of complex water, wastewater, and recycled water systems. Oversees comprehensive utility operations, including water distribution, wastewater collection and treatment, and water recycling programs serving 30,000 residents. Recognized for fostering collaboration, advancing innovation, and championing sustainable resource management within the public utilities sector.

EXPERIENCE

General Manager – Valley Center Municipal Water District

November 2025 – Present

Oversee all functions of the District, including Finance, Customer Service, Human Resources, Operations, and Engineering. Responsible for implementing Board directives, coordinating District operations, and maintaining an efficient, professional, and collaborative work environment.

Deputy General Manager – Santa Margarita Water District

February 2025 – October 2025

Oversaw all operations, engineering, and planning functions of the District, including maintenance and construction, water and recycled water treatment and distribution, and wastewater collection, treatment, and disposal serving over 200,000 residents and 74,000 customers. Directed capital project development and implementation while modernizing District policies and procedures.

Water Utilities Director / Principal Water Engineer – City of Oceanside

October 2018 – February 2025

Oversaw all water, wastewater, solid waste, and recycling services for the City, serving 180,000 residents and over 44,000 customers. Managed water, wastewater, recycled water, and advanced water treatment operations, including distribution, indirect potable reuse, and waste collection and disposal. Directed and managed a five-year, \$500 million Capital Improvements Program. Responsible for utility rate setting and for fostering a productive and positive work environment for more than 170 employees across the three utilities.

Senior / Associate / Assistant Engineer – City of Carlsbad

November 2015 – October 2018

Served as Project Manager overseeing up to five concurrent projects, managing budgets, contracts, and project delivery. Coordinated design, construction, and startup activities with consultants and Operations staff. Ensured technical quality for design projects valued up to \$15 million and mentored staff to enhance technical expertise and project execution efficiency.

Engineering Manager – Everest Solar System

November 2012 – November 2015

Established and managed the Engineering, Research & Development, and Project Management departments. Led the development of a commercial rooftop product line that reduced component costs and installation time.

Project Engineer – J.R. Filanc Construction Company, Inc.

June 2009 – November 2012

Managed construction of \$40–\$160M water and wastewater treatment plant projects, overseeing field operations including job cost control, scheduling, and safety compliance.

EDUCATION & CERTIFICATIONS

- Master of Public Administration, San Diego State University – 2019
- Bachelor of Science, Mechanical Engineering, California State University, Chico – 2009
- Water Management & Leadership Certificate, California State University, San Marcos – 2018
- Professional Engineer, CA – License No. M36974

LEADERSHIP & BOARD SERVICE

- San Diego County Water Authority Board - Director
 - Audit Committee
 - Engineering and Operations Committee
 - Administration and Finance Committee
 - Water Planning and Environmental Committee
 - Legislative and Public Outreach Committee
 - Board Governance Workgroup
- South Orange County Wastewater Authority Engineering Committee - Member
- LAFCO San Diego County Water Authority Municipal Service Review Working Group - Member

Albert C. Lau, P.E., MBA

Qualification Summary

Over 30 years of progressively responsible and successful utility management, engineering and planning experiences and including 25 years in leadership and senior management capacity overseeing in-house staff, consultants, and contractors. In my current position as the General Manager with Santa Fe Irrigation District, I am responsible for interfacing with elected officials, regulatory agencies, and other public agencies. I am also responsible for, under directions of the Board of Directors, plans, organizes, directs and reviews the overall activities and operations of the District. Receives policy direction from the Board of Directors and advises and assists the Board of Directors. Represents the District's interests at local, regional, State and Federal levels, and coordinates activities with outside agencies and the community.

Education

- ◆ M.B.A. (2004), San Diego State University, San Diego, CA
- ◆ M.S. Civil Engineering (1994), University of Colorado, Boulder, CO
- ◆ B.S., Civil Engineering (1992), California Polytechnic State University, Pomona, CA

Professional Experience

Position/Employer/Dates	Dates	Responsibilities
General Manager Santa Fe Irrigation District Rancho Santa Fe, CA	March 19' to present	Under policy direction from Board of Directors, directly responsible for plans, organizes, hires staff, directs and reviews the daily operations of the District to ensure District's mission is fulfilled.
Director of Engineering and Planning Padre Dam Municipal Water District Santee, CA	July 09' to March 19'	Member of the executive team for PDMWD. Successful re-organized the department to improved efficiency and effectiveness that has received numerous project awards.
Engineering Manager Padre Dam Municipal Water District Santee, CA	Sep '00 to July 09'	Directly responsible for capital project implementation and increased the quality, timeliness, responsiveness, efficiency, and overall production of my working group.
Senior Engineer Dudek & Associates Encinitas, CA	Apr '98 to Sep '00	Project manager/engineer consistently completed assignments/ projects on time and within budget. Maintained strong working relationships with public agencies and clients.
Project Manager/Engineer Tetra Tech, Inc. San Diego, CA	July '94 to Apr '98	Project engineer in charge of civil works for various projects.

Key Accomplishments

- Provide leadership, under policy directions from the Board of Directors, to develop a fair and equitable rate structure that would fit the unique and diverse consumption profile of Santa Fe Irrigation District.
- Key member of the senior executive team that developed a new strategic plan that focused on self-reliance and increased independence from imported water supply, more local control of wastewater treatment services, and strengthen financial position.
- Provided strategic leadership in updating the organization's strategy plan and champion for key initiatives of creating asset management plan and developing local water supply and resources.
- Act as the general manager in the absence of the general manager as required.
- Direct the implementation of the East County Advanced Water Purification Program, a partnership between Padre Dam, County of San Diego, Helix Water District and City of El Cajon. This is a \$500M surface water augmentation program, one of the first in the State of California. This regional water supply program will produce up to 30% of East San Diego County drinking water supply locally and provide long term price certainty and enhance local control for the program partners. To date, this program has received approximately \$40M in grants and over \$101M in State Revolving Fund and received regulatory approvals. Served as media spokesperson for interviews and conducted key elected official briefings.
- Served on the statewide advisory panel for the State Water Resources Control Board and Division of Drinking Water to investigate and report to the Legislature on the feasibility of developing uniform water recycling criteria for direct potable reuse and reservoir augmentation.
- Member of Regional Advisory Committee for the San Diego Integrated Regional Water Management Program. Work closely with Regional Water Management Group to develop criteria for prioritizing projects for IRWM grant programs for the region.
- Successfully negotiated multiple agreements with County of San Diego, City of El Cajon and Helix Water District to financially participate in determining the feasibility of the East County Advanced Water Purification Program.
- Directed and successfully negotiated Water Service Agreement in conjunction with the San Diego County Water Authority and Metropolitan Water District of Southern California with the Sycuan Band of Kumeyaay, first water service agreement to the tribal government in San Diego.
- Served as the co-chair for the Technical Advisory Committee for the Metropolitan Wastewater Joint Power Authority. Review budgets and monitor progress to ensure the regional wastewater treatment and transportation facilities are operated in an efficient and cost effective manner.
- Successfully negotiated with the Regional Water Quality Control Board for the renewal of the NPDES permit(s) for the Stoyer Wastewater Treatment Facility (three cycles). This is the only remaining inland live stream discharge permit in San Diego County.
- Successfully negotiated \$16M of refund from the City of San Diego, Metropolitan Wastewater Department for overbilling of wastewater treatment.
- Directed the implementation of the Advanced Water Purification Demonstration Project. Received \$3M in Department of Water Resources grant (Prop. 50) in constructing an advanced water treatment demonstration facility. Project received state-wide recognitions and regulatory approvals for final implementation from the Division of Drinking Water.

Professional Memberships, Registration, and Certifications

- ◆ Registered Professional Engineer - Civil (CA 59053)
- ◆ Committee member, San Diego Local Agency Formation Commission (LAFCO), Special District Advisory Committee
- ◆ Past President, California Special District Association (CSDA), San Diego Section
- ◆ Member, American Water Works Association (AWWA)
- ◆ Committee member, CA-NV AWWA, Advanced Water Operator Certification Committee
- ◆ Member, American Society of Civil Engineers (ASCE)
- ◆ Committee member, Water and Environment Committee, ASCE region 9
- ◆ Member, Water Reuse Association
- ◆ Member, Water Environment Federation & California Water Environmental Association

Recent Professional Recognitions, Publications, and Presentations

- 2016 Leadership Award, Water Environmental Federation, White House Water Summit.
- Lau, A., Huston, P. & Pecson, B., 2016. Padre Dam's Advanced Water Purification Program: Building a Better Future Inspired by Creativity from the Past. J. - Am. Water Works Assoc., 108:11:68.
- WaterReuse California (2015) "Breaking IPR Boundaries at Padre Dam's Advanced Water Purification Demonstration Project" by Brian Pecson, Los Angeles, CA, in March, 2015.
- AWWA Annual Conference and Exhibition (2015) "Pushing the Boundaries of IPR at Padre Dam's Advanced Water Purification Demonstration Project", Anaheim, CA, in June, 2015.
- IWA International Symposium: Potable Reuse (2016) "Reducing the Need for the Environmental Buffer: Results from Padre Dam's Advanced Water Purification Testing", Long Beach, CA, in January, 2016.
- WaterReuse California (2016) "Dual Pursuit of Surface Water Augmentation and Groundwater Recharge at Padre Dam", Santa Rosa, CA, in March, 2016.
- WaterReuse Symposium (2016) "Maximizing Product Water through Brine Minimization", Tampa, FL in September, 2016.
- AWWA California-Nevada Annual Fall Conference (2016) "Maximizing Product Water through Brine Minimization", San Diego, CA in October, 2016.
- WaterReuse California (2017) "Maximizing Disinfection Infrastructure for Both Potable and Non-Potable Reuse", San Diego, CA, in March, 2017.
- IWA International Conference on Water Reclamation and Reuse (2017) "Modifying Existing Infrastructure to Maximize Pathogen Control for Potable and Non-Potable Reuse", Long Beach, CA in July, 2017.
- WaterReuse Symposium (2017) "Potable Reuse Case Study for Full-scale Predesign of RO with 95% Recovery", Phoenix, AZ in September, 2017.

Mr. Lau has served as the General Manager for Santa Fe Irrigation District since January, 2019. Mr. Lau holds a bachelor's degree in civil engineering from Cal Poly Pomona, a master's in civil engineering from the University of Colorado (Boulder), and an MBA from San Diego State University. Mr. Lau has over 30 years of experience in the water/wastewater industry. Previously, Mr. Lau served as Director of Engineering and Planning at Padre Dam MWD, where he was responsible for planning, engineering, capital improvements, and contract negotiations. Mr. Lau also oversaw the East County Advanced Water Purification Program, a new local and reliable water supply project for East San Diego County. Prior to Padre Dam, Mr. Lau worked at various private engineering consulting firms focusing on water and wastewater projects.

Mr. Lau currently serve on San Diego Local Agency Formation Commission (LAFCO), Special District Advisory Committee. Mr. Lau also serves on the American Society of Civil Engineers, region 9, Water and Environment Committee, member of the San Diego Integrated Regional Water Management Regional Advisory Committee. He was a member of the Advisory Group on Feasibility of Developing Criteria for Direct Potable Reuse and served as the vice-chair for the Technical Advisory Committee for the Metro Wastewater JPA. Mr. Lau also received leadership award in 2016 from Water Environmental Federation. He is also past president for San Diego chapter of California Special District Association.



**Kimberly A. Thorner, Esq.
General Manager
Olivenhain Municipal Water District**

October 30, 2025

It is with great interest that I submit the attached nomination for the Special District Representative for the San Diego Local Agency Formation Commission Special District Advisory Committee. I am the General Manager of Olivenhain Municipal Water District (OMWD) where I have served for the last 29 years. OMWD provides water, wastewater services, recycled water, hydroelectricity, and park/recreation facilities on behalf of approximately 87,000 customers over 48 square miles in northern San Diego County.

I currently serve as Chair of the San Diego Local Agency Formation Commission's Special Districts Advisory Committee (SDAC) and have served on the SDAC for the last 17 years where I have participated and provided input and guidance on dozens of important LAFCO issues during my tenure and have spoken at many LAFCO hearings on behalf of the SDAC.

I have served on WateReuse California's Board of Trustees for several past terms along with six terms as a member of the Association of California Water Agencies' Federal Affairs Committee. Previously, I was OMWD's representative to San Diego County Water Authority, serving on the Audit, Administrative and Finance, and Engineering and Operations committees. I also served as Project Manager for the David C. McCollom Water Treatment Plant and the Olivenhain Water Storage Project.

Throughout my tenure in the water industry, I have proven to be thoughtful, forthright, solution-oriented, and collaborative when tackling complex issues that affect multiple stakeholders. It would be my honor to continue serving on LAFCO's SDAC and I respectfully ask for your support and vote.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly A. Thorner".

Kimberly A. Thorner, Esq.
General Manager
Olivenhain Municipal Water District

Kimberly A. Thorner, Esq.
kthorner@olivenhain.com

PUBLIC AGENCY WORK EXPERIENCE

Olivenhain Municipal Water District, Encinitas, CA

2006- Current

General Manager - Under my tenure, OMWD became a AAA rated agency, with rates in the lower half in the county, a customer satisfaction survey rating of 92% in 2022, a Platinum Accreditation from Special Districts Leadership Foundation, and the employees have voted OMWD Best Place to Work several times.

Olivenhain Municipal Water District, Encinitas, CA

2002 - 2006

Assistant General Manager

Olivenhain Municipal Water District, Encinitas, CA

1996 - 2002

Project Manager - Constructed World's Largest Immersed Membrane Treatment Plant at that time; Served on Project Team for the Olivenhain Dam

EDUCATION

Thomas Jefferson School of Law, San Diego, CA - Juris Doctorate, May 1995

Editor for "The Restater" Law School Newspaper - 1993-1995

Teaching Assistant, Legal Analysis -1993-1994

President-Student Bar Association -1994-1995

Academic Chairperson-Student Bar Association - 1993-1994

American Jurisprudence Award - Fall 1992

American Jurisprudence Award - Spring 1993

West Publishing "Corpus Juris Secundum Award" - 1992-1993

University of Colorado, Boulder, CO - Bachelor of Arts in Political Science, May 1992

Secondary Emphasis - German

Active member of CU Law Club; CU Election Poll Manager -1991

Interned with Former State Legislator and then County Commissioner, Sandy Hume - 1991

ACHIEVEMENTS & PROFESSIONAL BOARDS (Last 10 years)

- Certified Special District Administrator from the Special District Leadership Foundation (2007 – present)
- 2019 Special District Leadership Academy (Governance Foundations)
- Licensed Attorney
- WateReuse California Board of Directors (2018–2024)
- 2015 California WateReuse Advocate of the Year
- Founding member and lead for the North San Diego County WateReuse Coalition (2010 to present)
- Association of California Water Agencies Federal Affairs Committee (2006 – 2021)
- San Diego Local Agency Formation Commission Special Districts Advisory Committee (2008 to present) & Chair (2014 to present)
- Board of Directors of the San Diego North Economic Development Council (2007 -2020)
- Integrated Regional Water Management Regional Advisory Committee (2008 to present)
- Kenneth Miller Founders Award Recipient – Water for People (2025)
- Countless presentations in the community, at Senate and Assembly hearings, & regulatory meetings
-

COMMUNITY INVOLVEMENT

- Water for People (San Diego Core Committee) & Emcee at Annual Lunch (2013 to present)
- Lead Planner and Host for the North County Water Summit with the SDNEDC (2015)
- Board of Management – Magdalena Ecke YMCA (2007 - 2017)
- Board of Directors (President) – Arroyo Vista Homeowner's Association (2009 – 2023)
- Classroom Volunteer – Olivenhain Pioneer Elementary – 2012 to 2018
- Hands On San Diego Volunteer

Mark Robak

La Mesa, CA 91942
www.OtayMark.com | OtayMark@cox.net
Cell Phone 619-778-3800

WATER INDUSTRY – ELECTED OFFICE

2005 - Present Otay Water District

Spring Valley, CA

Board Member, Treasurer, Former President & Vice-President

- Oversee a public agency with \$150M annual budget, providing water and sewer and recycled water to 242,000 customers in a 126 square mile service area. Represent all of the District sewer ratepayers.
- Chair of Finance and Administration Committee. Provide guidance to finance department staff for annual budget cycle and instrumental in Board audits of District finances.
- Former Head of Labor Negotiations Committee.
- Former Chair of Engineering Committee. Fully engaged in oversight of key District CIP projects.
- Chief advocate at Board level for continuing development of District strategic plan and benchmarking study, including advocating for peer review as presented by AWWA.
- Instrumental in securing a feasibility study to bring recycled water to northern service area of the District. Public speaking on expansion of recycling water to the media, including local television.
- Represented District to Water Reuse Association, attending local, state and national level conferences.
- Was instrumental in the recent introduction of live streaming of Otay Board meetings.

1997 - Present San Diego Metro Wastewater Joint Powers Authority

San Diego, CA

Board Member/Former Chair/Longest serving Board Member

- A joint-powers authority comprised of 15 other cities and districts that pay for 35% of the upkeep and capital costs of the City of San Diego's regional wastewater facilities, with 2.2 million customers in a 450 square mile service area, treating 180 million gallons a day.
- Former Member of the Independent Rates Oversight Committee (IROC) for City of San Diego.
- Former member of the Finance Committee, that reviewed and advised on City of San Diego Bond offerings affecting Municipal and Metro systems (approx. \$1.2B placed - May 2009)
- Former head of Strategic Ad-Hoc Committee charged with shaping vision and mission for the organization, along with a plan to achieve those goals.
- Assisted in development of a communications plan and design of organization website.
- Participant in American Assembly II process in 2005 that endorsed Indirect Potable Reuse.

2025 – Present San Diego County Water Authority

San Diego, CA

Board Member

- A 34-member board representing 22 water agencies and cities with a \$1.8B budget for FY 24-25
- Member of the Engineering & Operations, and Water Planning & Environmental Committee's

2005 – 2025 Water Conservation Garden

El Cajon, CA

President/Board Member

- Oversaw a joint-powers authority comprised of six public agencies creating an award winning five-acre display area that showcases water conservation to the general public and landscaping professionals.

1996 - 2001 Padre Dam Municipal Water District

Santee, CA

President, Treasurer, Board Member

- Oversaw public agency with \$40M annual budget, providing water, sewer and recycled water to 135,000 customers in an 85 square mile area.
- While President of the Board the Board (1998), championed a Competitive Challenge program that was instituted comparing the agency to best management practices of the private sector. Has saved Padre Dam ratepayers \$1,800,000 annually to date.
- Represented Santee Lakes area and helped develop a Master Plan for 190-acre Santee Lakes Park & Campground, allowing it to become self-supporting and enhance recreational benefits for the community.
- Assisted in negotiations with employee bargaining unit in securing a new labor agreement.

