



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

AGENDA

**MONDAY, DECEMBER 9, 2024
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. SEATING OF DIRECTORS

1. Dave Baxter, Division No. 1
2. Jennifer DeMeo, Division No. 3

B. ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS

1. President
2. Vice-President

C. APPOINTMENTS TO BOARD STANDING COMMITTEES

1. Fiscal Policy & Insurance
2. Personnel
3. Engineering & Operations

D. YEARS OF SERVICE

1. Lauren Eckert – 5 years
2. Jodi Brown – 5 years

E. EMPLOYEE OF THE QUARTER FOR NOVEMBER 2024

1. Annalece Bokma

II. CONSENT CALENDAR-----(ITEMS F–G)****

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

F. CONSIDER APPROVAL OF MINUTES

1. October 28, 2024 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.

G. CONSIDER 2025 BOARD OF DIRECTORS REGULAR MEETING SCHEDULE

Recommendation: The Board establish the 2025 Board of Directors' regular meeting schedule, to include postponing the May regular meeting by two days to Wednesday, May 28, 2025 at 4:00 p.m. and combining the November and December regular Board meetings to Monday, December 8, 2025, at 4:00 p.m.

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

H. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK

Presented by: Noelle Denke, Public Information Officer

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

I. CONSIDER APPROVING DISTRICT'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR FISCAL YEAR 2023-24

Recommendation: The Committee recommends that the Board approve the ACFR for Fiscal Year Ending June 30, 2024.

J. CONSIDER ADOPTING RESOLUTION NO. 5085 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. 5085 adopting calendar year 2025 rates and charges for water, recycled water and wastewater services.

K. CONSIDER CUSTOMER REQUEST FOR BILL ADJUSTMENT

Recommendation: Staff supports Board direction on this item.

L. CONSIDER AWARD OF TOYON PUMP STATION PIPELINE EXTENSION PROJECT

Recommendation: That the Board award the Toyon Pump Station Pipeline Extension Project to the lowest responsible bidder, PK Mechanical, for \$350,000.

M. CONSIDER AWARD OF SEWER MAIN RELINING PROJECT FOR FY 2025

Recommendation: That the Board authorize award of the FY25 Sewer Main Relining Project to the lowest responsible bidder, Sancon Technologies in the amount of \$209,107.50.

- N. CONSIDER BOARD NOTIFICATION OF EMERGENCY DECLARATION FOR PIPE REPAIR ON BEAVERCREEK LANE, JOSTEN WAY, AND W FALLBROOK STREET

Recommendation: The Board be notified that the emergency declaration made by the General Manager has resulted in the construction work as documented above.

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
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 4, 2024
Dated / Fallbrook, CA

/s/ Lauren Eckert
Executive Assistant/Board Secretary

M E M O

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: December 9, 2024
SUBJECT: Seating of Directors

Cynthia Paes, Registrar of Voters for the County of San Diego, will certify the official canvass of returns from the November 5, 2024 General Election. Once certified, the Registrar's Office will send the District the certification via email and by mail. The Registrar of Voters has represented the certification will be released Thursday, December 5, 2024, the day after publication of the agenda.

The incumbents for Division 1, Dave Baxter, and Division 3, Jennifer DeMeo, ran unopposed; and due to the lack of opposition, the election did not appear on the ballot. The District anticipates that the Board of Supervisors will, at its December 10/11 2024 meeting, make an appointment to fill the Division 4 seat, which is currently held by Director Don McDougal. Pursuant to Elections Code section 10507, Director McDougal's current term will continue until a successor is appointed by the Board of Supervisors, "qualifies and takes office."

Directors Baxter and DeMeo will have taken their Oaths of Office prior to the December 9, 2024 Board Meeting, and their terms begin on Friday, December 6, 2024 (pending receipt of the official certification by the Registrar of Voters).

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 9, 2024
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
2024	Jennifer DeMeo	Don McDougal
2023	Charley Wolk	Jennifer DeMeo
2022	Dave Baxter	Charley Wolk
2021	Jennifer DeMeo	Dave Baxter
2020	Ken Endter	Jennifer DeMeo

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 9, 2024
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, 2024, 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*

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.

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M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 9, 2024
SUBJECT: November 2024 Employee of the Quarter

Annalece Bokma was chosen as the November 2024 Employee of the Quarter for the following reasons:

“Annalece has done very well fulfilling both Accounting Technician positions, both payroll and accounts payable. She truly puts her heart into her job and tries to make sure everything gets completed on time. That is not always an easy task getting all the supervisors and managers to turn in their invoices ASAP, and most importantly we all like getting paid on time. She has also been taking the time to plan out and lead yoga exercises on behalf of the District employees. She has always been a supportive team player with a positive energy and attitude. You can always count on her to help whenever a department is in need. This is not the first time that she jumped right in taking care AP process.”

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

M E M O

TO: Board of Directors
FROM: Lauren Eckert, Executive Assistant/Board Secretary
DATE: December 9, 2024
SUBJECT: Approval of Minutes

Recommended Action

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

1. October 28, 2024 Regular Meeting



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

MINUTES

**MONDAY, OCTOBER 28, 2024
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 DeMeo 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: Jennifer DeMeo, Member/President
Don McDougal, Member/Vice President
Dave Baxter, Member
Ken Endter, Member
Charley Wolk, Member

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Jodi Brown, Management Analyst
Juan Basave, Utility Worker I
Isabel Casteran, Safety & Risk Officer
Aaron Cook, Engineering Manager
Noelle Denke, Public Information Officer
Matt Lian, Utility Worker II
Jim Ollerton, Information Technology Manager
Carl Quiram, Operations Manager
Brandon Salgado, Utility Worker I
Steve Stone, Field Services Manager
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Jim Mendelson, Anna Marchand, Rosie Redmond, Jake Wiley, Rachel Mason, Leticia Maldonado/Stamos and Mark Mervich

PLEDGE OF ALLEGIANCE

President DeMeo led the Pledge of Allegiance.

APPROVAL OF AGENDA

MOTION: Director McDougal moved to approve the agenda; Director Wolk 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 item A.

A. NEW EMPLOYEE ANNOUNCEMENT

1. Juan Basave, Utility Worker I
2. Brandon Salgado, Utility Worker I
3. Jim Ollerton, Information Technology Manager

The Board welcomed Juan Basave and Brandon Salgado as the new Utility Worker Is and Jim Ollerton as the new Information Technology Manager.

II. **CONSENT CALENDAR**-----**(ITEM B)**

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

B. CONSIDER APPROVAL OF MINUTES

1. September 23, 2024 Regular Meeting

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

There were no public comments on Consent Calendar items.

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

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

NOES: None

ABSTAIN: None

ABSENT: None

III. INFORMATION------(ITEM C)

C. PIPELINE AND VALVE REPLACEMENT CONTRACT PRE-QUALIFICATION PROGRAM

Presented by: Aaron Cook, Engineering Manager

There were no public comments on agenda item C.

Engineering Manager Cook provided an overview of the Pipeline and Valve Replacement Contract Prequalification Program.

Vice President McDougal asked if a contractor needed to wait until the prequalification period opens to get on the list. Engineering Manager Cook explained contractors can apply when the prequalification period opens annually. A contractor does not have to requalify each year once they are on the list of approved prequalified contractors.

Director Wolk asked if the contractor had to be on the list to bid pipeline and valve replacement projects. Engineering Manager Cook responded that they would have to be on the list.

IV. ACTION / DISCUSSION CALENDAR------(ITEMS D-K)

D. 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.

Jake Wiley stepped to the podium to thank the Community Benefit Program Committee for their consideration and recommendation on the Fallbrook Youth Baseball League's grant application.

Jim Mendelson, Chair of the Community Benefit Program (CBP) Committee stepped to the podium to provide a summary of the work the Committee has done this calendar year including a summary of the most recent applications received for upcoming proposed projects. Mr. Mendelson reported the Committee discovered a small error in the total amount of funding recommended to the Board, as the Wildland's Conservancy's biofiltration project should have read \$150,000 in funding instead of the \$173,000 originally requested by the Committee. This would have brought the total requested funding to \$798,166 instead of \$821,166.

Director Wolk understood why there were so many projects submitted for maintenance-like projects for weed abatement, etc. but suggested the Committee be more aggressive in soliciting projects that end up being something new or improved.

Vice President McDougal commended Mr. Mendelson and the Committee for the work they have done, noting previous issues from the last application/funding cycle have mostly been resolved.

CBP Committee Secretary Marchand explained, in detail, the administrative process for Committee monitoring of projects including the reporting from the organizations receiving funding.

MOTION: Director McDougal moved to approve the Projects as recommended by the Community Benefit Program Committee, with the change in funding for the Wildland's Conservancy's Santa Margarita River Trail Parking Lot Biofiltration project from \$173,000 to \$150,000 and directed the Committee to finalize contract terms for each of these projects using the contract template and authorized the General Manager to execute these contracts; Director Endter seconded. Motion carried; **VOTE:**

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

NOES: None

ABSTAIN: None

ABSENT: None

E. CONSIDER REQUEST TO RESCHEDULE THE DECEMBER 2, 2024 COMBINED NOVEMBER / DECEMBER REGULAR BOARD MEETING TO DECEMBER 9, 2024

Recommendation: That the Board authorize rescheduling the combined November/December Regular Board Meeting to December 9, 2024.

There were no public comments on agenda item E.

MOTION: Director Endter moved to authorize rescheduling the combined November/December Regular Board meeting to December 9, 2024; Director Wolk seconded. Motion carried; VOTE:

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

F. CONSIDER AWARD OF RATTLESNAKE TANK SITE IMPROVEMENTS PROJECT

Recommendation: *That the Board award the Rattlesnake Tank Site Improvement Project to the lowest responsible bidder, NMN Construction for \$818,000.*

There were no public comments on agenda item F.

Engineering Manager Cook provided an overview of this project, including that the Rattlesnake Tank itself was in good condition, but the site around it was in fairly poor condition and had erosion issues.

MOTION: Director Endter moved to award the Rattlesnake Tank Site Improvement Project to the lowest responsible bidder, NMN Construction for \$818,000; Director McDougal seconded. Motion carried; VOTE:

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

G. CONSIDER ADOPTING RESOLUTION 5083, AMENDING ADMINISTRATIVE CODE ARTICLE 5, DISTRICT PROCUREMENT PROCEDURES

Recommendation: *That the Board adopt Resolution No. 5083 amending Administrative Code Article 5, District Procurement Procedures.*

There were no public comments on agenda item G.

General Manager Bebee explained this Administrative Code change was to simplify the Administrative Code, removing redundant information including specifically listing job title for the General Manager to designate for procurements. This information identified in the Administrative Code is already delegated to the General Manager, and specific positions and amounts are updated and documented internally under the General Manager's authority.

MOTION: Director Wolk moved to adopt Resolution No. 5083 amending Administrative Code Article 5, District Procurement Procedures; Director McDougal seconded. Motion carried; VOTE:

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

H. CONSIDER REQUEST FOR TEMPORARY SEWER SERVICE AGREEMENT FOR APN 120-010-64

Recommendation: That the Board adopt Resolution No. 5084 authorizing a Temporary Sewer Service Agreement between the Fallbrook Public Utility District and Calhoun Family Living Trust.

There were no public comments on agenda item H.

General Manager Bebee provided an overview of this project, noting this was a request for sewer service in an area we were not currently planning to extend the sewer to. They would receive sewer service through a lateral through an easement.

Director Wolk asked if the owner would be required to file the easement. General Manager Bebee reported the owner owns both parcels and would have to file the easement.

MOTION: Director McDougal moved to adopt Resolution No. 5084 authorizing a Temporary Sewer Service Agreement between the Fallbrook Public Utility District and Calhoun Family Living Trust; Director Baxter seconded. Motion carried; VOTE:

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

I. CONSIDER LAKE SKINNER HYDROLOGY STUDY

Recommendation: That the Board authorize the General Manager to sign an agreement with Stetson Engineers not to exceed \$84,750 to perform the hydrology study and conceptual runoff model for Lake Skinner to study the loss of runoff over the past 12 years. Metropolitan Water District will reimburse the District for 50% of the cost.

There were no public comments on agenda item I.

General Manager Bebee provided an overview of this item and summarized past history of our agreement with Metropolitan Water District in regards to Lake Skinner.

Director Baxter confirmed the only parties involved in this were FPUD and MWD.

MOTION: Director McDougal moved to authorize the General Manager to sign an agreement with Stetson Engineers not to exceed \$84,750 to perform the hydrology study and conceptual runoff model for Lake Skinner to study the loss of runoff over the past 12 years; Director Endter seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

J. CONSIDER LETTER OF SUPPORT TO SAN DIEGO COUNTY BOARD OF SUPERVISORS TO APPOINT DON MCDOUGAL, OR ANOTHER SUBDISTRICT 4 REGISTERED VOTER/RESIDENT, TO THE FPUD BOARD OF DIRECTORS, SUBDISTRICT 4

Recommendation: That the Board provide direction to staff regarding submittal of a letter to the San Diego County Board of Supervisors and Supervisor Desmond supporting its appointment of Don McDougal, or another a Subdistrict 4 registered voter/resident, to the FPUD Board of Directors, Subdistrict 4.

Vice President McDougal recused himself from this agenda item.

Mark Mervich stepped to the podium to inquire why the recommendation included possibly choosing another resident of Subdistrict 4 if Director McDougal wanted to remain on the Board. General Manager Bebee responded that the memo was from him, and it was not his place to direct or recommend the Board on who to choose for this position.

Leticia Maldonado/Stamos stepped to the podium to inquire how this information was conveyed to the community that someone interested in this position could submit their interest. General Counsel de Sousa responded that there was no candidate who filed for the position, this was no longer a Fallbrook Public Utility District issue. This was now up to the San Diego County Board of Supervisors to make the appointment. She was unsure if the Board of Supervisors has a specific process, if they have one at all, other than the policy that was included in the agenda packet. General Manager Bebee added that there was a period of time after the incumbent did not file for reelection where other members of Subdistrict 4 could file for candidacy.

MOTION: Director Endter moved to direct staff to submit a letter to the San Diego County Board of Supervisors and Supervisor Desmond supporting its appointment of Don McDougal to the FPUD Board of Directors, Subdistrict 4; Director Wolk seconded. Motion carried;
VOTE:

AYES: Directors Baxter, DeMeo, Endter, and Wolk

NOES: None

ABSTAIN: Director McDougal

ABSENT: None

K. CONSIDER REQUEST FOR BOARD APPROVAL FOR COMPLETION OF ACQUISITION OF THE FALLBROOK 3 FLOW CONTROL FACILITY FROM THE SAN DIEGO COUNTY WATER AUTHORITY

Recommendation: That the Board authorize the General Manager to execute the attached Bill of Sale for acquisition of the Fallbrook 3 Flow Control Facility for \$112,850 from the San Diego County Water Authority (SDCWA), which will complete the transfer of all assets as part of the detachment process.

There were no public comments on agenda item K.

General Manager Bebee provided an overview of this item, reporting this was the last piece of the detachment process.

Director Endter asked where this money was coming from. General Manager Bebee responded this would be a capital project.

MOTION: Director McDougal moved to authorize the General Manager to execute the Bill of Sale for acquisition of the Fallbrook 3 Flow Control Facility for \$112,850 from the San Diego County Water Authority, which will complete the transfer of all assets as part of the detachment process; Director Wolk 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

- General Counsel de Sousa reported on new bills going into place January 1, 2025.

2. General Manager

- a. MWD/EMWD Update

- b. Engineering and Operations Report
- c. Federal Funding Update
 - General Manager Bebee reported there is a meeting with Camp Pendleton tomorrow to come up with framework if we would support operating their wastewater treatment plant.
 - General Manager Bebee provided an overview of the MWD/EMWD report included in the packet.
 - General Manager Bebee reported on the Strategic Plan development project, noting this will probably require a special Board meeting in December.
- 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
 - PIO Denke reported on community events, noting District presence has doubled.
- 5. Notice of Approval of Per Diem for Meetings Attended
- 6. Director Comments/Reports on Meetings Attended
 - Directors DeMeo and Endter reported on their attendance at the ACWA Region 10 event on October 15th.
- 7. Miscellaneous

VII. 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 5:20 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 9, 2024
SUBJECT: Proposed 2025 Board of Directors Regular Meeting Schedule

Purpose

To establish the 2025 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 2025, the Memorial Day holiday falls on Monday, May 26, 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 28, 2025, 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 2025 schedule combines the November and December regular meetings to Monday, December 8, 2025, at 4:00 p.m., as follows:

Month	Day	Month	Day	Month	Day	Month	Day
January	27	April	28	July	28	October	27
February	24	May	28	August	25	November	<i>Combined with December</i>
March	24	June	23	September	22	December	8

Recommendation

The Board establish the 2025 Board of Directors' regular meeting schedule, to include postponing the May regular meeting by two days to Wednesday, May 28, 2025 at 4:00 p.m. and combining the November and December regular Board meetings to Monday, December 8, 2025, at 4:00 p.m.

M E M O

TO: Board of Directors
FROM: Noelle Denke, Public Information Officer
DATE: December 9, 2024
SUBJECT: Recognition and Commendation of Student Artwork

Purpose

To commend the top 14 student artists the 4th grade who submitted artwork for the 2025 “Be Water Smart” calendar. The artists are from the FPUD service area schools.

Summary

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 of how to be water smart, or water smart ways to conserve water so there’s enough for all living things, or imaginative new ways to conserve or recycle water, or water smart ways to prevent water pollution, or how our ancestors were water smart. Approximately 400 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 2026.

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:

- Charlie Madden, Live Oak Elementary, Mr. Acevedo’s class
- Makena Castro, Live Oak Elementary, Mr. Acevedo’s class
- Remi Schuessler, Fallbrook STEM Academy, Mrs. Weisz’s class
- Nathalie Maldando, Fallbrook STEM Academy, Mrs. Weisz’s class
- Ariel Ramirez, Maie Ellis Elementary, Ms. Vazquez Quintero’s class
- Victoria Badillo, St. Peter Catholic School, Mrs. Steinbock’s class
- Mason Moore-Bagshaw, Live Oak Elementary, Mrs. McKee’s class
- Natalia Juarez, Fallbrook STEM Academy, Mrs. Weisz’s class
- Davi Espinoza, Fallbrook STEM Academy, Mrs. Weisz’s class
- Ariana Gonzalez, Maie Ellis Elementary, Ms. Vazquez Quintero’s class
- First place: Sofia Luciano, Maie Ellis Elementary, Mr. Mills’s class
- Second place: Jackie Bernier, St. Peter Catholic School, Mrs. Steinbock’s class
- Third place: Erick Siquina, Fallbrook STEM Academy, Mrs. Weisz’s class
- Cover artwork: Alexa Navarro, Maie Ellis Elementary, Mr. Mills’s class

MEMO

TO: Board of Directors
FROM: Fiscal Policy and Insurance (FP&I) Committee
DATE: December 9, 2024
SUBJECT: Review of District's Draft Fiscal Year 2023-24 Annual Comprehensive Financial Report

Purpose

Approve the District's Annual Comprehensive Financial Report (ACFR) for Fiscal Year ending June 30, 2024, 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 six 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.

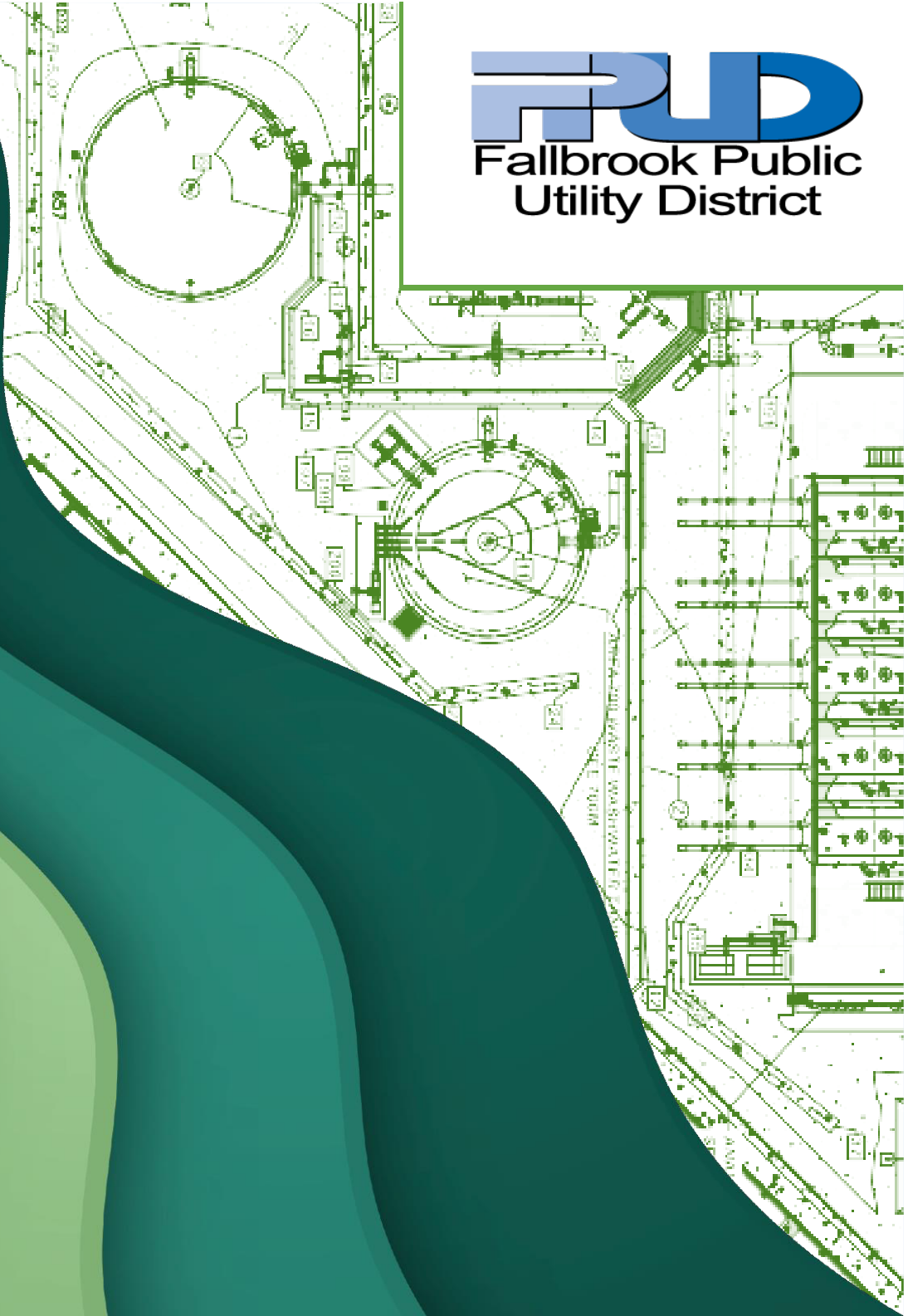
On October 24th and November 18th, the Fiscal Policy and Insurance Committee (the Committee) met and reviewed the Draft ACFR. At these meetings, staff and Daphnie Munoz, the engagement Partner from Clifton Larson Allen LLP (CLA), were present to review the financial statements and other draft sections of ACFR. The Committee's comments and suggestions are included in the ACFR.

Daphnie Munoz 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, she 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, 2024.

Attachment A



A Special District in the State of California

**Annual Comprehensive Financial Report
For the Fiscal Year Ending June 30, 2024**

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A Special District within the State of California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year ending June 30, 2024

Current Board of Directors:

- District #1 - Dave Baxter
- District #2 - Ken Endter
- District #3 - Jennifer DeMeo, President
- District #4 - Don McDougal, Vice-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, Jason Jared, Todd Jester, Joye Johnson, Jesse Perez, 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 22, 2024

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

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

To the Board of Directors and Citizens of Fallbrook:

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

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, 2024. 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, 2024. 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.



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.

Over the last decade, SDCWA has executed a supply reliability plan developed in the early 2000's. At that time, water demands were at all-time highs and double SDCWA's current annual water sales levels. With a water supply reliability plan built for peak annual water demands, SDCWA has invested billions in water supply reliability projects. Paying for these water supply reliability investments is driving SDCWA's cost of water higher.

With rate payers struggling to afford water in the District's service area and no hope for 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 Eastern Municipal Water District's (EMWD's) service area. This change immediately reduced the District's cost of wholesale water by over 30% with no reduction in the District's water supply reliability.



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 wholesale 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 7,021 acre-feet. Residential and commercial customers represent 72% of sales, and agricultural customers make up the remaining 28%. 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 1,461 in Fiscal Year 2024 or down 79%.

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 5,042 customers with an annual influent flow of 632 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 connections, and delivers an average of 0.4 million gallons per day to them. The District provides recycled water for plant nurseries, sports fields, home owners’ associations, Fallbrook High School, and street medians. In 2023, the District completed an updated Recycled System Master Plan in which potential system expansions were identified and analyzed for targeted implementation. Over 600 acre feet per year of potable demand could be served with recycled water if all extensions were implemented. Funding for the most feasible expansions is being pursued through State and Federal resources. In addition, the District will coordinate outreach to assist irrigators with planning, permitting, purchasing new equipment and receiving grant funds. Assisting growers through the entire process will help bring new recycled customers online.

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 06/30/2024):

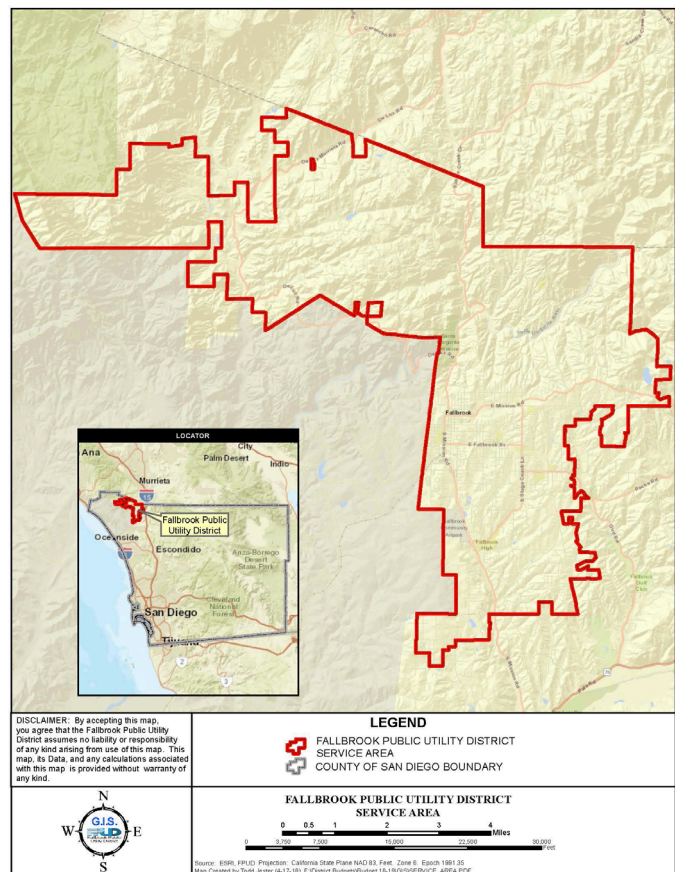
- District #1 - Dave Baxter**
- District #2 - Ken Endter**
- District #3 - Jennifer DeMeo, President**
- District #4 - Don McDougal, Vice-President**
- District #5 - Charley Wolk**

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 2021 population is estimated to be 34,738 with 10,334 households. Fallbrook’s population has remained relatively unchanged over the past several years.

The median household income in Fallbrook was \$78,479, which is less than the state median of \$91,905 and slightly higher than the national average of \$74,580. Being only slightly higher than the national average is noteworthy since California is one of the most expensive states to live in.

The San Diego Association of Governments (SANDAG) projects that the County’s population will approach 3.7 million residents in 2050, up from 3.3 million in 2021. 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, 2024, the trust held \$8.2 million in assets to offset in District's OPEB and Pension liabilities.

In 2018, the District adopted a new Mission Statement 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.

1 Strategic Focus Area | Water Supply

Need: The District is focused on managing its water supply mix to provide rate payers with reliable and affordable water.

Goal: Provide a reliable, cost-effective water supply through optimization of the District's local supply and securing wholesale water at a more reasonable cost.

Strategy: Maximize local water supplies from the Santa Margarita River water rights settlement. Evaluate further expansion of recycled water system to utilize available capacity and provide a local cost-effective drought proof supply to recycled water customers. Change the District's wholesale provider to provide immediate and substantial financial relief to the District's water customers.

2 Strategic Focus Area | Infrastructure

Need: The District was formed in 1922 and has aging infrastructure throughout its service area. Over the last few years, pipe failures have caused increased service disruptions and property damage. If not addressed, these problems will increase significantly as the existing infrastructure reaches the end of its useful life.

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

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

#3 Strategic Focus Area | Efficiency

Need: While the District has been able to maintain reliable service with limited resources, additional legal and environmental requirements along with rising employee costs require the District to do more with less to help control water and wastewater rates.

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

Strategy: Continue taking incremental steps toward developing an organization that is a model in the industry for operational practices and efficiency, and one that is looked to as an industry leader for a smaller utility. Collaborate with other agencies locally and nationally to implement best practices in the industry.

#4 Strategic Focus Area | Community

Need: The District was formed by the community as a local resource, but the need to increase rates for long-term fiscal sustainability and to address past under-investments in infrastructure negatively affects our customers' public opinion of the District.

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

Strategy: Improve messaging and District approach, from field staff to management, to make sure we are approaching our activities with a focus on the customer's perspective. Establish programs that help invest in our community.

#5 Strategic Focus Area | Workforce

Need: Maintain a workforce of qualified and capable staff. Recruiting is challenging for qualified replacements with the necessary knowledge of water and wastewater operations, heavy construction, finance and engineering.

Goal: Develop a well trained and educated workforce that is capable of filling key positions to maintain the organization's resilience.

Strategy: Create an organization where many key positions are developed internally and a formal program exists to identify staff with management potential and provide necessary training. Establish a work environment and reputation in the industry that draws qualified candidates with external recruitments.



Major Initiatives

Implementing Change

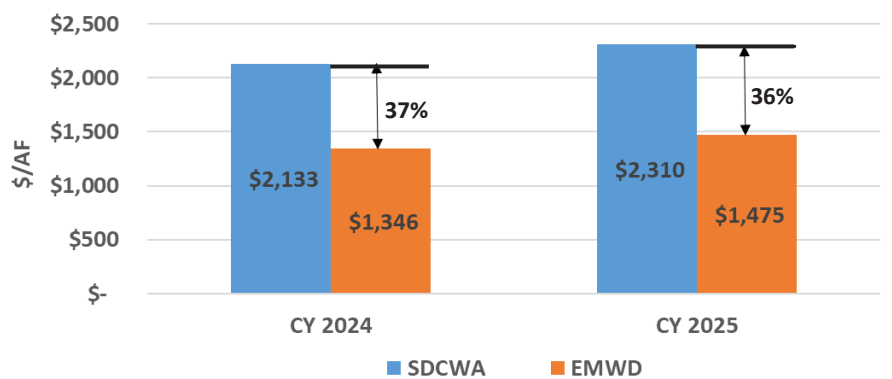
Over the past year, the District’s water operations has undergone a complete transformation. This transformation includes coordinating the delivery of Santa Margarita River (SMR) water from Camp Pendleton (the District’s local water supply), the operation of the new Santa Margarita Groundwater Treatment Plant (SMGTP), and importing water from a new wholesale water provider, Eastern Municipal Water District (EMWD). Staff now have to balance customer water demands, water deliveries from Camp Pendleton and EMWD, water production at the SMGTP with draws from and deposits into the Red Mountain Reservoir. While more complex, once optimized the water system will provide the District’s rate payers with a stable rates and a reliable water supply.