WATER INDUSTRY

Council of Water Utilities – Former President

- Brought speakers on regional water issues to regular lunch meetings
- Combined it with local Chapter of the CSDA in 2024

Water Conservation Garden

- Led formation and recruitment of Board Members that led to creation of *Friends of the Garden* foundation to assist in fundraising for the operation of the facility. This entity became the management structure for the Garden effective January 2011, which was disbanded in 2024. Our goal when we formed it was to achieve at least half of our funding from outside the industry, which the Garden did achieve.
- Obtained signage on Jamacha Road through my political connection with former Senator Dennis Hollingsworth. The Garden had previously been rebuffed by Caltrans who has jurisdiction on road.
- Started and maintained their Facebook site, which I turned over to them, as well helping start other social media sites.

Water-Wise AA Degree program/Cuyamaca College

- During my tenure (4 years) as President of the Water Conservation Garden, I was the chief advocate getting a new Water-Wise AA Degree program implemented in conjunction with Horticulture Department at Cuyamaca College. Worked with the College and SDCWA staff to achieve it.
- The program is a model for junior colleges throughout the state.

YesToTap on Twitter

- Developed and maintain the leading Tap Water advocacy site in San Diego County.
- Averages 3,000+ impressions per month. Followers throughout U.S. and world.
- Developed a tapwater pledge for organizations.
- Goal is to develop website and other advocacy methods.

Otay Mark

- Have the leading water Twitter site (non SDCWA) in San Diego averaging approximately 30,000 views per month with a high of approximately 100,000+. Followed by opinion leaders throughout the state.
- Leading advocate of SDCWA's member agencies on their specific accomplishments.
- Also have a website, with Facebook, Instagram, YouTube and Flickr.

Television & Media

- Have appeared in interview format on local news on water and wastewater issues
- Have relationships with local print, online and television reporters
- Was guest curator for a week on Voice of San Diego's Instagram page for water issues

Political

- Have advised locally elected officials on water issues, including current Supervisor Joel Anderson, when first elected to Padre Dam, prior to higher office.
- Have extensive connections with locally elected officials throughout San Diego County.
- Have helped develop social media strategy for locally elected officials.

Social Media Instruction

- Taught social media with a focus on Twitter to agencies at the San Diego Chapter of the California Special Districts Association. Analyzed all water agencies for their social media effectiveness.
- Started the Chapter's Facebook and Twitter sites.
- Advised agencies on areas of improvement including SDCWA.

Water & Wastewater Technology Program

- Completed Water Distribution Systems – WWTR 130 – Grade A
- Completed Wastewater Collection Systems – WWTR 132 – Grade A

Attachment B



Deer Springs Fire Protection District

8709 Circle R Drive • Escondido, CA 92026 • tel 760-749-8001 • fax 760-749-6572

November 15, 2025

Re: LAFCO Special Districts Advisory Committee Election Support for Mr. James Gordon

Dear Chairs and Board of Directors of the 58 San Diego County Independent Special Districts:

At its November 15, 2025 regular board meeting, the Deer Springs Fire Protection District (DSFPD) unanimously nominated DSFPD board member James Gordon for the San Diego County LAFCO Special Districts Advisory Committee position.

I am writing on behalf DSFPD board members to request your support and vote for James Gordon.

Prior to retiring in 2014, Mr. Gordon had a successful career as an executive in global intelligence, corporate investigations, and corporate governance. His career accomplishments are contained in the 11/12/2025 LAFCO Call for Ballots package.

Beginning in 2015, Mr. Gordon has served with distinction as a DSFPD Director. Throughout his terms Mr. Gordon has been instrumental in solving cross-agency issues with the County of San Diego and the several Water and Fire Districts on which DSFPD depends on and provides bilateral mutual aid for the North San Diego County region. Most recently Mr. Gordon performed a lead role that encompassed CEQA determinations, inter agency permits, and project management for DSFPD's new Permanent Fire Station 2. Permanent Fire Station 2 is on track to complete on budget and open on schedule in March, 2026.

Since 2020, Mr. Gordon has served on the LAFCO Special District Committee. His current term is completing, and Mr. Gordon has offered to serve another term.

Mr. Gordon is approachable and has a demonstrated track record of using teamwork to provide interagency solutions to the mutual benefit of all parties.

Our Board asks that you join us in electing Mr. James Gordon for another term on the LAFCO Special District Advisory Committee.

Your support of Mr. James Gordon is greatly appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Mark Jackson".

Mark Jackson
President

James E. Gordon
Director, Deer Springs Fire Protection District
415.852.1086
jegordon888@gmail.com

Professional History

- Director, Berkeley Research Group; October 2012 to 2014
- Managing Director, Navigant Consulting Asia; March 2005 to October 2012.
- Vice President of Pinkerton Consulting & Investigations; March 2001 to March 2005.
- Executive Vice President and CEO of Online Security; March 2000 to March 2001.
- Managing Director of Kroll Associates; March 1999 to March 2000.
- Managing Director of The Investigative Group, Inc.; June 1990 to March 1999.
- Partner, Philips & Gordon, Litigation Consulting Firm: May 1980 to June 1990.

Former Professional Associations

- American Bar Association (Associate Member)
- Inter-Pacific Bar Association
- High Technology Crime Investigator Association (HTCIA)

James Gordon retired in 2014 after a successful international consulting career and is serving his third term as a Director of the Deer Springs Fire Protection District. Mr. Gordon's professional career includes more than 25 years of experience and expertise advising clients faced with complex high stakes business disputes, litigation and investigations, especially in cross-border matters. Mr. Gordon has served as a consulting and testifying expert as well as a third-party neutral in a diverse range of business and discovery disputes.

Mr. Gordon was based in Hong Kong from 2009 to 2012 as Managing Partner for a global expert services and consulting firm. Mr. Gordon was the consulting expert and project lead on a diverse range of complex matters, including: special committee forensic investigations for Boards of U.S. listed Chinese companies; cross-border discovery; allegations of business fraud; undisclosed related third party asset transfers; Foreign Corrupt Practices Act (FCPA) investigations; deep-dive M&A and FCPA due diligence; international arbitration; royalty disputes; intellectual property rights (IPR); and dumping/trade issues.

Mr. Gordon worked on many of the highest-profile regulatory and enforcement investigations in US history, including: the Wall Street IPO Securities Litigation; Tyco; WorldCom; Parmalat; HealthSouth; and Enron. His work involved matters throughout Asia, China, Canada, UK and the United States

advising clients and their counsel in responding to investigations by: U.S. Department of Justice (DOJ); Securities and Exchange Commission (SEC); Federal Energy Regulatory Commission (FERC); the New York Stock Exchange (NYSE); NASDAQ; Federal Trade Commission (FTC); United States International Trade Counsel (USITC) and Congressional and Senate Investigations.

Mr. Gordon was a frequent presenter at In-House Corporate Counsel events, American Bar Association conferences and at the International Pacific Bar Association on topics critical to managing business risks

and resolving cross-border disputes including; *"Anti-Corruption and Fraud Investigations in Asia," "Managing Counterparty Business Risk with Business Intelligence and Analytics," "Developing Cost Effective Strategies for Managing Cross-Border Discovery," "Electronic Discovery in Asia-U.S. Cross-Border Disputes,"* and *"Evidentiary Issues in CIETAC Arbitrations."*

Representative Client Assignments

Special Committee Investigation for Chinese Board of US Listed Company

- For a US listed Chinese company, Mr. Gordon was retained by the Board of Directors to conduct an internal investigation in response to whistle blower allegations. Mr. Gordon led an extensive investigation throughout China to drill down on allegations of accounting irregularities; numerous dealings with related undisclosed third parties; and the sale of one of the company's manufacturing facilities that was not an arm's length transaction. Based on Mr. Gordon's investigation, the company restated its financial statements, changed auditors and Mr. Gordon presented his team's findings to US based regulatory agencies.

Audit Committee Internal Bank Investigation

- Mr. Gordon worked the bank's general counsel and the auditors pertaining to a wide-ranging internal investigation which included: investigating whistle blower allegations; an in-depth information technology review; investigation of an external data breach; and investigation of internal misconduct. The summary of Mr. Gordon's findings was provided to numerous regulatory and law enforcement agencies as well as the AMEX and NASDAQ stock exchanges resulting in no adverse impact to the client.

Major US Financial Institution – Breach of Contract Dispute

- Mr. Gordon was retained as the Court appointed Third-party Neutral Expert in a matter pertaining to allegations of a breach of an Insurance Recovery Agreement for thousands of real estate properties owned by the bank. Mr. Gordon led a team in analyzing hundreds of millions of fields of data from disparate sources including bank loan foreclosure and real estate owned ("REO") property records, asset manager records, hazard insurance recovery provider data, and insurance claims. The case successfully resolved within a week of Mr. Gordon's testimony.



VALLEY CENTER MUNICIPAL WATER DISTRICT

A Public Agency Organized July 12, 1954

BOARD OF DIRECTORS

Enrico P. Ferro
President
Daniel E. Holtz
Vice President
Cooper T. Ness
Director
Alysha M. Stehly
Director
Patrick L. Baker
Director

November 24, 2025

To: The Independent Special Districts of San Diego County

Greetings;

As Board President of the Valley Center Municipal Water District (VCMWD), I am encouraging you to support Ms. Lindsay Leahy for the San Diego LAFCO Special District's Advisory Committee (SD LAFCO SDAC).

While VCMWD was very fortunate to secure Lindsay as our new General Manager, she is by no means new to San Diego County. She brings a long public service career here in North San Diego County with the cities of Carlsbad and Oceanside. Lindsay also brings a deep understanding of independent special districts, as her most recent position prior to VCMWD, was serving as Deputy General Manager for the Santa Margarita Water District in southern Orange County.

With her wide range of experience in public service with multiple municipal and special district agencies, Lindsay will contribute valuable insight and perspective to the SDAC, as it deals with the important jurisdictional and service provision issues associated with independent special district governance in San Diego County.

A review of her attached resume will confirm that she is well suited to be a contributing member of the San Diego Local Agency Formation Commission SD LAFCO SDAC.

Sincerely:

Enrico Ferro, President
Valley Center Municipal Water District

Lindsay Leahy, PE
General Manager – Valley Center Municipal Water District

SUMMARY

Accomplished water industry professional with over sixteen years of experience in the planning, design, construction, and operation of complex water, wastewater, and recycled water systems. Oversees comprehensive utility operations, including water distribution, wastewater collection and treatment, and water recycling programs serving 30,000 residents. Recognized for fostering collaboration, advancing innovation, and championing sustainable resource management within the public utilities sector.

EXPERIENCE

General Manager – Valley Center Municipal Water District

November 2025 – Present

Oversee all functions of the District, including Finance, Customer Service, Human Resources, Operations, and Engineering. Responsible for implementing Board directives, coordinating District operations, and maintaining an efficient, professional, and collaborative work environment.

Deputy General Manager – Santa Margarita Water District

February 2025 – October 2025

Oversaw all operations, engineering, and planning functions of the District, including maintenance and construction, water and recycled water treatment and distribution, and wastewater collection, treatment, and disposal serving over 200,000 residents and 74,000 customers. Directed capital project development and implementation while modernizing District policies and procedures.

Water Utilities Director / Principal Water Engineer – City of Oceanside

October 2018 – February 2025

Oversaw all water, wastewater, solid waste, and recycling services for the City, serving 180,000 residents and over 44,000 customers. Managed water, wastewater, recycled water, and advanced water treatment operations, including distribution, indirect potable reuse, and waste collection and disposal. Directed and managed a five-year, \$500 million Capital Improvements Program. Responsible for utility rate setting and for fostering a productive and positive work environment for more than 170 employees across the three utilities.

Senior / Associate / Assistant Engineer – City of Carlsbad

November 2015 – October 2018

Served as Project Manager overseeing up to five concurrent projects, managing budgets, contracts, and project delivery. Coordinated design, construction, and startup activities with consultants and Operations staff. Ensured technical quality for design projects valued up to \$15 million and mentored staff to enhance technical expertise and project execution efficiency.

Engineering Manager – Everest Solar System

November 2012 – November 2015

Established and managed the Engineering, Research & Development, and Project Management departments. Led the development of a commercial rooftop product line that reduced component costs and installation time.

Project Engineer – J.R. Filanc Construction Company, Inc.

June 2009 – November 2012

Managed construction of \$40–\$160M water and wastewater treatment plant projects, overseeing field operations including job cost control, scheduling, and safety compliance.

EDUCATION & CERTIFICATIONS

- Master of Public Administration, San Diego State University – 2019
- Bachelor of Science, Mechanical Engineering, California State University, Chico – 2009
- Water Management & Leadership Certificate, California State University, San Marcos – 2018
- Professional Engineer, CA – License No. M36974

LEADERSHIP & BOARD SERVICE

- San Diego County Water Authority Board - Director
 - Audit Committee
 - Engineering and Operations Committee
 - Administration and Finance Committee
 - Water Planning and Environmental Committee
 - Legislative and Public Outreach Committee
 - Board Governance Workgroup
- South Orange County Wastewater Authority Engineering Committee - Member
- LAFCO San Diego County Water Authority Municipal Service Review Working Group - Member

M E M O

TO: Board of Directors
FROM: Aaron Cook, Engineering Manager
DATE: December 8, 2025
SUBJECT: Rejection of Bids for the WRP Creek Crossing Replacement Project

Description

Rejection of all bids for the WRP Creek Crossing Replacement Project.

Purpose

As part of the District's capital improvement program, the District is improving the reliability of the sewer collections system through strategic rehabilitation of existing infrastructure. District staff prepared a bid package for the replacement of approximately 300 linear feet of 24" gravity sewer main across Fallbrook Creek, which conveys a large portion of the service areas sewer flows into the Water Reclamation Plant headworks. Bid opening was November 20, 2025. Seven bids were received. A summary of the bid results is below:

	Company Name	Bid Amount
1	PK Mechanical	\$465,000
2	M Rae Engineering Inc	\$473,468.10
3	MMC Inc.	\$500,000
4	RE Chaffee Construction	\$825,000
5	CCL Contracting	\$828,300
6	SCW Contracting	\$869,371
7	Palm Engineering	\$1,363,000

The project estimate was \$320,000, and all bids exceeded the estimate significantly. The scope of the project included the replacement of three large diameter valves, the combined cost of which ended up being approximately \$200,000 for just the purchase of the valves. As a result, staff recommend all bids be rejected and the project be re-bid after value engineering alternative approaches to the valve replacements.

Budgetary Impact

There is no budgetary impact. The project will be re-bid after value engineering the valve replacement design.

Recommended Action

That the Board reject all bids.



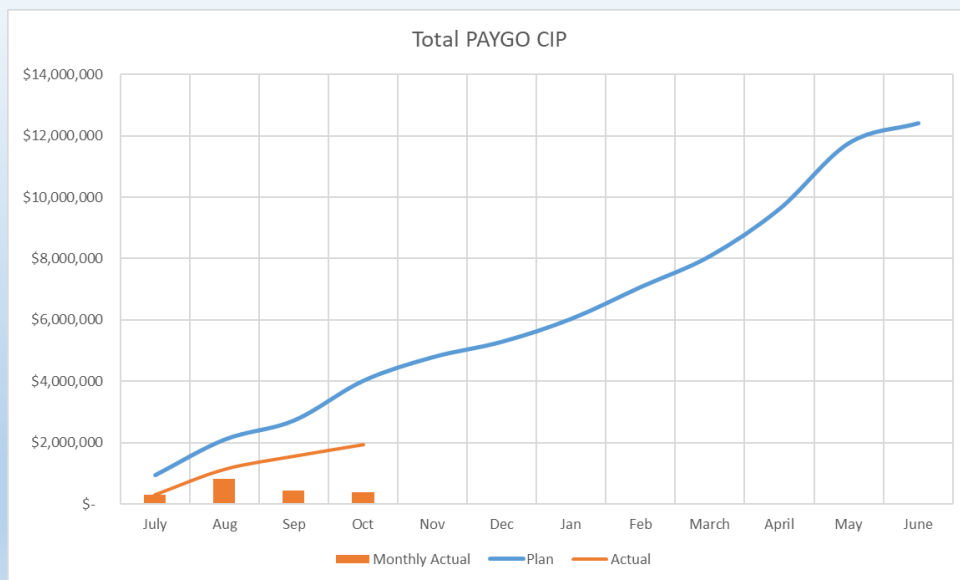
Fallbrook Public Utility District

Engineering and Operations

Board Meeting NOV-DEC 2025

1

Total CIP FY26



2

2

Wastewater Treatment

Reclamation Plant

Recycled Water

- Wastewater System Violations
- Reclamation Plant PMs Completed
- Energy Cost per MG
- Cost per Unit of Water Treated
- Recycled Water – Time Out of Service

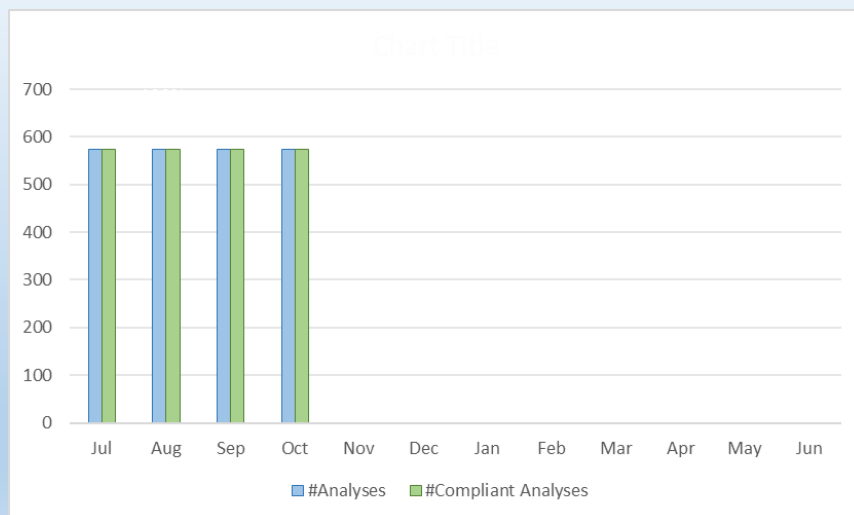
3

3

Wastewater Treatment System Regulatory Compliance

**SRWQCB
Compliance:**
NPDES
WDR

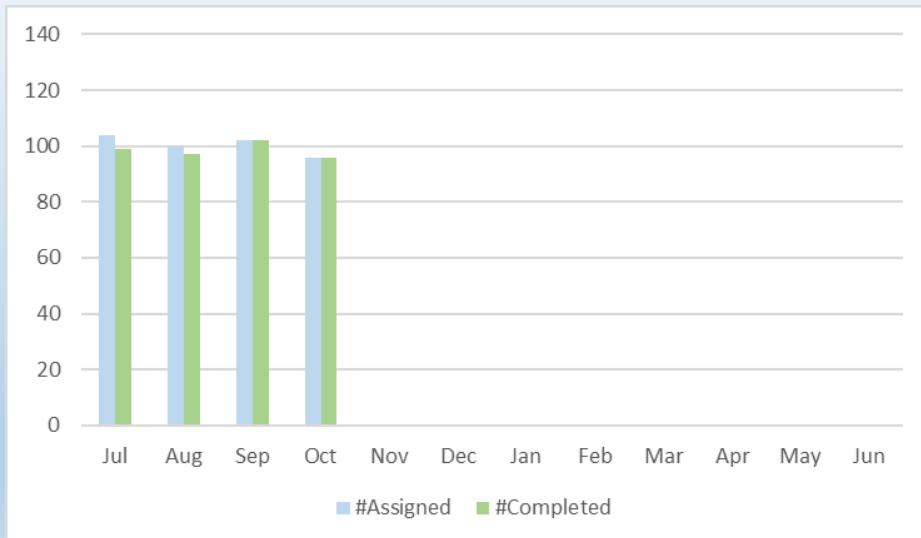
**Analyses
performed:**
Daily
Monthly
Quarterly
Semi-annually
Annually



4

4

Reclamation Plant – Wastewater PMs



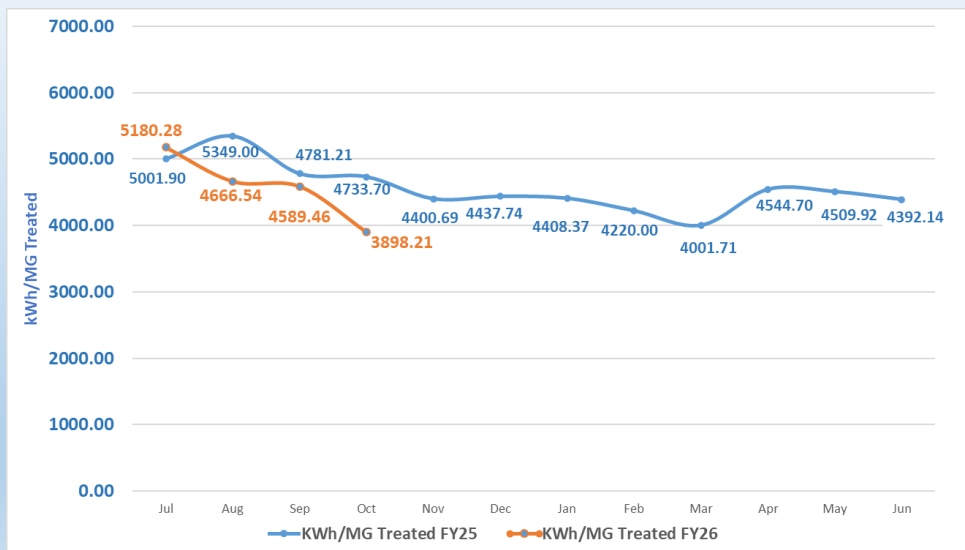
5

5

Formula =

$$\frac{\text{Total Plant Energy Demand}}{\text{MG Treated Flow}}$$

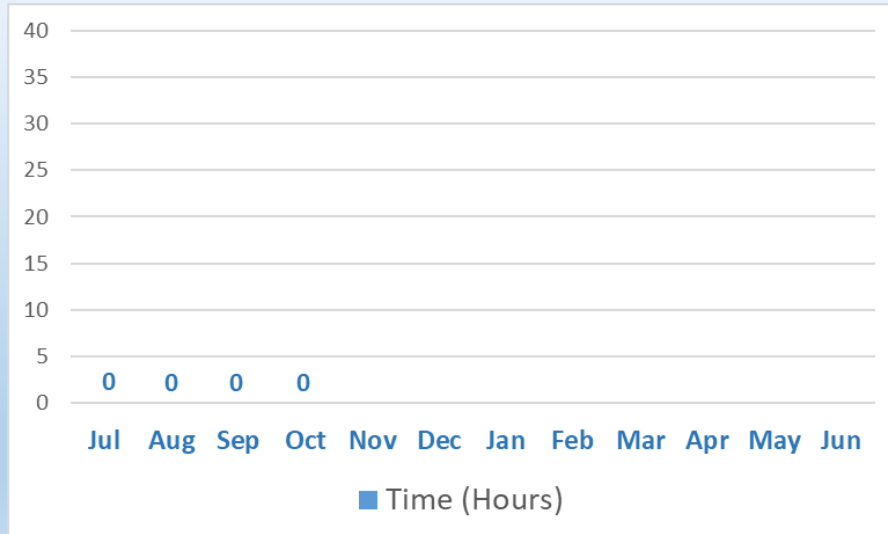
Reclamation Plant – Energy Usage (KWh/MG Treated)



6

6

Recycled Water – Time Out of Service (Hours)



7

7

Water Operations

Regulatory Compliance

Preventative Maintenance Work Orders

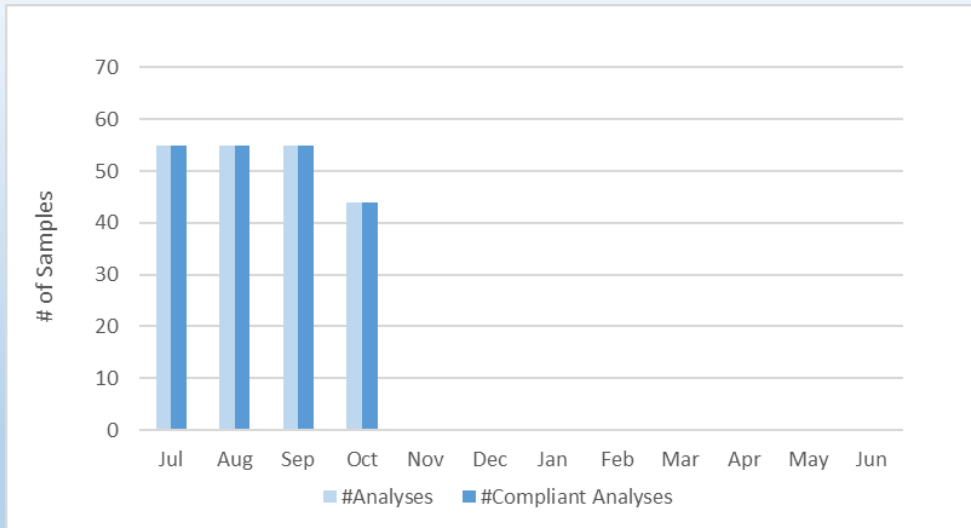
CUP Deliveries/SMGTP Flows

Unit Water Supply Costs

8

8

Water System Regulatory Compliance

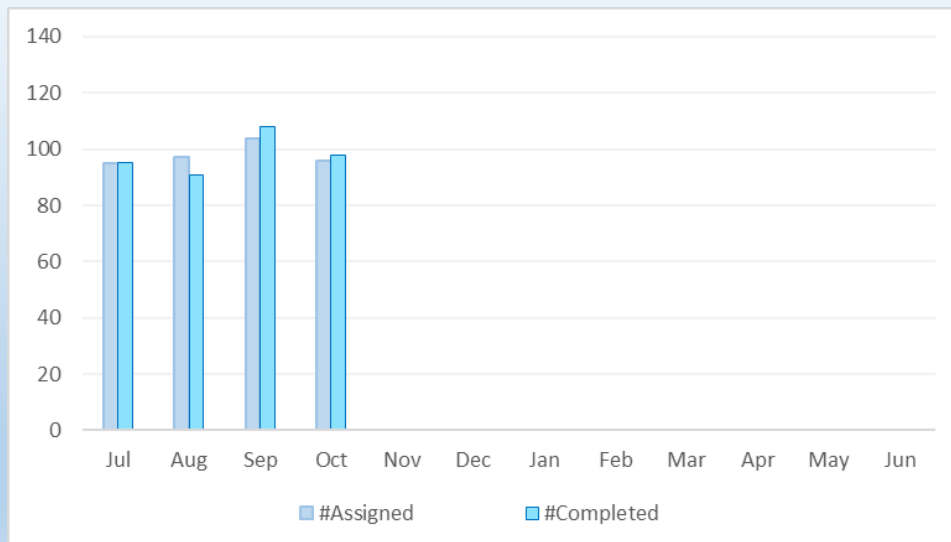


Routine Bacteriological Sampling

9

9

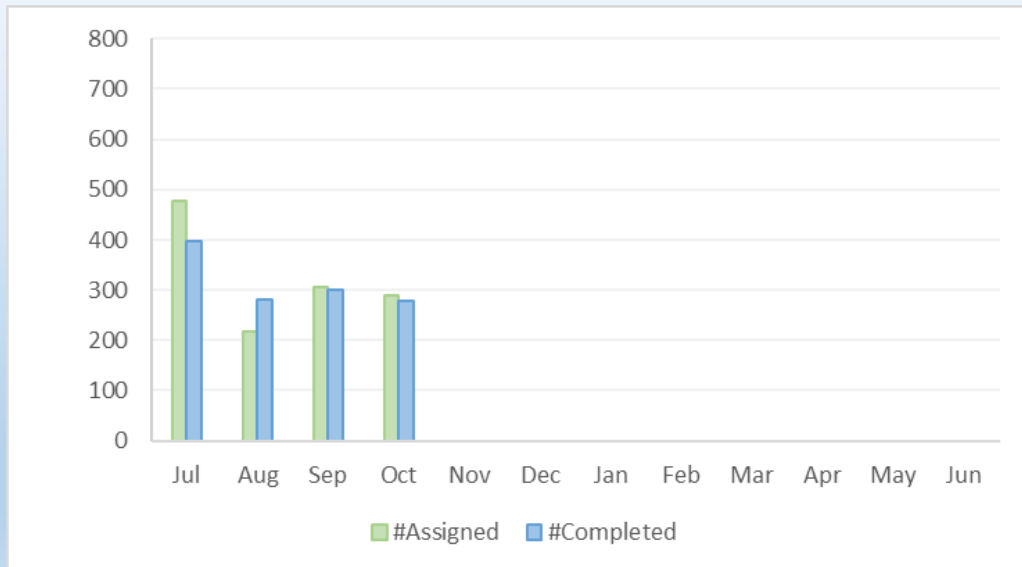
Water System PMs



10

10

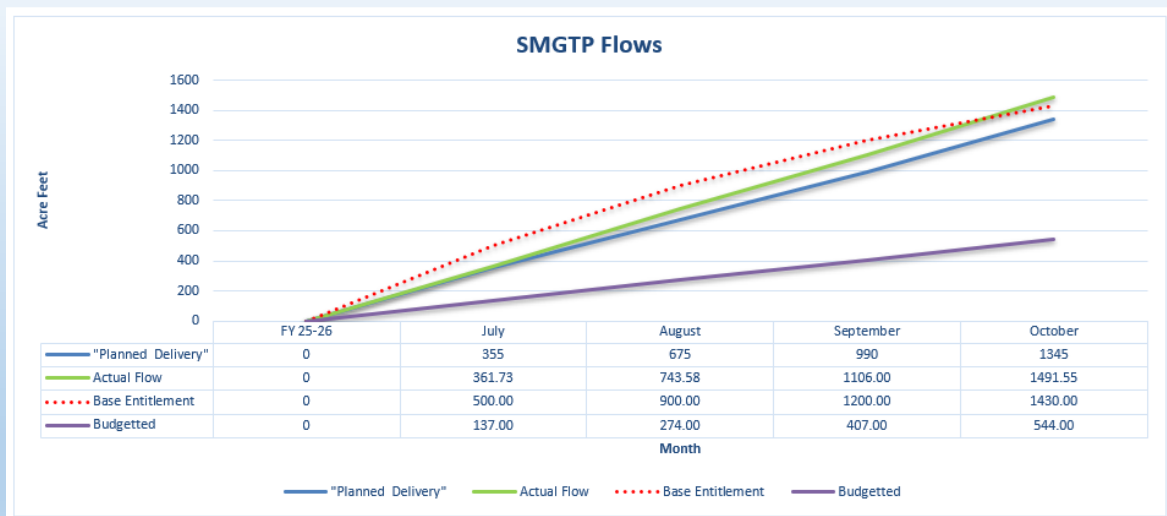
System Services Work Orders



11

11

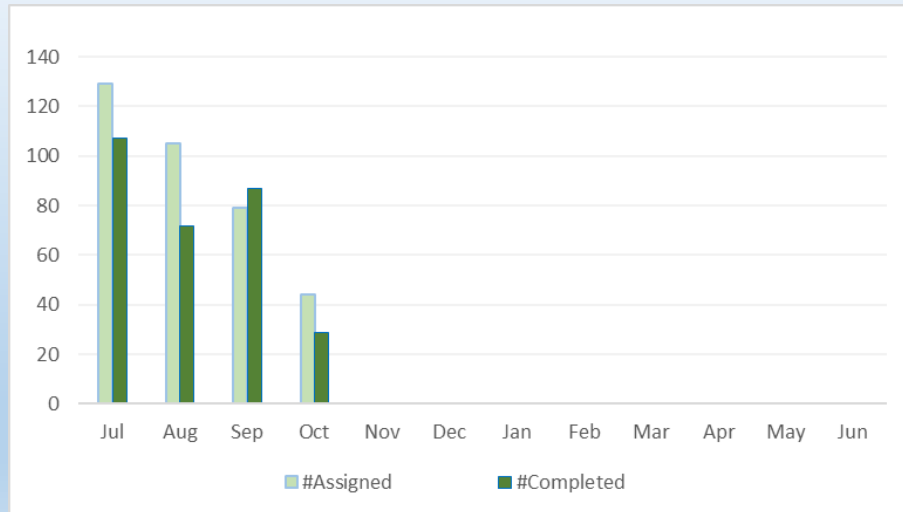
SMGTP Flows



12

12

PLANT MAINT / SCADA Work Orders (PM and non-PM)



13

13

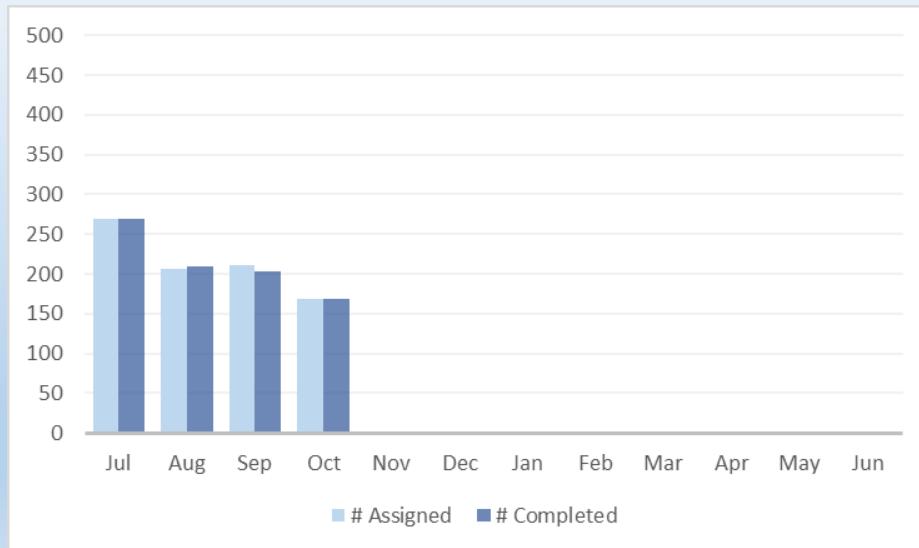
Meter Services

Meter Testing Valve Exercising

14

14

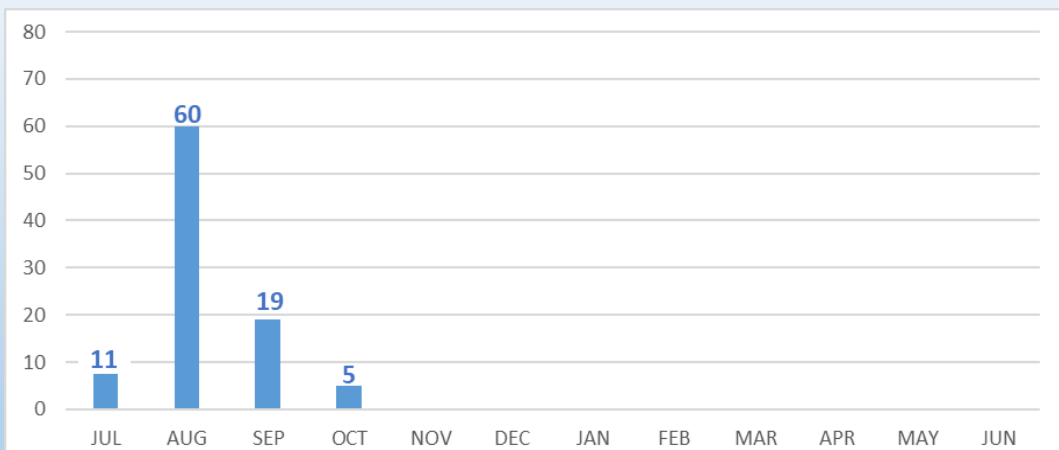
Service Requests by Month – Water & Recycled (Markout Requests, Broken Hydrants etc.)