The District is also focused on the efficient operations of the Water Reclamation Plant. The District has implemented several Key Performance Indicators (KPIs) to use as performance benchmarks ensuring treatment processes are optimized and costs minimized. In addition, the District also continues to look for opportunities to expand its recycled water service area.

Water Affordability

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

The District has faced a decade of escalating wholesale water costs driven by costly infrastructure investments made by the San Diego County Water Authority (SDCWA) in supply reliability. This year the District detached from SDCWA’s service area and annexed into EMWD’s service area. The result of this change is a significant decrease in the District’s cost of imported water. As an EMWD customer, the District’s monthly fixed charges decreased by approximately 87%. The cost of treated water deliveries also went down by approximately 20%. These savings allowed the District to hold water usage rates flat and reduce the fixed monthly fees paid by customers in calendar year 2024.



Going forward, the District expects, on average, more than half of its water supply will come from local supplies. For example, in Fiscal 2024-25, the District expects local water supply to provide more than 92% of District’s total water supplies. As the District optimizes system operations, cost savings will be passed through to customers.

The District’s detachment agreement with SDCWA required an \$8.5 million Detachment Fee to be paid to SDCWA. To manage the financial impact of the Detachment Fee in Fiscal Year 2023-24, the Board chose to debt fund the water Capital Improvement Program (CIP). By funding the CIP with debt proceeds, the District had sufficient cash reserves to pay the Detachment Fee and maintain its operating reserves. This approach also enabled the District to spread the financial impact of the Detachment Fee over time and minimize the immediate impact on water rates and charges.

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

8.5% and 11%, respectively. However, the District will avoid SDCWA's rate increases, which was 14% in calendar year 2025, as it struggles to stabilize its financial position.

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 reviewing its asset management program and modifying business practices in an attempt 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 process. Providing field crews and engineering with a mix of information critical to effectively planning and making asset repair and replacement decisions is central to this effort. As staff continue to implement changes to information management systems to support better decisions, the District will begin a review of Enterprise Resource Planning (ERP) systems to evaluate which one best supports the District's goals.

Looking Forward

The District is committed to advocating for its ratepayers and securing a reliable and affordable water supply. To this end, the District is focused on optimizing water supply and operations to minimize its costs. This approach not only applies to the Water System operations but also the Wastewater and Recycled Water Systems' operations.

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

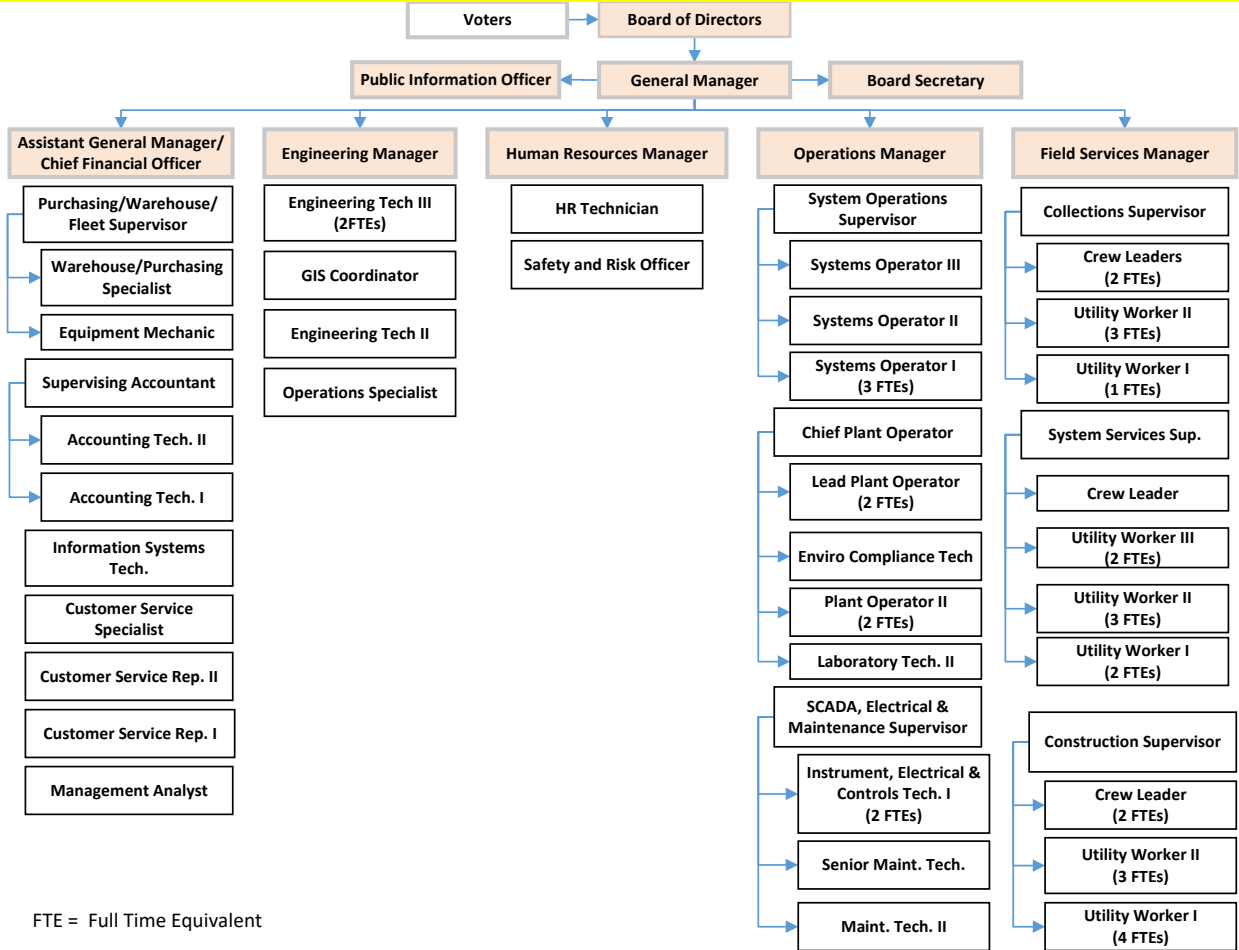


David Shank
Assistant General Manager/CFO



Fiscal Year Organizational Structure (Total FTE 70)

Fiscal Year 2023-2024 Organizational Structure - Total Requested Regular FTE=70



FPUD and EMWD board members celebrate switching water wholesalers on April 30, 2024 special board meeting.

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, 2023

Christopher P. Morrill

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, 2024, 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 respective financial position of Fallbrook Public Utility District as of June 30, 2024, and the changes in its financial position and its cash flows thereof 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.

Board of Directors
Fallbrook Public Utility District

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.

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

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2023 financial statements, and we expressed an unmodified opinion on the financial statements in our report dated November 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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, 2024 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, 2024 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.

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.

Board of Directors
Fallbrook Public Utility District

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.

Report on Summarized Comparative Information

We have previously audited the District's 2023 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The schedule of operating income and expense for the year ended June 30, 2023 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 2023 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 203 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, 2023.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024, 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

CliftonLarsonAllen LLP

Irvine, California
November 22, 2024

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, 2024. 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 decreased 4.6% from the June 30, 2023 balance of \$108,297,538 to the June 30, 2024 balance of \$103,300,858. The decrease was driven by the \$8,506,750 Special Item, which was the detachment payment made to the San Diego County Water Authority (SDCWA). The District's total assets increased to \$222,727,127, which is a 2.8% increase from last year. The increase in District's Restricted Assets is due to the remaining bond proceeds from the issuance of \$11,205,000 in Water Revenue Bonds this fiscal year to fund the Water System's CIP. Liabilities increased to \$123,048,533 or 9.8% from year ending June 30, 2023 due to the additional debt issued by the District. Deferred outflows of Resources dipped slightly due to changes in the District's OPEB benefits/obligations and recognition of pension plan performance. Of the District's assets, 78% are related to infrastructure, which is the largest class of assets.

The District's operating loss increased from \$1,335,588 in fiscal year ending June 30, 2023 to \$4,175,425 in fiscal year ending June 30, 2024. The increase was driven by higher treatment costs due

to local supply deliveries. Overall, the District's operating revenues decreased 1.7% or from \$31,629,493 to \$31,103,675 in fiscal years ending June 30, 2023 and 2024, respectively. After net non-operating revenues, detachment payment and capital contributions, the District's fiscal year ending June 30, 2024 decrease in net position was \$4,996,680. The District sought reimbursement from both Pension and OPEB 115 Trust this year for pension and OPEB related expenditures. Brining the combined trust balances down from \$10,349,994 fiscal year ending June 30, 2023 to \$8,198,731 fiscal year ending June 30, 2024.

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 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.

Fiscal year 2023 compared to Fiscal Year 2022

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. Capital assets decreased to \$174,509,824 in fiscal year ending June 30, 2023.

Current assets and liabilities remained flat from fiscal year ending June 30, 2022. At year-end, the trust

offsetting the District’s OPEB and pension liabilities held \$10,349,994, \$1,173,333 for OPEB and \$9,176,661 for pensions. The District implemented GASB 96 fiscal year ending June 30, 2023. The value of the District’s subscription liability on June 30, 2023 was \$37,290.

Net capital assets decreased \$3,098,014 in fiscal year ending June 30, 2023. District wide depreciation in fiscal year ending June 30, 2023 was \$8,997,162. The decrease in net capital assets indicates that the District’s capital investments in system assets during fiscal year ending June 30, 2023 were slightly outpaced by the rate of asset depreciation. This was due to a lower than expected level of capital project execution.

The District’s total net position increased by \$5,575,556 primarily attributable to the \$8,358,223 in nonoperating revenue, which is predominantly made up of property taxes and capital improvement charges, and investment income. These along with offsetting nonoperating expenses of \$1,622,947, compensated for the operating loss of \$1,335,588.

Condensed Statements of Net Position

	June 30, 2024	June 30, 2023	June 30, 2022
Assets			
Unrestricted Current Assets	\$ 26,258,734	\$ 26,256,133	\$ 26,273,471
OPEB and Restricted Assets	20,035,878	13,794,060	12,373,596
Capital Assets, net	173,831,640	174,509,824	177,607,838
Lease Receivable, Net of Current Portion	2,600,875	2,192,063	2,534,615
Total Assets	222,727,127	216,752,080	218,789,520
Deferred Outflows of Resources			
	7,408,477	7,638,677	3,020,909
Liabilities			
Current liabilities	9,384,302	7,509,337	7,512,861
Noncurrent liabilities including Retention Payable	113,664,231	104,535,670	100,234,698
Total Liabilities	123,048,533	112,045,007	107,747,559
Deferred Inflows of Resources			
	3,786,213	4,048,212	11,340,888
Net Position			
Net Investment in Capital Assets	83,327,031	84,709,855	84,830,631
Restricted	8,559,689	10,707,799	9,631,081
Unrestricted	11,414,138	12,879,884	8,260,270
Total Net Position	\$ 103,300,858	\$ 108,297,538	\$ 102,721,982

Statements of Revenues, Expenses and Changes in Net Position

	For the Year Ended June 30, 2024	For the Year Ended June 30, 2023	For the Year Ended June 30, 2022
Operating Revenues			
Water	\$ 22,556,356	\$ 23,467,210	\$ 25,245,783
Recycled Water	1,154,745	1,102,493	1,232,350
Wastewater	7,392,574	7,059,790	6,336,853
Total Operating Revenues	31,103,675	31,629,493	32,814,986
Operating Expenses			
Cost of Water	6,659,144	10,716,859	13,245,830
Water Operations	12,563,218	7,769,158	10,369,275
Recycled Water Operations	542,253	446,834	626,050
Wastewater Operations	6,487,436	5,035,068	6,620,611
Operating Expenses Before Depreciation	26,252,051	23,967,919	30,861,766
Operating Income Before Depreciation	4,851,624	7,661,574	1,953,220
Depreciation	9,027,049	8,997,162	7,067,780
Total Operating Expenses Including Depreciation Operating Loss	(4,175,425)	(1,335,588)	(5,114,560)
Non-Operating Revenues (Expenses)			
Property Taxes	2,734,325	2,617,564	2,397,429
Capital Improvements Charges	3,087,841	2,838,696	2,650,202
Investment Income	2,006,744	932,974	(1,835,245)
Lease Interest Income	27,608	16,496	15,437
Water Availability Charges	199,452	200,107	202,234
MWD Local Resource Program	945,500	517,280	197,884
Lease Revenue	303,595	331,006	284,819
Intergovernmental Revenue-Federal Interest Rate Subsidy	72,101	86,153	99,240
Connection Fees	141,453	186,946	193,201
SDCWA Rate Refund	-	8,441	839,398
COVID Relief Grant	-	-	184,762
Water Supply Grant Funds	-	452,253	213,368
Net Gain (Loss) on Disposal of Capital Assets	327,395	170,307	36,543
Community Benefit Program Expense	(266,448)	(96)	-
Interest Expense	(1,994,853)	(1,622,851)	(1,524,767)
Total Non-Operating Revenues, Net	7,584,713	6,735,276	3,954,505
Change in Net Position Before Capital Contributions and Special Item	3,409,288	5,399,688	(1,160,055)
Capital Contributions	100,782	175,868	59,898
Special Item	(8,506,750)	-	-
Change in Net Position	(4,996,680)	5,575,556	(1,100,157)
Net Position - Beginning of Year, As Originally Stated	108,297,538	102,721,982	103,822,139
Prior Period Adjustments	-	-	-
Net Position - Beginning of Year, As Restated	108,297,538	102,721,982	103,822,139
Net position - End of Year	\$ 103,300,858	\$ 108,297,538	\$ 102,721,982

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.

Fiscal year 2023 compared to Fiscal Year 2022

Fiscal year ending June 30, 2023 water revenues were down 7.0% or \$1,778,573 from fiscal year ending June 30, 2022 due to weather related reductions in water sales levels. Wastewater revenues were up 11.4% from fiscal year ending June 30, 2022 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, 2023 net position. The District's net position increased by \$5,575,556 during fiscal year ending June 30, 2023.

Operating revenue decreased \$1,185,493 primarily due to water sales of 6,297 AF in fiscal year ending June 30, 2023 compared to 7,576 AF during fiscal year ending June 30, 2022. Recycled water sales trended with water sales and decreased to 494 AF as compared to 586 AF in fiscal year ending June 30, 2022. Wastewater revenues increased by \$722,937 from fiscal year ending June 30, 2022. Operating revenues included potable water and recycled sales, monthly District water and wastewater operations charges and pass-through charges from the SDCWA.

Operating expenses decreased by \$4,964,465 from fiscal year ending June 30, 2022. The decrease in operating expense was driven by a \$2,528,971 decrease in the cost of water from fiscal year ending June 30, 2022, due to less water being purchased from SDCWA. Depreciation expense increased by \$1,929,382 from fiscal year ending June 30, 2022 while other operating costs decreased by \$4,364,876. The District’s GASB 68 Pension Expense was a \$1,383,517 operating expense credit this year due to changes in the actuarial assumptions of the District’s pension obligation.

The District’s operating loss of \$1,335,588 when netted against combined nonoperating revenues and expenses of \$6,735,276 results in a \$5,399,688 increase in net position before capital contributions. The District’s nonoperating revenues come from six primary sources, property taxes in the amount of \$2,617,564, water and wastewater capital improvement charges in the amount of \$2,838,696, investment income in the amount of \$932,974, water availability charges in the amount of \$200,107, connection fees in the amount of \$186,946 and the Federal Interest Rates Subsidy Payments of \$86,153.

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

Capital Assets

The District’s 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, 2024, the District replaced 10,290 feet of pipe and 164 valves (101 by FPU D crews and 63 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, 2024, 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	\$ 1,200,000	12/31/2026
Pipeline Replacements FY24	70,000	7/31/2024
Ross Lake Pipeline Replacement	170,000	8/15/2024
Via Arroyo Pipeline Replacement	2,400,000	2/1/2025
Kauffman PRV Replacement	600,000	2/1/2025
Rattlesnake Tank Site Improvements	500,000	4/1/2025
Downtown Pipeline Replacement	1,600,000	12/31/2026
Main Street Sewer Main Replacement	175,000	2/1/2025
Shady Lane LS Electrical Replacement	25,000	2/1/2025
Scrubber Replacement	380,000	4/1/2025
EV Charging Stations	300,000	2/1/2025
Building Roof Replacement	20,000	8/15/2024

Debt Administration

At June 30, 2024, the District had \$97.5 million of long-term debt outstanding. \$1.6 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 \$2.5 million of indebtedness is attributable to the Red Mountain Disinfection Facility SRF loan, which was originally for \$6.16 million. \$17.7 million of indebtedness and \$2.9 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 the full amount outstanding and an unamortized premium of \$780,820. Scheduled debt service payments (principal and interest) on the 2024 Water Revenue Bonds commence in fiscal year 2025. During the year ending June 30, 2024 \$3.5 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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

ASSETS	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 8,150,176	\$ 8,625,839
Investments	11,261,326	10,956,276
Receivables - Water Sales and Services	4,523,257	4,442,273
Accrued Interest Receivable	71,965	61,144
Property Taxes Receivable	41,816	45,418
Lease Receivable, Current Portion	241,958	219,700
Other Receivables	193,750	399,671
Inventory	1,626,706	1,405,107
Prepaid Expenses and Other Deposits	147,780	100,705
Restricted Assets:		
Cash and Cash Equivalents	7,660,875	9,816,557
Investments	12,375,003	3,977,503
Total Current Assets	<u>46,294,612</u>	<u>40,050,193</u>
NONCURRENT ASSETS		
Capital Assets:		
Capital Assets, Not Being Depreciated	16,783,490	18,329,634
Capital Assets Being Depreciated, Net	157,048,150	156,180,190
Total Capital Assets, Net	<u>173,831,640</u>	<u>174,509,824</u>
Lease Receivable, Net of Current Portion	2,600,875	2,192,063
Total Noncurrent Assets	<u>176,432,515</u>	<u>176,701,887</u>
 Total Assets	 222,727,127	 216,752,080
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts From Pension	7,065,224	7,217,689
Deferred Amounts From OPEB	343,253	420,988
Total Deferred Outflows of Resources	<u>7,408,477</u>	<u>7,638,677</u>

See accompanying Notes to Basic Financial Statements.

FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

LIABILITIES	2024	2023
CURRENT LIABILITIES		
Accounts Payable	\$ 3,709,946	\$ 2,489,410
Accrued Wages	160,512	147,964
Construction and Other Deposits	17,882	11,203
Accrued Interest Payable	807,554	645,606
Retention Payable	290,772	64,035
Lease Liability, Current Portion	19,299	10,173
Subscription Liability, Current Portion	33,203	37,290
Compensated Absences, Current Portion	702,235	648,132
Current Portion of Other Long-Term Debt	3,642,899	3,455,524
Total Current Liabilities	9,384,302	7,509,337
NONCURRENT LIABILITIES		
Health Retirement Account Liability	285,183	307,468
Net OPEB Liability (Asset)	117,970	247,383
Net Pension Liability	18,253,675	17,127,503
Lease Liability, Net of Current Portion	73,134	-
Subscription Liability, Current Portion	34,434	-
Compensated Absences, Net of Current Portion	1,053,353	972,198
Long-Term Debt - Net of Current Portion	93,846,482	85,881,118
Total Noncurrent Liabilities	113,664,231	104,535,670
Total Liabilities	123,048,533	112,045,007
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts From Pension	958,726	1,668,860
Deferred Amounts From OPEB	94,877	41,941
Deferred Amounts From Lease Receivable	2,732,610	2,337,411
Total Deferred Inflows of Resources	3,786,213	4,048,212
NET POSITION		
Net Investment in Capital Assets	83,327,031	84,709,855
Restricted for:		
1958 Annex Projects	1,213,780	1,213,780
Debt Service	320,721	317,358
Pension	7,025,188	9,176,661
Unrestricted	11,414,138	12,879,884
Total Net Position	\$ 103,300,858	\$ 108,297,538

See accompanying Notes to Basic Financial Statements.

FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024	2023
OPERATING REVENUES		
Water	\$ 22,556,356	\$ 23,467,210
Recycled Water	1,154,745	1,102,493
Wastewater	7,392,574	7,059,790
Total Operating Revenues	31,103,675	31,629,493
OPERATING EXPENSES		
Cost of Water	6,659,144	10,716,859
Water Operations	12,563,218	7,769,158
Recycled Water Operations	542,253	446,834
Wastewater Operations	6,487,436	5,035,068
Operating Expenses Before Depreciation and Amortization	26,252,051	23,967,919
Operating Income Before Depreciation and Amortization	4,851,624	7,661,574
Depreciation and Amortization	9,027,049	8,997,162
Total Operating Expenses Including Depreciation and Amortization Operating Loss	(4,175,425)	(1,335,588)
NONOPERATING REVENUES (EXPENSES)		
Property Taxes	2,734,325	2,617,564
Capital Improvements Charges	3,087,841	2,838,696
Investment Income	2,006,744	932,974
Lease Interest Income	27,608	16,496
Water Availability Charges	199,452	200,107
MWD Local Resource Program	945,500	517,280
Lease Revenue	303,595	331,006
Intergovernmental Revenue - Federal Interest Rate Subsidy	72,101	86,153
Connection Fees	141,453	186,946
SDCWA Rate Refund	-	8,441
Water Supply Grant Funds	-	452,253
Gain on Disposal of Capital Assets	327,395	170,307
Community Benefit Program Expense	(266,448)	(96)
Interest Expense	(1,994,853)	(1,622,851)
Total Nonoperating Revenues (Expenses)	7,584,713	6,735,276
CHANGE IN NEW POSITION BEFORE CONTRIBUTIONS AND SPECIAL ITEM	3,409,288	5,399,688
CAPITAL CONTRIBUTIONS	100,782	175,868
SPECIAL ITEM	(8,506,750)	-
CHANGE IN NET POSITION	(4,996,680)	5,575,556
Net Position - Beginning of Year	108,297,538	102,721,982
NET POSITION - END OF YEAR	\$ 103,300,858	\$ 108,297,538

See accompanying Notes to Basic Financial Statements.

**FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 31,228,612	\$ 33,801,164
Payments for Water	(6,109,602)	(11,890,421)
Payments for Services and Supplies	(11,001,610)	(5,091,766)
Payments for Employee Wages, Benefits and Related Costs	(8,270,200)	(10,791,442)
Payment for Special Item	(8,506,750)	-
Net Cash Provided (Used) by Operating Activities	(2,659,550)	6,027,535
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Taxes	2,737,927	2,614,312
Net Cash Provided by Noncapital Financing Activities	2,737,927	2,614,312
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Lease Revenues Collected	267,724	290,065
Acquisition and Construction of Capital Assets	(7,411,254)	(6,389,114)
Proceeds From Sales of Capital Assets	434,824	182,896
Proceeds of Issuance of Debt	11,998,785	-
Principal Payments on Long-Term Debt	(3,543,712)	(1,882,878)
Interest Paid	(2,223,417)	(2,006,105)
Intergovernmental Revenue - Federal Interest Rate Subsidy	72,101	86,153
Capital Improvement Charges and Connection Fees	3,229,294	3,025,642
Proceeds from SDCWA Rate Rebate	-	8,441
Proceeds from MWD Local Resource Program	945,500	517,280
Water Availability Charges	199,452	200,107
Net Cash Provided (Used) by Capital and Related Financing Activities	3,969,297	(5,967,513)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchases) of Investments, Net	(8,209,446)	(4,309,170)
Interest Received	1,530,427	937,769
Net Cash Used by Investing Activities	(6,679,019)	(3,371,401)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,631,345)	(697,067)
Cash and Cash Equivalents - Beginning of Year	18,442,396	19,139,463
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 15,811,051	\$ 18,442,396
FINANCIAL STATEMENT PRESENTATION		
Cash and Cash Equivalents	\$ 8,150,176	\$ 8,625,839
Cash and Cash Equivalents - Restricted Assets	7,660,875	9,816,557
Total Cash and Cash Equivalents	\$ 15,811,051	\$ 18,442,396

See accompanying Notes to Basic Financial Statements.

**FALLBROOK PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR JUNE 30, 2023)**

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (4,175,425)	\$ (1,335,588)
Adjustments to Reconcile Operating Loss to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	9,027,049	8,997,162
Community Benefit Program Expenses	(266,448)	(96)
Special Item	(8,506,750)	-
(Increase) Decrease in:		
Receivables	124,937	2,171,671
Inventory	(221,599)	55,058
Prepaid Expenses And Other Deposits	(47,075)	(29,423)
Deferred Outflows of Resources	230,200	(4,617,768)
Increase (Decrease) in:		
Accounts Payable	710,479	(662,945)
Accrued Wages	12,548	38,960
HRA Liability	(22,285)	(71,196)
Net OPEB Obligation	(129,413)	266,835
Net Pension Liability	1,126,172	7,930,200
Compensated Absences	135,258	167,224
Deferred Inflows of Resources	(657,198)	(6,882,559)
Net Cash Provided (Used) by Operating Activities	\$ (2,659,550)	\$ 6,027,535
 SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in Fair Value of Investments	\$ 493,104	\$ (32,166)
Acquisition and Construction of Capital Assets in Accounts Payable	\$ 861,886	\$ 351,829
Capital Assets Contributed	\$ 100,782	\$ 175,868

See accompanying Notes to Basic Financial Statements.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024**

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, 2024, \$825,454 of unrestricted net position is designated for Community Benefit Program.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2023, 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, 2024**

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 recorded utilizing the consumption method.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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	
	20 to 50 Years
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, 2024**

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

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Changes in compensated absences for the year ended June 30, 2024, were as follows:

Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
\$ 1,620,330	\$ 1,039,131	\$ (903,873)	\$ 1,755,588	\$ 702,235

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.

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2 CASH AND INVESTMENTS

Cash and investments at June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Current Assets:

Cash and Cash Equivalents	\$ 8,150,176
Restricted Cash and Cash Equivalents	7,660,875
Investments	11,261,326
Restricted Investments	12,375,003
Total Cash and Investments	\$ 39,447,380

Cash and Investments Consist of the following:

Cash on Hand	\$ 1,300
Deposits with Financial Institutions	1,676,230
Investments	37,769,850
Total Cash and Investments	\$ 39,447,380

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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

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.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

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, 2024.

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund (LAIF)	\$ 6,897	\$ 6,897	\$ -	\$ -
U.S. Treasury Securities	6,864,081	1,891,750	2,869,554	2,102,777
California Asset Management Program (CAMP)	6,617,162	6,617,162	-	-
Asset Backed Securities	1,903,154	-	53,550	1,849,604
Medium-Term Notes	3,608,841	59,575	474,482	3,074,784
Municipal Bonds	207,278	-	107,900	99,378
Negotiable Certificates of Deposit	100,748	-	-	100,748
Federal Agency Collateralized Mortgage Obligations	2,554,725	158,767	287,480	2,108,478
Money Market	449,934	449,934	-	-
PARS Pooled Trust - Pension Trust	7,025,188	7,025,188	-	-
Investments with Fiscal Agent:	-	-	-	-
Money Market	34,342	34,342	-	-
U.S. Treasury Securities	8,397,500	1,125,000	7,272,500	-
Total	\$ 37,769,850	\$ 17,368,615	\$ 11,065,466	\$ 9,335,769

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, 2024.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk (Continued)

Investment Type	Total	Minimum Rating*	Ratings as of Year End				
			Exempt from Disclosure	AAA	AA/AA-/AA+	Other	Not Rated
Local Agency Investment Fund (LAIF)	\$ 6,897	Exempt	\$ -	\$ -	\$ -	\$ -	\$ 6,897
U.S. Treasury Securities	6,864,081	Exempt	-	-	6,864,081	-	-
California Asset Management Program (CAMP)	6,617,162	AAA	-	6,617,162	-	-	-
Asset Backed Securities	1,903,154	A	-	1,552,410	-	-	350,744
Medium-Term Notes	3,608,841	A	-	-	182,439	3,426,402	-
Municipal Bonds	207,278	A/A-1	-	-	207,278	-	-
Negotiable Certificates of Deposit	100,748	A/A-1	-	-	-	100,748	-
Federal Agency Collateralized Mortgage Obligations	2,554,725	AA	-	-	2,554,725	-	-
Money Market	449,934	A	-	449,934	-	-	-
PARS Pooled Trust - Pension Trust	7,025,188	Exempt	7,025,188	-	-	-	-
Investments with Fiscal Agent: Money Market	34,342	A	-	34,342	-	-	-
U.S. Treasury Securities	8,397,500	Exempt	8,397,500	-	-	-	-
Total	\$ 37,769,850		\$ 15,422,688	\$ 8,653,848	\$ 9,808,523	\$ 3,527,150	\$ 357,641

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

The ratings for the "other" category above are as follows:

Investment Type	Total	Ratings as of Year-End	
		Minimum A/A-/A+	Exempt from BBB+
Medium-Term Notes	3,426,402	3,146,878	279,524
Federal Agency Collateralized	100,478	100,478	-

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, 2024.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)**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). 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, 2024, 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.

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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.

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, 2023
Investments by Fair Value Level:				
Asset Backed Securities	\$ -	\$ 1,903,154	\$ -	\$ 1,903,154
Medium-Term Notes	-	3,608,841	-	3,608,841
Municipal Bonds	-	207,278	-	207,278
Negotiable Certificates of Deposit	-	100,748	-	100,748
U.S. Treasury Securities	-	15,261,581	-	15,261,581
Federal Agency Collateralized Mortgage Obligations	-	2,554,725	-	2,554,725
Total Investments by Fair Value Level	\$ -	\$ 23,636,327	\$ -	\$ 23,636,327
Investments Measured at Cost or Net Asset Value (NAV):				
Local Agency Investment Fund (LAIF)				6,897
California Asset Management Program (CAMP)				6,617,162
Money Market				484,276
PARS Pooled Trust - Pension Trust				7,025,188
Total Investments at Cost or Net Asset Value (NAV)				14,133,523
Total Investments				\$ 37,769,850

NOTE 3 CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2024 were as follows:

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2023	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2024
Capital Assets, Not Being Depreciated:					
Land and Property Rights-Water	\$ 11,694,043	\$ 3,268	\$ (107,429)	\$ -	\$ 11,589,882
Land and Property Rights-Wastewater	1,128,164	-	-	-	1,128,164
Construction In Progress	5,507,427	8,047,600	-	(9,489,583)	4,065,444
Total Capital Assets, Not Being Depreciated	18,329,634	8,050,868	(107,429)	(9,489,583)	16,783,490
Capital Assets, Being Depreciated:					
Water Operations:					
Impounding Dam	35,079,523	-	-	306,579	35,386,102
Distribution System	71,585,971	-	-	2,898,728	74,484,699
Buildings and Structures	60,799,882	-	-	1,003,362	61,803,244
Equipment	11,090,614	163,680	(338,456)	-	10,915,838
Subscription Asset	80,542	102,536	(80,542)	-	102,536
Right of Use Lease Asset - Equipment	50,630	98,249	(50,630)	-	98,249
Total Water Operations	178,687,162	364,465	(469,628)	4,208,669	182,790,668
Wastewater Operations:					
Collection System	14,056,536	-	-	-	14,056,536
Treatment And Disposal Facilities	61,284,491	-	-	3,863,300	65,147,791
Equipment	1,169,324	40,961	-	-	1,210,285
Total Wastewater Operations	76,510,351	40,961	-	3,863,300	80,414,612
Recycle Operations:					
Distribution System	5,000,858	-	-	1,417,614	6,418,472
Total Recycle Operations	5,000,858	-	-	1,417,614	6,418,472
Total Capital Assets Being Depreciated	260,198,371	405,426	(469,628)	9,489,583	269,623,752
Less: Accumulated Depreciation for:					
Impounding Dam	(20,075,621)	(1,423,321)	-	-	(21,498,942)
Systems and facilities	(70,369,727)	(4,899,882)	-	-	(75,269,609)
Building and Structures	(5,783,359)	(1,933,346)	-	-	(7,716,705)
Equipment	(7,702,050)	(695,342)	338,456	-	(8,058,936)
Less: Accumulated Amortization for:					
Subscription Asset	(46,280)	(55,370)	80,542	-	(21,108)
Right of Use Lease Asset - Equipment	(41,144)	(19,788)	50,630	-	(10,302)
Total Accumulated Depreciation and Amortization	(104,018,181)	(9,027,049)	469,628	-	(112,575,602)
Total Capital Assets Being Depreciated, Net	156,180,190	(8,621,623)	-	9,489,583	157,048,150
Total Capital Assets, Net	<u>\$ 174,509,824</u>	<u>\$ (570,755)</u>	<u>\$ (107,429)</u>	<u>\$ -</u>	<u>\$ 173,831,640</u>

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, 2024, the City recognized \$268,915 and \$26,230 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.