15

15

Meter Testing by Month



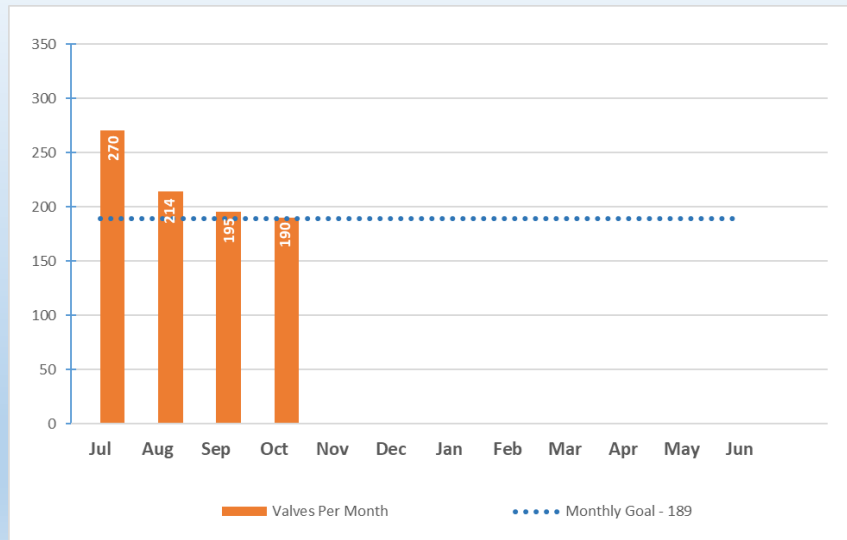
Goal for the year: 152

16

16

Main Line Valve Exercise Program

- Improve reliability
- Reduce impact of planned and emergency shutdowns
- **Total valves exercised FY25: 2,327**



17

17

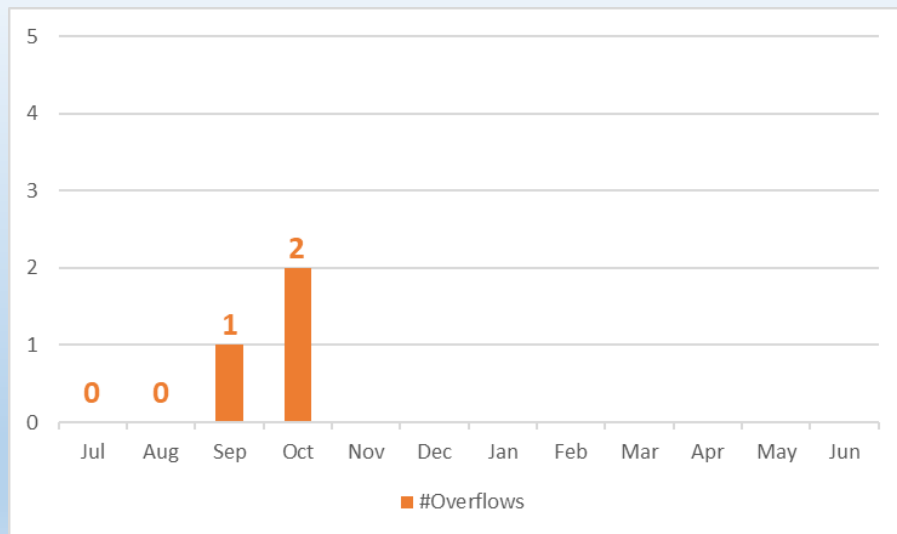
Wastewater Collections

Total Wastewater Spilled
Non-Recovered Wastewater Spilled
Odor Complaints

18

18

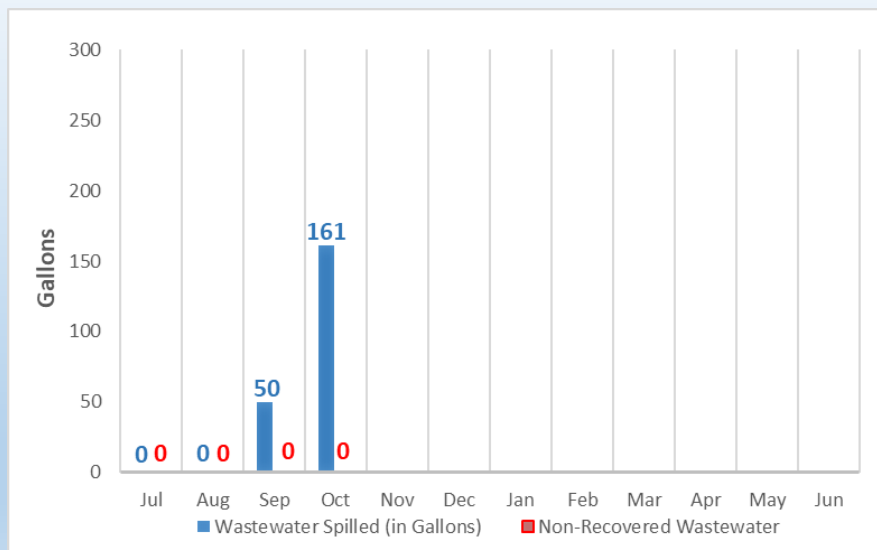
Wastewater Collections - Sewer Overflows



19

19

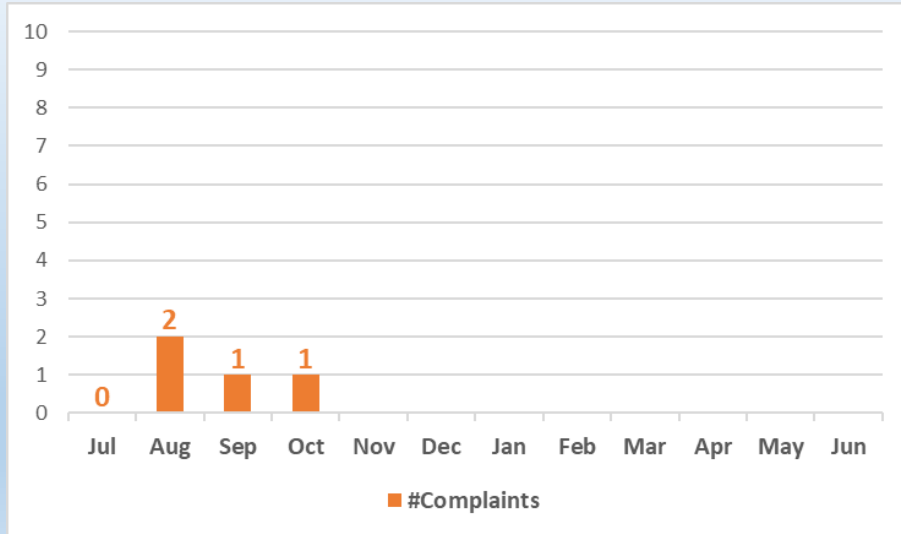
Wastewater Collections - Wastewater Spilled



20

20

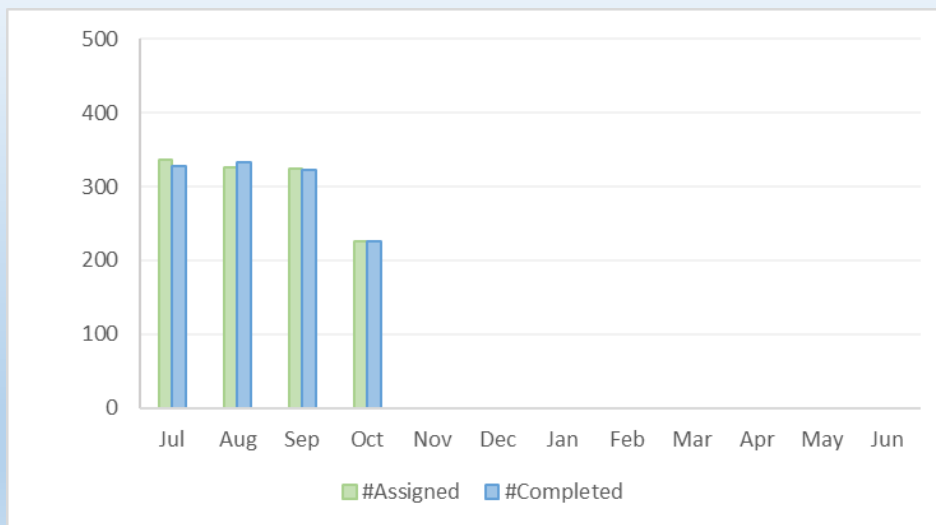
Reclamation Plant & Wastewater Collections: Odor Complaints



21

21

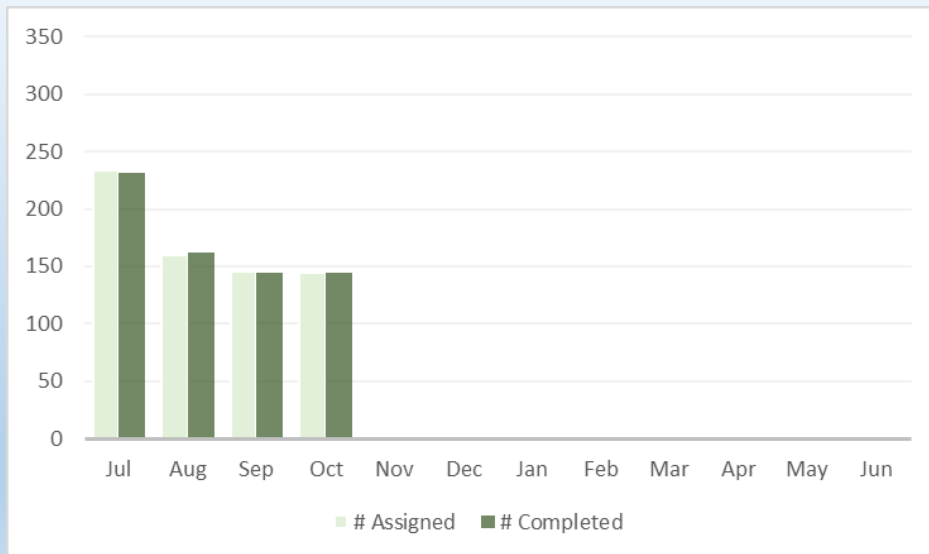
Wastewater - Collections WOs (PMs, TV Inspections, High-Frequency Cleanings)



22

22

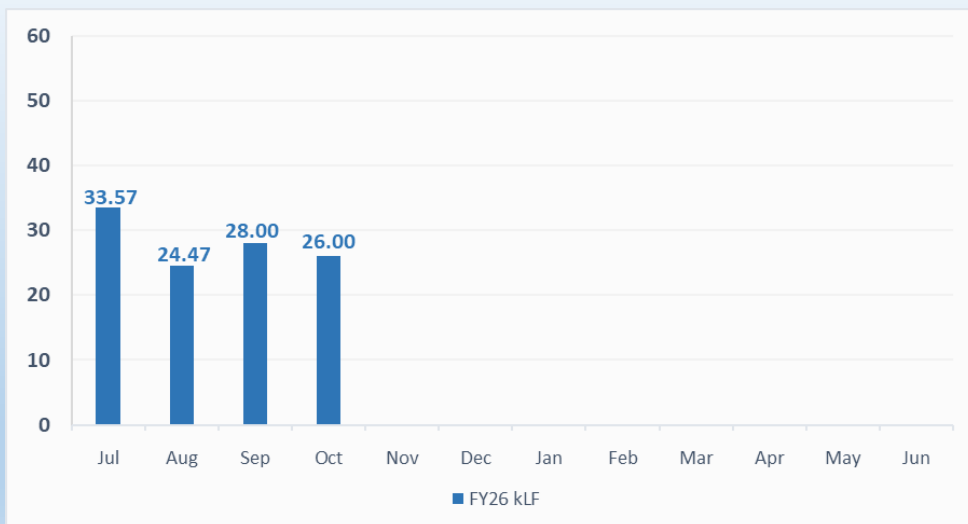
Wastewater - Collections Service Requests



23

23

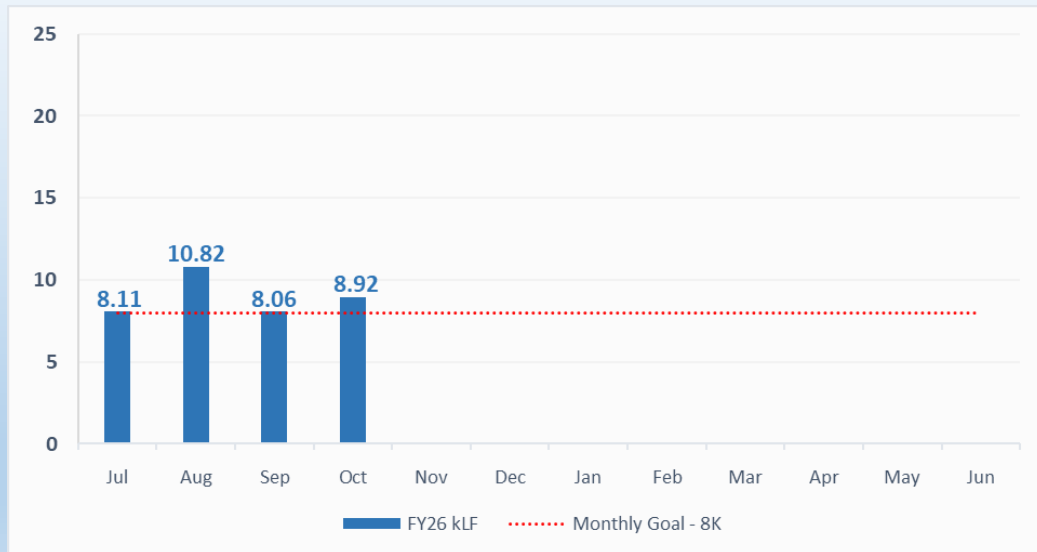
Wastewater - Collections Flushing 1,000 LF



24

24

Wastewater - Collections CCTV 1,000 LF



25

25

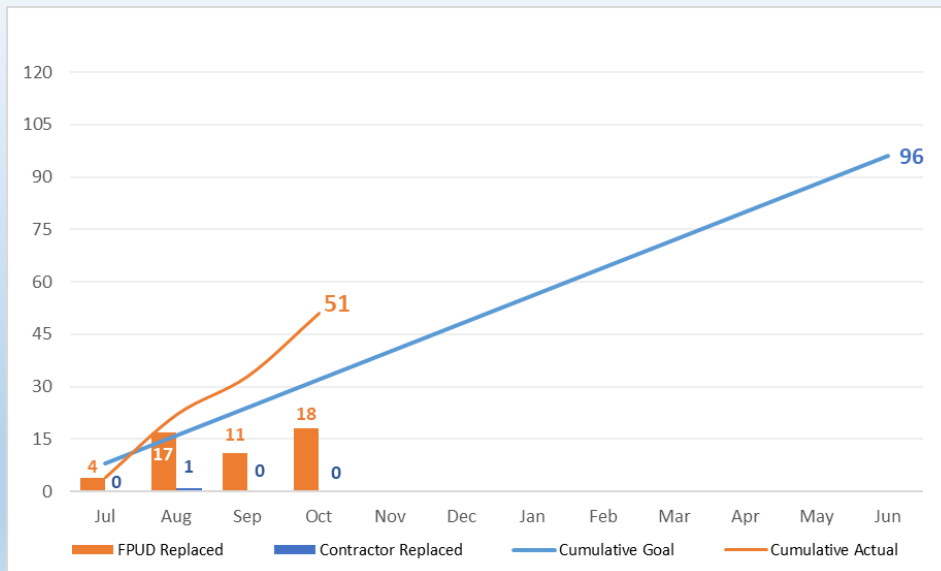
Construction/Maintenance

- Efforts continue in replacing valves with the greatest impact on water loss and customer outages during large main breaks.
- With new valves, crews will be capable of shutting down smaller controlled areas faster, impacting fewer customers while losing less water and completing repairs sooner.
- Our goal is to replace 100 valves per year. FY24, 101 valves were replaced by in-house field crews and 63 by pipeline contractors. We currently have 6,804 valves in the system with 423 known to be broken.
- We have a goal to perform maintenance on 3,000 linear feet of easement roads. In FY24 we completed 7,794 linear feet.

26

26

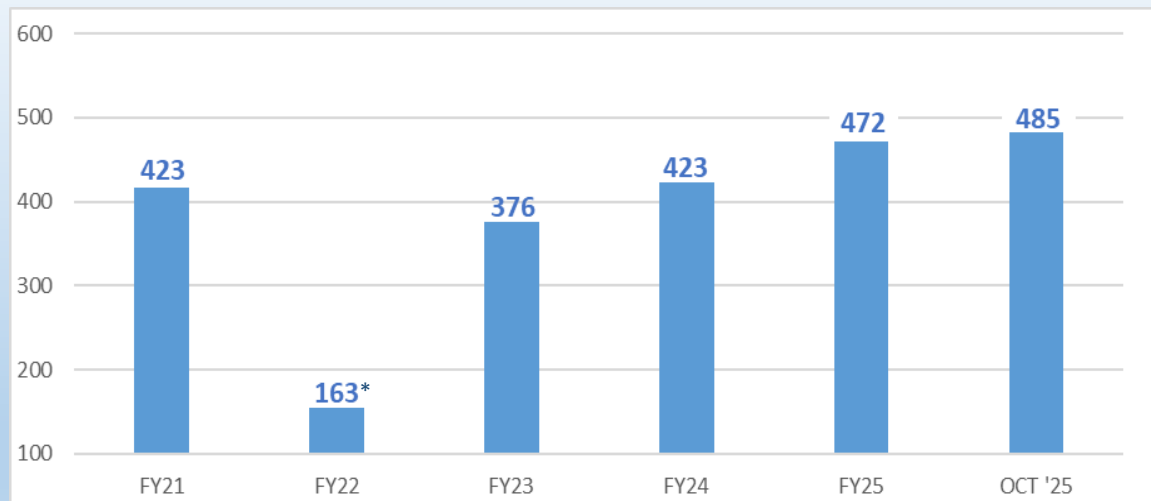
Main Line Valves Replaced



27

27

Rolling Total Broken Valves

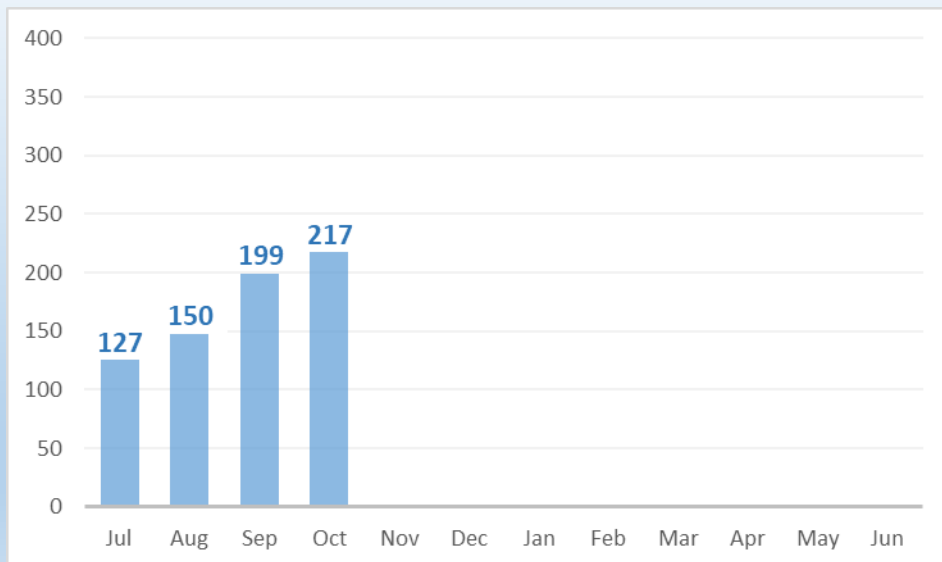


*FY22 does not include Leak By or Poor Turn Counts

28

28

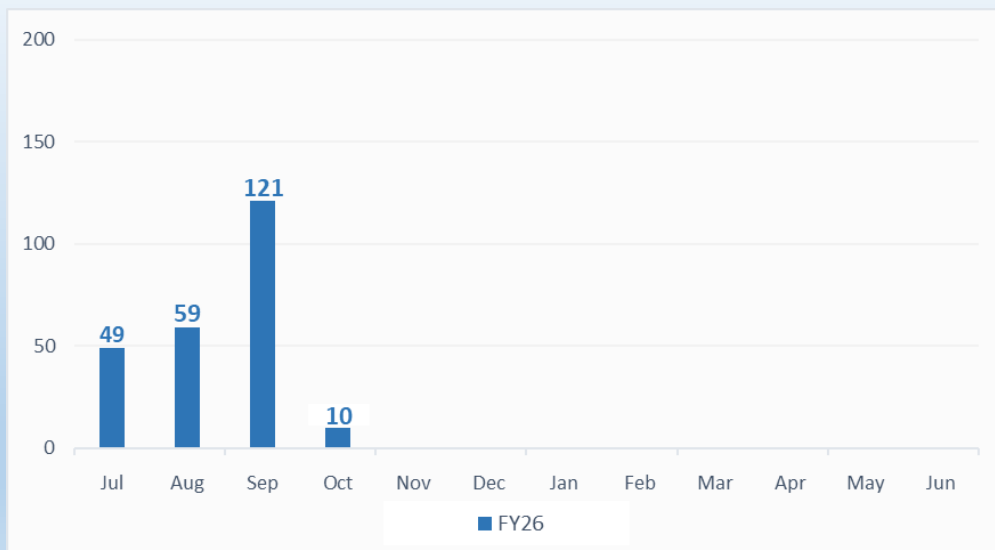
Planned Outages > 4 Hours: Customers Affected by Month