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

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 LEASE RECEIVABLE (CONTINUED)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 241,958	\$ 29,523	\$ 271,481
2026	249,881	27,709	277,590
2027	228,595	25,876	277,590
2028	221,431	24,191	254,471
2029	188,124	22,527	210,651
2030-2034	852,399	88,886	941,285
2035-2039	636,355	50,534	686,889
2040-2044	224,090	13,706	237,796
Total	<u>\$ 2,842,833</u>	<u>\$ 282,953</u>	<u>\$ 3,157,753</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 06/30/2024, the value of the lease liability is \$92,433. The District is required to make monthly fixed payments of \$1,853. The lease has an interest rate of 3.5110%. Total future minimum lease payments under the lease agreement are as flows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 19,299	\$ 2,937	\$ 22,236
2026	19,988	2,248	22,236
2027	20,701	1,535	22,236
2028	21,440	796	22,236
2029	11,005	113	11,118
Total	<u>\$ 92,433</u>	<u>\$ 7,629</u>	<u>\$ 100,062</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 06/30/2024, the value of the subscription liability is \$67,637.

Total future minimum payments under the SBITA agreements are as flows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 33,203	\$ 1,957	\$ 35,160
2026	34,434	996	35,430
Total	<u>\$ 67,637</u>	<u>\$ 2,953</u>	<u>\$ 70,590</u>

FALLBROOK PUBLIC UTILITY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2024

NOTE 7 LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Red Mountain State Revolving Fund Loan	\$ 2,845,950	\$ -	\$ (324,764)	\$ 2,521,186	\$ 333,166
Qualified Energy Conservation Revenue Bonds	2,041,188	-	(410,387)	1,630,801	433,953
State Water Resources Control Board Loan	63,916,954	-	(1,600,383)	62,316,571	1,680,780
2021 Wastewater Revenue Refunding Bonds Series A	14,845,000	-	-	14,845,000	-
2021 Wastewater Revenue Refunding Bonds Series B	2,810,000	-	(1,120,000)	1,690,000	1,130,000
2024 Water Revenue Bonds	-	11,205,000	-	11,205,000	65,000
Unamortized Premium:					
2021 Wastewater Revenue Refunding Bonds	2,877,550	-	(377,547)	2,500,003	-
2024 Water Revenue Bonds	-	793,785	(12,965)	780,820	-
Total Long-Term Debt	\$ 89,336,642	\$ 11,998,785	\$ (3,846,046)	\$ 97,489,381	\$ 3,642,899

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:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 333,166	\$ 62,685	\$ 395,851
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
2030-2031	766,899	24,801	791,701
Total	\$ 2,521,186	\$ 249,769	\$ 2,770,956

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, 2024**

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 433,953	\$ 87,409	\$ 521,362
2026	458,515	62,150	520,665
2027	484,114	35,465	519,579
2028	254,219	7,296	261,515
Total	<u>\$ 1,630,801</u>	<u>\$ 192,320</u>	<u>\$ 1,823,121</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>
2025	\$ 1,630,780	\$ 1,184,015	\$ 2,814,795
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
2030-2034	9,305,476	4,768,499	14,073,975
2035-2039	10,223,733	3,850,242	14,073,975
2040-2044	11,232,604	2,841,371	14,073,975
2045-2049	12,341,028	1,732,947	14,073,975
2050-2053	10,744,037	515,143	11,259,180
Total	<u>\$ 62,316,571</u>	<u>\$ 19,312,484</u>	<u>\$ 81,629,055</u>

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LONG-TERM DEBT (CONTINUED)

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. 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.

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>
2025	\$ 1,130,000	\$ 603,575	\$ 1,733,575
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
2030-2034	7,240,000	1,412,000	8,652,000
2035-2036	3,325,000	134,300	3,459,300
Total	<u>\$ 16,535,000</u>	<u>\$ 4,228,109</u>	<u>\$ 20,763,109</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, 2024**

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.

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>
2025	\$ 65,000	\$ 610,782	\$ 675,782
2026	180,000	496,750	676,750
2027	190,000	487,500	677,500
2028	200,000	477,750	677,750
2029	210,000	467,500	677,500
2030-2034	1,220,000	2,165,000	3,385,000
2035-2039	1,560,000	1,819,500	3,379,500
2040-2044	2,005,000	1,376,125	3,381,125
2045-2049	2,510,000	872,000	3,382,000
2050-2054	3,065,000	316,300	3,381,300
Total	<u>\$ 11,205,000</u>	<u>\$ 9,089,207</u>	<u>\$ 20,294,207</u>

NOTE 8 INVENTORY

Inventory at June 30, 2024 consisted of the following:

Water Inventory	\$ 584,274
Materials Inventory	1,042,432
Total	<u>\$ 1,626,706</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, 2024**

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, 2023 measurement date, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date	2.5% @ 55	2% @ 62
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	50 - 63	52 - 67
Retirement Age	2.0% to 2.5%	1.0% to 2.5%
Monthly Benefits, as a % of Eligible Compensation	8%	6.50%
Required Employee Contribution Rates	14.920%	8.000%
Required Employer Contribution Rates: Normal Cost Rate	\$ 1,197,703	\$ -
Payment of Unfunded Liability		

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, the fair value of the funds held in the trust account was \$7,025,188. When evaluating the District’s pension funding level these funds should be taken into account.

As of June 30, 2024, 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>\$ 18,253,675</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, 2023, 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, 2022 rolled forward to June 30, 2023 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, 2024**

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, 2022 and 2023 was as follows:

	Miscellaneous
Proportion - June 30, 2022	0.36603%
Proportion - June 30, 2023	0.36504%
Change - Increase (Decrease)	-0.00099%

For the year ended June 30, 2024, the District recognized pension expense of \$2,554,225; of which \$1,685,787 pertains to water operations, \$127,711 pertains to recycled water operations, and \$740,727 pertains to wastewater and operations. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,985,723	\$ -
Differences Between Actual and Expected Experience	932,496	(144,653)
Change in Assumptions	1,102,057	-
Change In Employer's Proportion	17,004	(546,964)
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	72,510	(267,109)
Net Differences Between Projected and Actual Earnings on Plan Investments	2,955,434	-
Total	\$ 7,065,224	\$ (958,726)

\$1,985,723 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2024-25	\$ 1,032,484
2025-26	746,347
2026-27	2,257,141
2027-28	84,803
Total	\$ 4,120,775

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures to roll forward the total pension liability to June 30, 2023. The total pension liability was based on the following:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
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, 2024**

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>	New Strategic Allocation	Real Return Real Return (a) (b)	Real Return Years 11+ ^(3,4)
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	100.00 %		

(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, 2024**

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>\$ 26,626,382</u>
Current Discount Rate	6.90%
Net Pension Liability	<u>\$ 18,253,676</u>
1% Increase	7.90%
Net Pension Liability	<u>\$ 11,362,219</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, 2024, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District administers its Public Agencies Post-Employment Health Care Plan (OPEE 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, 2024**

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, 2024 is \$280,625. 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, 2024, the PARS OPEB account’s fair value was \$1,173,544.

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, 2024, total contributions of 125,729 consists of \$46,146 in premium payments made by the District outside of the trust and implicit subsidy of \$79,583.

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. 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, 2024**

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, 2023
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	6.00 percent for 2023, 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 2023-2029 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, 2024**

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, 2024**

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, 2022, (Measurement Date)	\$ 1,344,597	\$ 1,097,214	\$ 247,383
Changes in the Year:			
Service Cost **	68,683	-	68,683
Interest on the Total OPEB Liability	81,104	-	81,104
Differences Between Actual and Actual Experience	-	-	-
Changes in Assumptions	(78,103)	-	(78,103)
Contribution - Employer	(53)	-	(53)
Net Investment Income	-	124,925	(124,925)
Administrative Expenses	-	82,164	(82,164)
Benefit Payments	-	(6,045)	6,045
Net Changes	(124,925)	(124,925)	-
Net Changes	(53,294)	76,119	(129,413)
Balance at June 30, 2023 (Measurement Date),	\$ 1,291,303	\$ 1,173,333	\$ 117,970

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

Change of Assumptions

Healthcare trend rate assumptions decreased .5% (from 6.5% to 6.0%).

Change of Benefit Terms

Effective July 1, 2022, employees hired after this date are not eligible for benefits..

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

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	\$ 207,349	\$ 117,970	\$ 34,600

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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 (5.0% decreasing to 3.00%) or 1 percentage point higher (7.00% decreasing to 5.00%), than the current healthcare cost trend rates:

	1% Decrease ²	Trend Rates	1% Increase ³
Net OPEB Liability	\$ 4,063	\$ 117,970	\$ 250,189

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, 2024, the District recognized OPEB expense of \$126,987. At June 30, 2024, 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	\$ 125,729	\$ -
Differences Between Actual and Expected Experience	91,682	(69,021)
Change in Assumptions	56,252	(25,856)
Differences Between Projected and Actual Earnings	69,590	-
Total	\$ 343,253	\$ (94,877)

\$125,729 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, 2025.

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

Year Ending June 30,	Amount
2024-25	\$ 37,208
2025-26	28,939
2026-27	57,159
2027-28	8,241
2028-29	(265)
Thereafter	(8,635)

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

At June 30, 2024, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

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, 2024, 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 \$100 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 \$116,534,524.

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, 2024**

NOTE 12 COMMITMENTS AND CONTINGENCIES

Construction Commitments

At June 30, 2024, 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>
Via Arroyo Pipeline Replacement	\$ 2,400,000	February 2025
Downtown Pipeline Replacement	1,600,000	December 2026
Toyon & De Luz Pump Stations	1,200,000	December 2026
Kauffman PRV Replacement	600,000	February 2025
Rattlesnake Tank Site Improvements	500,000	April 2025
Scrubber Replacement	380,000	April 2025
EV Charging Stations	300,000	February 2025
Main Street Sewer Main Replacement	175,000	February 2025
Ross Lake Pipeline Replacement	175,000	August 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.

Condensed information for the wastewater and water activities segment as of and for the period ended June 30, 2024 are as follows:

**FALLBROOK PUBLIC UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 SEGMENT INFORMATION (CONTINUED)

	Water	Wastewater
Condensed Statement of Net Position:		
Current Assets	\$ 28,017,699	\$ 9,080,595
Capital Assets	128,916,558	40,487,682
Other Assets and Deferred Outflows of Resources	7,732,430	2,148,457
Total Assets and Deferred Outflows of Resources	164,666,687	51,716,734
Current Liabilities	3,633,454	1,076,569
Long-Term Debt	78,107,210	20,665,804
Net Pension and OPEB Liabilities	12,125,285	5,327,777
Deferred Inflows of Resources	3,427,988	305,545
Total Liabilities and Deferred Inflows of Resources	97,293,937	27,375,695
Net Investment in Capital Assets	51,125,301	19,667,602
Restricted for:		
1958 Annex Project	1,213,780	-
Debt Service	3,084,444	-
Unrestricted	11,949,225	4,673,437
Net Position	\$ 67,372,750	\$ 24,341,039
	Water	Wastewater
Condensed Statement of Revenues, Expenses, and		
Changes in Net Position:		
Operation Revenues:		
Service Charges	\$ 22,556,356	\$ 7,392,574
Total Operating Revenues	22,556,356	7,392,574
Operating Expenses:		
Cost of Water	6,659,144	-
Operations and Maintenance	7,256,617	3,575,765
Administrative and General	5,306,601	2,911,671
Depreciation Expenses	5,992,713	2,897,054
Total Operating Expenses	25,215,075	9,384,490
Nonoperating Revenues (Expenses) and Transfers:		
Property Taxes	1,416,793	1,251,657
Capital Improvements Charges	1,758,695	1,329,146
Investment Income (1)	448,240	224,510
Other Revenues	1,989,027	101,251
Interest Expense	(1,652,244)	(342,609)
Transfers	1,291,148	1,676,955
Total Nonoperating Revenues (Expenses)	5,251,659	4,240,910
Special Item	8,506,750	-
Changes in Net Position	(5,913,810)	2,248,994
Net Position - Beginning of Year	73,286,560	22,092,045
Net Position - End of Year	\$ 67,372,750	\$ 24,341,039

(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, 2024**

NOTE 13 SEGMENT INFORMATION (CONTINUED)

	Water	Wastewater
Condensed Statement of Cash Flows:		
Cash Flows from Operating Activities	\$ (3,155,592)	\$ 2,700,213
Cash Flows from Noncapital Financing Activities	1,416,793	1,251,657
Cash Flows from Capital and Related Financing Activities	4,346,007	(487,164)
Cash Flows from Investing Activities	445,715	224,510
Net Increase in Cash and Cash Equivalents	3,052,923	3,689,216
Cash and Cash Equivalents - Beginning of Year	19,995,470	4,307,043
Cash and Cash Equivalents - End of Year	\$ 23,048,393	\$ 7,996,259

NOTE 14 SPECIAL ITEM

In 2019, the District began the process to detach from the San Diego County Water Authority and annex into the service area of Easter Municipal Water District (EMWD). The detachment process was managed by the Local Agency Formation Commission (LAFCO) of San Diego County and on July 10, 2023, LAFCO approved the detachment pending a vote of the District’s rate payers. On November 7, 2023, the District’s rate payers approved the detachment. As part of the detachment from SDCWA, the District was required to make a payment of \$8,506,750. This payment is reported as a special item in the accompanying financial statements.

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

Fiscal Year-End	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Classic & PEPR Miscellaneous Plan					
Plan's Proportion of the Net Pension Liability	0.36504%	0.48437%	0.48437%	0.34901%	0.13301%
Plan's Proportionate Share of the Net Pension Liability	\$ 18,253,676	\$ 17,217,505	\$ 9,197,304	\$ 14,721,348	\$ 13,629,333
Covered Payroll	\$ 6,456,461	\$ 5,694,940	\$ 5,394,615	\$ 5,448,979	\$ 5,179,369
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	282.72%	302.33%	170.49%	270.17%	263.15%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	70.51%	83.49%	83.49%	72.50%	75.26%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 1,913,165	\$ 1,708,723	\$ 1,828,758	\$ 1,733,944	\$ 1,640,356

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.

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

Fiscal Year-End	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Classic & PEPRA Miscellaneous Plan					
Plan's Proportion of the Net Pension Liability	0.13015%	0.12853%	0.12729%	0.12295%	0.11351%
Plan's Proportionate Share of the Net Pension Liability	\$ 12,541,929	\$ 12,746,294	\$ 11,014,856	\$ 8,439,096	\$ 6,888,388
Covered Payroll	\$ 5,216,869	\$ 5,271,090	\$ 4,743,986	\$ 4,753,842	\$ 4,683,594
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	240.41%	241.82%	232.19%	177.52%	147.07%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	73.31%	74.06%	78.40%	83.21%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 1,410,070	\$ 1,335,205	\$ 1,234,176	\$ 1,177,856	\$ 1,014,669

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.

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

	2024	2023	2022	2021	2020
Contribution Deficiency (Excess)	\$ 1,985,723	\$ 1,913,165	\$ 1,708,723	\$ 1,548,933	\$ 1,407,555
Contributions in Relation to the Actuarially Determined Contributions	<u>1,985,723</u>	<u>1,913,165</u>	<u>1,708,723</u>	<u>1,548,933</u>	<u>1,407,555</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	7,001,542	\$ 6,456,461	\$ 5,694,940	\$ 5,394,615	\$ 5,448,979
Contributions as a Percentage of Covered Payroll	28.36%	29.63%	30.00%	28.71%	25.83%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
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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%	2.300%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (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)
FOR THE LAST TEN FISCAL YEARS**

	2019	2018	2017	2016	2015
Contribution Deficiency (Excess)	\$ 1,224,180	\$ 1,081,154	\$ 968,372	\$ 870,680	\$ 756,872
Contributions in Relation to the Actuarially Determined Contributions	1,224,180	1,081,154	968,372	870,680	756,872
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,179,369	\$ 5,216,869	\$ 5,271,090	\$ 4,743,986	\$ 4,753,842
Contributions as a Percentage of Covered Payroll	23.64%	20.72%	18.37%	18.35%	15.92%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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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	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (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	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	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	\$ 68,683	\$ 64,523	\$ 61,298	\$ 58,287	\$ 57,291	\$ 63,116	\$ 61,278
Interest on Total OPEB Liability	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 Net Change in Total OPEB Liability	(124,925)	(118,674)	(134,400)	(99,787)	(86,699)	(115,569)	(31,396)
Total OPEB Liability - Beginning of Year	1,344,597	1,246,920	1,245,488	1,115,862	1,082,861	1,039,721	971,597
Total OPEB Liability - End of Year (a)	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	124,925	118,674	134,400	99,787	86,699	268,569	767,396
Net Investment Income	82,164	(162,270)	232,085	39,017	61,267	40,802	20,571
Administrative Expenses	(6,045)	(6,787)	(6,301)	(5,179)	(2,402)	(1,970)	(619)
Benefit Payments	(124,925)	(118,674)	(134,400)	(99,787)	(86,699)	(115,569)	(31,396)
Net Change in Plan Fiduciary Net Position	76,119	(169,057)	225,784	33,838	58,865	191,832	755,952
Plan Fiduciary Net Position - Beginning of Year	1,097,214	1,266,271	1,040,487	1,006,649	947,784	755,952	-
Plan Fiduciary Net Position - End of Year (b)	1,173,333	1,097,214	1,266,271	1,040,487	1,006,649	947,784	755,952
Net OPEB Liability (Asset) - Ending (a)-(b)	\$ 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	90.86%	81.60%	101.56%	83.54%	90.21%	87.53%	72.71%
Covered Payroll	\$ 6,456,461	\$ 5,694,940	\$ 5,394,615	\$ 5,448,979	\$ 5,179,369	\$ 5,216,869	\$ 5,684,049
Net OPEB Liability as Percentage of Covered Payroll	1.83%	4.34%	-0.36%	3.76%	2.11%	2.59%	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 seven years are shown.

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

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution	\$ 82,680	\$ 99,437	\$ 75,659	\$ 73,456	\$ 66,239	\$ 72,529	\$ 74,065
Contributions in Relation to the Actuarially Determined Contributions	(125,729)	(124,924)	(118,673)	(134,400)	(99,786)	(67,197)	(202,055)
Contribution Deficiency (Excess)	\$ (43,049)	\$ (25,487)	\$ (43,014)	\$ (60,944)	\$ (33,547)	\$ 5,332	\$ (127,990)
Covered Payroll	\$ 7,001,542	\$ 6,456,461	\$ 5,694,940	\$ 5,394,615	\$ 5,448,979	\$ 5,179,369	\$ 5,216,869
Contributions as a Percentage of Covered Payroll	1.18%	1.54%	1.33%	1.36%	1.22%	1.40%	1.42%

Notes to Schedule:

Valuation Date	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	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, seven 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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	Year Ended June 30, 2024			Total
	Water	Recycled Water	Wastewater	
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	<u>22,556,356</u>	<u>1,154,745</u>	<u>7,392,574</u>	<u>31,103,675</u>
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 and Amortization	19,222,362	542,253	6,487,436	26,252,051
Depreciation and Amortization Expense	5,992,713	137,282	2,897,054	9,027,049
Total Operating Expenses	<u>25,215,075</u>	<u>679,535</u>	<u>9,384,490</u>	<u>35,279,100</u>
OPERATING INCOME (LOSS)	<u>\$ (2,658,719)</u>	<u>\$ 475,210</u>	<u>\$ (1,991,916)</u>	<u>\$ (4,175,425)</u>
	Year Ended June 30, 2023			
	Water	Recycled Water	Wastewater	Total
OPERATING REVENUES				
Water Sales	\$ 23,467,210	\$ -	\$ -	\$ 23,467,210
Recycled Water Sales	-	1,102,493	-	1,102,493
Wastewater Sales	-	-	7,059,790	7,059,790
Total Operating Revenues	<u>23,467,210</u>	<u>1,102,493</u>	<u>7,059,790</u>	<u>31,629,493</u>
OPERATING EXPENSES				
Cost of Water Sold	10,716,859	-	-	10,716,859
Operations and Maintenance	3,126,443	373,973	2,484,939	5,985,355
Administrative and General Expenses	4,642,715	72,861	2,550,129	7,265,705
Total Operating Expenses Before Depreciation	18,486,017	446,834	5,035,068	23,967,919
Depreciation Expense	6,023,850	68,645	2,904,667	8,997,162
Total Operating Expenses	<u>24,509,867</u>	<u>515,479</u>	<u>7,939,735</u>	<u>32,965,081</u>
OPERATING INCOME (LOSS)	<u>\$ (1,042,657)</u>	<u>\$ 587,014</u>	<u>\$ (879,945)</u>	<u>\$ (1,335,588)</u>

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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

Source: Fallbrook Public Utility District

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

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Changes in Net Position:			
Operating Revenues (See Table 4)	\$ 27,483,881	\$ 25,356,017	\$ 27,256,065
Operating Expenses (See Table 3)	(28,604,249)	(27,144,267)	(29,890,177)
Other Operating Revenues	-	-	-
Operating Income (loss)	\$ (1,120,368)	\$ (1,788,250)	\$ (2,634,112)
Non-Operating Revenues (expenses)			
Property Taxes Ad-Valorem	\$ 1,719,296	\$ 1,815,734	\$ 1,889,808
Capital Improvement Charges	2,134,025	2,224,529	2,283,558
California Solar Initiative Rebate	729,519	740,125	234,930
Investment income (Loss)	141,433	324,126	63,861
Lease Interest income	-	-	-
Water Availability Charges	200,810	200,808	200,730
MWD Local Resource Program	-	-	-
Lease Revenue	185,770	185,220	166,012
Intergovernmental Revenue - Federal Interest Subsidy	206,584	185,040	238,765
Connection Fees	208,521	131,894	238,124
SDCWA Rate Refund	-	-	-
COVID Relief Grant	-	-	-
Water Supply Grant Funds	-	-	-
Gain (Loss) on disposal of capital assets	(444,252)	(551,281)	-
Community Benefit Program Expense	-	-	-
Other Non-Operating Revenues	162,913	91,361	32,729
Other Non-Operating Expenses	(847,725)	(916,212)	(1,174,011)
Total Non-Operating Revenues(expenses), net	\$ 4,396,894	\$ 4,431,344	\$ 4,174,506
Net income Before Capital Contributions	\$ 3,276,526	\$ 2,643,094	\$ 1,540,394
Capital Contributions	153,790	75,299	59,509
Capital Grant - Proposition 50	224,596 ⁽¹⁾	874,040 ⁽³⁾	773,163
Capital Grant - Proposition 84	-	682,428 ⁽³⁾	-
Special Item	-	-	-
Changes in Net Position	\$ 3,654,912	\$ 4,274,861	\$ 2,373,066
Net Position			
Beginning, as restated	\$ 79,114,880	\$ 75,034,991	\$ 79,309,852
Adjustments to restate balance	(7,734,801) ⁽²⁾	-	3,485,519
Ending, as restated	\$ 75,034,991	\$ 79,309,852	\$ 85,168,437

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

(2) Accumulative effect of change in accounting principles.

(3) 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

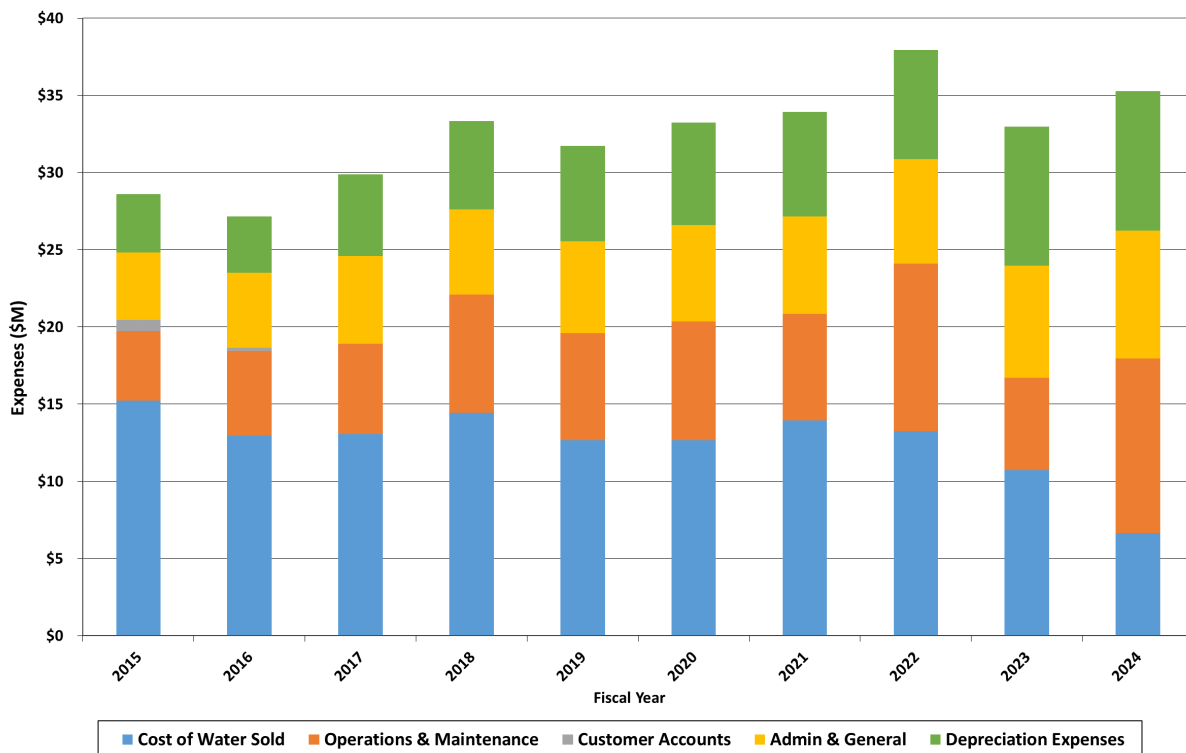
Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
\$ 29,882,022 (33,319,799)	\$ 26,944,550 (31,708,417)	\$ 28,931,007 (33,234,259)	\$ 32,511,601 (33,933,185)	\$ 32,814,986 (37,929,546)	\$ 31,629,493 (32,965,081)	\$ 31,103,675 (35,279,100)
-	-	-	-	-	-	-
\$ (3,437,777)	\$ (4,763,867)	\$ (4,303,252)	\$ (1,421,584)	\$ (5,114,560)	\$ (1,335,588)	\$ (4,175,425)
\$ 1,984,543 2,476,452	\$ 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
-	-	-	-	-	-	-
18,188	915,275	920,135	1,543,078	(1,835,245)	932,974	2,006,744
-	-	-	-	15,437	16,496	27,608
229,400	204,359	204,418	208,842	202,234	200,107	199,452
-	-	-	-	197,884	517,280	945,500
178,602	199,433	249,092	251,047	284,819	331,006	303,595
145,338	134,924	123,762	112,207	99,240	86,153	72,101
411,774	180,966	107,107	149,650	193,201	186,946	141,453
-	-	-	909,413	839,398	8,441	-
-	-	-	-	184,762	-	-
-	-	-	-	213,368	452,253	-
(273,396)	9,338,297	(31,450)	38,100	36,543	170,307	327,395
-	-	-	-	-	(96)	(266,448)
-	-	-	-	-	-	-
(959,015)	(909,966)	(910,224)	(1,665,457)	(1,524,767)	(1,622,851)	(1,994,853)
\$ 4,211,886	\$ 14,675,198	\$ 5,427,950	\$ 6,491,127	\$ 3,954,505	\$ 6,735,276	\$ 7,584,713
\$ 774,109	\$ 9,911,331	\$ 1,124,698	\$ 5,069,543	\$ (1,160,055)	\$ 5,399,688	\$ 3,409,288
73,661	73,789	372,507	47,842	59,898	175,868	100,782
-	-	-	-	-	-	-
67,100	-	-	-	-	-	-
-	-	-	-	-	-	(8,506,750)
\$ 914,870	\$ 9,985,120	\$ 1,497,205	\$ 5,117,385	\$ (1,100,157)	\$ 5,575,556	\$ (4,996,680)
\$ 85,168,437	\$ 86,083,307	\$ 97,207,549	\$ 98,704,754	\$ 103,822,139	\$ 102,721,982	\$ 108,297,538
-	1,139,122	-	-	-	-	-
\$ 86,083,307	\$ 97,207,549	\$ 98,704,754	\$ 103,822,139	\$ 102,721,982	\$ 108,297,538	\$ 103,300,858

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
2015	\$ 14,692,652	\$ 2,173,576	\$ 725,610	\$ 2,286,586	\$ 551,866	N/A	\$ 337,226	N/A
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

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

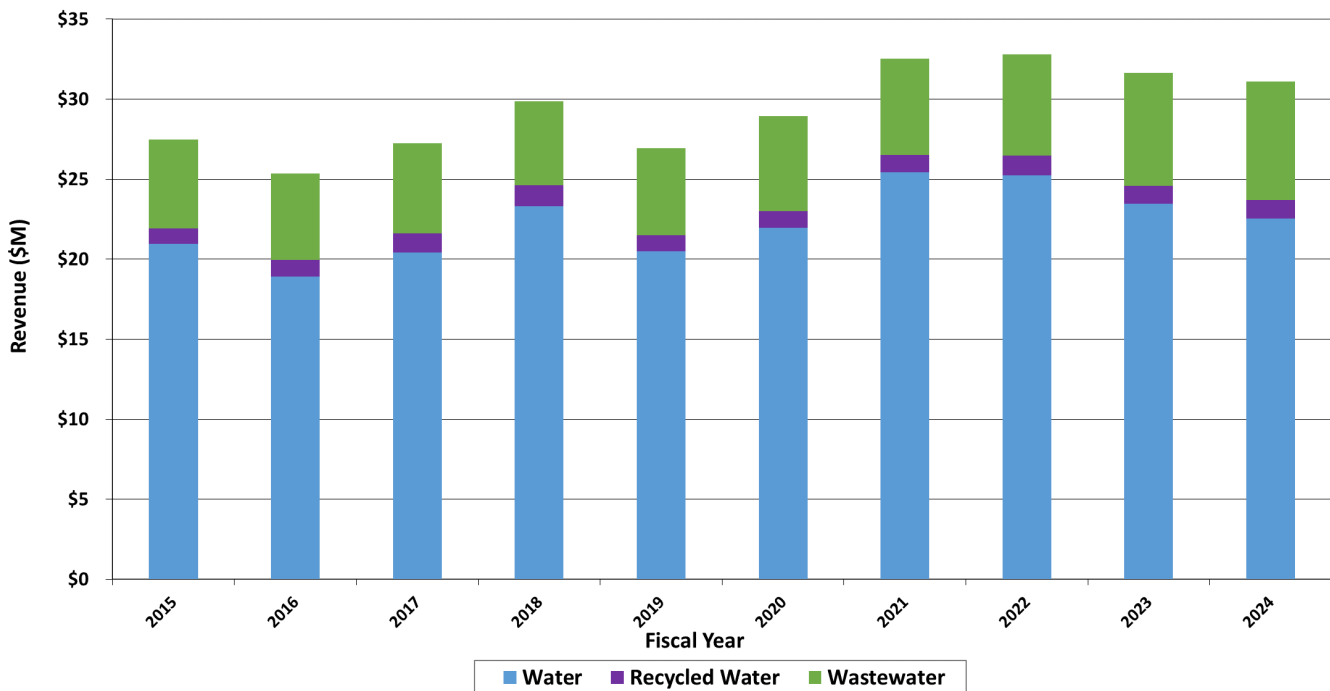
Fiscal Year	Wastewater			Depreciation Expenses	Total Operating Expenses
	Operations & Maintenance	Admin & General ⁽¹⁾	Other Expenses		
2015	\$ 2,296,712	\$ 1,763,527	N/A	\$ 3,776,494	\$ 28,604,249
2016	2,709,284	2,038,033	N/A	3,640,118	27,144,267
2017	2,173,738	2,392,389	N/A	5,294,310	29,890,177
2018	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