29

29

Emergency Outages > 4 Hours: Customers Affected by Month



30

30

317

MEMO

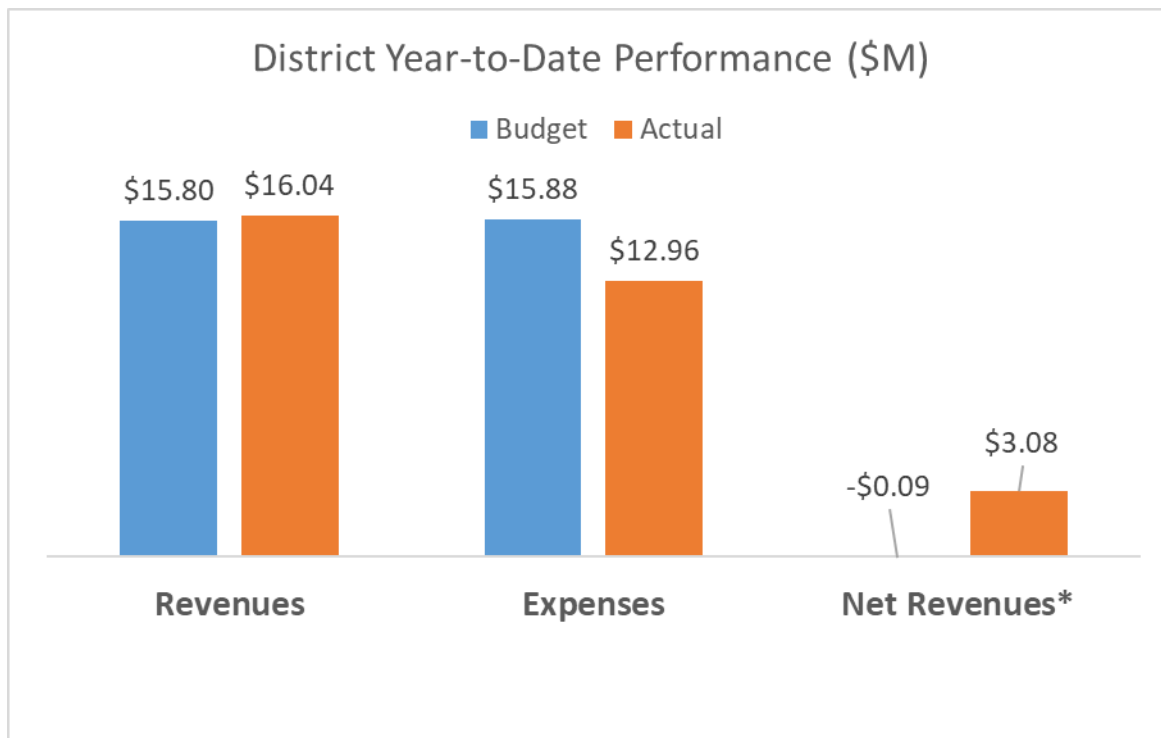
TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: December 8, 2025
SUBJECT: Financial Summary Report – October

Purpose

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

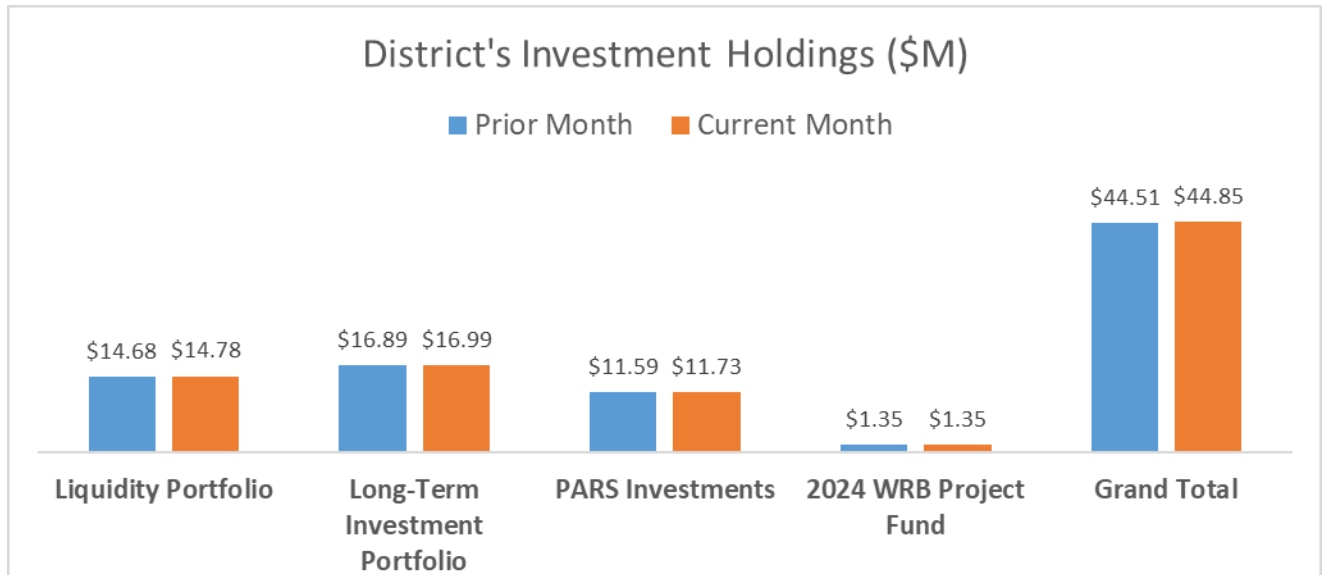
Summary

The graph below shows the District's year-to-date Revenues, Expenditures and Net revenues.



Revenues are in line with the Budget for the current fiscal year due to one-time nonoperating revenues. Operating expenses are under budget due to lower than budgeted imported water purchases. With the water supply mix favoring the lower cost local supply (Santa Margarita River Water), purchased water expense are 39.3% under budget. However, operating expenses tend to trend higher as the year progresses. Staff are carefully tracking the District's financial position to identify any budget shortfalls early.

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



Overall, the District's financial holdings increased slightly. The increase was driven by the receipt of \$723,388 in PFAS settlement funds. The Long-term Investment Portfolio and PARS investments continue to perform in line with the capital markets. This month the district drew down the 2024 Revenue Bond Project Fund to reimburse itself for water CIP expenditure made. The District continues to carefully manage its working capital to ensure its ability to meet its financial commitments.

Recommended Action

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

MEMO

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: December 8, 2025
SUBJECT: Treasurer's Report

Purpose

Provide the October 2025 Treasurer's Report. Confirm that the District's investment portfolio is in compliance with the Investment Policy and that the District is able to meet the expenditure requirements for the next 6-months.

Notes

Overall, the District's financial holdings increased slightly this month. The balances reflect the receipt of the second installment from PFAS settlement of \$ 723,388.50. Overall Long-term Investment Portfolio and PARS investments continue to perform in line with the capital markets. The District continues to carefully manage its working capital to ensure its ability to meet its financial commitments.

Summary

Treasurer's Report October' 2025

Account	Beginning Balance	Ending Balance
Operating Fund	\$ 5,795	\$ 5,034
Money Market	\$ 1,017,802	\$ 530,199
CAMP Account	\$ 13,651,743	\$ 14,249,568
<i>District's Liquidity Portfolio</i>	\$ 14,675,340	\$ 14,784,801
PFM Managed Long-term Investment Portfolio**	\$ 16,887,480	\$ 16,980,958
LAIF (Long-term Reserves)	\$ 7,325	\$ 7,405
PARS (OPEB & Pension Trust)***	\$ 11,594,015	\$ 11,730,765
Revenue Bonds 2024 Project Fund	\$ 1,350,000	\$ 1,350,406
<i>District Accounts Total</i>	\$ 44,514,160	\$ 44,854,335

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

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



David Shank
December 8, 2025

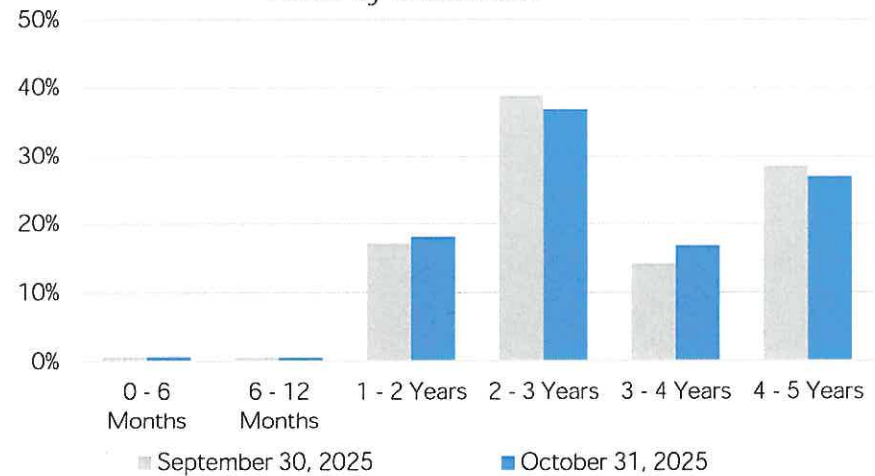
Fallbrook Public Utilities District - Holdings Summary

Security Type	September 30, 2025	October 31, 2025	Change (\$)	Change (%)
U.S. Treasury	\$7,430,451.83	\$7,646,824.24	\$216,372.41	2.9%
Agency CMBS	\$3,091,430.56	\$2,962,825.59	(\$128,604.97)	-4.2%
Municipal	\$255,881.39	\$256,167.48	\$286.09	0.1%
Negotiable CD	\$101,643.70	\$101,494.70	(\$149.00)	-0.1%
Corporate	\$3,536,691.07	\$3,453,298.75	(\$83,392.32)	-2.4%
ABS	\$2,329,554.23	\$2,438,539.04	\$108,984.81	4.7%
Securities Total	\$16,745,652.78	\$16,859,149.80	\$113,497.02	0.7%
Money Market Fund	\$141,827.64	\$121,808.14	(\$20,019.50)	-14.1%
Total Investments	\$16,887,480.42	\$16,980,957.94	\$93,477.52	0.6%

Summary

FY 25-26 Accrual Earnings	\$229,944.51
Yield to Maturity at Cost	4.21%
Weighted Average Maturity (Years)	3.02

Maturity Distribution



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

Managed Account Security Transactions & Interest

For the Month Ending October 31, 2025

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	10/01/25	10/06/25	US TREASURY N/B DTD 08/31/2023 4.125% 08/31/2030	91282CHW4	250,000.00	(254,931.64)	(1,025.55)	(255,957.19)			
	10/07/25	10/08/25	PNC BANK NA (CALLABLE) DTD 07/21/2025 4.429% 07/21/2028	69353RFZ6	120,000.00	(120,728.40)	(1,136.78)	(121,865.18)			
	10/07/25	10/16/25	ALLYA 2025-1 A3 DTD 10/16/2025 3.960% 03/15/2030	02008KAC7	35,000.00	(34,995.00)	0.00	(34,995.00)			
	10/08/25	10/09/25	US TREASURY N/B DTD 02/28/2023 4.000% 02/28/2030	91282CGO8	125,000.00	(126,630.86)	(538.67)	(127,169.53)			
	10/08/25	10/15/25	BMWLT 2025-2 A4 DTD 10/15/2025 4.030% 05/25/2029	05594HAE3	85,000.00	(84,997.91)	0.00	(84,997.91)			
	10/10/25	10/15/25	ACCENTURE CAPITAL INC (CALLABLE) DTD 10/04/2024 4.050% 10/04/2029	00440KAB9	75,000.00	(75,001.50)	(92.81)	(75,094.31)			
	10/28/25	11/05/25	COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7	40,000.00	(39,991.53)	0.00	(39,991.53)			
Transaction Type Sub-Total					730,000.00	(737,276.84)	(2,793.81)	(740,070.65)			

INTEREST											
	10/01/25	10/01/25	MONEY MARKET FUND DTD 01/01/2010 0.000% --	MONEY0002		0.00	267.97	267.97			
	10/01/25	10/25/25	FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4		0.00	464.79	464.79			
	10/01/25	10/25/25	FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2		0.00	600.00	600.00			
	10/01/25	10/25/25	FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7		0.00	344.25	344.25			
	10/01/25	10/25/25	FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2		0.00	602.37	602.37			
	10/01/25	10/25/25	FHMS K528 A2 DTD 09/01/2024 4.508% 07/01/2029	3137HFNZ4		0.00	601.07	601.07			
	10/01/25	10/25/25	FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAO74		0.00	592.50	592.50			
	10/01/25	10/25/25	FNA 2023-M6 A2 DTD 07/01/2023 4.181% 07/01/2028	3136BODE6		0.00	499.09	499.09			

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2025**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
INTEREST										
10/01/25	10/25/25	FHMS K529 A2	3137HH6C0		0.00	379.29	379.29			
		DTD 10/01/2024 4.791% 09/01/2029								
10/01/25	10/25/25	FHMS K061 A2	3137BTUM1		0.00	267.18	267.18			
		DTD 01/01/2017 3.347% 11/01/2026								
10/01/25	10/25/25	FHMS K743 A2	3137H14B9		0.00	250.75	250.75			
		DTD 06/01/2021 1.770% 05/01/2028								
10/01/25	10/25/25	FHMS K064 A2	3137BXOY1		0.00	429.87	429.87			
		DTD 05/01/2017 3.224% 03/01/2027								
10/01/25	10/25/25	FNA 2024-M6 A2	3136BTGM9		0.00	399.32	399.32			
		DTD 11/01/2024 2.904% 07/01/2027								
10/01/25	10/25/25	FHMS K510 A2	3137HB3D4		0.00	232.33	232.33			
		DTD 11/01/2023 5.069% 10/01/2028								
10/01/25	10/25/25	FHMS K506 A2	3137HAMH6		0.00	581.25	581.25			
		DTD 09/01/2023 4.650% 08/01/2028								
10/01/25	10/25/25	FHMS KJ46 A1	3137HAD45		0.00	468.74	468.74			
		DTD 07/01/2023 4.777% 06/01/2028								
10/01/25	10/25/25	FNA 2018-M2 A2	3136B0YM2		0.00	398.68	398.68			
		DTD 02/01/2018 2.905% 01/01/2028								
10/01/25	10/25/25	FHMS K066 A2	3137F2LJ3		0.00	428.59	428.59			
		DTD 08/01/2017 3.117% 06/01/2027								
10/01/25	10/25/25	FHMS K065 A2	3137F1G44		0.00	418.89	418.89			
		DTD 07/01/2017 3.243% 04/01/2027								
10/01/25	10/25/25	FHMS K063 A2	3137BVZ82		0.00	414.46	414.46			
		DTD 03/01/2017 3.430% 01/01/2027								
10/01/25	10/25/25	FHMS K075 A2	3137F4X72		0.00	517.08	517.08			
		DTD 04/01/2018 3.650% 02/01/2028								
10/01/25	10/25/25	FHMS KJ47 A1	3137HAMN3		0.00	1,109.63	1,109.63			
		DTD 09/01/2023 5.272% 08/01/2028								
10/01/25	10/25/25	FHMS KJ48 A1	3137HBC69		0.00	483.11	483.11			
		DTD 12/01/2023 4.858% 05/01/2028								
10/01/25	10/25/25	FHMS K522 A2	3137HDJJ0		0.00	584.98	584.98			
		DTD 06/01/2024 4.803% 05/01/2029								
10/04/25	10/04/25	ACCENTURE CAPITAL INC (CALLABLE)	00440KAB9		0.00	1,113.75	1,113.75			
		DTD 10/04/2024 4.050% 10/04/2029								

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2025**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	10/15/25	10/15/25	MBART 2025-1 A3 DTD 01/23/2025 4.780% 12/17/2029	58773DAD6		0.00	657.25	657.25			
	10/15/25	10/15/25	TAOT 2025-B A3 DTD 04/30/2025 4.340% 11/15/2029	89231HAD8		0.00	235.08	235.08			
	10/15/25	10/15/25	NAROT 2023-B A3 DTD 10/25/2023 5.930% 03/15/2028	65480MAD5		0.00	117.06	117.06			
	10/15/25	10/15/25	AMXCA 2025-2 A DTD 05/13/2025 4.280% 04/15/2030	02582JKP4		0.00	410.17	410.17			
	10/15/25	10/15/25	AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1		0.00	358.33	358.33			
	10/15/25	10/15/25	MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8		0.00	129.66	129.66			
	10/15/25	10/15/25	HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4		0.00	198.81	198.81			
	10/15/25	10/15/25	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1		0.00	49.83	49.83			
	10/15/25	10/15/25	FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4		0.00	144.14	144.14			
	10/15/25	10/15/25	BACCT 2025-A1 A DTD 06/12/2025 4.310% 05/15/2030	05522RDK1		0.00	287.33	287.33			
	10/15/25	10/15/25	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4		0.00	516.00	516.00			
	10/15/25	10/15/25	NAROT 2025-A A3 DTD 05/27/2025 4.490% 12/17/2029	65481GAD7		0.00	449.00	449.00			
	10/15/25	10/15/25	WFCIT 2025-A1 A DTD 06/10/2025 4.340% 05/15/2030	92970QAJ4		0.00	542.50	542.50			
	10/15/25	10/15/25	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	266.64	266.64			
	10/15/25	10/15/25	MORGAN STANLEY BANK NA (CALLABLE) DTD 10/18/2024 4.447% 10/15/2027	61690U8G8		0.00	5,558.75	5,558.75			
	10/15/25	10/15/25	HAROT 2025-2 A3 DTD 05/08/2025 4.150% 10/15/2029	437921AD1		0.00	121.04	121.04			