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	
2015	\$ 14,722,792	\$ 4,930,254	\$ 1,295,660	\$ 662,849	\$ 53,011	\$ 244,466	\$ 5,571,362	\$ 3,487	\$ 27,483,881
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

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
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

*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
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

* 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
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

* 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
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

* 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 (2015 - 2024)

Fiscal Year	2015	2016	2017	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾	2023 ⁽¹⁾⁽²⁾	2024 ⁽¹⁾⁽²⁾					
Fixed Rates (by meter size) (\$/month)	Fixed Rates by EDU														
3/4"	\$ 14.10	\$ 14.23	\$ 16.12	B Y EDU	B Y EDU	B Y EDU	B Y EDU	B Y EDU	Residential/ Domestic \$18.88/EDU	Residential/ Domestic \$26.68/EDU					
1"	21.23	21.55	24.01												
1 1/2"	39.06	39.86	43.75												
2"	60.46	61.84	67.42						\$9.28/ EDU	\$9.70/ EDU	\$10.14/ EDU	\$10.60/ EDU	\$11.08/ EDU	Commercial/ Government \$12.14/EDU	Commercial/ Government \$12.75/EDU
3"	110.38	113.14	122.67												
4"	181.70	186.36	201.60												
6"	359.99	369.49	398.91												
Billable Flow Rates ⁽³⁾ (\$/Kgal)															
Single Family Residence, Ag Domestic, Multi-Family	\$ 7.64	\$ 8.21	\$ 8.77	\$ 9.44	\$ 9.86	\$ 10.32	\$ 10.79	\$ 11.28	\$ 10.22	\$ 9.16					
Low-Strength Commercial, Schools, Churches	11.54	12.35	13.27	9.37	9.79	10.25	10.72	11.20	11.09	11.64					
Medium Strength Commercial	11.54	12.35	13.27	11.57	12.09	12.65	13.22	13.81	13.82	14.51					
High Strength Commercial	19.35	20.63	22.28	14.44	15.09	15.77	16.48	17.22	17.66	18.54					

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Per EDU	\$ 10.44	\$ 10.70	\$ 10.84	\$ 11.16	\$ 11.53	\$ 11.62	\$ 11.63	\$ 11.68	\$ 12.66	\$ 13.35

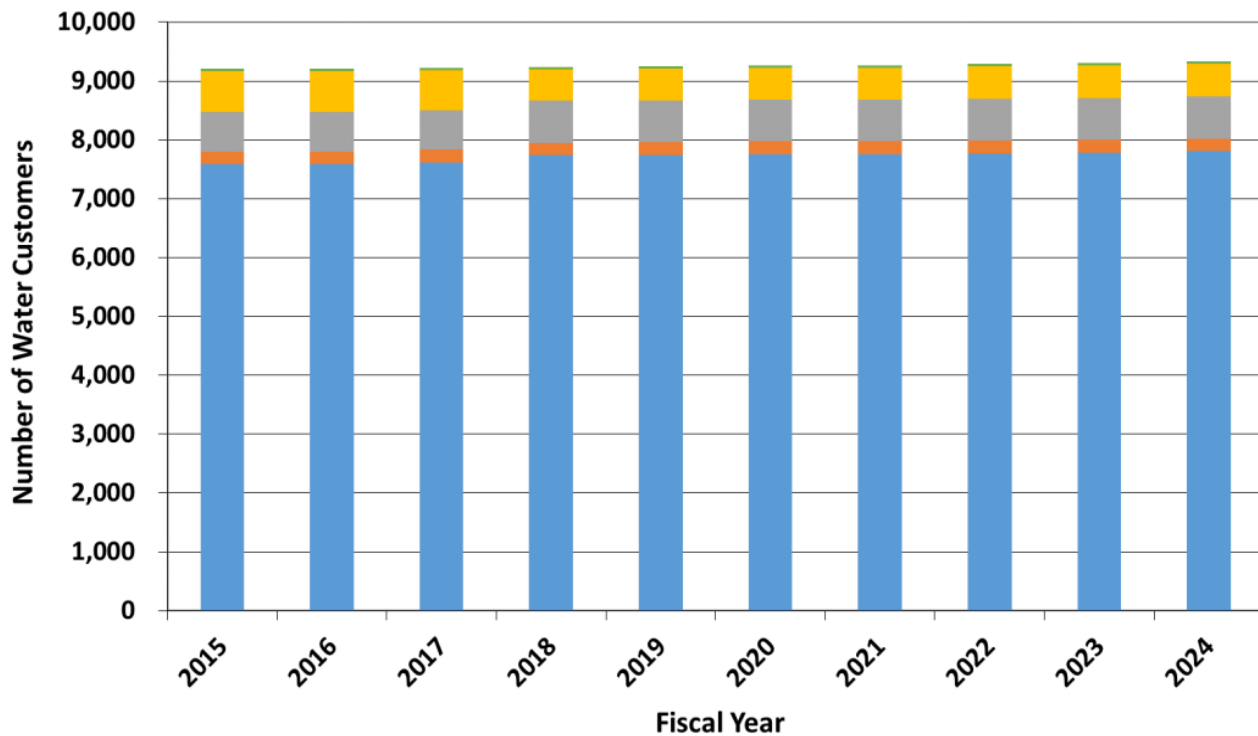
Source: Fallbrook Public Utility District

Table #11 - Number of Water Customers by Type

As of June 30	Single Family Residential	Multi-Family Residential	Commercial/ Institutional	Ag	Other	Total
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

Source: Fallbrook Public Utility District

Chart #3 - Number of Water Customers by Type



■ Single Family Residential ■ Multi-Family Residential ■ Commercial/ Institutional ■ Ag ■ Other

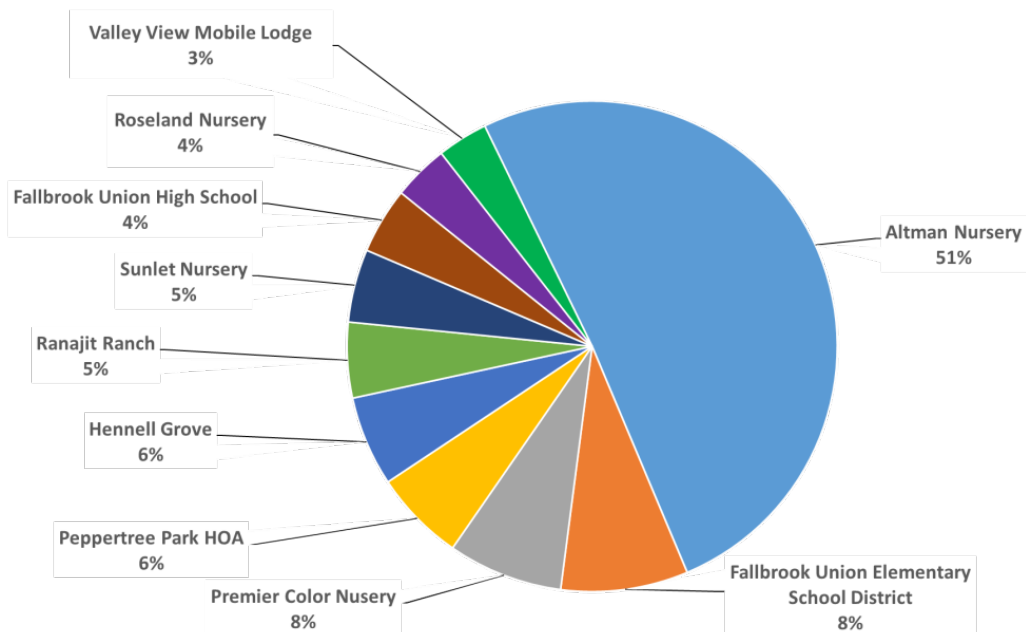
Source: Fallbrook Public Utility District

Table #12 - Top Ten Water and Recycled Water Customers

Fiscal Year 2015			Fiscal Year 2024		
Customer	Annual Usage (Kgal)	Percent of Total	Customer	Annual Usage (Kgal)	Percent of Total
Color Spot Nursery	152,422	4.71%	Altman Nursery	143,153	7.12%
ACW Ranch	93,783	2.90%	Fallbrook Union Elementary School District	23,635	1.17%
Chandler Ranch	92,884	2.87%	Premier Color Nusery	21,345	1.06%
Sparrow Hawk Ranch	55,359	1.71%	Peppertree Park HOA	16,974	0.84%
Eco Farms Ranch	53,870	1.67%	Hennell Grove	16,702	0.83%
Lilac 124 Inc	51,613	1.60%	Ranajit Ranch	13,999	0.70%
Premier Color Nursery	41,110	1.27%	Sunlet Nursery	13,563	0.67%
Hennel Grove	34,402	1.06%	Fallbrook Union High School	12,273	0.61%
Fallbrook Union Elementary School District	34,397	1.06%	Roseland Nursery	10,310	0.51%
Gilmore Ranch	33,600	1.04%	Valley View Mobile Lodge	9,406	0.47%
Total Top 10 Customers	643,440	19.89%	Total Top 10 Customers	281,360	13.98%
Total All Other Water Customers	2,591,929	80.11%	Total All Other Water Customers	1,730,902	86.02%
Total Water Consumed	3,235,369	100.00%	Total Water Consumed	2,012,262	100.00%

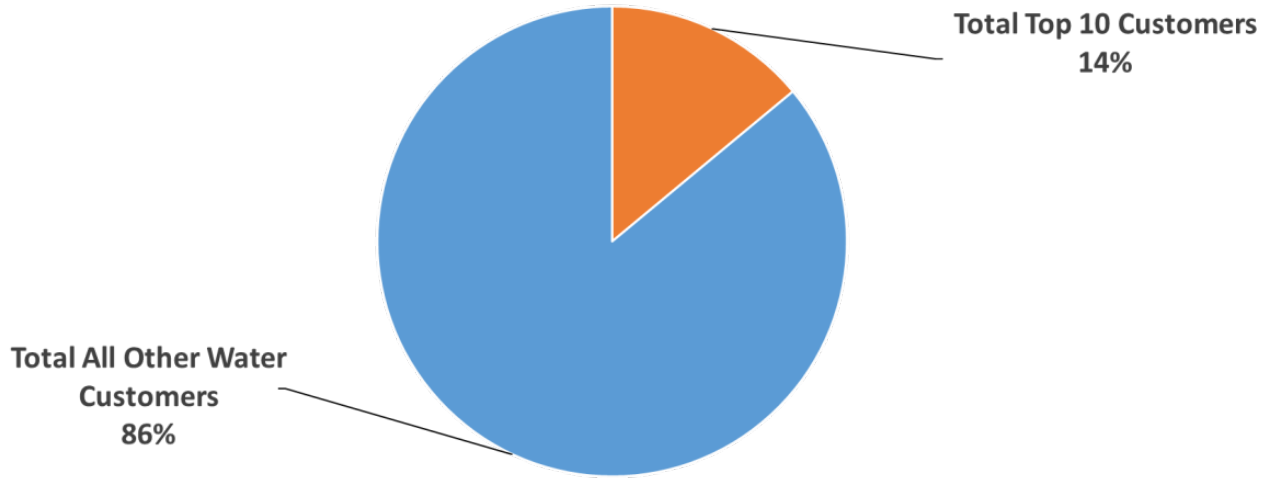
Source: Fallbrook Public Utility District

Chart #4 - Top Ten Water and Recycled Water Customers and their Relative Consumption Fiscal Year 2024



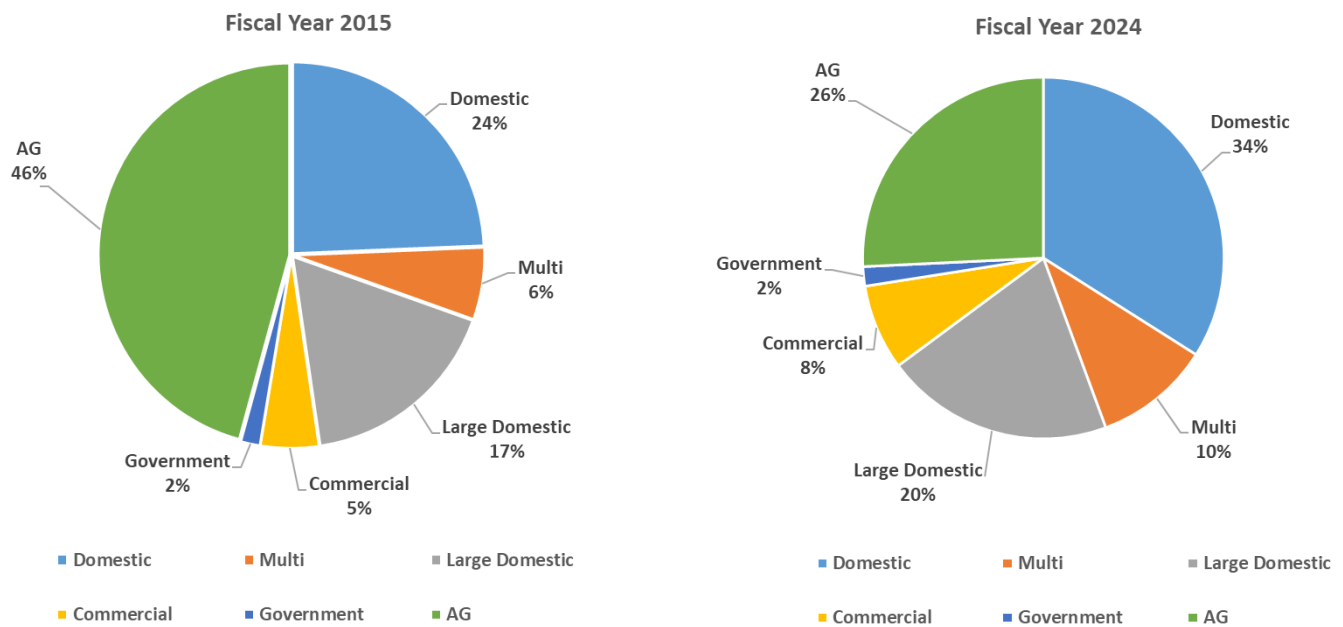
Source: Fallbrook Public Utility District

Chart #5 - Total Water and Recycled Water Consumed Fiscal Year 2024



Source: Fallbrook Public Utility District

Chart #6 - Breakdown of Water Sales by Customer Class for Fiscal Year 2015 vs Fiscal Year 2024



Source: Fallbrook Public Utility District

Table #13 - Water System

Fiscal Year	Miles of Water Mains	Service Connections	Annual Production (G)	Average Daily Production (gpd)
2015	268.98	9,166	3,327,254,350	9,115,765
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

Source: Fallbrook Public Utility District

Table #14 - Water System Total Production⁽¹⁾

Fiscal Year	Total Used/Prod. (AF)	HCF
2015	10,211.00	4,447,911.60
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

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)
2015	78.64	5,034	562,027,804.80	1,539,802.20
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

Source: Fallbrook Public Utility District

Table #16 - Sewer System Influent Flow

Fiscal Year	Total Used/Prod. (AF)
2015	1,997.62
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

Source: Fallbrook Public Utility District

Table #17 - Recycled Water System

Fiscal Year	Miles of Recycled Pipes	Service Connections	Used Annual Recycled Water (AF) <small>(1)</small>	Daily Usage (MGD)
2015	8.28	28	598.80	0.5
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

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:
2015	1,724.80	G- Gallons
2016	1,534.02	GD - Gallons per Day
2017	1,556.36	AF - Acre Feet
2018	1,492.51	MG - Millions of Gallons
2019	1,617.50	MGD - Millions of Gallons per Day
2020	1,656.50	
2021	1,619.20	
2022	1,714.20	
2023	1,904.19	
2024	1,966.77	

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)
2015	1,588.47	4.35	584.11	1,004.36	1,878.31
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

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
2015	21	13	5	28.8	0	67.8
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

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			
2015	\$ 3,234,556,718	\$ 1,928,060,834	\$ 40,480,476	\$ 35,184,912	\$ 5,238,282,940
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

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	
2015	\$ 933,206	\$ 847,121	\$ 1,780,327	\$ 921,440	\$ 836,401	\$ 1,757,840	\$ 11,766	\$10,721	\$22,487	1.3%
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%

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 2024

Strategic Goal	Department	Key Performance Indicator	Target	FY 2023-24 Actual	Target Met
Efficiency	Safety	Maintain a Workers Compensation Experience Modification Rate below 1%	Below 1%	0.69%	Yes
Efficiency	Inventory/ Purchasing	Maintain an inventory shrinkage rate of less than 1%	Below 1%	0%	Yes
Efficiency	Recycled	Maintain an overall compliance of >99.9% each month from all samples associated with the Title 22 and WDR Permit	>99.9%	100%	Yes
Efficiency	Recycled	Maintain energy consumption data to stay within the annual average target	Below 828,000 kWh	808,966/kWh	Yes
Efficiency	Wastewater	Reduce 10-year average wastewater spills by 10% - Keep spills under 9,075 gallons	Below 9,075 gallons	2,999 gallons 10 year average	Yes
Efficiency	Wastewater	Keep common sewer spills to 3 or less during the year	3 or less spills/year	1 spill	Yes
Efficiency	Wastewater	Clean 20,000 feet of regular sewer mains each month to total 240,000 feet per year	240,000 feet/year	265,222 feet	Yes
Efficiency	Wastewater	Maintain energy consumption to stay within the annual average target	Below 1,932,000/kWh	1,887,587/kWh	Yes
Efficiency	Wastewater	CCTV 8,000 feet of regular sewer mains each month to total 96,000 feet per year	96,000 feet/year	114,823 feet	Yes
Community	Customer Service	Maintain an average customer service call wait time of less than 3 minutes	Below 3 minutes	0:40 seconds	Yes
Community	Customer Service	Percentage of customers enrolled in Watersmart-AMI portal (as a % of total District customers)	60% by Fiscal Year 2026	39%	Yes
Fiscal Management	Finance	Debt Coverage	>1.20	2.64	Yes
Fiscal Management	Finance	Days Cash on hand	90 days or greater	94 days	Yes
Water Supply	Water	Cost/Acre Foot of SMGTP Product Water Supply	Below \$1,500/AF	\$852/AF	Yes
Water Supply	Water	Sample 30 residents that meet the criteria for Lead and Copper	30 residents	46 residents	Yes
Water Supply	Water	Receive and treat all entitled deliveries to the SMGTP	100% of deliveries treated	100%	Yes
Water Supply	Water	100% regulatory compliance for water quality sampling	100% compliance	100%	Yes
Infrastructure	Water	Cost/Valve Installed (Labor & Materials)	Below \$6,500/Valve	\$8,577/Valve	No
Infrastructure	Water	Maintain 4,000 feet of right of ways/year	4,000 feet	7,794 feet	Yes
Infrastructure	Water	Replace 100 water main valves/year	100 water main valves	101 water main valves	Yes
Infrastructure	Water	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	172 valves/mo 36 hydrants/mo	No
Infrastructure	Water	Test 400 meters per year	400 meters	51	No
Infrastructure	Water	Fire flow test 5 hydrants per month	5 hydrants per mo	22 fire hydrants tested	No
Infrastructure	Wastewater	Cost/MG of Wastewater Influent Flows	Below \$3,500/MG	\$3,023/MG	Yes
Workforce	Human Resources	Employee engagement survey results; percentage of employees rating their overall morale as "high"	Above 25%	45%	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
2015	\$27,483,881	\$25,591,207	\$ 5,482,287	\$ 7,374,961	\$ 1,319,031	5.59	1.20
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

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 06/30/2024)

2023-2024 Assessed Valuation: \$5,041,508,884

	Total Debt (6/30/24)	% Applicable (1)	District's Share of Debt (6/30/24)
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 18,210,000	0.130%	\$ 23,673
Palomar Community College District	627,562,522	3.115	19,548,573
Bonsall Unified School District	9,604,086	0.450	43,218
Fallbrook Union High School District	38,060,000	62.099	23,634,879
Fallbrook Union School District	8,654,330	65.799	5,694,463
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 48,944,806
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	\$ 374,600,000	0.717%	\$ 2,685,882
San Diego County Pension Obligation Bonds	211,225,000	0.717	1,514,483
San Diego County Superintendent of Schools Certificates of Participation	6,050,000	0.717	43,379
Palomar Community College District Certificates of Participation	1,175,000	3.115	36,601
Bonsall Unified School District Certificates of Participation	6,004,800	0.450	27,022
Fallbrook Union High School District General Fund Obligations	6,317,845	62.099	3,923,319
Fallbrook Public Utility District	0	100.	0
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 8,230,686
TOTAL DIRECT DEBT			\$ 0
TOTAL OVERLAPPING DEBT			\$ 57,175,492
COMBINED TOTAL DEBT			\$ 57,175,492 ⁽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 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.97%
Total Direct Debt	0.00%
Combined Total Debt	1.13%

Source: California Municipal Statistics Inc.

Table #26 - San Diego County Principal Employers

Fiscal Year 2014			Fiscal Year 2023*		
Employer Name	Number of Employees	% of Total County Employment	Employer Name	Number of Employees	% of Total County Employment
State of California	40,100	2.69%	Naval Base San Diego ⁽¹⁾	43,003	2.81%
University of California, San Diego	28,341	1.90%	University of California, San Diego ⁽²⁾	35,802	2.34%
County of San Diego	16,627	1.11%	County of San Diego	20,387	1.33%
Sharp Healthcare	16,477	1.10%	Sharp Healthcare ⁽³⁾	19,000	1.24%
Scripps Health	13,717	0.92%	San Diego Unified School District	13,559	0.89%
Qualcomm Inc.	13,700	0.92%	Scripps Health	13,445	0.88%
City of San Diego	10,584	0.71%	City of San Diego	12,777	0.84%
UC San Diego Health System	7,726	0.52%	Qualcomm Inc.	12,500	0.82%
Kaiser Permanente	7,549	0.51%	Kaiser Permanente ⁽¹⁾	9,166	0.60%
General Atomics (and affiliated companies)	6,714	0.45%	San Diego State University	7,104	0.46%
Total Top Ten County Employers	161,535	10.83%	Total Top Ten County Employers	186,743	12.22%
All Other County Employers	1,330,065	89.17%	All Other County Employers	1,341,496	87.78%
Total County Employment	1,491,600	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 2024 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 2024 not available as of publication date.

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		
2015	\$ 32,389,288	-	-	\$ 32,389,288	32,626	\$ 53,357	5.4%	\$1,740,843,138	\$ 993	1.9%
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	77,299	3.9%	2,706,738,727	2,553	3.3%
2024	⁽⁷⁾ 97,489,381	92,433	67,637	97,649,451	35,157	80,391	4.5%	2,826,268,310	2,778	3.5%

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 2024 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 2024 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.

CONTINUING DISCLOSURE



November 22, 2024

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Board of Directors

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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: 2024 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, 2024. 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

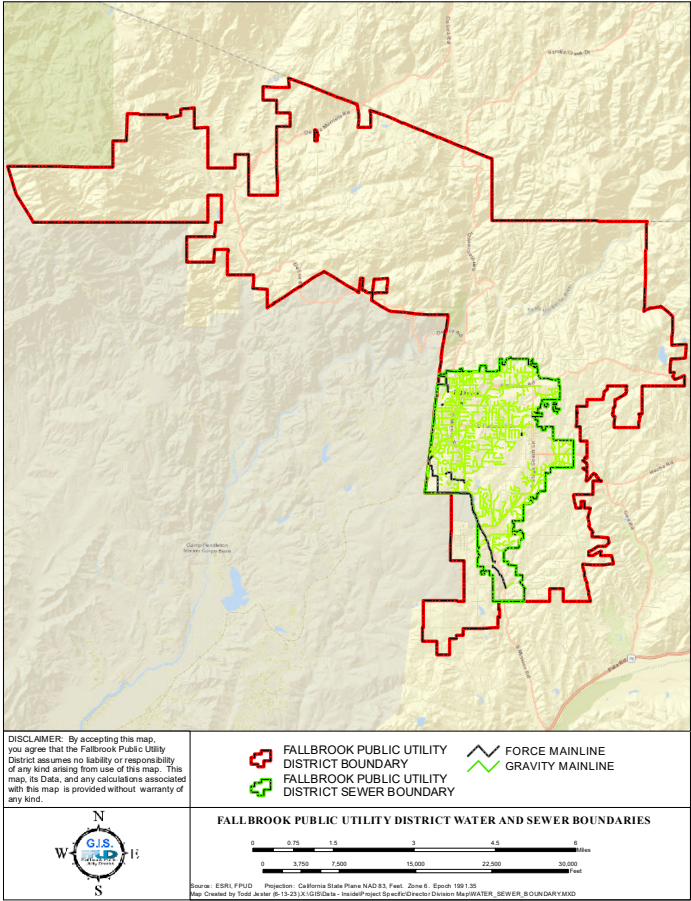
Fallbrook is an unincorporated community in San Diego County. The first permanent recorded settlement in Fallbrook was in 1869, in the east area of the District, which later became Live Oak County Park. While agriculture has always played a major role in the community, the first plantings were olives 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



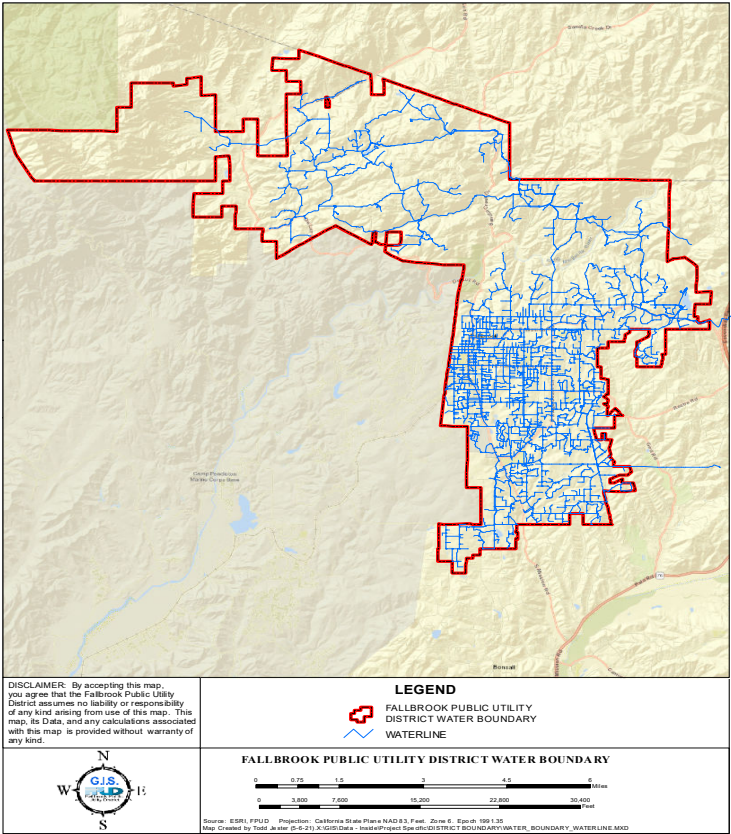
Wastewater System

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.

District Service Area Pipelines

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.



II. Bond Information

Principal Outstanding

Bond Issues	As of June 30, 2024
2021 Wastewater Revenue Refunding Bonds Series A	\$14,845,000
2021 Wastewater Revenue Refunding Bonds Series B	1,690,000
2024 Water Revenue Bonds	11,205,000

III. Financial Information

The audited financial statements for the District for the fiscal year ended June 30, 2024 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

Source: Fallbrook Public Utility District

The following table shows the ten largest customers of the Wastewater System as of June 30, 2024 based on charges billed.

Table #2 - Ten Largest Wastewater Customers as of June 30, 2024

No.	Customer	Type of Business	Revenues	% of Total Revenues ⁽¹⁾
1	VALLEY VIEW MOBILE LODGE	Residential	115,332	1.34%
2	FALLBROOK UNION ELEMENTARY SCHOOL DISTRICT	Elementary School	96,956	1.12%
3	PINEVIEW PRESERVATION LP	Residential	94,507	1.09%
4	AMBERCREEK ASSOCIATION	Residential	88,220	1.02%
5	PINECREST APARTMENTS	Residential	87,683	1.02%
6	FALLBROOK HILLS APARTMENTS	Residential	76,582	0.89%
7	COUNTRY VIEW APARTMENTS	Residential	75,536	0.87%
8	SUMMER RIDGE APARTMENTS	Residential	74,926	0.87%
9	FALLBROOK VIEW APARTMENTS	Residential	74,887	0.87%
10	CPI GV CRESTVIEW ESTATES OW LLC	Residential	74,169	0.86%
	Total, Top 10 Customers		\$ 858,798	9.94%

(1) Based on total Service Charges and CIC Charges for Fiscal Year 2023-24 of \$8,636,552.

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

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, 2019	Effective Jan. 1, 2020	Effective Jan. 1, 2021	Effective Jan. 1, 2022	Effective Jan. 1, 2023	Effective Jan. 1, 2024
Monthly Fixed Charge Per EDU ⁽¹⁾						
Wastewater Charge-Combined ⁽²⁾	\$ 9.70	\$ 10.14	\$ 10.60	\$ 11.08	N/A	N/A
Residential/Domestic	N/A	N/A	N/A	N/A	\$ 18.88	\$26.68
Commercial/Government	N/A	N/A	N/A	N/A	12.14	12.75
Capital Improvement Charge (CIC) ⁽³⁾	11.53	11.62	11.63	11.68	12.66	13.35
Monthly Variable Charge Per 1,000 Gallons ⁽⁴⁾						
Single-Family, Multi-Family & Ag. Domestic	\$ 9.86	\$ 10.32	\$ 10.79	\$ 11.28	\$ 10.22	\$9.16
Gov't, Schools, Churches & Low-Strength Commercial	9.79	10.25	10.72	11.20	11.09	11.64
Medium-Strength Commercial	12.09	12.65	13.22	13.81	13.82	14.51
High-Strength Commercial	15.09	15.77	16.48	17.22	17.66	18.54

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%

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 2023-2024.