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2025**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	10/15/25	10/15/25	COPAR 2023-2 A3 DTD 10/11/2023 5.820% 06/15/2028	14044EAD0		0.00	462.78	462.78			
	10/15/25	10/15/25	WFCIT 2024-A2 A DTD 10/24/2024 4.290% 10/15/2029	92970OAE5		0.00	250.25	250.25			
	10/15/25	10/15/25	HART 2023-B A3 DTD 07/19/2023 5.480% 04/17/2028	44933XAD9		0.00	156.28	156.28			
	10/15/25	10/15/25	FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3		0.00	362.83	362.83			
	10/15/25	10/15/25	DTRT 2023-1 A3 DTD 09/27/2023 5.900% 03/15/2027	233868AC2		0.00	204.82	204.82			
	10/15/25	10/15/25	FORDO 2025-A A3 DTD 03/25/2025 4.450% 10/15/2029	34535KAD0		0.00	463.54	463.54			
	10/16/25	10/16/25	GMCAR 2025-2 A3 DTD 05/14/2025 4.280% 04/16/2030	362549AD9		0.00	89.17	89.17			
	10/16/25	10/16/25	GMCAR 2023-3 A3 DTD 07/19/2023 5.450% 06/16/2028	36267KAD9		0.00	163.63	163.63			
	10/16/25	10/16/25	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2		0.00	231.60	231.60			
	10/20/25	10/20/25	VZMT 2025-3 A1A DTD 03/31/2025 4.510% 03/20/2030	92348KDY6		0.00	469.79	469.79			
	10/20/25	10/20/25	VALET 2025-1 A3 DTD 03/25/2025 4.500% 08/20/2029	92868MAD1		0.00	393.75	393.75			
	10/21/25	10/21/25	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5		0.00	103.39	103.39			
	10/25/25	10/25/25	BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2		0.00	105.55	105.55			
	10/25/25	10/25/25	BMWLT 2025-1 A4 DTD 06/10/2025 4.490% 10/25/2028	096912AE0		0.00	205.79	205.79			
	10/25/25	10/25/25	AMERICAN EXPRESS CO (CALLABLE) DTD 04/25/2025 4.731% 04/25/2029	025816ED7		0.00	1,655.85	1,655.85			
	10/27/25	10/27/25	BANK OF AMERICA CORP (CALLABLE) DTD 04/27/2022 4.376% 04/27/2028	06051GKP3		0.00	1,750.40	1,750.40			
	10/30/25	10/30/25	BLACKROCK INC (CALLABLE) DTD 01/27/2020 2.400% 04/30/2030	09247XAO4		0.00	1,680.00	1,680.00			

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2025**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
INTEREST										
10/31/25	10/31/25	US TREASURY N/B	91282CFT3		0.00	5,500.00	5,500.00			
		DTD 10/31/2022 4.000% 10/31/2029								
10/31/25	10/31/25	US TREASURY N/B	91282CAU5		0.00	500.00	500.00			
		DTD 11/02/2020 0.500% 10/31/2027								
10/31/25	10/31/25	US TREASURY N/B	91282CGZ8		0.00	2,625.00	2,625.00			
		DTD 05/01/2023 3.500% 04/30/2030								
Transaction Type Sub-Total					0.00	39,865.95	39,865.95			
PAYDOWNS										
10/01/25	10/25/25	FHMS K061 A2	3137BTUM1	105.28	105.28	0.00	105.28	3.24	1.06	
		DTD 01/01/2017 3.347% 11/01/2026								
10/01/25	10/25/25	FNA 2018-M2 A2	3136B0YM2	18,538.76	18,538.76	0.00	18,538.76	525.75	440.14	
		DTD 02/01/2018 2.905% 01/01/2028								
10/01/25	10/25/25	FHMS K522 A2	3137HDJJ0	17.36	17.36	0.00	17.36	(0.34)	(0.27)	
		DTD 06/01/2024 4.803% 05/01/2029								
10/01/25	10/25/25	FHMS KJ47 A1	3137HAMN3	15,901.56	15,901.56	0.00	15,901.56	0.08	0.04	
		DTD 09/01/2023 5.272% 08/01/2028								
10/01/25	10/25/25	FHMS KJ46 A1	3137HAD45	153.51	153.51	0.00	153.51	0.01	0.00	
		DTD 07/01/2023 4.777% 06/01/2028								
10/01/25	10/25/25	FNA 2023-M6 A2	3136BODE6	16.30	16.30	0.00	16.30	0.28	0.16	
		DTD 07/01/2023 4.181% 07/01/2028								
10/01/25	10/25/25	FHMS KJ48 A1	3137HBC69	396.42	396.42	0.00	396.42	0.01	0.00	
		DTD 12/01/2023 4.858% 05/01/2028								
10/15/25	10/15/25	HART 2023-C A3	44918CAD4	2,701.24	2,701.24	0.00	2,701.24	0.36	0.22	
		DTD 11/13/2023 5.540% 10/16/2028								
10/15/25	10/15/25	CARMX 2022-3 A3	14318MAD1	3,043.00	3,043.00	0.00	3,043.00	0.07	0.02	
		DTD 07/20/2022 3.970% 04/15/2027								
10/15/25	10/15/25	MBART 2022-1 A3	58768PAC8	4,086.04	4,086.04	0.00	4,086.04	0.81	0.31	
		DTD 11/22/2022 5.210% 08/16/2027								
10/15/25	10/15/25	FITAT 2023-1 A3	31680EAD3	5,832.57	5,832.57	0.00	5,832.57	0.36	0.21	
		DTD 08/23/2023 5.530% 08/15/2028								
10/15/25	10/15/25	HART 2023-B A3	44933XAD9	2,724.02	2,724.02	0.00	2,724.02	0.12	0.06	
		DTD 07/19/2023 5.480% 04/17/2028								

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2025**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
PAYDOWNS										
10/15/25	10/15/25	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	4,375.84	4,375.84	0.00	4,375.84	0.75	0.40	
10/15/25	10/15/25	NAROT 2023-B A3 DTD 10/25/2023 5.930% 03/15/2028	65480MAD5	2,221.21	2,221.21	0.00	2,221.21	0.45	0.26	
10/15/25	10/15/25	DTRT 2023-1 A3 DTD 09/27/2023 5.900% 03/15/2027	233868AC2	4,915.57	4,915.57	0.00	4,915.57	0.08	0.03	
10/15/25	10/15/25	COPAR 2023-2 A3 DTD 10/11/2023 5.820% 06/15/2028	14044EAD0	6,621.72	6,621.72	0.00	6,621.72	1.21	0.72	
10/15/25	10/15/25	FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4	2,646.98	2,646.98	0.00	2,646.98	0.04	0.02	
10/16/25	10/16/25	GMCAR 2023-3 A3 DTD 07/19/2023 5.450% 06/16/2028	36267KAD9	2,774.77	2,774.77	0.00	2,774.77	0.11	0.06	
10/16/25	10/16/25	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2	3,244.16	3,244.16	0.00	3,244.16	0.67	0.41	
10/21/25	10/21/25	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5	1,465.76	1,465.76	0.00	1,465.76	0.26	0.16	
10/25/25	10/25/25	BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2	2,194.59	2,194.59	0.00	2,194.59	0.39	0.20	
Transaction Type Sub-Total				83,976.66	83,976.66	0.00	83,976.66	534.71	444.21	
SELL										
10/01/25	10/06/25	US TREASURY N/B DTD 01/31/2020 1.500% 01/31/2027	912828Z78	25,000.00	24,324.22	68.28	24,392.50	763.67	107.34	FIFO
10/01/25	10/06/25	FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	95,687.39	95,025.80	44.48	95,070.28	2,283.80	293.74	FIFO
10/02/25	10/06/25	US TREASURY N/B DTD 01/31/2020 1.500% 01/31/2027	912828Z78	10,000.00	9,731.25	27.31	9,758.56	307.03	44.50	FIFO
10/07/25	10/08/25	CATERPILLAR FINL SERVICE DTD 08/16/2024 4.400% 10/15/2027	14913UAR1	60,000.00	60,711.60	1,268.67	61,980.27	642.00	666.03	FIFO
10/07/25	10/08/25	US TREASURY N/B DTD 08/15/2024 3.750% 08/15/2027	91282CLG4	60,000.00	60,173.44	330.16	60,503.60	553.13	488.06	FIFO
10/08/25	10/09/25	US TREASURY N/B DTD 01/31/2020 1.500% 01/31/2027	912828Z78	10,000.00	9,730.08	28.53	9,758.61	305.86	41.43	FIFO

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2025**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type					Principal	Accrued		Realized G/L	Realized G/L	Sale
Trade	Settle	Security Description	CUSIP	Par	Proceeds	Interest	Total	Cost	Amort Cost	Method
SELL										
10/08/25	10/09/25	JOHNSON & JOHNSON (CALLABLE) DTD 02/20/2025 4.550% 03/01/2028	478160DH4	35,000.00	35,664.65	168.10	35,832.75	684.95	680.90	FIFO
10/08/25	10/09/25	STATE STREET CORP (CALLABLE) DTD 02/28/2025 4.729% 02/28/2030	857477CW1	5,000.00	5,118.90	26.93	5,145.83	114.25	114.76	FIFO
10/08/25	10/09/25	US TREASURY N/B DTD 01/31/2020 1.500% 01/31/2027	912828Z78	55,000.00	53,504.69	156.93	53,661.62	1,671.49	217.13	FIFO
10/08/25	10/09/25	STATE STREET CORP (CALLABLE) DTD 02/28/2025 4.729% 02/28/2030	857477CW1	120,000.00	122,853.60	646.30	123,499.90	2,853.60	2,853.60	FIFO
10/10/25	10/15/25	US TREASURY N/B DTD 09/30/2022 3.875% 09/30/2029	91282CFL0	20,000.00	20,165.63	31.94	20,197.57	(131.25)	(74.07)	FIFO
10/10/25	10/15/25	ELI LILLY & CO (CALLABLE) DTD 02/12/2025 4.550% 02/12/2028	532457CU0	55,000.00	55,872.30	437.94	56,310.24	199.10	275.10	FIFO
Transaction Type Sub-Total				550,687.39	552,876.16	3,235.57	556,111.73	10,247.63	5,708.52	
Managed Account Sub-Total					(100,424.02)	40,307.71	(60,116.31)	10,782.34	6,152.73	
Total Security Transactions					(100,424.02)	\$40,307.71	(\$60,116.31)	\$10,782.34	\$6,152.73	

Bolded items are forward settling trades.



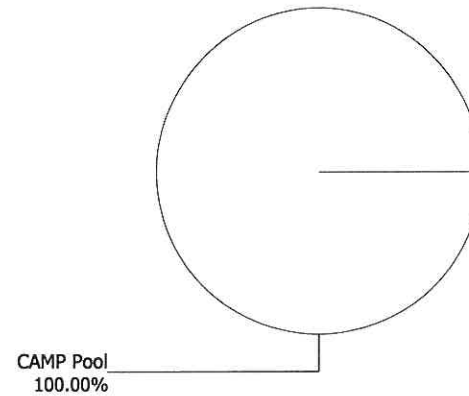
Account Statement - Transaction Summary

For the Month Ending **October 31, 2025**

Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	13,651,742.77
Purchases	1,897,825.40
Redemptions	(1,300,000.00)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$14,249,568.17
Cash Dividends and Income	47,825.40

Asset Summary		
	October 31, 2025	September 30, 2025
CAMP Pool	14,249,568.17	13,651,742.77
Total	\$14,249,568.17	\$13,651,742.77
Asset Allocation		





Account Statement

For the Month Ending **October 31, 2025**

Fallbrook Public Utility District - Liquidity - 6050-004

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					13,651,742.77
10/10/25	10/10/25	Redemption - Outgoing Wires	1.00	(1,300,000.00)	12,351,742.77
10/21/25	10/21/25	Purchase - Incoming Wires	1.00	1,200,000.00	13,551,742.77
10/29/25	10/29/25	Purchase - Incoming Wires	1.00	650,000.00	14,201,742.77
10/31/25	11/03/25	Accrual Income Div Reinvestment - Distributions	1.00	47,825.40	14,249,568.17
Closing Balance					14,249,568.17

	Month of October	Fiscal YTD July-October		
Opening Balance	13,651,742.77	8,986,544.67	Closing Balance	14,249,568.17
Purchases	1,897,825.40	8,523,023.50	Average Monthly Balance	13,219,414.56
Redemptions (Excl. Checks)	(1,300,000.00)	(3,260,000.00)	Monthly Distribution Yield	4.26%
Check Disbursements	0.00	0.00		
Closing Balance	14,249,568.17	14,249,568.17		
Cash Dividends and Income	47,825.40	173,023.50		

California State Treasurer
Fiona Ma, CPA



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

November 04, 2025

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

FALLBROOK PUBLIC UTILITY DISTRICT

TREASURER
990 E MISSION ROAD
FALLBROOK, CA 92028

[Tran Type Definitions](#)

Account Number: 85-37-001

October 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/15/2025	10/14/2025	QRD	1784815	N/A	SYSTEM	80.01

Account Summary

Total Deposit:	80.01	Beginning Balance:	7,324.51
Total Withdrawal:	0.00	Ending Balance:	7,404.52



Account Name: Fallbrook Public Utility District Water Refunding Bonds 2024 Project Fund
Account Number: 219614005

MARKET VALUE SUMMARY

	Current Period 10/01/25 to 10/31/25
Beginning Market Value	\$1,350,000.00
Adjusted Market Value	\$1,350,000.00
Investment Results	
Interest, Dividends and Other Income	405.75
Total Investment Results	\$405.75
Ending Market Value	\$1,350,405.75

FALLBROOK PUBLIC UTILITY DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
10/1/2025 to 10/31/2025

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

Account Summary

Source	Balance as of 10/1/2025	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 10/31/2025
OPEB	\$1,340,067.64	\$0.00	\$16,388.87	\$582.90	\$0.00	\$0.00	\$1,355,873.61
PENSION	\$10,253,947.01	\$0.00	\$125,404.55	\$4,460.30	\$0.00	\$0.00	\$10,374,891.26
Totals	\$11,594,014.65	\$0.00	\$141,793.42	\$5,043.20	\$0.00	\$0.00	\$11,730,764.87

Investment Selection

Source	
OPEB	Moderate - Strategic Blend
PENSION	Moderate - Strategic Blend

Investment Objective

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.22%	5.15%	12.44%	12.51%	7.55%	-	2/16/2017
PENSION	1.22%	5.15%	12.44%	12.52%	7.56%	-	2/16/2017

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees.

Headquarters - 4350 Von Karman Ave., Suite 100, Newport Beach, CA 92660 800.540.6369 Fax 949.250.1250 www.pars.org

MEMO

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: December 8, 2025
SUBJECT: Budget Status Report for Fiscal Year 2025-2026

Purpose

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

Summary

The BSR shows the District's financial performance compared to the amended budget for the month of October, Year-to-Date and the annual budgeted amount.

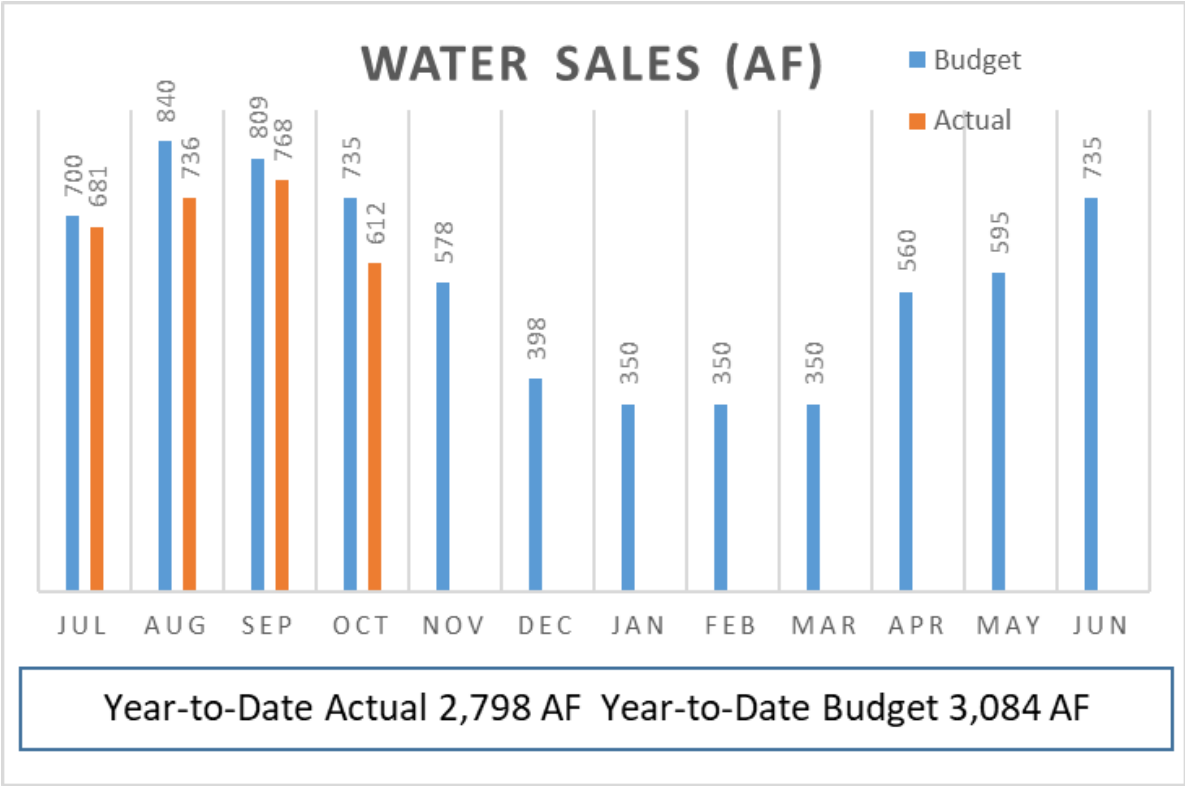
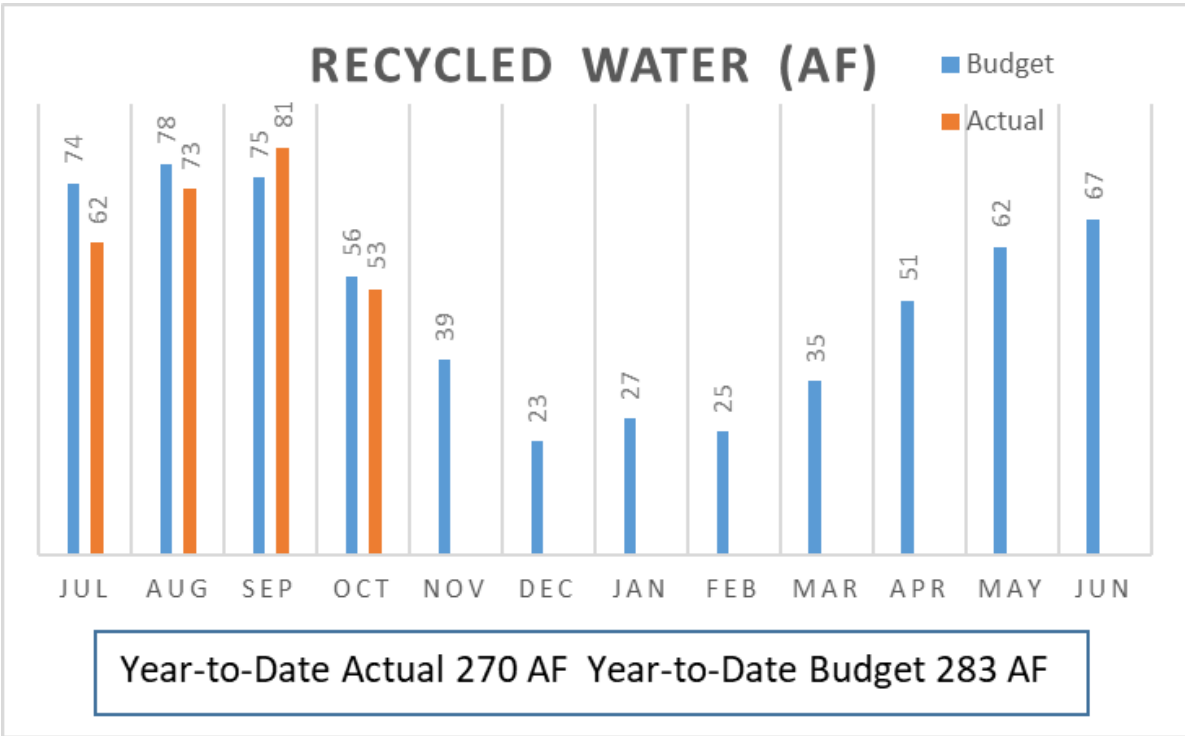
Total revenues are just over budget due PFOAS payments received. Water sales have lagged and are 10.2% under budget. Lower water sales drove Operating Revenues 7.6% under budget as lower water sales levels persist. Non-Operating Revenues were 65.8% over budget due largely to PFAS settlement funds received and MWD Local Resources Program revenues, which were higher due to more Camp Pendleton water deliveries than budgeted.

The District's year-to-date total expenditures are 15.3% under budget. Purchased Water Expense is under budget due to the water supply mix favoring Camp Pendleton water purchases vs. EMWD water purchases. The District's operating budgets are under budget but expected to trend towards budget levels as the year progresses. Water Service is slightly over budget due to the higher than budget levels of production at the Santa Margarita Groundwater Treatment Plant.

Total revenue is \$16,044,859 or 1.6% over budget and total expenditures are \$11,037,436 or 13.3% under the budget. PAYGO CIP expenditures are under budget for the year-to-date. After adjusting for the PAYGO expenditures year-to-date net revenues are higher than budget.

Recommended Action

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



Monthly Budget Report for October

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date				Annual Budget		
	Actual	Budget	Actual	Budget	Variance	%	Budget	Remaining Balance	%
Operating Revenues:								Year remaining	66.7%
Water Sales	1,485,778	1,864,291	6,839,764	7,822,922	(983,158)	-12.6%	18,069,918	11,230,155	62.1%
Water Meter Service Charges	726,815	735,695	2,911,002	2,942,780	(31,777)	-1.1%	8,989,834	6,078,831	67.6%
Wastewater Service Charges	606,015	609,671	2,437,164	2,438,683	(1,519)	-0.1%	7,512,322	5,075,158	67.6%
Recycled Water Revenues	115,717	122,418	583,696	617,058	(33,362)	-5.4%	1,365,039	781,343	57.2%
Other Operating Revenue	-	-	-	-	-	NA	-	-	NA
Total Operating Revenue	2,934,325	3,332,075	12,771,626	13,821,442	(1,049,816)	-7.6%	35,937,113	23,165,487	64.5%
Non Operating Revenues:									
Water Capital Improvement Charge	167,612	163,457	670,675	653,827	16,848	2.6%	2,015,814	1,345,139	66.7%
Wastewater Capital Improvement Charge	123,960	124,241	495,900	496,966	(1,065)	-0.2%	1,490,897	994,997	66.7%
Property Taxes	22,521	53,001	96,562	110,519	(13,957)	-12.6%	2,765,956	2,669,393	96.5%
Water Standby/Availability Charge	(741)	2,283	(741)	2,283	(3,024)	-132.5%	200,000	200,741	100.4%
Water/Wastewater Capacity Charges	-	11,250	16,289	45,000	(28,711)	-63.8%	135,000	118,711	87.9%
Portfolio Interest	99,893	98,399	419,852	393,597	26,255	6.7%	1,180,791	760,939	64.4%
Federal Interest Rate Subsidy	-	-	-	-	-	NA	39,233	39,233	100.0%
MWD Local Resource Program	107,269	41,785	415,471	165,920	249,551	150.4%	669,475	254,004	37.9%
Grant Funds	-	-	-	-	-	NA	1,537,000	1,537,000	100.0%
Gain/(Loss) on Sale of Asset	-	-	-	-	-	NA	-	-	NA
Facility Rents	23,444	20,376	84,212	81,505	2,707	3.3%	244,515	160,303	65.6%
Fire Hydrant Service Fees	-	-	-	-	-	NA	-	-	NA
Other Non-Operating Revenues ⁽¹⁾	731,960	6,250	1,075,013	25,000	1,050,013	4200.1%	75,000	(1,000,013)	-1333.4%
Total Non Operating Revenues	1,275,918	521,043	3,273,233	1,974,617	1,298,616	65.8%	10,353,681	7,080,448	68.4%
Total Revenues	4,210,243	3,853,117	16,044,859	15,796,060	248,800	1.6%	46,290,794	30,245,935	65.3%
Expenditures									
Purchased Water Expense	441,538	989,289	2,537,087	4,180,489	1,643,401	39.3%	8,893,418	6,356,331	71.5%
Water Services	636,963	607,821	2,525,990	2,336,529	(189,461)	-8.1%	7,067,698	4,541,709	64.3%
Wastewater Services	356,599	348,086	1,129,992	1,338,079	208,087	15.6%	4,047,517	2,917,525	72.1%
Recycled Water Services	35,410	54,524	167,230	209,596	42,366	20.2%	634,000	466,771	73.6%
Administrative Services	807,722	787,078	3,032,523	3,025,613	(6,911)	-0.2%	9,152,087	6,119,564	66.9%
Community Benefit Program	416	-	1,956	-	(1,956)	NA	1,100,000	1,098,044	99.8%
Total Operating Expenses	2,278,647	2,786,797	9,394,777	11,090,305	1,695,528	15.3%	30,894,721	21,499,943	69.6%
Debt Service & Extraordinary Expenses									
SMRCUP SRF	-	-	-	-	-	NA	2,814,795	2,814,795	100.0%
Red Mountain SRF	-	-	197,925	197,925	-	0.0%	395,851	197,925	50.0%
W Rev Bonds	-	-	-	-	-	NA	683,662	683,662	100.0%
WW Rev Refunding Bonds	-	-	1,444,734	1,444,734	-	0.0%	1,729,934	285,200	16.5%
QECB Solar Debt	-	-	-	-	-	NA	520,665	520,665	100.0%
Total Debt Service	-	-	1,642,659	1,642,659	-	0.0%	6,144,906	4,502,247	73.3%
Total Expenses	2,278,647	2,786,797	11,037,436	12,732,964	1,695,528	13.3%	37,039,627	26,002,190	70.2%
Net Revenue/(loss) From Operations and Debt Service	1,931,595	1,066,320	5,007,423	3,063,095	1,944,327	63.5%	9,251,167	4,243,744	45.9%
Capital Investment									
Capital Investment ⁽²⁾									
Construction Expenditures-Admin	15,803	122,083	60,925	213,333	152,409	71.4%	1,025,000	964,075	94.1%
Construction Expenditures-Water	262,857	568,750	1,708,743	2,155,000	446,257	20.7%	8,117,000	6,408,257	78.9%
Construction Expenditures-Recycled	959	-	7,013	-	(7,013)	NA	264,000	256,987	97.3%
Construction Expenditures-Wastewater	95,112	654,583	148,738	782,083	633,345	81.0%	1,815,000	1,666,262	91.8%
Construction Expenditures-PAYGO TOTAL	374,731	1,345,417	1,925,420	3,150,417	1,224,997	38.9%	11,221,000	9,295,580	82.8%
Capital Expenditures Funded by Water Bond Proceeds	-	-	(2,320,480)	-	2,320,480	NA	(3,631,541)	(1,311,060)	36.1%
Net Revenue/(Loss)	1,556,864	(279,096)	5,402,484	(87,321)	5,489,805	-6286.9%	1,661,708	3,740,776	-225.1%

(1) Includes first and second installment payments of PFAS settlement for \$1,040,664.16

(2) Detailed CIP Summary Table attached

CIP Summary Table

FY26 PAYGO CIP Summary Table

Water Capital Projects	Annual Budget	October Expenditures	Year-to-Date
Pipelines and Valve Replacement Projects by District	\$ 760,000	\$ 145,806	\$ 399,571
Pipeline Replacement Projects by Contractors	\$ 3,735,000	\$ 48,128	\$ 722,336
Deluz ID Projects	\$ -	\$ 19,227	\$ 29,177
Pump Stations	\$ 815,000	\$ -	\$ 58,902
Meter Replacement	\$ 60,000	\$ 2,784	\$ 20,853
Pressure Reducing Stations	\$ 20,000	\$ 158	\$ 158
Red Mountain Reservoir Improvements	\$ 130,000	\$ 11,053	\$ 50,264
Steel Reservoir Improvements	\$ 320,000	\$ 23,702	\$ 310,674
Treatment Plant R&R	\$ 1,607,000	\$ 9,869	\$ 95,712
SCADA Upgrades/ Security/Telemetry	\$ 150,000	\$ 2,131	\$ 21,097
Vehicles and Heavy Equipment	\$ 520,000	\$ -	\$ -
Total Water Capital Projects	\$ 8,117,000	\$ 262,857	\$ 1,708,743

Recycled Water Capital Projects

Recycled Water Improvements	\$ 264,000	\$ 959	\$ 7,013
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Wastewater Capital Projects

WRP Improvements	\$ 1,325,000	\$ 70,555	\$ 77,194
Collection System Improvements	\$ 440,000	\$ 24,557	\$ 30,223
Outfall Improvements	\$ 50,000	\$ -	\$ 41,321
Vehicles and Heavy Equipment	\$ -	\$ -	\$ -
Total Wastewater Capital Projects	\$ 1,815,000	\$ 95,112	\$ 148,738

Administrative Capital Projects

Administrative Upgrades	\$ 700,000	\$ 2,459	\$ 31,325
Engineering and Operations Information Systems	\$ -	\$ -	\$ -
Facility Improvements/Upgrades/Security	\$ 300,000	\$ 12,808	\$ 18,846
District Yard Improvements	\$ 25,000	\$ 536	\$ 10,754
Total Administrative Capital Projects	\$ 1,025,000	\$ 15,803	\$ 60,925

Capital Projects Total	\$ 11,221,000	\$ 374,731	\$ 1,925,420
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10/31/2025

Treasurer Warrant No. October

TO: Treasurer of the Fallbrook Public Utility District

The bills and claims listed below are approved as authorized by resolution no. 3538 of the Board of Directors dated July 8, 1985. You are hereby authorized and directed to pay said prospective claims for the amounts stated (less discounts in instances where discounts are allowed).

Payroll – 10/2025

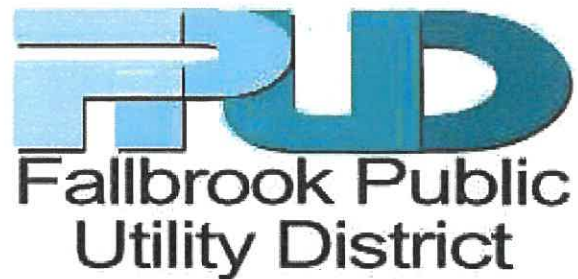
Computer Check Register

Payroll #1	\$208,083.63
Payroll #2	\$233,245.93
Payroll #3	<u>\$205,313.09</u>
	<u>\$646,642.65</u>

Accounts Payable

Checks by Date - Summary by Check Date

User: annaleceb
Printed: 12/3/2025 9:48 AM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	00152	FPUD EMPL ASSOCIATION	10/02/2025	749.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	10/02/2025	26,901.36
ACH	06758	UNITED STATES TREASURY	10/02/2025	79,610.00
ACH	06759	STATE OF CA - PR TAXES	10/02/2025	13,718.60
ACH	06760	STATE OF CA - SDI	10/02/2025	3,967.18
ACH	06763	PERS - PAYROLL	10/02/2025	54,033.90
98164	91286	AMAZON CAPITAL SERVICES, INC.	10/02/2025	2,136.93
98165	91930	ARDURRA GROUP, INC.	10/02/2025	24,112.50
98166	91608	AT&T MOBILITY LLC	10/02/2025	4,177.42
98167	91487	BADGER METER, INC.	10/02/2025	5,497.00
98168	91840	BLUE - WHITE INDUSTRIES	10/02/2025	3,709.42
98169	06374	BOOT BARN INC.	10/02/2025	1,085.05
98170	91069	BRENNTAG PACIFIC INC.	10/02/2025	1,676.93
98171	03205	CITY OF OCEANSIDE	10/02/2025	196.55
98172	05714	COUNTY OF SAN DIEGO DEPARTMEN	10/02/2025	3,581.94
98173	92033	Earthworkshealth LLC	10/02/2025	12,630.00
98174	04122	EVOQUA WATER TECHNOLOGIES LLC	10/02/2025	10,185.07
98175	09523	FALLBROOK EQUIP RENTALS	10/02/2025	1,423.00
98176	01099	FALLBROOK IRRIGATION INC	10/02/2025	171.58
98177	00170	FALLBROOK WASTE & RECYCLING	10/02/2025	1,092.23
98178	91833	FAMILY SUPPORT REGISTRY	10/02/2025	100.15
98179	06497	FASTENAL COMPANY	10/02/2025	1,177.65
98180	04494	FEDERAL EXPRESS CORPORATION	10/02/2025	61.22
98181	91202	FIRST BANKCARD	10/02/2025	4,663.06
98182	91895	FIRST BANKCARD	10/02/2025	764.00
98183	91957	FOSTER & FOSTER, INC.	10/02/2025	1,000.00
98184	05560	FRANCHISE TAX BOARD	10/02/2025	1,084.07
98185	02170	GRAINGER, INC.	10/02/2025	1,627.95
98186	03174	HAAKER EQUIPMENT COMPANY	10/02/2025	15,947.00
98187	06329	HILL BROTHERS CHEMICAL COMPAN	10/02/2025	1,934.19
98188	06577	INFOSEND INC	10/02/2025	1,473.43
98189	05194	LESLIE'S SWIMMING POOL SUPPLIES	10/02/2025	6,637.31
98190	91718	MYRON L COMPANY	10/02/2025	1,962.57
98191	06298	ONESOURCE DISTRIBUTORS, LLC	10/02/2025	93.57
98192	01267	PACIFIC PIPELINE	10/02/2025	1,969.02
98193	UB*00462	MICHAEL RANDOLPH	10/02/2025	214.64
98194	91779	RINGCENTRAL, INC.	10/02/2025	1,418.39
98195	06666	SAGINAW CONTROL & ENGINEERING	10/02/2025	2,564.55
98196	00232	SAN DIEGO GAS & ELECTRIC	10/02/2025	80,043.89
98197	91723	SPECIALTY MOWING SERVICES, INC	10/02/2025	52,792.87
98198	91860	SPECTRUM ENTERPRISE	10/02/2025	4,318.12
98199	05415	STATE WATER RESOURCE CONTROL I	10/02/2025	60.00
98200	91929	VESTIS SERVICES, LLC	10/02/2025	300.37
98201	04290	VILLAGE NEWS, INC.	10/02/2025	545.00
98202	90981	WATERSMART SOFTWARE	10/02/2025	173.71
98203	06231	WESTERN WATER WORKS SUPPLY CC	10/02/2025	2,267.06
98204	02773	WHITE CAP L.P	10/02/2025	2,254.14