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

No.	Taxpayer	Primary Land Use	FY 2023-24 Assessed Valuation	% of Total
1	Contour Propco 1735 S Mission LLC	Assisted Living Facility	\$ 32,244,737	1.07%
2	Vista Fortuna LLC	Shopping Center	24,972,150	0.83%
3	Albertsons LLC	Supermarket	21,309,045	0.71%
4	Americare Health & Retirement LLC	Assisted Living Facility	18,750,782	0.62%
5	CPI/GV Crestview Estates Owner LLC	Mobile Home Park	15,010,827	0.50%
6	Axelgaard Manufacturing Co. Ltd.	Industrial	14,243,870	0.47%
7	Sheryl A. Hailey	Apartments	14,209,815	0.47%
8	Hampton Family Trust	Residential Properties	10,154,511	0.34%
9	Amber Creek Associates LLC	Apartments	9,923,720	0.33%
10	BRCC Investments LLC	Shopping Center	9,842,813	0.33%
11	Fallbrook Village Apartments LLC	Apartments	9,247,858	0.31%
12	Fallbrook Plaza LLC	Commercial	8,841,864	0.29%
13	Rec Properties LLC	Apartments	8,767,152	0.29%
14	Fallbrook Medical Arts LLC	Medical Offices	8,500,000	0.28%
15	Ark Properties LLC	Commercial	8,412,871	0.28%
16	Fallbrook Hills Apartments LLC	Apartments	8,383,834	0.28%
17	J & V Vozza No. 1 LLC	Apartments	8,044,960	0.27%
18	Felipe and Concepcion Jimenez	Apartments	8,024,406	0.27%
19	Sunset Views Apartments LLC	Apartments	7,964,800	0.26%
20	Old Vine Apartments LLC	Apartments	7,666,356	0.25%
	Total, Top 20 Customers		\$ 254,516,371	8.42%
	Total Assessed Value, All Taxpayers		\$ 3,021,909,887	

Source: California Municipal Statistics

The following table presents historical Wastewater Fund revenues, expenses and debt service coverage for Fiscal Years 2019-20 to 2023-24.

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

Fiscal Year Ending June 30,	2020	2021	2022	2023	2024
Operating Revenues:					
Service Charges	\$ 5,924,878	\$ 5,993,042	\$ 6,323,887	\$ 7,048,717	\$ 7,350,294
Other Charges	6,590	1,382	12,966	11,073	42,280
Sub-Total	\$5,931,468	\$5,994,424	\$6,336,853	\$7,059,790	\$ 7,392,574
Operating Expenses (Excludes Depreciation):					
Operations & Maintenance	\$ 3,286,965	\$ 3,188,427	\$ 3,827,472 ⁽¹⁾	\$ 2,484,939	\$ 3,575,765
Administrative & General	2,178,369	2,207,487	2,378,061	2,550,129	2,911,671
Sub-Total	\$5,465,334	\$5,395,914	\$6,205,533	\$5,035,068	\$ 6,487,436
Net Operating Income	\$ 466,134	\$ 598,510	\$ 131,320	\$2,042,722	\$ 905,138
Non-Operating Revenues (Expenses)					
Property Taxes	\$ 1,066,408	\$ 1,069,872	\$ 1,094,591	\$ 1,199,210	\$ 1,251,657
Capital Improvement Charges	1,168,350	1,171,245	1,179,305	1,241,192	1,329,146
Investment Income ⁽²⁾	131,547	71,912	82,914	137,514	224,510
Connection Fees	123,762	39,579	95,944	74,087	29,100
Sub-Total	\$2,490,067	\$2,352,608	\$2,452,754	\$2,652,003	\$ 2,834,413
NET REVENUES	\$2,956,201	\$2,951,118	\$2,584,075	\$4,676,725	\$ 3,739,551
Debt Service Expense:					
2010 Agreement (net of subsidy) ⁽³⁾	\$ 391,696	\$ 408,435	\$ 422,072	\$ 436,062	\$ 443,201
SRF Loan	1,845,746	1,750,772	-	-	-
2021 Refunding Bonds	-	22,271	1,729,884	1,731,022	1,730,746
Sub-Total	\$2,237,442	\$2,181,478	\$2,151,956	\$2,167,084	\$ 2,173,947
Debt Service Coverage (DSC)	1.32	1.35	1.20	2.16	1.72
QECCB Loan Subsidy:					
Gross Interest Subsidy Rate (%)	70.0%	70.0%	70.0%	70.0%	70.0%
Sequestration Rate (%)	5.9%	5.7%	5.7%	5.7%	5.7%
Net Interest Subsidy Rate (%)	65.9%	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

Source: Fallbrook Public Utility District

The following table shows the ten largest customers of the Water System as of June 30, 2024 based on charges billed.

Table #2 - Ten Largest Water Customers as of June 30, 2024

No.	Customer	Type of Business	Revenues	% of Total Revenues ⁽¹⁾
1	ALTMAN SPECIALTY PLANTS	Residential	\$ 439,942	1.82%
2	FALLBROOK UNION ELEMENTARY SCHOOL DISTRICT	Elementary School	239,190	0.99%
3	KENNETH HENNELL	Residential	132,447	0.55%
4	VALLEY VIEW MOBILE LODGE	Residential	96,213	0.40%
5	PINECREST APARTMENTS	Residential	93,311	0.39%
6	SUNLET NURSERY	Residential	91,079	0.38%
7	SHADY GROVE HOA	Residential	90,595	0.37%
8	RANAJIT SAHU	Residential	87,759	0.36%
9	AMBERCREEK ASSOCIATION	Residential	76,936	0.32%
10	COUNTRY VIEW APARTMENTS	Residential	70,189	0.29%
	Total, Top 10 Customers		\$1,417,660	5.86%

(1) Based on total Service Charges and CIC Charges for Fiscal Year 2023-24 of \$24,190,646.

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%

Source: Fallbrook Public Utility District

Continuing Disclosure Report

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

*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

* 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

* 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

* 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	8,107,422,855

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

The following table sets forth the top 20 taxpayers within water for Fiscal Year 2023-2024.

Table #9 - Top Taxpayers in Water

No.	Taxpayer	Primary Land Use	FY 2023-24 Assessed Valuation	% of Total
1	Contour Propco 1735 S Mission LLC	Assisted Living Facility	\$ 32,244,737	0.65%
2	Vista Fortuna LLC	Shopping Center	24,972,150	0.50%
3	Albertsons LLC	Supermarket	21,309,045	0.43%
4	Americare Health & Retirement LLC	Assisted Living Facility	18,750,782	0.38%
5	CPI/GV Crestview Estates Owner LLC	Mobile Home Park	15,010,827	0.30%
6	Axelgaard Manufacturing Co. Ltd.	Industrial	14,243,870	0.29%
7	Sheryl A. Hailey	Apartments	14,209,815	0.28%
8	Hampton Family Trust	Residential Properties	10,154,511	0.20%
9	Amber Creek Associates LLC	Apartments	9,923,720	0.20%
10	BRCC Investments LLC	Shopping Center	9,842,813	0.20%
11	Fallbrook Village Apartments LLC	Apartments	9,247,858	0.19%
12	Fallbrook Plaza LLC	Commercial	8,841,864	0.18%
13	Rec Properties LLC	Apartments	8,767,152	0.18%
14	Fallbrook Medical Arts LLC	Medical Offices	8,500,000	0.17%
15	Ark Properties LLC	Commercial	8,412,871	0.17%
16	Fallbrook Hills Apartments LLC	Apartments	8,383,834	0.17%
17	J & V Vozza No. 1 LLC	Apartments	8,044,960	0.16%
18	Felipe and Concepcion Jimenez	Apartments	8,024,406	0.16%
19	Sunset Views Apartments LLC	Apartments	7,964,800	0.16%
20	Old Vine Apartments LLC	Apartments	7,666,356	0.15%
	Total, Top 20 Customers		\$ 254,516,371	5.10%
	Total Assessed Value, All Taxpayers		\$ 4,989,118,002	

Source: California Municipal Statistics

Continuing Disclosure Report

The following table presents historical Water Fund revenues, expenses and debt service coverage for Fiscal Years 2019-20 to 2023-24.

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

Fiscal Year Ending June 30,	2020	2021	2022	2023	2024
Operating Revenues:					
Water Sales	\$ 14,040,914	\$ 17,115,866	\$ 16,464,444	\$ 14,194,199	\$ 13,574,167
Fixed Service Charges	6,782,468	7,237,052	7,664,909	8,259,546	8,378,478
Other Charges	1,116,852	1,076,096	1,116,430	1,013,465	603,711
Sub-Total	\$21,940,234	\$ 25,429,014	\$ 25,245,783	\$ 23,467,210	\$22,556,356
Operating Expenses (Excludes Depreciation):					
Cost of Water Sold	\$ 12,663,006	\$ 13,955,908	\$ 13,245,830	\$ 10,716,859	\$ 6,659,144
Operations & Maintenance	3,984,938	3,330,054	6,046,295 ⁽¹⁾	3,126,441	7,256,617
Administrative & General Expenses	3,985,541	4,036,546	4,322,980	4,642,717	5,306,601
Sub-Total	\$20,633,485	\$ 21,322,508	\$ 23,615,105	\$ 18,486,017	\$19,222,362
Net Operating Income	\$ 1,306,749	\$ 4,106,506	\$ 1,630,678	\$ 4,981,193	\$ 3,333,994
Non-Operating Revenues (Expenses)					
Property Taxes	\$ 1,146,897	\$ 1,214,791	\$ 1,245,229	\$ 1,355,239 ⁽²⁾	\$ 1,416,793 ⁽²⁾
Capital Improvement Charges	1,368,292	1,413,080	1,457,378	1,589,961	1,758,695
Investment Income ⁽³⁾	591,761	987,540	(1,174,671)	752,646	1,287,999
Connection Fees	8,526	110,071	97,257	112,859	112,353
Sub-Total	\$ 3,115,476	\$ 3,725,482	\$ 1,625,193	\$ 3,810,705	\$ 4,575,840
NET REVENUES	\$ 4,422,225	\$ 7,831,988	\$ 3,255,871	\$ 8,791,898	\$ 7,909,834
Debt Service Expense:					
2010 SRF Loan	\$ 395,851	\$ 395,851	\$ 395,851	\$ 395,851	\$ 395,851
2018 SRF Loan	20	411,558	974,071	1,174,396	2,814,795
Sub-Total	\$ 395,871	\$ 807,408	\$ 1,369,922	\$ 1,570,247	\$ 3,210,646
Debt Service Coverage (DSC)	11.2	9.7	2.4	5.6	2.5

(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 transfer 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, 2024, and have issued our report thereon dated November 22, 2024. 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 May 8, 2024. 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. No new accounting policies were adopted and the application of existing policies was not changed during June 30, 2024.

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

The following material misstatements detected as a result of audit procedures were corrected by management:

- Inventory was adjusted by \$377,064 to agree the general ledger to supporting schedule.
- An adjustment of \$131,173 was made to accumulated amortization for right to use assets and subscription assets and corresponding liabilities to correct general ledger balances.

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 22, 2024.

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 15, 2023.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
November 22, 2024



**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, 2024, 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 22, 2024.

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.



CliftonLarsonAllen LLP

Irvine, California
November 22, 2024

M E M O

TO: Board of Directors
FROM: Fiscal Policy & Insurance Committee
DATE: December 9, 2024
SUBJECT: Consider Adopting Resolution No. 5085 Approving the Increased Rates for Water and Recycled Water Service Charges, and Rates for Wastewater Service Charges and Taking Other Related Actions

Purpose

Provide the Board with the Fiscal Policy & Insurance Committee's (the Committee) recommended Calendar Year (CY) 2025 rates and charges for water, recycled water and wastewater services.

Summary

Calendar Year 2025 is the third 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. The District also pays MWD's fixed Readiness to serve and Capacity Charges. Last year, as a result of detachment, the Board effectively reduced the average residential bill by 5.4%. This year MWD's treated water rate increased by 11% with the fixed charges increasing by approximately 6%. After careful review, the Committee is recommending a 3.5% 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 2025 financial performance, the Committee is recommending a 2.5% 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 is recommending the Recycled Water rates and charges be increased in-line with the Plan at 2.5%.

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 2023 to February 2024, which was 9.39%. 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 10%. The Wastewater Capital Improvement Charge is increased by the 9.39%. Changes to the Administrative Code also reflect these and other changes to CY 2025 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. Attachment C shows the recommended rate and charge adjustments to Article 12 of the Administrative Code. The resolution adopting the calendar year 2025 rates and charges is Attachment D. Exhibit A of Attachment D shows the adopted calendar year 2024 rates and charges along with the calendar year 2025 recommended rates and charges.

Recommended Action

That the Board adopt Resolution No. 5085 adopting calendar year 2025 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

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

- 3/4" to 2" 5 hours @ \$ 134.30 = \$ 671.50
- 3" and larger 9 hours @ \$ 134.30 = \$ 1,208.70

B) Fire Hydrant Installation 9 hours @ \$ 134.30 = \$ 1,208.70

C) Fire Service Installation 9 hours @ \$ 134.30 = \$ 1,208.70

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*
3/4"	\$4,698	\$613	\$4,086
1"	\$4,810	\$724	\$4,086
1-1/2"	\$5,983	\$1,358	\$4,625
2"	\$6,534	\$1,661	\$4,873
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 \$2,769. If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of \$5,077. If County road inspection is required, there is an additional fee of \$1,624.

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Sec. 10.7 Meter Relocation Fees.

Meter Size	Relocation and Service Line*
3/4"	\$ 5,897
1"	\$ 5,897
1-1/2"	\$ 6,527
2"	\$ 6,776

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* If paving is required up to 30 feet, there is an additional fee of \$5,498. If County road inspection is required, there is an additional fee of \$1,624.

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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 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, 2025, the schedule of capacity fees based on the demand factor of each meter size shall be as follows:

Meter Size	Capacity Demand Factor (EMU)	Capacity Fee
3/4"	1	\$ 7,300
1"	1.6	\$ 11,680
1-1/2"	3	\$ 21,900
2"	5.2	\$ 37,960
3"	9.6	\$ 70,080
4"	16.4	\$ 119,720
6"	30	\$ 219,000

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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"	\$ <u>154</u>
1 ½" – 2"	\$ <u>209</u>
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 3/4 inch meter	\$, 885
For each 1 inch meter	\$, 909
For each 1-1/2 inch meter	\$ 1,566
For each 2 inch meter	\$ 1,811
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.

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- 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 (\$~~140~~) 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 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 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 subdiviver or consumer. Charges for installation of hydrants on the existing District distribution system will be as follows:

Model J-3700 (2-port hydrant).....\$ 13,247(complete assembly)

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Model J-3765 (3-port hydrant).....\$ 16,247(complete assembly)
Fire flow testing\$ 616

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If paving over 20 feet is required, there is an additional fee of \$ 324 per trench foot. If county road inspection is required, there is an additional fee of \$ 1,624.

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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 \$ 1,594 deposit, a meter installation charge of \$ 154 will be made. There will be a relocation charge of \$ 154 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

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.

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>8,989</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	\$ <u>9,262</u>
≤ 15'	>8'	4	56	\$ <u>13,414</u>
>15' to 30'	≤8'	5	90	\$ <u>17,790</u>
>15' to 30'	>8'	5	115	\$ <u>20,710</u>
>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 \$ 2,769. If paving is greater than 15 feet up to 30 feet is required, there is an additional fee of \$ 5,077. If county road inspection is required, there is an additional fee of \$ 1,624.

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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 @ \$ 134.30 = 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 condition of service. If the applicant fails to pay within the time specified by the District,

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, 2025, 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\$7.57 per unit

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Over 5 units per month\$8.34 per unit

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Commercial (C), Government (G), Irrigation Only (I).

All usage\$7.99 per unit

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Agricultural (AG).

All usage\$5.83 per unit

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Agricultural-Domestic (AD).

1-5 units per month\$7.57 per unit

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Over 5 units per month\$5.83 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 \$6.61 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 \$0.75 per 1,000 gallons to recover the cost of electricity.

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Sec. 12.2 Monthly Fixed Charges.

Effective January 1, 2025, 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	\$59.16	\$27.16	\$18.05	NA
1 inch meter	\$93.95	\$36.92	\$25.29	NA
1-1/2 inch meter	\$180.09	\$61.09	\$43.21	NA
2 inch meter	\$283.90	\$90.23	\$64.80	\$7.93
3 inch meter	\$561.09	\$168.01	\$122.44	\$9.21
4 inch meter	\$872.53	\$255.40	\$187.21	\$11.42
6 inch meter	\$1,737.25	\$498.06	\$367.06	\$19.35
8 inch meter	NA	NA	NA	\$33.04

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NA- Not applicable

For construction meters, a service charge of \$425.85 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 \$13.26 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, 2025. 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	\$13.26
1 inch meter	1.67	\$22.08
1-1/2 inch meter	3.33	\$44.19
2 inch meter	5.33	\$70.66
3 inch meter	10.67	\$141.33
4 inch meter	16.67	\$220.84
6 inch meter	33.33	\$441.65

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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)	\$ 7.96
Residential (LD, D, M))	\$ 7.96
Government (G)	\$ 11.93

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User Class	Volumetric Wastewater Charge (\$/kgal)
Commercial – Low Strength* (C_L)	\$ <u>11.93</u>
Commercial – Medium Strength* (C_M)	\$ <u>14.87</u>
Commercial – High Strength* (C_H)	\$ <u>19.00</u>

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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 be 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 2025 public elementary school rate is \$1.50 per student and \$2.23 per staff, per month.
4. CY 2025 public junior high school and administrative offices rate is \$2.23 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, 2025, the Monthly Fixed Wastewater Charge shall be \$33.32 per month per Equivalent Dwelling Unit (EDU). For Commercial (C) and Government (G) accounts, effective January 1, 2025, the Monthly Fixed Wastewater Charge shall be \$13.07 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 \$14.60 per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge Effective January 1, 2025. 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. 5085

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, 2025; 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”), Article 11 (attached as Exhibit “D”), and Article 17 (attached as Exhibit “E”) 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, 2025.

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, 2025.

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 special meeting of the Board held on the 9th day of December, 2024, 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 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"	\$57.1659.16	\$12.0513.26	\$17.4418.05	\$26.5027.16	\$11.10
1"	\$90.7793.95	\$20.0722.08	\$24.4325.29	\$36.0236.92	\$11.22
1 1/2"	\$174.00180.09	\$40.1744.19	\$41.7543.21	\$59.6061.09	\$14.39
2"	\$274.30283.90	\$64.2470.66	\$62.6164.80	\$88.0390.23	\$15.57
3"	\$542.12561.09	\$128.48141.33	\$118.30122.44	\$163.91168.01	\$34.04
4"	\$843.02872.53	\$200.76220.84	\$180.88187.21	\$249.17255.40	\$41.06
6"	\$1678.501737.25	\$401.50441.65	\$354.65367.06	\$485.91498.06	\$52.85

FIRE SERVICE SIZE	MONTHLY CHARGE
1"	NA
1 1/2"	NA
2"	\$7.667.93
3"	\$8.909.21
4"	\$11.0311.42
6"	\$18.7019.35
8"	\$31.9233.04

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: \$1,457,1,594 deposit plus \$141-154 installation; \$141-154 relocation; operations charge \$411.45425.85 per month

Initiate Standby Service: \$50
 Delinquent Processing Fee: \$30
 Disconnection Processing Fee: \$50

Fire Flow Test: \$563616
 Broken / Tampered Lock Fee: \$100
 Meter Testing Fee (3/4" & 1" meters): \$141154
 Meter Testing Fee (1 1/2" & 2" meters): \$191209

Residential: Domestic (D), Large Lot Domestic (LD), and Multi Unit (M) 1 - 5 units per month..... \$7.317.57 Over 5 units per month..... \$8.068.34 Government (G): All usage..... \$7.727.99 Commercial (C): All usage..... \$7.727.99	Recycled Water (R): All usage \$6.456.61 Construction Water (C): All usage \$9.14 Pumping Charges (DSA & Toyon only) \$0.7275 Irrigation Only (I): All usage..... \$7.727.99	AGRICULTURE Agricultural (AG): All usage \$5.635.83 Ag-Domestic (AD): 1 - 5 units..... \$7.317.57 Over 5 units per month..... \$5.635.83
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>)	\$ 9.16 <u>7.96</u> /Unit
Government, Schools, Churches, and Low-Strength Commercial	\$ 11.64 <u>11.93</u> /Unit
Medium Strength Commercial (<i>Average BOD & SS = 201 – 600</i>)	\$ 14.51 <u>14.87</u> /Unit
High Strength Commercial (<i>Average BOD & SS = ≥ 601</i>)	\$ 18.54 <u>19.00</u> /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	\$ 26.68 <u>33.32</u> /Equivalent Dwelling Unit (EDU)
Monthly Fixed Wastewater Charge Commercial / Government	\$ 12.75 <u>13.07</u> /Equivalent Dwelling Unit (EDU)
Wastewater Capital Improvement Charge (per month)	\$ 13.35 <u>14.60</u> /EDU

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>\$560613</u>	<u>\$662724</u>	<u>\$1,2411,358</u>	<u>\$1,5181,661</u>	Cost	Cost	Cost
FPUD Connection Fee	<u>\$6,6737,300</u>	<u>\$10,67911,680</u>	<u>\$20,02121,900</u>	<u>\$34,70537,960</u>	<u>\$64,06970,08</u>	<u>\$109,448119,72</u>	<u>\$200,2162</u> <u>19,000</u>
Service Line Installation (No Paving)	<u>\$3,7354,086</u>	<u>\$3,7354,086</u>	<u>\$4,2284,625</u>	<u>\$4,4554,873</u>	Cost	Cost	Cost
Paving for Service Line ≤15' (Add)	<u>\$2,5312,769</u>	<u>\$2,5312,769</u>	<u>\$2,5312,769</u>	<u>\$2,5312,769</u>	Cost	Cost	Cost
Paving for Service Line = >15' <30' (Add)	<u>\$4,6415,077</u>	<u>\$4,6415,077</u>	<u>\$4,6415,077</u>	<u>\$4,6415,077</u>	Cost	Cost	Cost
County Inspection on Public Roadway (Add)	<u>\$1,4851,624</u>	<u>\$1,4851,624</u>	<u>\$1,4851,624</u>	<u>\$1,4851,624</u>	Cost	Cost	Cost
Meter Relocation (No Paving)	<u>\$5,3915,897</u>	<u>\$5,3915,897</u>	<u>\$5,9676,527</u>	<u>\$6,1946,776</u>	Cost	Cost	Cost
Meter Relocation with Paving Up to 30' (Add)	<u>\$5,0265,498</u>	<u>\$5,0265,498</u>	<u>\$5,0265,498</u>	<u>\$5,0265,498</u>	Cost	Cost	Cost
RP Backflow Device Installed with Meter*	<u>\$809885</u>	<u>\$831909</u>	<u>\$1,4321,566</u>	<u>\$1,6561,812</u>	Cost	Cost	Cost
RP Backflow Device Retrofit**	<i>Installation is the responsibility of the property owner; First inspection is free; additional inspection \$128-140 plus costs (each).</i>						
RP Backflow Device on Reclaimed Water Meters	<i>Installed at no cost.</i>						

FIRE HYDRANT, including installation:

Model J-3700.....	<u>\$12,11013,247</u>	Inspection Fee's:	3/4" to 2".....	5 hrs @ <u>\$122.77134.30</u>
= <u>\$613.85671.50</u>			3" and Larger.....	9 hrs @ <u>\$122.77134.30</u>
Model J-3765.....	<u>\$14,85216,247</u>			
= <u>\$1,104.931,208.70</u>				
Trench > 20'.....	<u>\$296324</u> /trench foot	Fire Hydrant Install.....	9 hrs @ <u>\$122.77134.30</u>	
= <u>\$1,104.931,208.70</u>		County Inspection:.....	<u>\$1,4851,624</u> if required	Fire Service
Install.....	9 hrs @ <u>\$122.77134.30</u>			

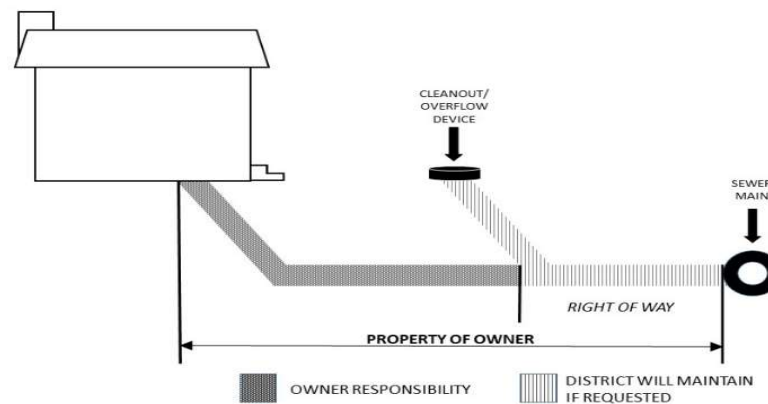
* The District shall install Reduced Pressure Backflow Preventers on new potable water meter services when applicable pursuant to Article 10 of the FPUD Administrative Code.

** 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	\$ 8,2178,989
Annexation Fee	\$ 11,389
<u>Lateral Installation Fee:</u>	
≤ 15' Length, ≤ 8' Depth	\$ 8,4679,262
≤ 15' Length, > 8' Depth	\$ 12,26313,415
> 15'- 30' Length, ≤ 8' Depth	\$ 16,26317,790
> 15'- 30' Length, > 8' Depth	\$ 18,93220,710
> 30' Length, Any Depth	\$ Cost
County Road Inspection	\$ 1,4851,624
Paving ≤ 15'	\$ 2,5312,769
Paving 16'-30'	\$ 4,6415,077



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.

EXHIBIT B

**REVISIONS TO ARTICLE 10 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2025**

[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 @ \$ 134.30= \$ 671.50
 - 3" and larger 9 hours @ \$ 134.30= \$ 1,208.70
- B) Fire Hydrant Installation 9 hours @ \$ 134.30= \$ 1,208.70
- C) Fire Service Installation 9 hours @ \$ 134.30= \$ 1,208.70

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"	\$ 4,698	\$613	\$ 4,086
1"	\$ 4,810	\$724	\$ 4,086
1-1/2"	\$ 5,983	\$ 1,358	\$ 4,625
2"	\$ 6,534	\$ 1,661	\$ 4,873
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 \$2,769. If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of \$5,077. If County road inspection is required, there is an additional fee of \$1,624.

Sec. 10.7 Meter Relocation Fees.

Meter Size	Relocation and Service Line*
3/4"	\$ 5,897
1"	\$ 5,897
1-1/2"	\$ 6,527
2"	\$ 6,776

* If paving is required up to 30 feet, there is an additional fee of \$5,498. If County road inspection is required, there is an additional fee of \$1,624.

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, 2025, 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	\$ 7,300
1"	1.6	\$ 11,680
1-1/2"	3	\$ 21,900
2"	5.2	\$ 37,960
3"	9.6	\$ 70,080
4"	16.4	\$ 119,720
6"	30	\$ 219,000

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"	\$ 154
1 ½" – 2"	\$ 209
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 ¾ inch meter	\$ 885
For each 1 inch meter	\$ 909
For each 1-1/2 inch meter	\$ 1,566
For each 2 inch meter	\$ 1,811
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 (\$140) 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 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 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).....\$ 13,247(complete assembly)

Model J-3765 (3-port hydrant).....\$ 16,247(complete assembly)
 Fire flow testing\$ 616

If paving over 20 feet is required, there is an additional fee of \$ 324 per trench foot. If county road inspection is required, there is an additional fee of \$ 1,624.

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 \$ 1,594 deposit, a meter installation charge of \$ 154 will be made. There will be a relocation charge of \$ 154 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

EXHIBIT C

**REVISIONS TO ARTICLE 11 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2025**

[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
	Church, Fraternal Lodge Or Similar Auditorium	
Class 7	Per 200 seating capacity	1.00
	Bakery	
Class 8	Per 3500 square feet (exterior building area)	1.00
	Theater	
Class 9	Per 150 seating capacity	1.33
	Hospital	
Class 10	Per bed	0.65
	Convalescent or Boarding Home	
Class 11	Per bed	0.30
	Elementary School / Daycare	
Class 13	Per 60 Students	1.00
	Junior High School	
	Per 40 Students	1.00
	High School	
Class 17	Per 30 Students	1.00
	Mortuary	
Class 14		1.00
	Car Wash with water recovery system and public restroom	
Class 21		2.00
	Self Service Laundry	
Class 23	Restaurants	2.00
	Restaurant Under 2500 Square feet	
Class 24		3.00
	Restaurant 2501-7000 Square feet	
Class 25		4.00
	Restaurant Over 7000 Square feet	
Class 26		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	\$ 8,989 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	\$ 9,262
≤ 15'	>8'	4	56	\$ 13,414
>15' to 30'	≤8'	5	90	\$ 17,790
>15' to 30'	>8'	5	115	\$ 20,710
>30'	Any	5	Actual	Actual

If paving less than or equal to 15 feet is required, there is an additional fee of \$ 2,769. If paving is greater than 15 feet up to 30 feet is required, there is an additional fee of \$5,077. If county road inspection is required, there is an additional fee of \$ 1,624.

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 @ \$ 134.30 = 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

EXHIBIT D

**REVISIONS TO ARTICLE 12 OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
ADMINISTRATIVE CODE
EFFECTIVE JANUARY 1, 2025**

[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, 2025, 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\$7.57 per unit

Over 5 units per month\$8.34 per unit

Commercial (C), Government (G), Irrigation Only (I).

All usage\$7.99 per unit

Agricultural (AG).

All usage\$5.83 per unit

Agricultural-Domestic (AD).

1-5 units per month\$7.57 per unit

Over 5 units per month\$5.83 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 \$6.61 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 \$0.75 per 1,000 gallons to recover the cost of electricity.

Sec. 12.2 Monthly Fixed Charges.

Effective January 1, 2025, 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	\$59.16	\$27.16	\$18.05	NA
1 inch meter	\$93.95	\$36.92	\$25.29	NA
1-1/2 inch meter	\$180.09	\$61.09	\$43.21	NA
2 inch meter	\$283.90	\$90.23	\$64.80	\$7.93
3 inch meter	\$561.09	\$168.01	\$122.44	\$9.21
4 inch meter	\$872.53	\$255.40	\$187.21	\$11.42
6 inch meter	\$1,737.25	\$498.06	\$367.06	\$19.35
8 inch meter	NA	NA	NA	\$33.04

NA- Not applicable

For construction meters, a service charge of \$425.85 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 \$13.26 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, 2025. 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	\$13.26
1 inch meter	1.67	\$22.08
1-1/2 inch meter	3.33	\$44.19
2 inch meter	5.33	\$70.66
3 inch meter	10.67	\$141.33
4 inch meter	16.67	\$220.84
6 inch meter	33.33	\$441.65

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)	\$ 7.96
Residential (LD, D, M)	\$ 7.96
Government (G)	\$ 11.93

User Class	Volumetric Wastewater Charge (\$/kgal)
Commercial – Low Strength* (C_L)	\$ 11.93
Commercial – Medium Strength* (C_M)	\$ 14.87
Commercial – High Strength* (C_H)	\$ 19.00

*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 2025 public elementary school rate is \$1.50 per student and \$2.23 per staff, per month.
4. CY 2025 public junior high school and administrative offices rate is \$2.23 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, 2025, the Monthly Fixed Wastewater Charge shall be \$33.32 per month per Equivalent Dwelling Unit (EDU). For Comercial (C) and Government (G) accounts, effective January 1, 2025, the Monthly Fixed Wastewater Charge shall be \$13.07 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 \$14.60 per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge Effective January 1, 2025. 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

M E M O

TO: Board of Directors
FROM: Jack Bebee, General Manager
DATE: December 9, 2024
SUBJECT: Customer Request for Bill Adjustment – 1946 Pomegranate Lane

Purpose

Provide the Board with background on a customer's account. This customer requested that the Board consider a bill adjustment for unpaid balances due to a leak on their property.

Summary

On November 12, 2024, the District received a letter from this account. The letter identified a number of concerns and provided details on a significant water leak that occurred on the customer's property. The following is a chronological record of events:

- On July 26th, Watersmart sent a text leak alert to the phone number on file
- On August 2nd, Watersmart sent a text leak alert to the phone number on file
- On August 21st, this account was on the billing cycle's exception report for high water usage. The account holder was contacted to discuss the high water use and determine if it was a leak. The customer said he wasn't aware of leak and then asked if a technician could turn off the water, he was at work. The meter was turned off at approximately 10:23am that day.
- On 8/21, a leak adjustment form was mailed to the customer
- On 8/22, the customer contacted customer service to discuss the leak alerts and was not happy the alerts were sent via text format.
- In early September, the August bill was mailed out and due by 9/20.
- In early October, the September bill was mailed out and due 10/20.
- In early November, the October was mailed out and due 11/20
- On November 5th, a 60 day past due statement was mailed out with payment due on 11/14. Account would be subject to lock on 11/19.
- On November 6th and 14th, an automated bill reminder phone call was sent.
- On November 12, A payment of was received and applied to his account bringing amount owed to \$2,486.27
- On November 18th, customer service called and left a message requesting the customer call back to discuss payment plan options, along with submitting leak adjustment form.
- The customer called back that day but didn't have time to discuss anything unless it's a water emergency at his property.

Based upon the meter flow data, the leak started at noon on July 25th. The leak was due to the failure of an irrigation line located on the property according to the property owner. The customer reported that FPUD crews were working in close proximity to the property at the time of the leak. However, staff checked with the crews and electronic work order records and there is no record of work being conducted in that area at that time. Crews were working in that area in August after the valve had been shut off. The customer also reported that SDG&E was in the area as well as other issues that impacted the amount of water lost. The property owner also indicated he is investigating if there is any water damage to the property and intends to seek reimbursement from the District for any such damages from the irrigation line leak on the property.

While no leak adjustment has been requested, if filed, the customer would receive \$739.54 in bill relief. This would reduce the amount due to \$1,746.73. Providing a leak adjustment credit is consistent with District policy and how these issues have been addressed in similar situations in the past. The customer is requesting that they pay \$82 (amount received), \$88 for water lost, \$82 and \$83.83 (unpaid October bill amount) due to the fact the District did not investigate and address the leak on the property in a timely manner. The additional amount that would be paid per this approach is \$253.83. This would leave \$1,492.90 in unpaid water that would be forgiven. This approach would require a Board action as it is not in accordance with current District policy for leaks caused by piping failures on private property. The customers correspondence with his justification for the request to forgive \$1,492.90 on the current bill for the property is provide as Attachment A.

The customer has recently requested that the Board defer action until the February 2025 meeting.

Recommended Action

Staff will support Board direction on this item.

Attachment A

Lauren Eckert

From: Jack Bebee
Sent: Monday, December 2, 2024 11:23 AM
To: tomqat
Cc: Isabel Casteran; David Shank; Lauren Eckert; Don McDougal 4
Subject: RE: URGENT - FPUD SHUT OFF NOTICE - 1946 Pomegranate Lane

Follow Up Flag: Follow up
Flag Status: Flagged

Mr. Black

Given the current amount of the unpaid balance, the item will need to go to the Board in December so I can get further direction on the account in accordance with your original request. We will include your request below to postpone any action which is an action the Board can take and they can provide me this direction. The next Board meeting is January 27th.

Can you please clarify further exactly what information and timeframe you are looking for in your request for:

COMPLAINT & MAJOR LEAK & FPUD's SYSTEM MAINTENANCE RECORDS.

If not, we will do our best to process with available documents based on an overly broad public records request. We had interpreted your request to be connected to others that have had leaks on their property but it appears you are looking for something else. I assume you are then looking for work orders/maintenance records on FPUD pipelines for example not all FPUD facilities – treatment plants, pumps stations etc? Can you please clarify exactly what you are looking for and include a specific timeframe?

The governing rules for the District are under the provisions of the Public Utility District Act. Link is below that identifies the powers delegated by the State to a Public Utility District Board of Directors including setting and collecting fees. There is no appeal process to the FPUD Board decision to another governing agency for this situation.

https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=PUC&division=7.&nodetreepath=15

Our SCADA platform is ClearSCADA. It has been in use for at least the last 15 years.

Hope you had a good thanksgiving,

Jack

From: tomqat <[REDACTED]>
Sent: Monday, December 2, 2024 10:40 AM
To: Jack Bebee <jackb@fpud.com>
Cc: Isabel Casteran <icasteran@fpud.com>; David Shank <dshank@fpud.com>; Lauren Eckert <leckert@fpud.com>; Don McDougal 4 <dmcDougal@fpud.com>
Subject: Re: URGENT - FPUD SHUT OFF NOTICE - 1946 Pomegranate Lane

December 2, 2024

FALLBROOK PUBLIC UTILITY DISTRICT

Attention: Mr. Jack Bebee, General Manager
990 E Mission Rd,
Fallbrook CA 92028

Re: AGENDA POSTPONEMENT,
Complaint & Maintenance records not received, Appeals process,
SCADA information

Hello Mr. Bebee:

*** PLEASE NOTE: "CAPS" FOR KEY FACTS emphasis --easier for me to see, I am NOT "shouting." ***

Good morning,

I hope you had a nice holiday.

Here are some TIME SENSITIVE items:

POSTPONE AGENDA:

Please take the 1946 Pomegranate Lane leak off the Board's agenda for December 2024. The date needs to be postponed.

THE CUSTOMER COMPLAINT and MAINTENANCE RECORDS REQUESTED WERE NOT RECEIVED:

I did not receive any of the records that I specifically requested. I recieved only OTHER CUSTOMER DISCOUNT REQUEST FORM RECORDS, that I did not request. I requested COMPLAINT & MAJOR LEAK & FPUD's SYSTEM MAINTENANCE RECORDS. Please see the attached screen shot of my original request.

Additionally, due to the holidays, which is the very busiest time of my out of town based business, I will have little time to review any newly recieved records until after the new year. Early February 2025 will be my estimated next availability and (yet to be determined date) request to be put on the Board's agenda, definitely not available for early January.

DISABILITY REMINDER:

My eighty seven year old father, Mr. James Allen Black, is officially physically disabled, including a severe neurological disability since birth that does not allow him to read or write; he cannot read or write at all, other than signing his name. Although James has always been business savvy, my late Mother, his late wife, handled all written affairs for their entire married lives. Therefore, the task of assisting him in the reading of all documents received falls on me.

Once I have recieved the records asked for, I will follow up to request a new Board Agenda date.

Of course you can proceed on behalf of FPUD'S INTERNAL ERROS, which is my case that ALL of the non-normal charges fall as FPUD's responsibility as per my first complaint), ***but I retain the RIGHT TO APPEAL any decision made on behalf of my family's responsibilities.***

BOARD RULINGS APPEALS PROCESS:

In addition to sending me the PREVIOUSLY REQUESTED, BUT NOT RECEIVED RECORDS, please point me to the County and California legal code regarding Utility board rulings, and specifically the *appeals* process to any rulings made at the local FPUD BOARD LEVEL.

SCADA INFORMATION:

What brand and version of SCADA does the FPUD use? And how long has it been in use?

Best regards,

Thomas L. Black,
on behalf of James Allen Black,
Resident, The Black Family
1946 Pomegranate Lane,
Fallbrook, CA
92028

TLB/bcb

*** ONE PHOTO ATTACHED: IMG_BLACK-3-of-3.jpeg ***

< 412

URGENT - FP...

FOUR CHECKS and you acknowledge ONLY ONE.

1. I am extremely concerned that you acknowledge absolutely no failure on your end. That implies you think what happened is "normal." That is unacceptable.

1. I would like access to all severe leak records, and customer complaint for the last five years. I would also like maintenance records of any work that aligns with residential line severe leaks or "blow outs"/ sudden severe leaks.

1. I continue to hope that investigating and improving operations will be of benefit to our entire Fallbrook community, in both minimizing water damage, and lowering our public cost of water due to inefficient systems. Savings could be going into upgrading antiquated systems, and lowering water costs for the whole community.

Thomas L. Black

REMINDER NOTICE: THIS CUSTOMER DOES NOT COMMUNICATE VIA TEXT. ALL COMMUNICATIONS SHOULD BE BY STANDARD MAIL, TELEPHONE WITH MESSAGE AS NEEDED, OR EMAIL —ALWAYS FOLLOWED UP BY TELEPHONE AND STANDARD MAIL.

On Nov 25, 2024, at 9:28 AM, Jack Bebee <jackb@fpud.com> wrote:

Mr. Black

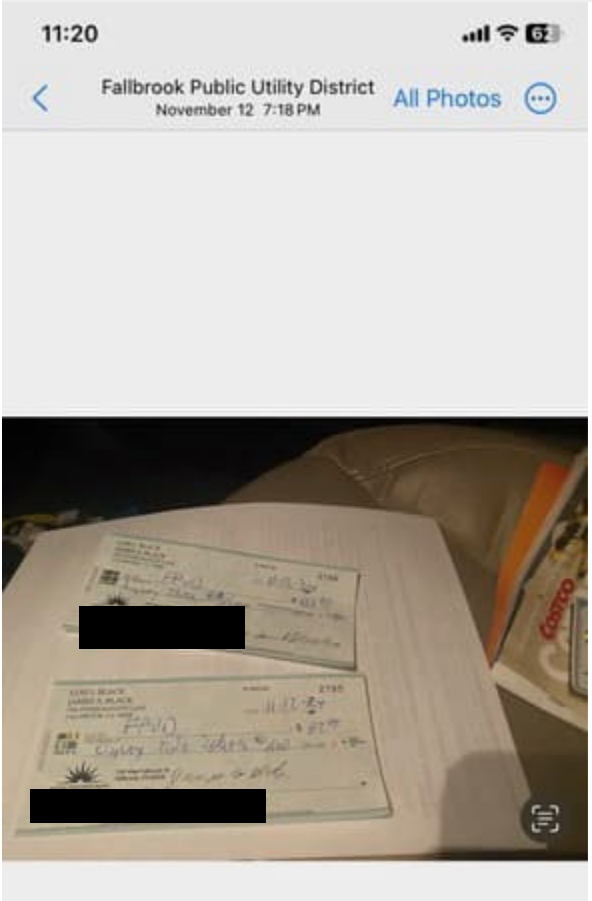
I apologize for the missing checks. It may be that I missed that there were 4 separate checks when I delivered to customer service for processing. We will provide you a copy of the check we did deposit and will credit your account for cost to cancel other 3 checks. After the board makes a determination on the outstanding balance on December 9th you can work directly with customer service on addressing the amount required to make the account current. Once the Board decision is made on the 9th, District staff will be limited to following the direction provided by the Board and will not be able to change payment amounts or schedules.

The Board package including this item will be posted on December 4th so if you have any additional information you want to include for the Board to consider please provide to Lauren by the 3rd so it can be incorporated into the item.

Have a good Thanksgiving

Jack

From: tomqat <[REDACTED]>
Sent: Friday, November 22, 2024 1:10 PM
To: Jack Bebee <jackb@fpud.com>
Cc: Isabel Casteran <icasteran@fpud.com>; David Shank <dshank@fpud.com>; Lauren Eckert <leckert@fpud.com>; Don McDougal 4 <dmcdougal@fpud.com>
Subject: Re: URGENT - FPUD SHUT OFF NOTICE - 1946 Pomegranate Lane



November 22, 2024

FALLBROOK PUBLIC UTILITY DISTRICT

Attention: Mr. Jack Bebee, General Manager
990 E Mission Rd,
Fallbrook CA 92028

Hello Mr. Bebee:

*** PLEASE NOTE: "CAPS" FOR KEY FACTS emphasis --easier for me to see, I am NOT "shouting." ***

Re: Addressing just the FOUR checks, THREE MISSING, in these notes for now

FOUR CHECKS were delivered inside the sealed envelope.

Because I wanted to be sure you got my letter and checks before water shut off, I personally drove over to FPUD and delivered the checks to FPUD VIA THE MAIL SLOT.

I used a large manila envelope for my letter to you, and enclosed all FOUR CHECKS so as to distinguish the envelope from all the other more regular payment mail, and so it would be delivered directly to you.

The envelope was addressed in large, bold black sharpie, to you personally, and marked as *urgent.*

Before I put the checks in the manila envelope, while still in my car parked right up front of FPUD, I photographed them, then put them ALL in the large manila envelope.

I then sealed the glue backing of the envelope, and sealed the metal clasp as well. Again, all to be sure you received all that I sent in the one package.

I got out of my car and walked right up to your after hours payment window, and discovered I had to fold the large manila envelope several places to fit it in your mail slot. I did not have to damage it. It was still fully sealed, no tears, just two folds.

Whoever opened the envelope must have pulled out the letter and only one check, and accidentally missed the OTHER THREE CHECKS (perhaps expecting only one) and perhaps didn't read the letter which clearly itemized FOUR CHECKS.

*Who opened that envelope?

Being addressed to you I did not expect anyone else to open it.

For now, I am NOT going to cancel the THREE MISSING CHECKS. In the extremely remote, I hope... chance somebody intercepted them, I want to see if they get cashed, when, and by who.

If FPUD prefers I cancel them, I will do so after my next bank statement, but I expect FPUD to pay the check cancellation fee for each missing check.

This appears to be still another unfortunate systems error that needs to be investigated and corrected.

Missing checks from customers at large can mean unnecessary shut off water, a hardship our customers, and waste of employee time. Customers should not bear this cost in cases where a missing check is not their error, but an internal one. This is very concerning to say the least.

PHOTOS OF CHECKS NOTES:

*Please see the attached TWO PHOTOS of all FOUR checks (two each photo).

Note at the very top of each photo, you will see my location at FPUD when they were taken. My LOCATION TRACKING happened to be "on," my phone.

Within minutes after I personally deposited the envelope in the FPUD slot, I called my assistant to direct her to EMAIL the copy of my letter (same letter as PRINTED for you in the envelope) addressed to you. She did so immediately. Photos and emails show this immediate sequence. My email goal was to give you a heads up to the envelope having been delivered, specifically to make sure it did not get lost in your regular mail.

*PLEASE tell me which check number you have in hand so I can watch for any cashing of the other three checks. And please tell me who first opened that envelope.

*I can try to send better quality photos directly from my phone camera when I get back into town if you need them. Let me know.

Thank you,

Thomas L. Black,
on behalf of James Allen Black,
Resident, The Black Family
1946 Pomegranate Lane,
Fallbrook, CA
92028

TLB/bcb

*** TWO PHOTOS ATTACHED: IMG_BLACK-1-of-2.jpeg & IMG_BLACK-2-of-2.jpeg ***

REMINDER NOTICE: THIS CUSTOMER DOES NOT COMMUNICATE VIA TEXT. ALL COMMUNICATIONS SHOULD BE BY STANDARD MAIL, TELEPHONE WITH MESSAGE AS NEEDED, OR EMAIL —ALWAYS FOLLOWED UP BY TELEPHONE AND STANDARD MAIL.

On Nov 21, 2024, at 9:40 AM, Jack Bebee <jackb@fpud.com> wrote:

Mr. Black

Thank you for your email, it makes clear what your approach and expectations are to address the water used on the property. From your email I'm interpreting that you want me to take the following actions:

1. Bring your request to waive the balance to the FPUD Board at the next meeting – December 9th at 4 P.M.. We will include your corresponded and request in the item that will go to the Board. Lauren our Board Secretary prepares the Board documents and she is cc'd if you want any additional information included.
2. Process your request for

"I am Interested in how many other citizen utility OWNERS have had a similar issues, lack of proper and timely notification, and simultaneous maintenance work & "blow outs."

I expect these leak records, and customer complaint records are available upon request?

I am here, with this letter, formally requesting them. If there is some legal form I must fill out, FOIA request form or the like, please send this to me."

As a formal Public Records Act request from you.

The Board member representing the property location is Don McDougal. I have copied him so he is aware of your request. You are welcome to discuss with him or myself before the meeting. I also confirmed with customer service that we only have the one check for \$82 that was deposited. We do not have the other checks you reference. At this point we will not take any action on the account until after the Board provides direction at the December 9th Board meeting.

Jack

From: Thomas Black <[REDACTED]>
Sent: Wednesday, November 20, 2024 4:27 PM
To: Jack Bebee <jackb@fpud.com>
Cc: Isabel Casteran <icasteran@fpud.com>; David Shank <dshank@fpud.com>
Subject: Re: URGENT - FPUD SHUT OFF NOTICE - 1946 Pomegranate Lane

*** All previous parties that you cc'd on your communications were cc'd. Paragraph noting "NOT cc'd" was left in on accident. ***

TLB/ bcb

Sent from my iPhone

On Nov 20, 2024, at 4:20 PM, Thomas Black <[REDACTED]> wrote:

November 20, 2024

FALLBROOK PUBLIC UTILITY DISTRICT

Attention: Mr. Jack Bebee, General Manager
990 E Mission Rd.
Fallbrook CA 92028

***As a courtesy for now, my response to your letter below is NOT copied to your other staff members listed in your "CC." But feel free to copy them as you wish.

—

Re: Missing three checks?
/ Seeking past community leak and complaint records

Hello Mr. Bebee:

*** PLEASE NOTE: "CAPS" FOR KEY FACTS emphasis --easier for me to see, I am NOT "shouting." ***

You wrote:

>>

I received your letter dated November 12, 2024 and a check for \$82.00 and your email below.

<<

As my letter stated, and itemized,
I enclosed FOUR SEPARATE CHECKS in the one envelope, addressed to you. You acknowledged only one. The four checks were (cut and paste of my itemization from my previous letter):

" This payment given in separate installments / individual checks for clarity, but given same day, includes

- CHECK #1 - \$82.00 - BILL DATE 9/20/24 - Should have been, a typical *NORMAL USAGE ESTIMATE* for the month in question - \$82.00 (Actual bill received is \$2,265.84)
- CHECK #2 - \$88.00 - BILL DATE 9/20/24 ONE DAY 24/HR OF WASTE - estimated \$88.88)
- CHECK #3 - \$82.00 - BILL DATE 10/20/24 - Usage estimate for a normal month (Actual bill received "Total current charge" is \$218.60)
- CHECK #4 - \$83.83 - BILL DATE 11/20/24 - Normal month, as billed "Total current charge" "

What happened to the THREE other checks?

Regarding your response to my letter (as attached below), I will investigate the situation further with the applicable State Authorities.

Meanwhile I will copy the Board, and my Rep., regarding my complaint.

The issue here, as stated previously, is not a failure on my /my father's part, it is the failure of FPUD to properly notify the resident, and the failure of your staff to escalate ANY situation where they have not properly CONFIRMED timely PROPER contact with a customer in such a severe situation.

There is no scenario in which the extreme leak not being investigated by FPUD in a timely manner is acceptable, nor should it be to the Fallbrook Utility OWNER Community at large. The house Telephone number has not changed in the 45 plus years, and neither has my personal cell phone number in over two decades. My father, James Black, is ALWAYS present, 24Hrs a day. With your crew literally across the street, a proactive house visit to tell him about the leak would have taken less than five minutes, and mileage from FPUD to the residence is only 3.9 miles. Any house visit would also would have been recorded on the residence's security cameras (which are monitored frequently throughout the day.)

These INTERNAL PROCEDURE FAILURES are not for the OWNER/CUSTOMERS to manage and FIX, they are what you, as General Manager, hired by our utility are PAID to MANAGE and FIX.

FPUD STAFF and ONLY FPUD staff knew of the leak, knew it was severe, knew they had not reached anyone in nearly a month, and still failed to investigate the situation. In this your staff failed to protect the integrity of our public utility.

These failures cost all of us in the utility directly as a whole.

These failures of BASIC, LOGICAL, and PROFESSIONAL ACTION work against the STATE OF CALIFORNIA'S maximum WATER WASTE "BUDGETS" cost the customers of our entire district.

The completely unnecessary, ignored leak at this residence used up OVER A QUARTER OF A MILLION GALLONS of our district's STATE REGULATED WATER WASTE BUDGET.

We the people own the utility that you work for. All WASTE costs all of us.

I feel it is your job as Manager to request approval of the board to fix the error and WASTE that resulted from FPUD's INTERNAL STAFF's failure(S). As a customer/owners of the utility, we are not paid to seek forgiveness for your staff's internal failure, but You and your staff are.

You are paid very well, OUT of this entire community's pockets.

Upon just casual communications this far, I am very concerned to here about other citizens who say they were not notified at all when they too had a severe leak.

I am Interested in how many other citizen utility OWNERS have had a similar issues, lack of proper and timely notification, and simultaneous maintenance work & "blow outs."

I expect these leak records, and customer complaint records are available upon request?

I am here, with this letter, formally requesting them. If there is some legal form I must fill out, FOIA request form or the like, please send this to me.

I stress again, this EXTREME WATER WASTE was not due to a slow, innocuous leak, this was a severe, KNOWN TO FPUD ONLY leak, and a complete failure of FPUD to respond sensibly.

FPUD has, at minimum, a moral responsibility to PROPERLY NOTIFY customer/owners of the utility of any issue of such significance, and to make sure it is not causing any public safety endangerment, which in this case it very well could have.

FPUD has, at minimum, a moral responsibility to take ALL REASONABLE STEPS in ANY SEVERE LEAK situation, regardless of cause of the leak. Your job, your entire staff's jobs, are to protect our community's water, and it's citizens from any resulting harm from the mismanagement of our water.

In summary:

1. I am extremely concerned that I itemized FOUR checks and you acknowledge ONLY ONE.

1. I am extremely concerned that you acknowledge absolutely no failure on your end. That implies you think what happened is "normal." That is unacceptable.

1. I would like access to all severe leak records, and customer complaint for the last five years. I would also like maintenance records of any work that aligns with residential line severe leaks or "blow outs"/ sudden severe leaks.

1. I continue to hope that investigating and improving operations will be of benefit to our entire Fallbrook community, in both minimizing water damage, and lowering our public cost of water due to inefficient systems. Savings could be going into upgrading antiquated systems, and lowering water costs for the whole community.

Thomas L. Black,
on behalf of James Allen Black,
Resident, The Black Family
1946 Pomegranate Lane,
Fallbrook, CA
92028

TLB/bcb

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On Nov 13, 2024, at 9:52 AM, Jack Bebee <jackb@fpud.com> wrote:

Mr. Black

I received your letter dated November 12, 2024 and a check for \$82.00 and your email below.

We will not be shutting the water off on 11/14/2024 as we are working through addressing the outstanding balance.

We do however have specific guidelines as to what we can and cannot do for water use from a leak on the customer side and FPUD staff cannot waive the balance. We can make a leak adjustment which is a reduction to the wholesale cost we pay for the water we provide. In order to waive the amount you are

requesting in your letter you would have to make a request to the FPUD Board and the next Board meeting is December 9th at 4 P.M.

I would suggest you call and discuss with either myself or our CFO – Dave Shank whom I cc'd as your situation of having a leak on the customer's property is not unusual and we can advise how these have typically been addressed in the past. Isabel who I cc'd can also provide you a claim form if you intent to pursue the claims you outlined in the letter against FPUD.

I've also included a link below so you can make sure the account on the property is properly set-up for notification on high water use to prevent having a similar issue.

<https://www.fpud.com/smart-meters-let-you-track-your-water-use-online>



990 E. Mission Rd.
Fallbrook, CA 92028
760.728.1125
<http://www.fpud.com>

Jack Bebee

General Manager
Desk: 760.728.1125
Mobile: 760.212.9545
Email: Jackb@fpud.com

From: Thomas Black <[REDACTED]>
Sent: Tuesday, November 12, 2024 7:33 PM
To: Jack Bebee <jackb@fpud.com>
Subject: URGENT - FPUD SHUT OFF NOTICE

Subject: FPUD SHUT OFF NOTICE

November 12, 2024

FALLBROOK PUBLIC UTILITY DISTRICT
Attention: Mr. Jack Bebee, General Manager

990 E Mission Rd, Fallbrook CA 92028

***COPY OF LETTER DELIVERED BY HAND on Nov 12,
2024 7:25pm -after hours payment box ***

Re: Pending "Water ShutOff this Thursday" at 1946
Pomegranate Lane

Hello Mr. Bebee:

I am writing to respond to the "shut off" warning STANDARD
MAIL LETTER that I received for 1946 Pomegranate Lane,
Fallbrook, CA 92028 The letter said that the water will be
shut off this Thursday, Nov 14.

*** PLEASE NOTE: "CAPS" FOR KEY FACTS emphasis --
easier for me to see, I am not "shouting." ***

As previously communicated to your staff on August 21st,
2024:

The Fallbrook Public Utilities District (FPUD) failed to
properly notify me in a PROPER and TIMELY manner, of
the sudden, dramatic and completely uncharacteristic water
usage activity at the property.

Over a QUARTER OF A MILLION GALLONS OF WATER
WAS WASTED, over TWENTY SEVEN DAYS, before a
single TELEPHONE CALL —OR ANY PROPER
NOTIFICATION was made to me, as admitted by your staff.

The person I spoke to the day I was notified, said they sent
me a Text. He had no explanation for not CALLING me
when he failed to get ANY response over TWENTY SEVEN
DAYS, WHILE SEEING NON STOP SEVERE WATER
WASTE. I do NOT use TEXTS.

As you know, FPUD is required to PROPERLY, AND
TIMELY, notify residents when a leak, or unexplained
abnormality is suspected. They didn't.

When unable to reach the resident, for any reason, it is gross negligence to not visit the site to try to investigate what possibly could account for such SEVERE water usage over TWENTY DAYS.... The residence has no swimming pool, and a steady water usage history over FORTY YEARS to conclude that something was very wrong there, especially with “no response” from the homeowner. For all FPUD knew, the resident, my 87 year old, widowed father, had passed away, and the leak might have been inside the house... A call to the police for a “wellness check” perhaps would have been in order, but there is no excuse for not picking up the telephone and CALLING ME, or at minimum leaving a door hanger, something. I am there EVERY NIGHT, and only out of town every other day. I had no idea anything was wrong AT ALL. AGAIN, over TWENTY DAYS went by before a single PHONE CALL OR PROPER NOTIFICATION was made to me.

PROPER LEAK NOTIFICATION:

MORE THAN TWENTY DAYS AFTER THE LEAK STARTED, but THE VERY FIRST DAY that FPUD finally CALLED me, I, Thomas Black (the son of the 87 year old widow, resident, James Allen Black), was out of town at work in Palm Desert. I asked your staff to turn OFF the residence’s main valve for me, which they did. I left work early, traveled back to Fallbrook, and proceeded in search of the full throttle leak.

FOUND THE LEAK:

I searched the entire house, garages and every property water line. Finally at the literal end of the property’s water lines, on one of its attached bare lots, I discovered that someone had, without permission, used the back property’s (normally not even visible to visitors), water hose. To use it, they had to turn on this water line’s *ball valve,* which is normally always OFF. It has been normally in the position of OFF since approximately 1999... Someone, (more about exactly “who,” later), turned the ball valve ON to use its attached faucet. The same person apparently turned off the regular faucet PROPERLY when they were done, except they FAILED to return the water *ball valve* back to its OFF position. This allowed the water to go to the very end of the property’s water line. The pressure apparently blew the

NORMALLY UNUSED line there, underground, unbeknownst to all. If the ball valve had been closed the line would have likely blown closer to, or in the main house up the hill, likely being much easier to notice.

FPUD MAINTENANCE CREW WORK ON KNOLLWOOD DEVELOPMENT:

Upon investigation of the facts surrounding this “water leak” incident, it has been discovered that ON THE VERY SAME DAY THE WATER LEAK STARTED (according to FPUD’s records), and as I witnessed them over several days, your FPUD REPAIR / MAINTENANCE CREW was working within approximately *thirty feet* from the the 1946 Pomegranate Lane residence’s main valve water *box*(point of water entry to the 1946 Pomegranate property). The FPUD crew was working on major repairs to the Knollwood Ave. track home development’s large valves (located on the easement, at the back of the development, which is in front of the residence on Pomegranate Lane).

While FPUD’s crew was doing its work at the front of the property, the 1946 Pomegranate Lane residence’s back property water line exploded underground, in the line between the residence’s back property shut off *ball valve* (left in ON position by someone), and it’s attached final footage of line that ends just a short distance away (approximately 75 feet) at a spigot attached to their *WELL* shed.

The property was UNDERGROUND FLOODED with approximately TWELVE THOUSAND GALLONS *A DAY*, FOR OVER TWENTY DAYS —WITHOUT ANY PROPER NOTICE FROM FPUD (according to FPUD’s own records). OVER A QUARTER OF A MILLION GALLONS OF WATER was needlessly wasted.

SDG&E CONTRACTED TREE CUTTER CREWS:

Records show that the timing start of the water leak event (around noon that day) lines up with the service records of SDG&E’s contracted TREE CUTTING CREW, working on the property in that exact area, the very day the water leak started, which is again, among the same days FPUD’s crew was also working near by on the Knollwood development main valves. I allege that the SDG&E Tree crew must have somehow found the water spigot, turned on the ball valve, and accidentally left the ball valve on. This allowed water to flow to the, normally unused in decades, very last leg of line —exactly where the water line blew at the property’s well, and the 250,000. gallons of water leaked over twenty plus

days.

No severe negligence is alleged in the Tree Cutting Crew's actions. They should not have used that line, especially without permission, and should have returned the valve to the OFF position, however, had I been notified PROPERLY, in a timely manner, only one day of water would have been lost there due to their alleged actions.

I intend to pursue just the cost of 24 hours of wasted water from SDG&E as that's all that would have been wasted had FPUD properly, and timely notified me of the severe irregularity in water usage.

SATURATED GROUNDS / WELL STABILITY:

The property has not been safe to investigate until this extreme amount of water has had time to seep in. Now that a reasonable enough amount of time has passed, I will be hiring a professional well investigator to determine whether or not the extreme amount of water collapsed the internal structure of the WELL.

HIGH PRESSURE BLOW OUT:

All details gathered so far, point to the situation that THE MAINTENANCE WORK THAT FPUD WAS DOING SIMULTANEOUSLY TO THE START OF THE LEAK, CAUSED AN EXTREME PRESSURE FLUCTUATION, and most probably caused at least a brief SEVERE WATER PRESSURE FLUCTUATION at the 1946 Pomegranate residence. As mentioned earlier, the homeowner's main property valve is just approximately thirty feet from where FPUD was working that day.

It is alleged that the severe pressure fluctuation could not be born by the previously, mostly unused, and always OFF water line ending at the property's the WELL.

THE MAIN ISSUE:

It must be stated, that even if it could be alleged by FPUD that "no water pressure ever went out of typical pressure range," the LACK OF PROPER NOTIFICATION to the resident / home owner, in a timely and proper manner, of the extreme usage, non-stop, 24 hours a day, and over several weeks, resulting in extreme, unnecessary, and inappropriate WATER WASTE charges to the home owner, and possible well destruction, is the the number one issue at hand.

HOW THE OWNER WOULD LIKE TO PROCEED:

1. In a show of good faith, the homeowner would like to bring their normal bill up to date, including the "LEAKING MONTH" in question, by paying an estimated highest amount, averaged over the EIGHT PREVIOUS MONTHS BILLS, that they could possibly have actually used for water service that month.

2. Additionally, in a show of good faith, the homeowner would like to sign up for a PAYMENT PLAN to pay for ONE DAY OF MAXIMUM DELIVERY WATER OVER 24 HOURS - - AKA, THE WASTED WATER. This meets the amount they would owe IF FPUD had notified them properly and timely, which FPUD did NOT.

3. Meanwhile, the homeowner will pursue SDG&E for the alleged responsibility of someone in their contracted Tree cutting work crew accidentally leaving the *valve* by the well open, to seek reimbursement for the above, "24 hours of wasted water." ONE DAY is the maximum water loss that should have been the case if FPUD had properly notified the homeowner of the sudden extreme water usage, so only one day of reimbursement will be sought from SDG&E at this time.