Check No	Vendor No	Vendor Name	Check Date	Check Amount
98205	91602	WIENHOFF DRUG TESTING	10/02/2025	50.00
Total for 10/2/2025:				438,154.09
98206	91969	AIR QUALITY CONTROL HEATING AN	10/09/2025	99.00
98207	91490	AMAZON WEB SERVICES, INC.	10/09/2025	1,120.56
98208	06536	ARCADIS U.S., INC	10/09/2025	11,677.00
98209	05088	AT&T	10/09/2025	619.30
98210	91814	AURORA POWER SERVICES	10/09/2025	1,620.00
98211	06020	BABCOCK LABORATORIES, INC	10/09/2025	8,097.28
98212	06431	BLACK & VEATCH CORPORATION	10/09/2025	805.13
98213	06374	BOOT BARN INC.	10/09/2025	269.15
98214	05615	BOOT WORLD INC.	10/09/2025	189.06
98215	91440	BP BATTERY INC	10/09/2025	202.73
98216	03978	CAMERON WELDING SUPPLY	10/09/2025	911.50
98217	91594	CONCENTRA MEDICAL CENTERS	10/09/2025	145.00
98218	91330	AARON COOK	10/09/2025	180.00
98219	02176	CORELOGIC SOLUTIONS, LLC	10/09/2025	218.55
98220	02925	DATA NET SOLUTIONS	10/09/2025	3,334.29
98221	91936	DOPUDJA & WELLS CONSULTING, INC	10/09/2025	10,029.93
98222	04122	EVOQUA WATER TECHNOLOGIES LLC	10/09/2025	408.38
98223	91611	FALLBROOK ACE HARDWARE	10/09/2025	1,210.67
98224	09523	FALLBROOK EQUIP RENTALS	10/09/2025	1,550.00
98225	00169	FALLBROOK OIL COMPANY	10/09/2025	6,137.24
98226	91837	GEOTAB USA, INC.	10/09/2025	1,547.76
98227	03174	HAAKER EQUIPMENT COMPANY	10/09/2025	319.43
98228	06577	INFOSEND INC	10/09/2025	2,966.48
98229	91912	LEGEND TECHNICAL SERVICES OF AI	10/09/2025	1,232.00
98230	91751	MANAGED MOBILE INC	10/09/2025	1,109.36
98231	91997	MKN & ASSOCIATES	10/09/2025	5,700.00
98232	90932	NAPA AUTO PARTS	10/09/2025	520.78
98233	03201	NATIONAL SAFETY COMPLIANCE INC	10/09/2025	152.65
98234	00370	NUTRIEN AG SOLUTIONS, INC.	10/09/2025	416.92
98235	06298	ONESOURCE DISTRIBUTORS, LLC	10/09/2025	152.55
98236	91674	O'REILLY AUTO ENTERPRISES, LLC	10/09/2025	976.57
98237	01267	PACIFIC PIPELINE	10/09/2025	491.74
98238	91426	PRINTING SOLUTIONS	10/09/2025	224.44
98239	04075	RUSTY WALLIS, INC	10/09/2025	205.00
98240	00232	SAN DIEGO GAS & ELECTRIC	10/09/2025	66,225.09
98241	00236	SCRAPPYS	10/09/2025	353.71
98242	91955	SOFTRESOURCES LLC	10/09/2025	3,000.00
98243	06735	TCN, INC.	10/09/2025	48.28
98244	00724	UNDERGROUND SERVICE ALERT	10/09/2025	553.26
98245	91929	VESTIS SERVICES, LLC	10/09/2025	398.01
98246	03223	AIR POLLUTION CONTROL DISTRICT	10/09/2025	753.00
98247	91969	AIR QUALITY CONTROL HEATING AN	10/09/2025	1,807.00
98248	04995	AMERICAN MESSAGING	10/09/2025	415.75
98249	92042	AMERICAN WRECKING INC	10/09/2025	650.64
98250	01813	ASSOCIATION OF CALIFORNIA WATEI	10/09/2025	27,420.00
98251	91487	BADGER METER, INC.	10/09/2025	7,322.06
98252	91686	BLUE PACIFIC ENGINEERING & CONS	10/09/2025	1,132.90
98253	91486	CONNECTA SATELLITE SOLUTIONS L	10/09/2025	78.28
98254	05192	DIAMOND ENVIRONMENTAL SERVIC	10/09/2025	975.34
98255	06303	EXECUTIVE LANDSCAPE INC.	10/09/2025	1,260.00
98256	01432	FERGUSON WATERWORKS #1083	10/09/2025	6,132.05
98257	91848	FERNANDEZ GOVERNMENT SOLUTIC	10/09/2025	10,000.00
98258	02170	GRAINGER, INC.	10/09/2025	1,440.30

Check No	Vendor No	Vendor Name	Check Date	Check Amount
98259	06561	HOWELLS GOVERNMENT RELATIONS	10/09/2025	4,362.02
98260	06380	JANI-KING OF CALIFORNIA, INC - SAN	10/09/2025	3,445.16
98261	01267	PACIFIC PIPELINE	10/09/2025	2,047.25
98262	06608	ROTARY CLUB OF FALLBROOK	10/09/2025	182.00
98263	00236	SCRAPPYS	10/09/2025	313.95
98264	06605	SOUTHLAND PIPE CORP.	10/09/2025	42,813.10
98265	90929	SOUTHWEST ANSWERING SERVICE, I	10/09/2025	985.00
98266	05415	STATE WATER RESOURCE CONTROL I	10/09/2025	70.00
98267	92024	THE BERNHARDT GROUP, LLC	10/09/2025	15,000.00
98268	91703	UNIVAR SOLUTIONS	10/09/2025	12,618.97
Total for 10/9/2025:				276,643.57
ACH	00152	FPUD EMPL ASSOCIATION	10/16/2025	749.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	10/16/2025	26,251.36
ACH	06758	UNITED STATES TREASURY	10/16/2025	79,193.88
ACH	06759	STATE OF CA - PR TAXES	10/16/2025	13,576.66
ACH	06760	STATE OF CA - SDI	10/16/2025	3,948.13
ACH	06763	PERS - PAYROLL	10/16/2025	54,142.34
ACH	91223	STERLING ADMINISTRATION	10/16/2025	125.00
ACH	06763	PERS - PAYROLL	10/16/2025	200.00
98270	00805	ACWA/JOINT POWERS INS.	10/16/2025	28,060.70
98271	91286	AMAZON CAPITAL SERVICES, INC.	10/16/2025	2,523.88
98272	91911	AMTEK CONSTRUCTION	10/16/2025	15,040.90
98273	91724	ASPHALT & CONCRETE ENTERPRISES	10/16/2025	16,937.50
98274	UB*00633	JEANETTE BARRAGAM	10/16/2025	9.61
98275	06235	JACK BEBEE	10/16/2025	115.00
98276	02743	BEST BEST & KRIEGER	10/16/2025	6,748.80
98277	UB*00634	AMANDA BROWN	10/16/2025	130.70
98278	03978	CAMERON WELDING SUPPLY	10/16/2025	261.84
98279	91595	CLIFTONLARSONALLEN LLP	10/16/2025	29,000.00
98280	UB*00635	RAMON DELGADO	10/16/2025	81.78
98281	91305	DXP ENTERPRISES, INC.	10/16/2025	2,695.02
98282	05987	FALLBROOK GARAGE & QWIK LUBE	10/16/2025	1,929.57
98283	01406	FALLBROOK PROPANE GAS CO	10/16/2025	76.15
98284	91833	FAMILY SUPPORT REGISTRY	10/16/2025	100.15
98285	06497	FASTENAL COMPANY	10/16/2025	5,395.37
98286	04494	FEDERAL EXPRESS CORPORATION	10/16/2025	17.77
98287	01432	FERGUSON WATERWORKS #1083	10/16/2025	6,789.54
98288	05560	FRANCHISE TAX BOARD	10/16/2025	1,084.07
98289	02170	GRAINGER, INC.	10/16/2025	1,677.31
98290	06062	HARRINGTON INDUSTRIAL PLASTICS	10/16/2025	455.18
98291	06577	INFOSEND INC	10/16/2025	67.68
98292	00190	JCI JONES CHEMICALS INC.	10/16/2025	9,404.19
98293	04926	KONICA MINOLTA PREMIER FINANCE	10/16/2025	2,197.94
98294	91130	LINCOLN NATIONAL LIFE INSURANC	10/16/2025	4,735.07
98295	91798	MORGAN STANLEY GLOBAL BANKIN	10/16/2025	2,500.00
98296	91167	NORTH COUNTY FORD	10/16/2025	318.96
98297	UB*00625	REGINALD & WILMA OWENS	10/16/2025	122.00
98298	01267	PACIFIC PIPELINE	10/16/2025	21,754.72
98299	06688	ANDO PILVE	10/16/2025	982.50
98300	91887	POLYDYNE, INC.	10/16/2025	11,821.26
98301	91077	RED WING BUSINESS ADVANTAGE AC	10/16/2025	667.12
98302	06666	SAGINAW CONTROL & ENGINEERING	10/16/2025	630.65
98303	06705	SMITH AND LOVELESS INC	10/16/2025	12,950.21
98304	91860	SPECTRUM ENTERPRISE	10/16/2025	90.00
98305	91703	UNIVAR SOLUTIONS	10/16/2025	7,838.18

Check No	Vendor No	Vendor Name	Check Date	Check Amount
98306	04313	USA BLUEBOOK	10/16/2025	747.45
98307	91855	VALIN CORPORATION	10/16/2025	1,167.74
98308	91929	VESTIS SERVICES, LLC	10/16/2025	304.04
98309	06164	VULCAN MATERIALS COMPANY	10/16/2025	1,190.11
98310	06231	WESTERN WATER WORKS SUPPLY CC	10/16/2025	4,974.17
98311	02773	WHITE CAP L.P	10/16/2025	713.84
98312	91276	WOLFE DOOR INDUSTRIES, INC.	10/16/2025	3,218.90
98313	91724	ASPHALT & CONCRETE ENTERPRISES	10/16/2025	22,307.00
98314	91675	BANNER BANK	10/16/2025	9,336.73
98315	91330	AARON COOK	10/16/2025	76.00
98316	05953	CORODATA RECORDS MANAGEMENT	10/16/2025	784.57
98317	06675	CORODATA SHREDDING, INC	10/16/2025	72.70
98318	91130	LINCOLN NATIONAL LIFE INSURANC	10/16/2025	4,797.68
98319	91658	PK MECHANICAL SYSTEMS, INC	10/16/2025	177,397.92
98320	05403	SAN DIEGO UNION-TRIBUNE CO.	10/16/2025	207.06
98321	91968	SYNAGRO TECHNOLOGIES, INC	10/16/2025	17,185.73
98322	92021	T C CONSTRUCTION COMPANY, INC.	10/16/2025	20,000.97
98323	91485	BRYAN WAGNER	10/16/2025	213.61
98324	91498	WEST COAST TRUCK & AUTO	10/16/2025	160.00
98325	91284	WM CORPORATE SERVICES, INC	10/16/2025	1,442.40
Total for 10/16/2025:				639,696.81
ACH	91223	STERLING ADMINISTRATION	10/23/2025	1,409.00
98326	00101	ACWA JPIA	10/23/2025	142,449.48
98327	00805	ACWA/JOINT POWERS INS.	10/23/2025	349,761.57
98328	91286	AMAZON CAPITAL SERVICES, INC.	10/23/2025	2,971.16
98329	91216	APGN INC	10/23/2025	72,456.00
98330	91930	ARDURRA GROUP, INC.	10/23/2025	3,867.50
98331	92039	B&K VALVES & EQUIPMENT, INC.	10/23/2025	5,004.04
98332	91708	B2B SECURITY	10/23/2025	3,000.00
98333	04741	CALIFORNIA SPECIAL DISTRICT ASSC	10/23/2025	10,225.00
98334	04178	CALOLYMPIC SAFETY CO., INC.	10/23/2025	350.51
98335	91827	JUSTIN CAMERON	10/23/2025	114.00
98336	91272	KEVIN COLLINS	10/23/2025	60.00
98337	91594	CONCENTRA MEDICAL CENTERS	10/23/2025	145.00
98338	91008	MICHAEL COTHRAN	10/23/2025	1,272.05
98339	91882	EASTERN MUNICIPAL WATER DISTRI	10/23/2025	366,853.80
98340	05588	ESCONDIDO METAL SUPPLY	10/23/2025	4,249.12
98341	06303	EXECUTIVE LANDSCAPE INC.	10/23/2025	1,068.00
98342	01099	FALLBROOK IRRIGATION INC	10/23/2025	400.44
98343	00169	FALLBROOK OIL COMPANY	10/23/2025	4,536.01
98344	01155	FALLBROOK WASTE/RECYCLING	10/23/2025	96.60
98345	06497	FASTENAL COMPANY	10/23/2025	1,824.62
98346	01432	FERGUSON WATERWORKS #1083	10/23/2025	3,772.72
98347	02170	GRAINGER, INC.	10/23/2025	1,100.33
98348	02767	GRANGETTO FARM & GARDEN SUPPI	10/23/2025	175.64
98349	06062	HARRINGTON INDUSTRIAL PLASTICS	10/23/2025	557.69
98350	06577	INFOSEND INC	10/23/2025	3,064.23
98351	00190	JCI JONES CHEMICALS INC.	10/23/2025	7,383.62
98352	91648	KING LEE CHEMICAL COMPANY	10/23/2025	3,472.46
98353	90887	LLOYD PEST CONTROL	10/23/2025	177.00
98354	91751	MANAGED MOBILE INC	10/23/2025	2,410.91
98355	02618	MC MASTER-CARR	10/23/2025	518.99
98356	91719	NATIONAL TIRE WHOLESALE	10/23/2025	860.08
98357	92035	NINYO & MOORE GEOTECHNICAL &	10/23/2025	3,200.00
98358	91972	JAMES OLLERTON	10/23/2025	655.28

Check No	Vendor No	Vendor Name	Check Date	Check Amount
98359	06298	ONESOURCE DISTRIBUTORS, LLC	10/23/2025	3,787.78
98360	01267	PACIFIC PIPELINE	10/23/2025	147.62
98361	91535	PAYMENTUS CORPORATION	10/23/2025	5,602.14
98362	91546	QUADIENT FINANCE USA, INC.	10/23/2025	800.00
98363	91071	JACOB ROBINSON	10/23/2025	290.00
98364	91996	SCW CONTRACTING CORPORATION	10/23/2025	62,061.02
98365	91218	DAVID SHANK	10/23/2025	794.61
98366	04434	SNAP ON TOOLS	10/23/2025	600.54
98367	06401	SONSRAY MACHINERY LLC	10/23/2025	111.37
98368	06605	SOUTHLAND PIPE CORP.	10/23/2025	6,617.21
98369	91723	SPECIALTY MOWING SERVICES, INC	10/23/2025	33,463.06
98370	05415	STATE WATER RESOURCE CONTROL I	10/23/2025	120.00
98371	00159	SUPERIOR READY MIX	10/23/2025	5,611.51
98372	91703	UNIVAR SOLUTIONS	10/23/2025	10,096.26
98373	05942	VELOCITYEHS INC	10/23/2025	2,454.17
98374	91929	VESTIS SERVICES, LLC	10/23/2025	373.96
98375	00233	WAXIE SANITARY SUPPLY	10/23/2025	2,313.70
Total for 10/23/2025:				1,134,707.80
ACH	00152	FPUD EMPL ASSOCIATION	10/30/2025	764.75
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	10/30/2025	27,551.36
ACH	06758	UNITED STATES TREASURY	10/30/2025	76,267.65
ACH	06759	STATE OF CA - PR TAXES	10/30/2025	12,899.97
ACH	06760	STATE OF CA - SDI	10/30/2025	3,890.86
ACH	06763	PERS - PAYROLL	10/30/2025	53,819.42
98378	91286	AMAZON CAPITAL SERVICES, INC.	10/30/2025	2,655.32
98379	91608	AT&T MOBILITY LLC	10/30/2025	4,175.44
98380	06578	AZTEC TECHNOLOGY CORPORATION	10/30/2025	4,503.95
98381	06374	BOOT BARN INC.	10/30/2025	244.63
98382	91975	JODI BROWN	10/30/2025	1,653.00
98383	91694	DOWNSTREAM SERVICES, INC.	10/30/2025	2,505.25
98384	91401	KENNETH ENDTER	10/30/2025	64.96
98385	04411	ENVIRONMENTAL RESOURCE ASSOC	10/30/2025	1,686.64
98386	05588	ESCONDIDO METAL SUPPLY	10/30/2025	577.54
98387	09523	FALLBROOK EQUIP RENTALS	10/30/2025	981.94
98388	00170	FALLBROOK WASTE & RECYCLING	10/30/2025	1,174.15
98389	91833	FAMILY SUPPORT REGISTRY	10/30/2025	100.15
98390	01432	FERGUSON WATERWORKS #1083	10/30/2025	1,128.14
98391	91200	FIRST BANKCARD	10/30/2025	4,652.07
98392	91225	FIRST BANKCARD	10/30/2025	99.00
98393	91323	FIRST BANKCARD	10/30/2025	1,160.00
98394	91540	FIRST BANKCARD	10/30/2025	2,239.43
98395	91678	FIRST BANKCARD	10/30/2025	1,185.04
98396	91744	FIRST BANKCARD	10/30/2025	2,336.74
98397	91847	FIRST BANKCARD	10/30/2025	63.55
98398	91971	FIRST BANKCARD	10/30/2025	1,907.16
98399	91989	FIRST BANKCARD	10/30/2025	1,381.22
98400	05560	FRANCHISE TAX BOARD	10/30/2025	1,084.07
98401	02170	GRAINGER, INC.	10/30/2025	3,103.19
98402	03174	HAAKER EQUIPMENT COMPANY	10/30/2025	6,118.50
98403	06329	HILL BROTHERS CHEMICAL COMPAN	10/30/2025	1,776.69
98404	06577	INFOSEND INC	10/30/2025	1,660.72
98405	05505	TODD JESTER	10/30/2025	1,298.00
98406	92045	JOHN FOSTER	10/30/2025	4,165.00
98407	91169	JOYE JOHNSON	10/30/2025	379.33
98408	91974	LAYNE CHRISTENSEN COMPANY	10/30/2025	28,642.96

Check No	Vendor No	Vendor Name	Check Date	Check Amount
98409	05655	DON MCDOUGAL	10/30/2025	45.64
98410	91780	OSTS INC	10/30/2025	1,250.00
98411	01267	PACIFIC PIPELINE	10/30/2025	804.35
98412	00215	PETTY CASH	10/30/2025	116.46
98413	91007	PFM ASSET MANGEMENT LLC	10/30/2025	1,379.15
98414	91697	R&B AUTOMATION, INC.	10/30/2025	19,226.66
98415	91779	RINGCENTRAL, INC.	10/30/2025	1,398.23
98416	00232	SAN DIEGO GAS & ELECTRIC	10/30/2025	67,819.07
98417	92046	SMARTSIGN	10/30/2025	430.89
98418	92020	THIRKETTLE CORPORATION	10/30/2025	5,020.08
98419	06512	ULINE SHIPPING SUPPLIES	10/30/2025	151.16
Total for 10/30/2025:				357,539.48
Report Total (274 checks):				2,846,741.75



Jack Bebee

General Manager

Lauren Eckert

From: Don McDougal <don@GrandTradition.com>
Sent: Tuesday, October 28, 2025 5:03 PM
To: Lauren Eckert
Subject: Re: Advance Approval needed for Hoover Dam Tour Nov 6-7 with EMWD

Yes, I approve. She mentioned she was taking her sister and per diem does not apply for her sister.



Don McDougal
CEO
P: (760) 728-6466 Ext.
e: don@GrandTradition.com
grandtradition.com
PO Box 1887, Fallbrook, CA 92088
220 Grand Tradition Way
Fallbrook, CA 92028



From: Lauren Eckert <leckert@fpud.com>
Sent: Tuesday, October 28, 2025 2:02:25 PM
To: Don McDougal <don@GrandTradition.com>
Subject: FW: Advance Approval needed for Hoover Dam Tour Nov 6-7 with EMWD

Hi Don,

Do you approve Jennifer's attendance to the Hoover Dam tour in November (details attached) and two days of per diem?

Thanks,
Lauren

From: Jennifer DeMeo <jendemeo@gmail.com>
Sent: Monday, October 27, 2025 1:32 PM
To: Don McDougal <don@grandtradition.com>; Jack Bebee <jackb@fpud.com>; Lauren Eckert <leckert@fpud.com>
Subject: Advance Approval needed for Hoover Dam Tour Nov 6-7 with EMWD