4. The homeowner pursues FPUD's FAILURE TO NOTIFY THE HOME OWNER* PROPERLY IN A TIMELY MANNER of a known to FPUD ONLY, severe leakage at the homeowner's property, for not calling in over TWENTY DAYS to investigate the situation, and the resulting extreme loss of HUNDREDS OF THOUSANDS, OVER A QUARTER OF A MILLION GALLONS, over TWENTY TWO DAYS. All charges involved, short one day of usage, is pursued as FPUD'S RESPONSIBILITY.

5. Additionally, any YET TO BE DETERMINED, POTENTIAL ASSOCIATED DAMAGE TO THE WELL, and the unnecessarily wasted water, the homeowner pursues as FPUD's responsibility to reimburse.

Once the WELL INVESTIGATION has been completed, the homeowner will forward the status of the property's WELL in pursuit of any potential damages to repair it, IF that turns out to be a need.

6. The homeowner requests investigation into internal processes to make sure that a failure such as this does not happen again, to anyone else.

Damage to the home owner's property could have been much, much worse... It is mere luck that the unnoticed leak was outside.

7. Regardless of any debate in this matter, please CONFIRM there will be NO shut off of the water "this Thursday." This would be an UNNECESSARY HARDSHIP, (and UNDESERVED) for the DISABLED, 87 year old resident, who is a FORTY FIVE plus year FPUD customer at that very residence.

PAYMENT / BALANCE DUE WITH INSTALLMENTS:

8. Resident encloses paymentS for their asserted proper water bill balance:

This payment given in separate installments / individual checks for clarity, but given same day, includes

1. CHECK #1 - \$82.00 - BILL DATE 9/20/24 - Should have been, a typical *NORMAL USAGE ESTIMATE* for the month in question - \$82.00 (Actual bill recieved is \$2,265.84)
2. CHECK #2 - \$88.00 - BILL DATE 9/20/24 ONE DAY 24/HR OF WASTE - estimated \$88.88)
3. CHECK #3 - \$82.00 - BILL DATE 10/20/24 - Usage estimate for a normal month (Actual bill received "Total current charge" is \$218.60)
4. CHECK #4 - \$83.83 - BILL DATE 11/20/24 - Normal month, as billed "Total current charge"

Best regards,

Thomas L. Black,
and on behalf of James Allen Black, Resident
1946 Pomegranate Lane, Fallbrook CA 92028

REMINDER NOTICE: THIS CUSTOMER DOES NOT COMMUNICATE VIA TEXT. ALL COMMUNICATIONS SHOULD BE BY STANDARD MAIL, TELEPHONE WITH MESSAGE AS NEEDED, OR EMAIL —ALWAYS FOLLOWED UP BY TELEPHONE AND STANDARD MAIL.

MEMO

TO: Board of Directors
FROM: Engineering & Operations Committee
DATE: December 9, 2024
SUBJECT: Award of Toyon Pump Station Pipeline Extension Project

Description

Request for Board approval to award the Toyon Pump Station Pipeline Extension Project to the lowest responsive bidder.

Purpose

This project is a part of the Toyon Pump Station Replacement Project. The existing Toyon Pump Station, built in 1982, has exceeded its useful operating life and is being replaced. The existing pump station is in the Toyon Heights neighborhood. To consolidate footprint and co-locate facilities, the new pump station is being built on the site of the District's Red Mountain Reservoir/UV Treatment property. In order to feed the Toyon pressure zone, this pipeline extension is necessary to connect the new pump station to the nearest existing pipeline. The new pipeline is approximately 850 linear feet of 8-inch cement lined & coated welded steel pipe.

District staff prepared the design package for the project and solicited for general contractor construction bids from the District's pre-approved pipeline contractor list. Bid opening was November 6, 2024. Five (5) bids were received. A summary of the bid results is below:

COMPANY	BID AMOUNT
PK Mechanical	\$350,000
TK Construction	\$459,900
Gentry	\$495,500
Filanc	\$499,000
CCL	\$748,500

PK Mechanical was the apparent lowest responsible bidder at \$350,000. PK Mechanical has successfully performed work for the District in the past.

Budgetary Impact

The work will be completed within the Board authorized total capital budget.

Recommended Action

That the Board award the Toyon Pump Station Pipeline Extension Project to the lowest responsible bidder, PK Mechanical, for \$350,000.

MEMO

TO: Board of Directors
FROM: Engineering & Operations Committee
DATE: December 9, 2024
SUBJECT: Award of Sewer Main Relining Project – FY 25 (Job #3197)

Description

Award of the Fiscal Year 2025 Sewer Main Relining 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 relining of approximately 925 linear feet of 6-inch, 1,250 linear feet of 8-inch, and 100 linear feet of 12-inch gravity sewer main. The work consists of trenchless restoration of existing mainline to like-new condition. Bid opening was November 14, 2024. Three bids were received. A summary of the bid results is below:

	Company Name	Bid Amount
1	Sancon Technologies	\$209,107.50
2	Insituform Technologies, LLC	\$303,508
3	NorCal Pipeline	\$483,342.60

Sancon Technologies was the apparent lowest responsible bidder at \$209,107.50. Sancon has successfully completed similar work for the District in the past and has extensive experience with sewer main relining projects.

Budgetary Impact,

There is no budgetary impact. The work will be completed within the Board authorized total capital budget.

Recommended Action

That the Board authorize award of the FY25 Sewer Main Relining Project to the lowest responsible bidder, Sancon Technologies in the amount of \$209,107.50.

M E M O

TO: Board of Directors
FROM: Engineering and Operations Committee
DATE: December 9, 2024
SUBJECT: Board Notification of Emergency Declaration for Pipe Repair on Beaver Creek Lane, Josten Way, and W Fallbrook Street

Description

California Public Contract Code Section 22050 authorizes special contracting procedures in case of an emergency; the General Manager may take immediate action required by the emergency to procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids. However, the GM must report to the Board of Directors with an update at each regularly scheduled meeting to determine that there is a need to continue the action. When the Board reviews the emergency action, it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts. In the March 2023 meeting of the board, three prequalified contractors were approved for on-call emergency pipeline repair services.

Purpose

Multiple recent leaks have occurred on sections of existing water main on Beaver Creek Lane, Josten Way, and W Fallbrook Street, resulting in repeated emergency shutdowns in these areas, isolated mainline, and high-lined services. To restore reliable service, staff have engaged SCW Contracting Corp, one of the prequalified contractors for emergency repairs, per the on-call emergency pipeline repair services procedures. The targeted area consists of approximately 800 linear feet of 16-inch water main on Beaver Creek Lane, 400 linear feet of 6-inch water main on Josten Way, and 300 linear feet of 8-inch water main on W Fallbrook Street.

Budgetary Impact

The estimated cost of these repairs is \$900,000. The costs will be covered by the approved capital budget pipeline replacement funds. These pipelines were planned for replacement in the near future. However, because of the urgent need for replacement, they will be repaired with the current year's pipeline replacement funds.

Recommended Action

The Committee notify the Board that the emergency declaration made by the General Manager has resulted in the construction work as documented above.

The Metropolitan Water District of Southern California (Metropolitan) held its monthly Board and Committee Meetings on November 18-19, 2024. At these meetings, the Metropolitan Board:

- Approved the naming of the San Jacinto Tunnel in honor of former Metropolitan Chairman of the Board and Director Randy Record. EMWD actively supported this action.
- Reviewed the updated report of certified assessed valuations for the fiscal year 2024/25 as well as percent participation and vote entitlement of member agencies. EMWD percent participation increased from 3.18 percent to 3.35 percent as a result of the consolidation with Rainbow Municipal Water District.
- Authorized the General Manager to enter into Reverse-Cyclic Program (RCP) agreements with participating agencies to defer deliveries of up to 50,000 acre-feet in calendar year 2024 and up to 50,000 acre-feet in calendar year 2025. With the approval of the FY 2024/26 Budget, the Board anticipated \$60 million in one-time revenue per fiscal year from the sale off additional water. The RCP is expected to generate the additional \$60 million of revenues in this biennium for water deliveries in future years. The General Manager will now enter into RCP agreements with interested member agencies based on modified terms to the existing Program and implement the Program to make up to 50,000 acre-feet available for pre-purchase in each calendar year 2024 and 2025 for deferred delivery in a future year. The Program allows member agencies to pre-purchase supplies at the current full-service rate for deferred delivery in a future year. This will generate new water sales revenues in the current biennium while allowing Metropolitan and the member agencies to defer delivery of water supply. EMWD is in the process of drafting an RCP agreement for its Board consideration on December 18, 2024.
- Heard a quarterly financial report where they shared that projects sales are 1.18 MAF, which is 156 TAF below the budgeted amount of 1.338 MAF. They are, however, projecting to have record high storage of 3.9 MAF. Projections show Metropolitan's unrestricted reserves are projected at \$277 million which is \$48 million above the minimum reserve level, and \$368 million below target reserve. Metropolitan staff reported that they are working diligently to identify the \$18 million of cuts that were unidentified in the budget, and also working to identify the \$60 million of unidentified \$60 million of revenue that was included in the budget.
- Heard the hydrologic highlights from water year 2023-2024. The Colorado River Basin was 115 percent of normal, and Sacramento River basin snowpack was 123 percent of normal.
- Heard an update on the Delta Conveyance Project, and also heard two panels and a roundtable discussion on the project. One was from Delta and Tribal Interests, who oppose the project, and one was from Business and Labor interests who support the project.

- Heard a summary of the 2024 Workplace Assessment conducted by Quantum Workplace, where 53.3 percent of employees participated. The categories that employees ranked favorably include employee engagement, performance (driving results), Metropolitan's culture, and competency-building. Also, 82 percent of respondents feel that their work contributes meaningfully to Metropolitan's success. Areas for opportunity include building trust in leadership, improving career outlook and avoiding burnout, and strengthening and advancing Metropolitan's workplace culture and values.
- Nominated and elected Lois Fong Seki for Board Secretary for a two-term effective January 1, 2025.
- Amended an agreement with Roesling Nakamura Terada Architects to provide design and architectural services for Stage 1 improvements of the District Housing and Property Improvements Program. This is continuing work that was authorized in May of 2019 (3 amendments have been executed). This amendment aligns the current scope of the contract with the recommended housing strategy. This amendment requires no additional funding and will allow the design to proceed using the recently presented housing strategy.
- Certified the Final Environmental Impact Report for the Garvey Reservoir Rehabilitation Project.
- Authorized the General Manager to enter into agreements with the U.S. Bureau of Reclamation to implement phase two of the Lower Colorado River Basin System Conservation and Efficiency Program. The board also adopted a CEQA determination that the environmental effects of the Antelope Valley-East Kern High Desert Water Bank and the Turf Replacement Programs was addressed in various CEQA documents and related actions.
- Adopted resolution for 116th Fringe Area Annexation to EMWD and Metropolitan. This annexation rectifies an administrative error and extends water service to a single residential parcel on Box Springs Mountain Road in the City of Moreno Valley in Riverside County. The subject property includes a single-family residential home, served by an EMWD remote Meter, located on property that is annexed to Metropolitan and EMWD.
- Authorized the General Manager to seek legislation for Metropolitan to increase the local agency dollar threshold for public works construction contracts from \$25,000 to \$150,000. The proposed legislation would allow Metropolitan to keep up with inflationary pressures and streamline future contract and bidding processes. This would result in savings for Metropolitan and member agencies. It is widely acknowledged across public agencies, specifically large agencies such as water and sanitation districts, that the contracting thresholds are too low for current standards.
- Authorized the General Manager to amend the Project Labor Agreement to add four new projects and approve the amended Project Labor Agreement's use as a bid condition for the newly added projects and report on Project Labor Agreement activities over the past year.

- Adopted a resolution in support of the application for funding under the WaterSMART Large-Scale Water Recycling Program for planning of the Pure Water Southern California Program. This action does not obligate Metropolitan to commit funds. Future action will be required to accept/commit funding and the terms of a funding agreement.
- Authorized a new lease with the Certified Federal Credit Union for up to a combined total of 1,667 square feet of office space at the Metropolitan Headquarters Building, located at 700 North Alameda Street in Los Angeles, California, and the F.E. Weymouth Water Treatment Plant.
- Approved naming of the Inlet/Outlet Tower at Diamond Valley Lake in honor of former Metropolitan General Counsel N. Gregory Taylor.
- Authorized a three percent cost of living salary adjustment for the General Manager, General Counsel, General Auditor, and Ethics Officer; and in addition, determine and authorize a merit-based salary increase for the General Auditor.
- Heard an update on the funding request from the Department of Water Resources for Metropolitan's share of the Delta Conveyance Project planning and pre-construction costs for 2026 and 2027 and proposed amendment to existing funding agreement.
- Heard the Legislative Priorities and Principles for 2025 as an information item. EMWD encourages Metropolitan to maintain the advancement of the Delta Conveyance Project as one of its top legislative priorities.
- Heard an update on the audit department charter revisions.
- In the Subcommittee on Long-Term Regional Planning Processes and Business Modeling meeting, the board reviewed the CAMP evaluative criteria and used three different types of projects to perform a comprehensive assessment on four types of projects, storage (Central Valley reservoir), conveyance (DVL to Rialto Delivery), program/supply (turf replacement), and energy (Weymouth Battery Energy Storage System). Each project was evaluated utilizing different attributes.
- Heard an update on the General Manager's work to develop Business Model refinements. They have completed several items, including a robust SWOT analysis, and continue to work through the process with Mr. Kirby, the facilitator.

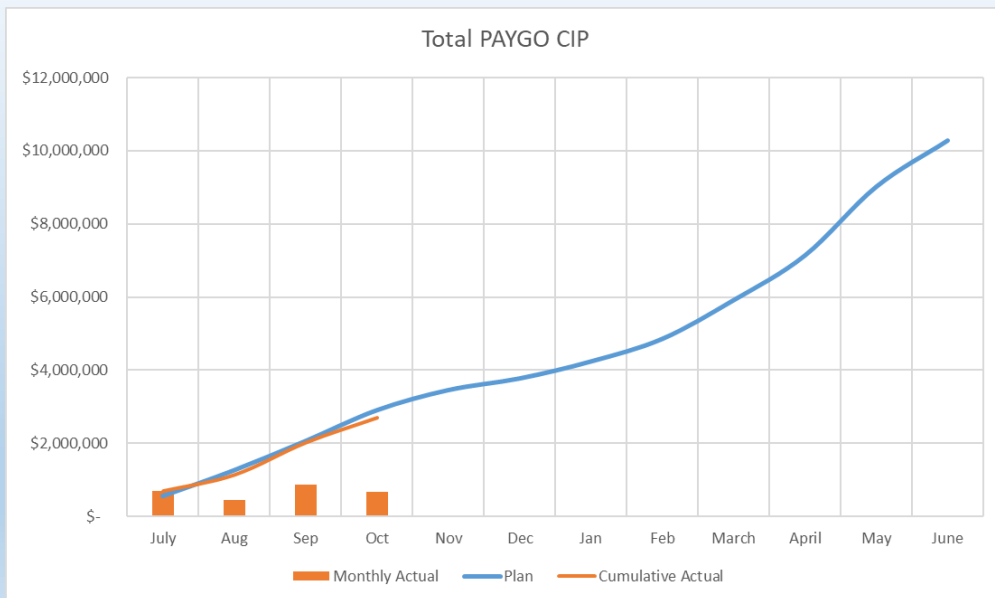


Fallbrook Public Utility District

Engineering and Operations

Board Meeting NOV/DEC 2024

Total CIP FY25



Wastewater Treatment

Reclamation Plant

Recycled Water

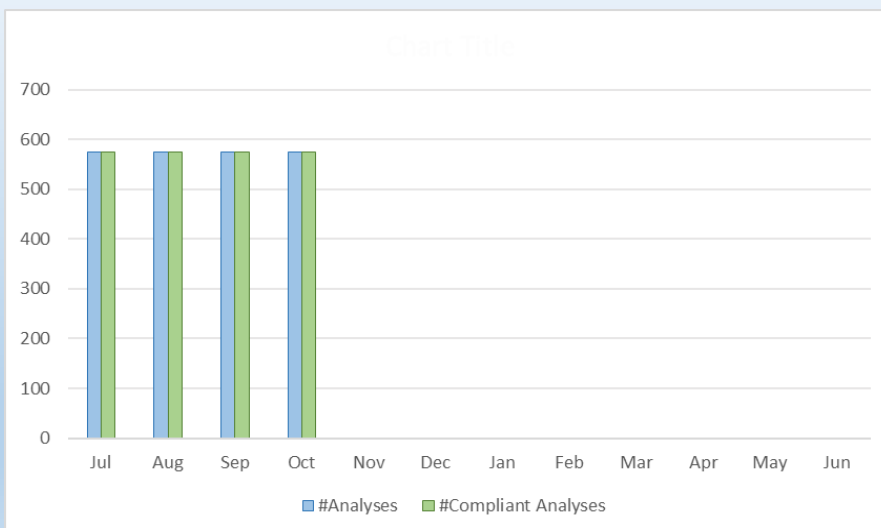
- Wastewater System Violations
- Reclamation Plant PMs Completed
- Energy Cost per MG
- Cost per Unit of Water Treated
- Recycled Water – Time Out of Service

3

Wastewater Treatment System Regulatory Compliance

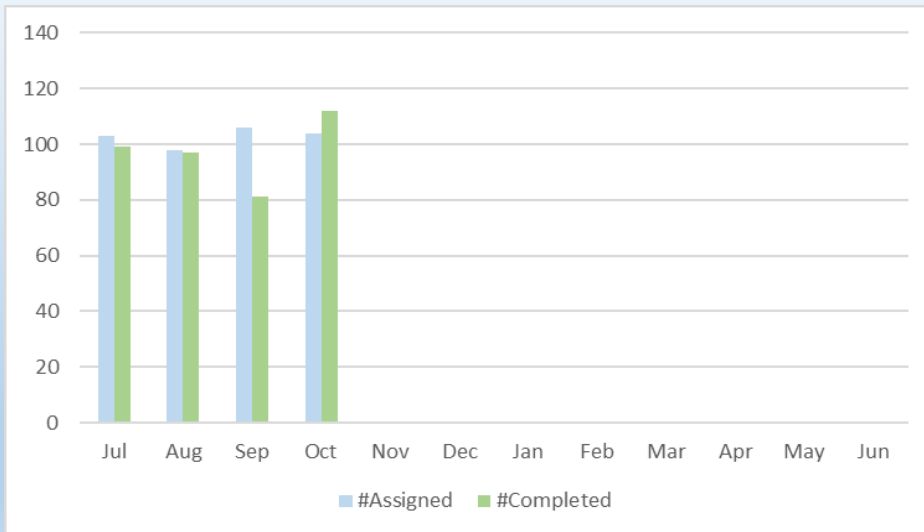
**SRWQCB
Compliance:**
NPDES
WDR

**Analyses
performed:**
Daily
Monthly
Quarterly
Semi-annually
Annually



4

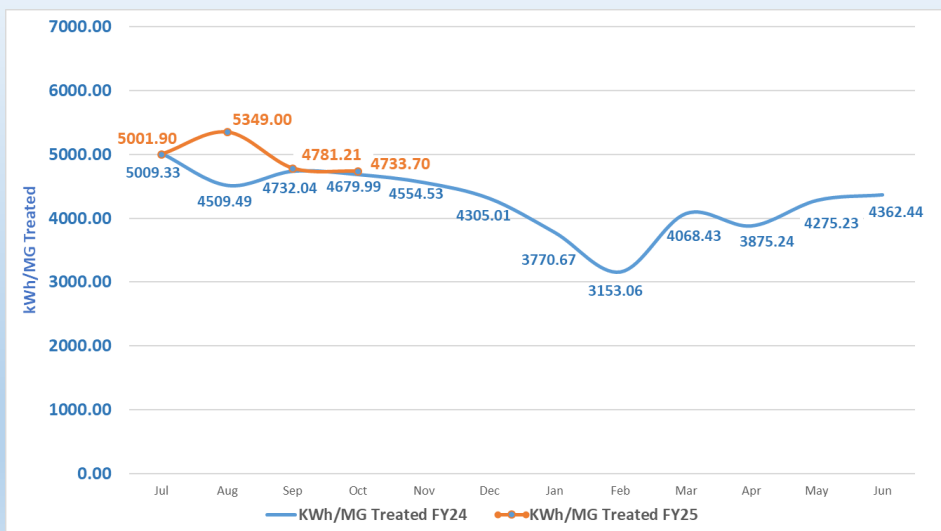
Reclamation Plant – Wastewater PMs



5

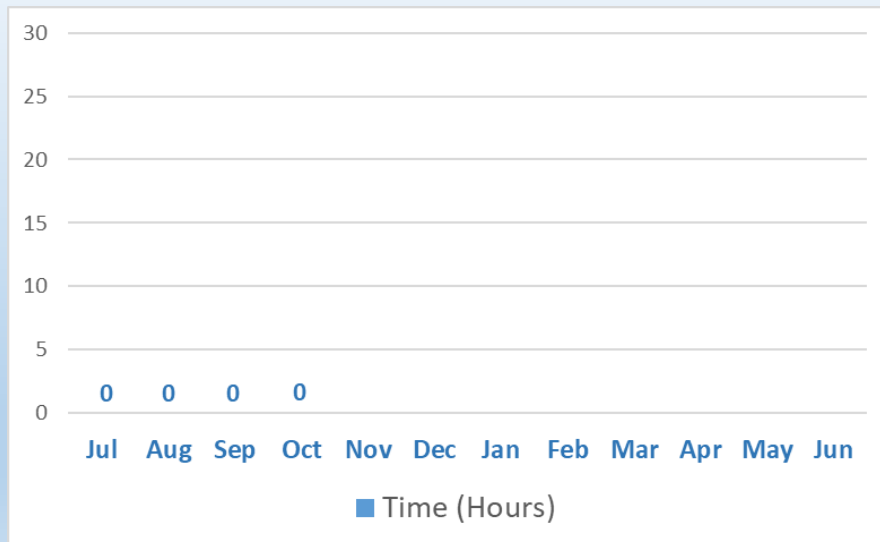
Formula =
 $\frac{\text{Total Plant Energy Demand}}{\text{MG Treated Flow}}$

Reclamation Plant – Energy Usage (KWh/MG Treated)



6

Recycled Water – Time Out of Service (Hours)



7

Water Operations

Regulatory Compliance

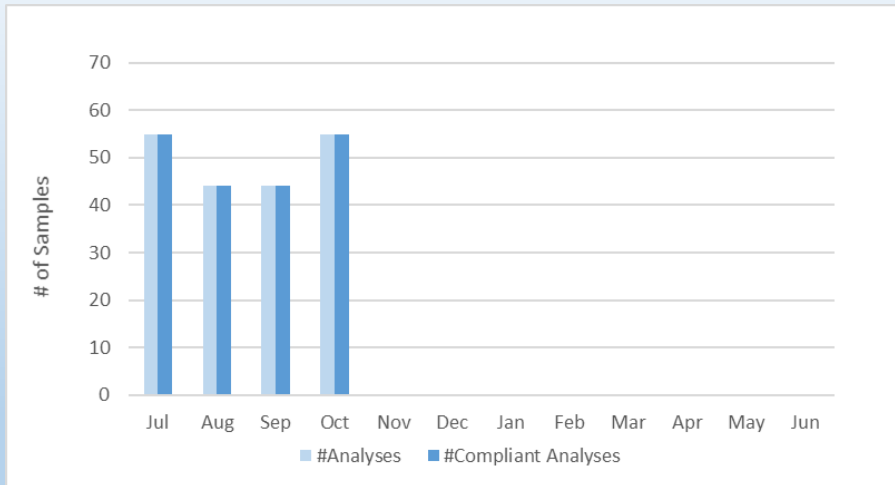
Preventative Maintenance Work Orders

CUP Deliveries/SMGTP Flows

Unit Water Supply Costs

8

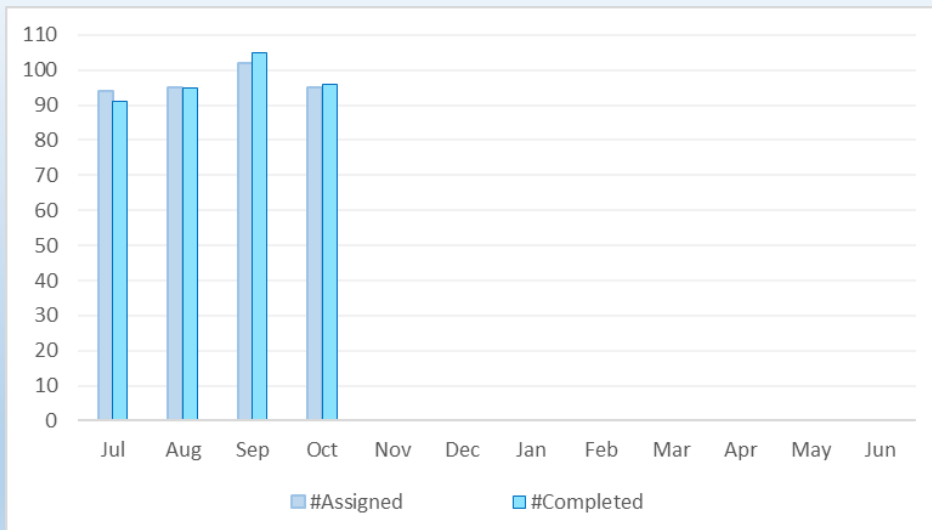
Water System Regulatory Compliance



Routine Bacteriological Sampling

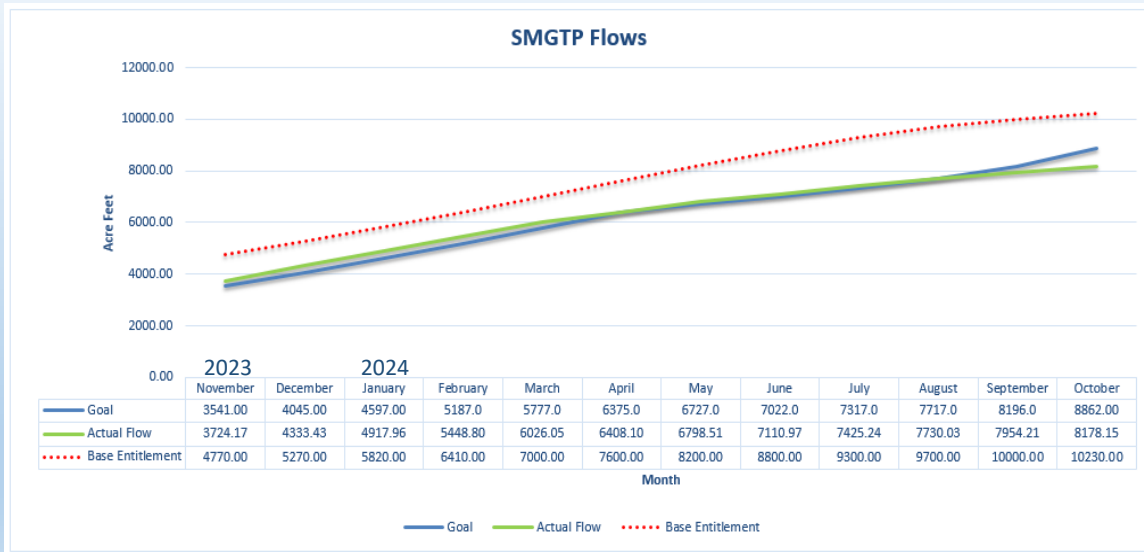
9

Water System PMs



10

SMGTP Flows



11

Meter Services

Meter Testing
Valve Exercising

12

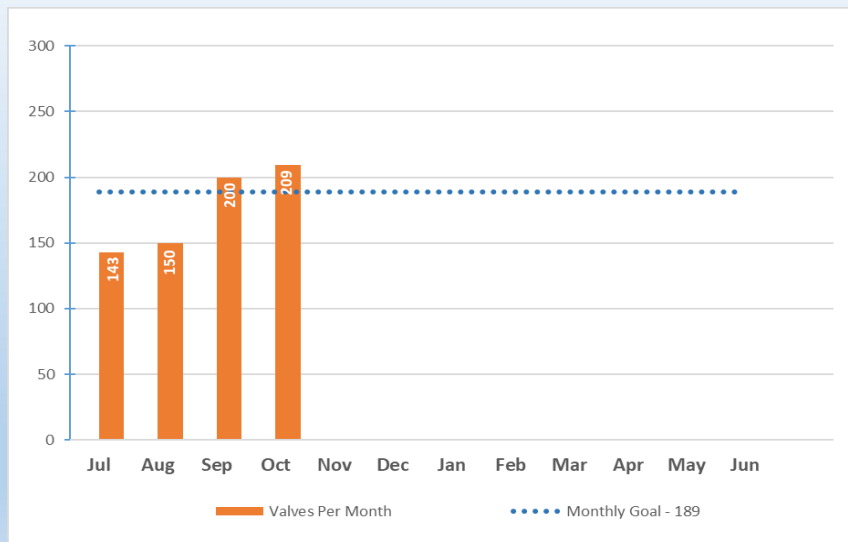
Meter Testing by Month



13

Main Line Valve Exercise Program

- Improve reliability
- Reduce impact of planned and emergency shutdowns
- **Total valves exercised FY24: 2,060**



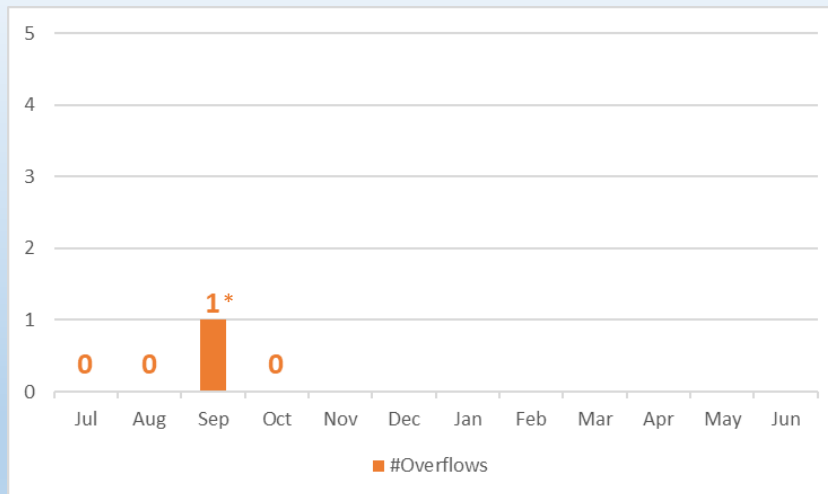
14

Wastewater Collections

Total Wastewater Spilled
Non-Recovered Wastewater Spilled
Odor Complaints

15

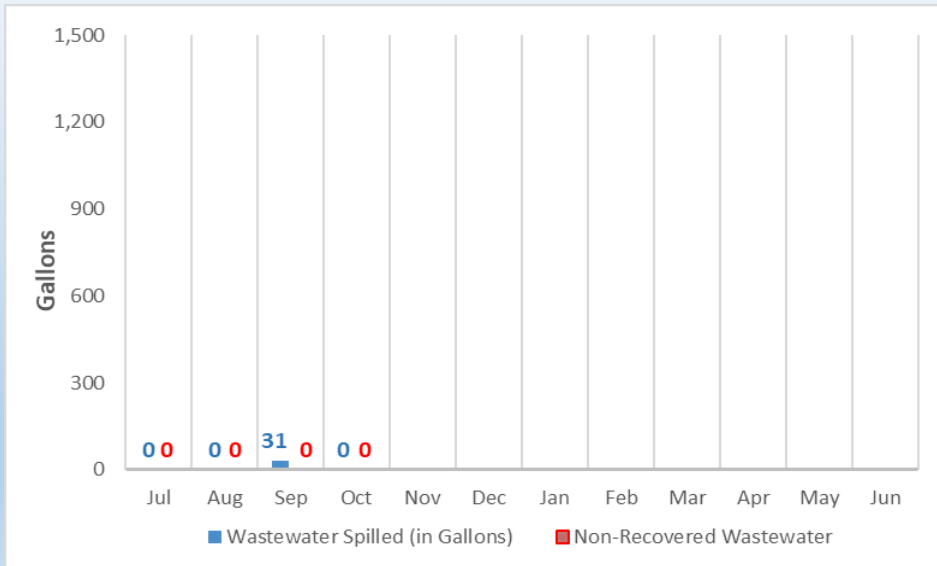
Wastewater Collections - Sewer Overflows



*Private lateral spill, 31 gal, 100% recovery

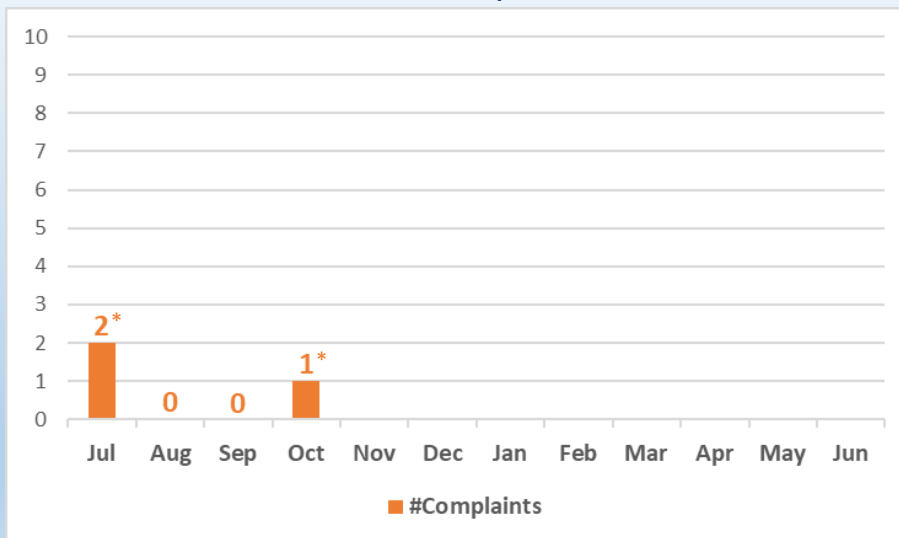
16

Wastewater Collections - Wastewater Spilled



17

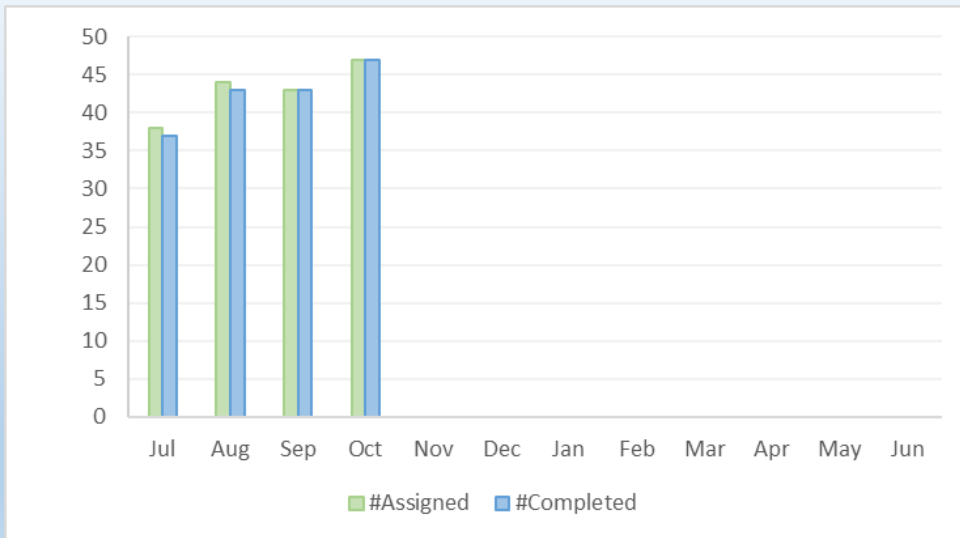
Reclamation Plant & Wastewater Collections Odor Complaints



* Determined not to be FPUD

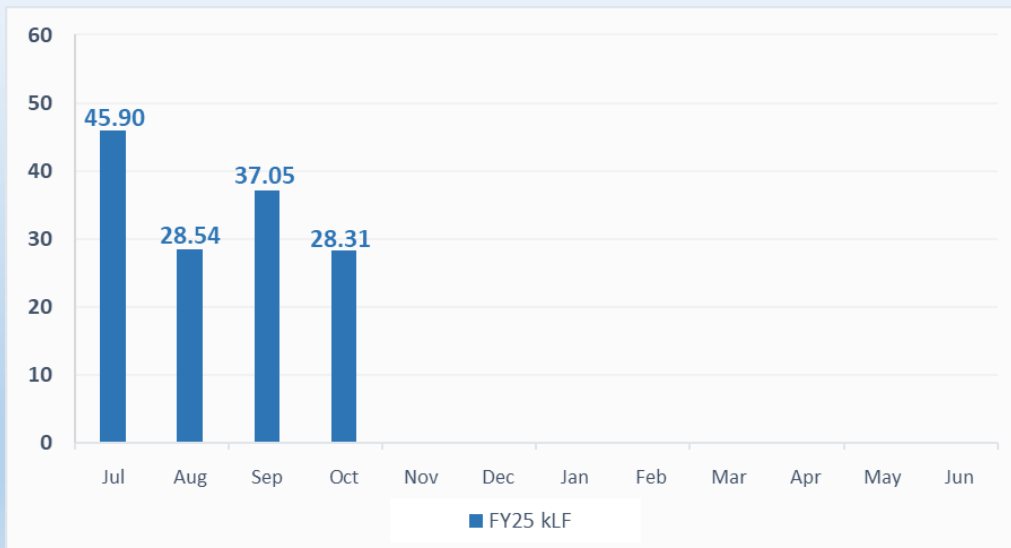
18

Wastewater - Collections PMs



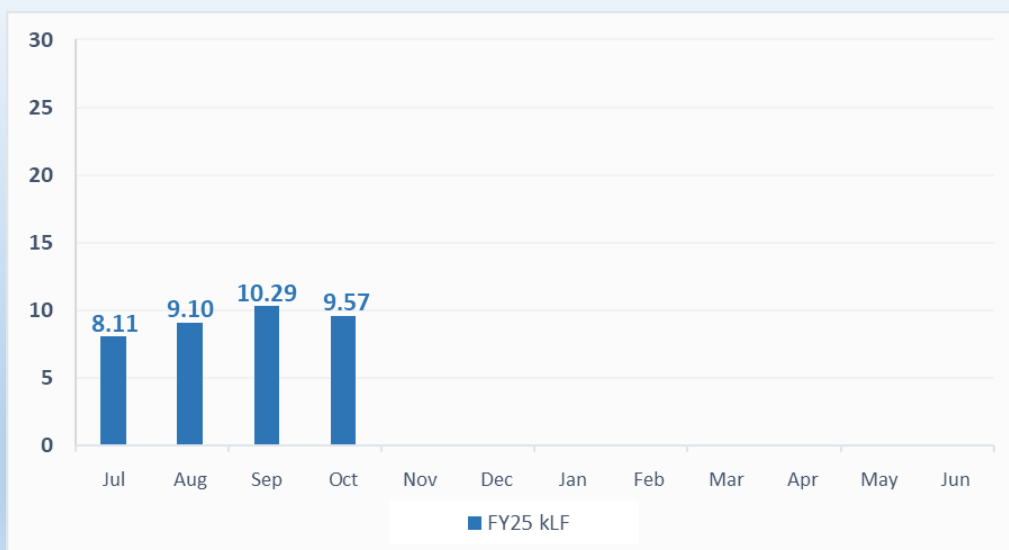
19

Wastewater - Collections Flushing 1,000 LF



20

Wastewater - Collections CCTV 1,000 LF



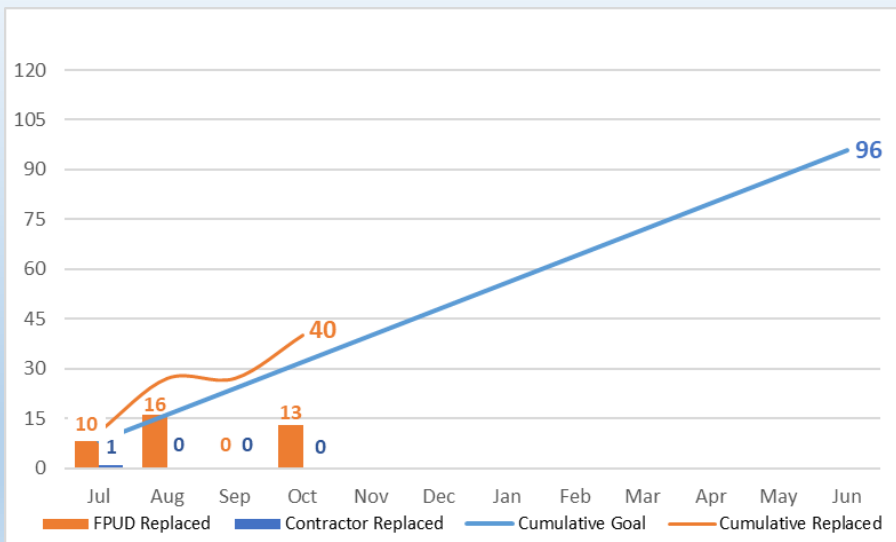
21

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.

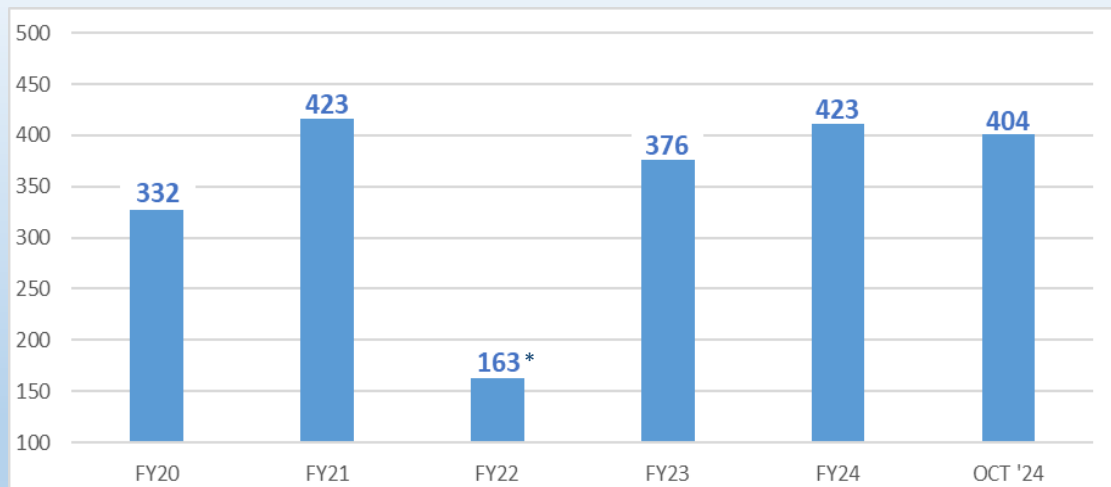
22

Main Line Valves Replaced by FPUD Crew



23

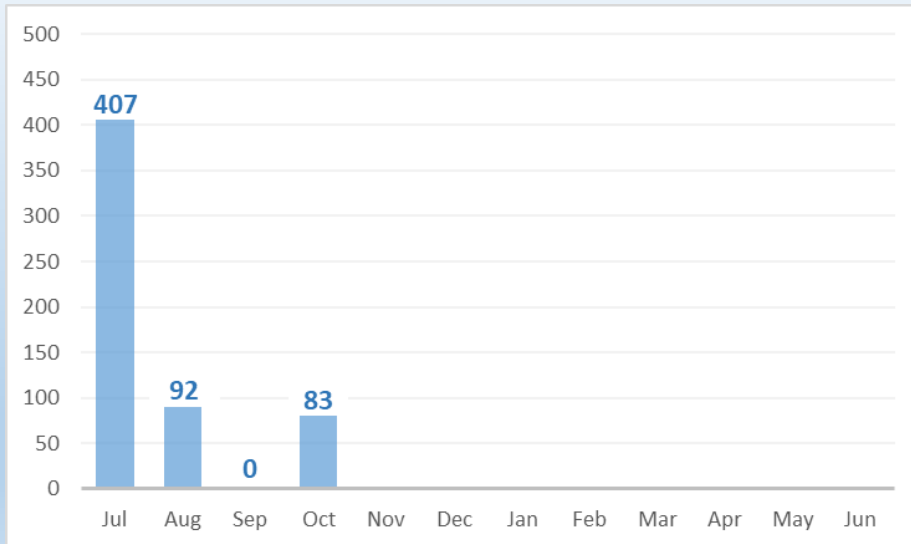
Rolling Total Broken Valves



*FY22 does not include Leak By or Poor Turn Counts

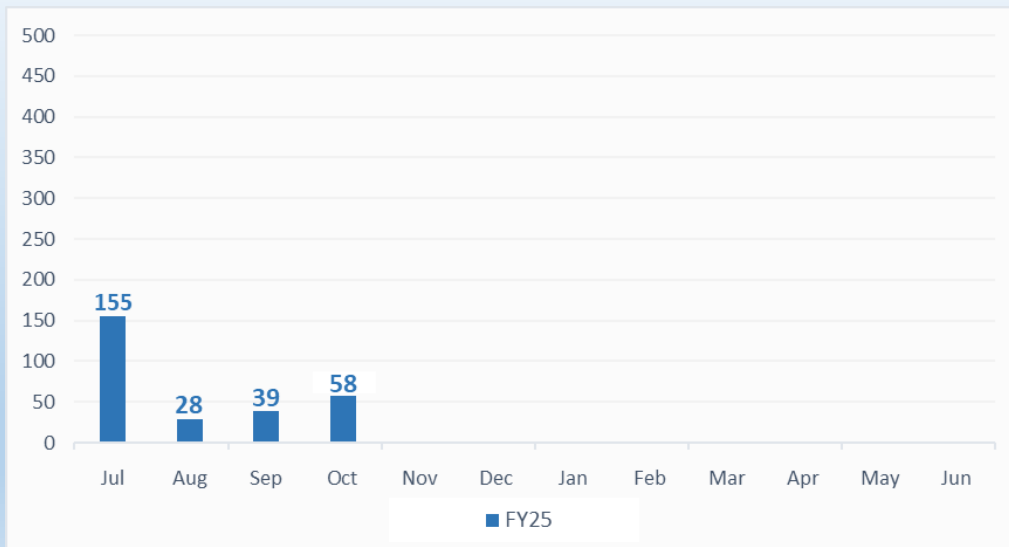
24

Planned Outages > 4 Hours Customers Affected by Month



25

Emergency Outages > 4 Hours Customers Affected by Month



26

M E M O

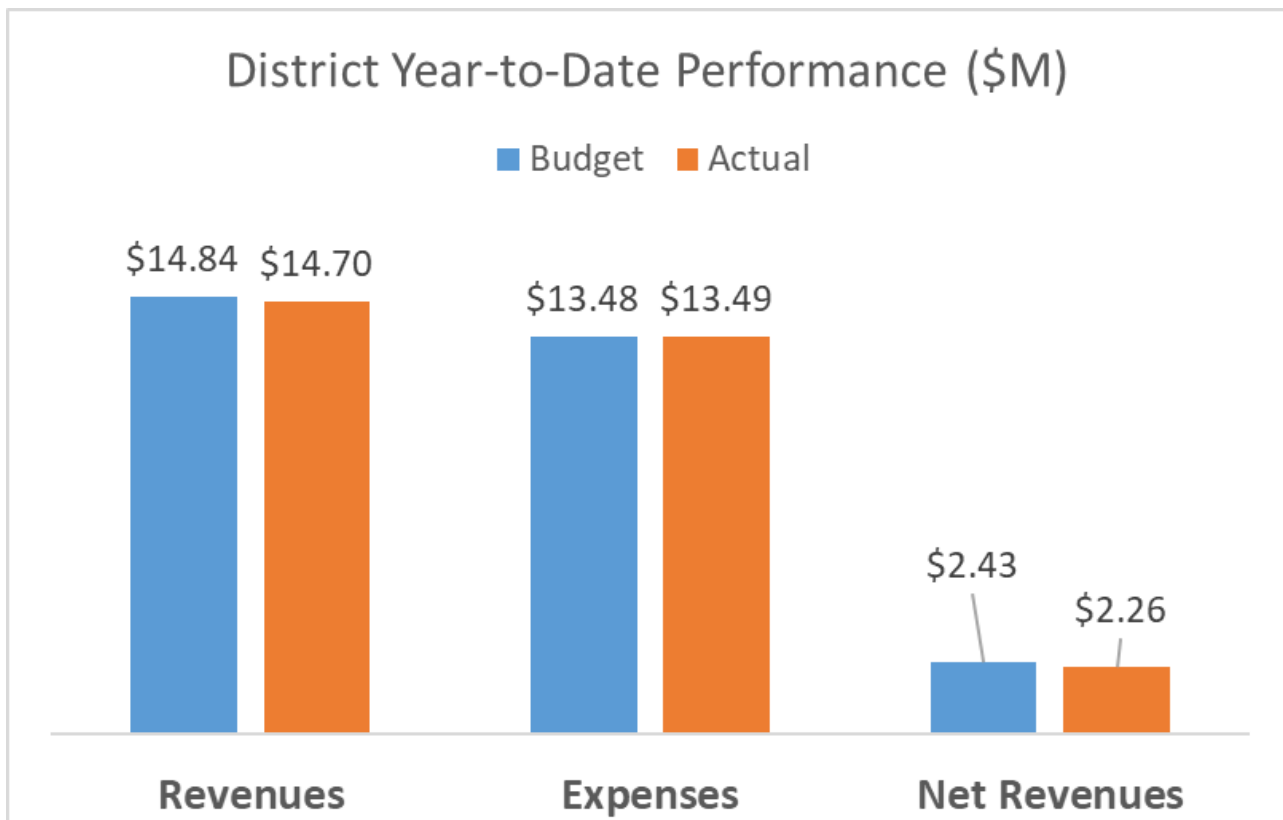
TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: December 9, 2024
SUBJECT: Financial Summary Report – October

Purpose

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

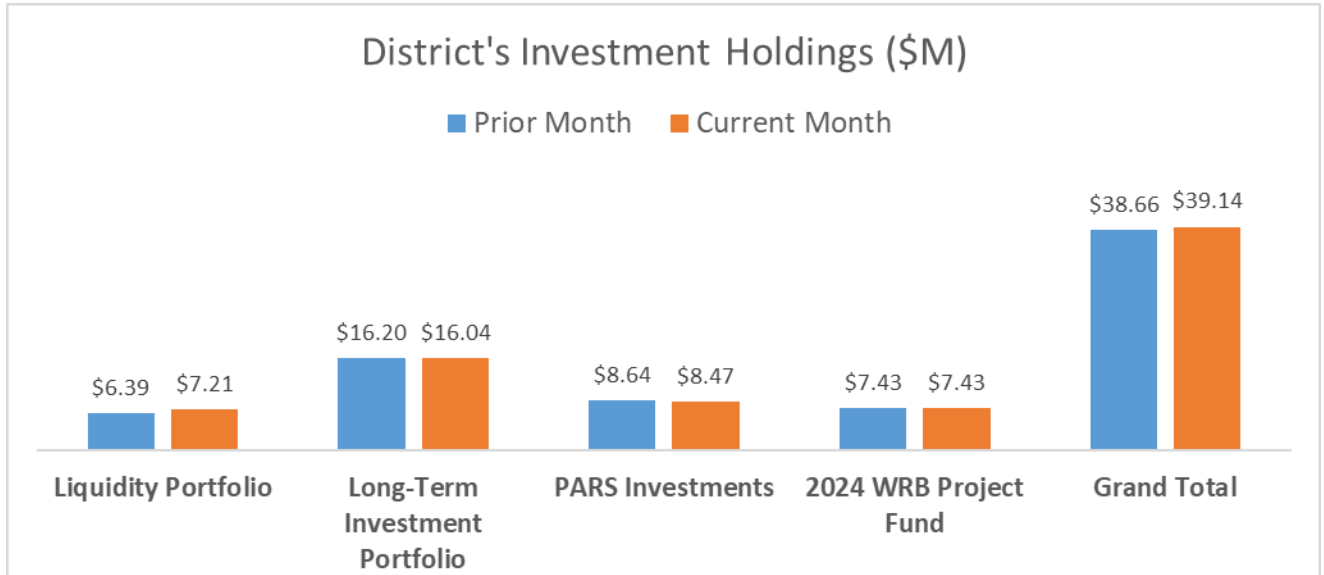
Summary

The graph below shows the District’s year-to-date Revenues, Expenditures and Net revenues.



Revenues and expenditures are in-line with the budget. Since this is early in the fiscal year, only limited conclusions can be drawn at this time. 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 this month. Overall the Long-term Portfolio and PARS investments continue to perform in line with the capital markets. The 2024 WRB Project Fund will be drawn down over the next year to fund Water CIP projects.

Recommended Action

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

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: December 9, 2024
SUBJECT: Treasurer's Report

Purpose

Provide the October 2024 Treasurer's Report, which is the end of the fiscal year. 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 this month. Overall the Long-term 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

Account	Beginning Balance	Ending Balance
Operating Fund	\$ 5,508	\$ 6,529
Money Market	\$ 780,839	\$ 325,507
CAMP Account	\$ 5,600,133	\$ 6,876,489
<i>District's Liquidity Portfolio</i>	\$ 6,386,480	\$ 7,208,525
PFM Managed Long-term Investment Portfolio**	\$ 16,192,829	\$ 16,031,425
LAIF (Long-term Reserves)	\$ 7,001	\$ 7,084
PARS (OPEB & Pension Trust)***	\$ 8,644,790	\$ 8,470,516
Revenue Bonds 2024 Project Fund	\$ 7,426,712	\$ 7,426,720
<i>District Accounts Total</i>	\$ 38,657,811	\$ 39,144,270

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

The beginning balance is updated to reflect corrected August'24 ending balance

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


 David Shank
 December 9, 2024



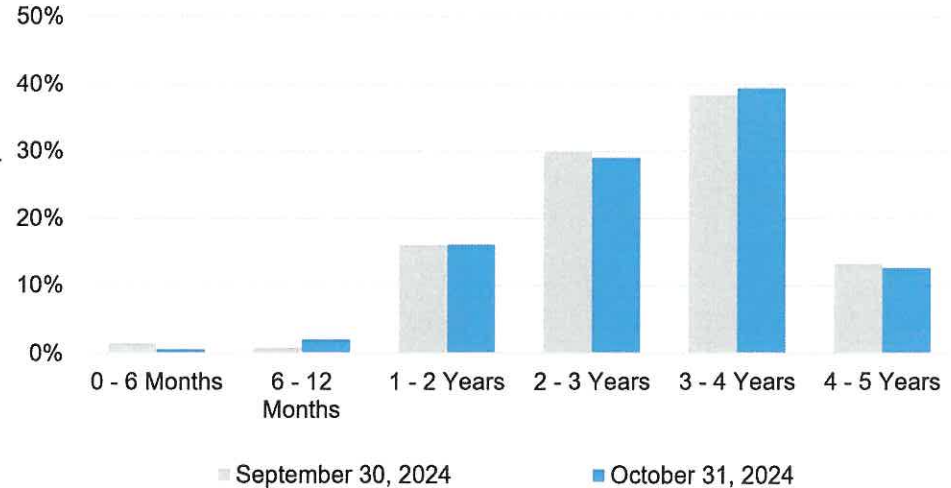
Fallbrook Public Utilities District - Holdings Summary

Security Type	September 30, 2024	October 31, 2024	Change (\$)	Change (%)
U.S. Treasury	\$6,803,780.26	\$7,538,447.95	\$734,667.69	10.8%
Municipal	\$212,635.53	\$210,853.20	(\$1,782.33)	-0.8%
Federal Agency CMBS	\$2,862,557.42	\$3,072,401.58	\$209,844.16	7.3%
Corporate Note	\$4,385,423.63	\$3,261,409.23	(\$1,124,014.40)	-25.6%
Negotiable CD	\$103,302.20	\$102,810.60	(\$491.60)	-0.5%
Asset-Backed Security	\$1,791,233.22	\$1,831,517.93	\$40,284.71	2.2%
Securities Total	\$16,158,932.26	\$16,017,440.49	(\$141,491.77)	-0.9%
Money Market Fund	\$33,896.85	\$13,984.81	(\$19,912.04)	-58.7%
Total Investments	\$16,192,829.11	\$16,031,425.30	(\$161,403.81)	-1.0%

Summary

FY 24-25 Accrual Earnings	\$137,224.83
Yield to Maturity at Cost	4.00%
Weighted Average Maturity (Years)	2.98

Maturity Distribution



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



Account Statement - Transaction Summary

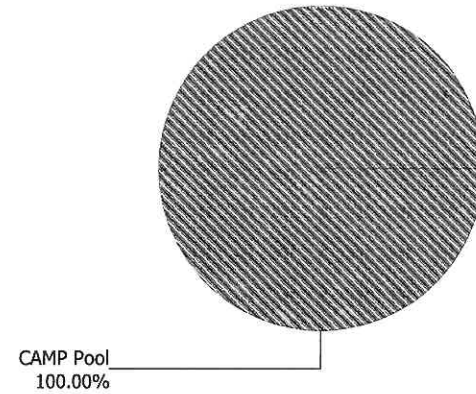
For the Month Ending **October 31, 2024**

Fallbrook Public Utility District - Liquidity - 6050-004

CAMP Pool	
Opening Market Value	5,600,133.39
Purchases	1,276,355.75
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$6,876,489.14
Cash Dividends and Income	26,355.75

Asset Summary		
	October 31, 2024	September 30, 2024
CAMP Pool	6,876,489.14	5,600,133.39
Total	\$6,876,489.14	\$5,600,133.39

Asset Allocation		
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Account Statement

For the Month Ending **October 31, 2024**

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					5,600,133.39
10/02/24	10/02/24	Purchase - Incoming Wires	1.00	400,000.00	6,000,133.39
10/16/24	10/16/24	Purchase - Incoming Wires	1.00	350,000.00	6,350,133.39
10/31/24	10/31/24	Purchase - Incoming Wires	1.00	500,000.00	6,850,133.39
10/31/24	11/01/24	Accrual Income Div Reinvestment - Distributions	1.00	26,355.75	6,876,489.14
Closing Balance					6,876,489.14

	Month of October	Fiscal YTD July-October		
Opening Balance	5,600,133.39	6,617,162.12	Closing Balance	6,876,489.14
Purchases	1,276,355.75	5,104,327.02	Average Monthly Balance	6,184,854.54
Redemptions (Excl. Checks)	0.00	(4,845,000.00)	Monthly Distribution Yield	5.03%
Check Disbursements	0.00	0.00		
Closing Balance	6,876,489.14	6,876,489.14		
Cash Dividends and Income	26,355.75	104,327.02		

Managed Account Security Transactions & Interest

For the Month Ending October 31, 2024

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											
	10/01/24	10/03/24	US TREASURY N/B DTD 09/30/2022 3.875% 09/30/2029	91282CFL0	140,000.00	(142,078.13)	(44.71)	(142,122.84)			
	10/01/24	10/04/24	ACCENTURE CAPITAL INC (CALLABLE) DTD 10/04/2024 4.050% 10/04/2029	00440KAB9	55,000.00	(54,903.75)	0.00	(54,903.75)			
	10/08/24	10/10/24	US TREASURY N/B DTD 08/02/2021 1.000% 07/31/2028	91282CCR0	80,000.00	(71,918.75)	(154.35)	(72,073.10)			
	10/08/24	10/16/24	FHMS K529 A2 DTD 10/01/2024 4.791% 09/01/2029	3137HH6C0	95,000.00	(96,898.77)	(189.64)	(97,088.41)			
	10/09/24	10/10/24	US TREASURY N/B DTD 07/31/2024 4.375% 07/31/2026	91282CLB5	220,000.00	(221,254.69)	(1,857.00)	(223,111.69)			
	10/10/24	10/11/24	US TREASURY N/B DTD 08/31/2020 0.500% 08/31/2027	91282CAH4	475,000.00	(431,006.84)	(268.99)	(431,275.83)			
	10/17/24	10/18/24	MORGAN STANLEY BANK NA (CALLABLE) DTD 10/18/2024 4.447% 10/15/2027	61690U8G8	250,000.00	(249,972.50)	0.00	(249,972.50)			
	10/17/24	10/24/24	WFCIT 2024-A2 A DTD 10/24/2024 4.290% 10/15/2029	92970OAE5	70,000.00	(69,989.60)	0.00	(69,989.60)			
	10/21/24	10/22/24	US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	140,000.00	(141,793.75)	(2,739.13)	(144,532.88)			
	10/22/24	10/25/24	FHMS K528 A2 DTD 09/01/2024 4.508% 07/01/2029	3137HFNZ4	160,000.00	(160,237.50)	(480.85)	(160,718.35)			
	10/28/24	10/29/24	US TREASURY N/B DTD 08/02/2021 1.000% 07/31/2028	91282CCR0	140,000.00	(125,059.38)	(342.39)	(125,401.77)			
Transaction Type Sub-Total					1,825,000.00	(1,765,113.66)	(6,077.06)	(1,771,190.72)			
CALL											
	10/21/24	10/21/24	MORGAN STANLEY (CALLABLE) DTD 10/19/2021 1.164% 10/21/2025	61747YEG6	70,000.00	70,000.00	0.00	70,000.00	0.00	0.00	
Transaction Type Sub-Total					70,000.00	70,000.00	0.00	70,000.00	0.00	0.00	
INTEREST											
	10/01/24	10/01/24	ANALOG DEVICES INC (CALLABLE) DTD 10/05/2021 1.700% 10/01/2028	032654AU9		0.00	765.00	765.00			

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2024**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
10/01/24	10/01/24	COMCAST CORP (CALLABLE) DTD 03/27/2020 3.300% 04/01/2027	20030NDK4		0.00	3,300.00	3,300.00			
10/01/24	10/01/24	MONEY MARKET FUND DTD 01/01/2010 0.000% --	MONEY0002		0.00	309.19	309.19			
10/01/24	10/25/24	FHMS K734 A2 DTD 04/01/2019 3.208% 02/01/2026	3137FLN34		0.00	398.56	398.56			
10/01/24	10/25/24	FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4		0.00	232.33	232.33			
10/01/24	10/25/24	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45		0.00	473.84	473.84			
10/01/24	10/25/24	FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1		0.00	273.62	273.62			
10/01/24	10/25/24	FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6		0.00	581.25	581.25			
10/01/24	10/25/24	FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7		0.00	344.25	344.25			
10/01/24	10/25/24	FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4		0.00	464.79	464.79			
10/01/24	10/25/24	FHMS K064 A2 DTD 05/01/2017 3.224% 03/01/2027	3137BXOY1		0.00	429.87	429.87			
10/01/24	10/25/24	FHMS K065 A2 DTD 07/01/2017 3.243% 04/01/2027	3137F1G44		0.00	418.89	418.89			
10/01/24	10/25/24	FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2		0.00	600.00	600.00			
10/01/24	10/25/24	FNA 2023-M6 A2 DTD 07/01/2023 4.181% 07/01/2028	3136BODE6		0.00	499.42	499.42			
10/01/24	10/25/24	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3		0.00	428.59	428.59			
10/01/24	10/25/24	FHMS K058 A2 DTD 11/01/2016 2.653% 08/01/2026	3137BSP72		0.00	221.08	221.08			
10/01/24	10/25/24	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJXO7		0.00	450.07	450.07			
10/01/24	10/25/24	FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2		0.00	602.38	602.38			

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2024**

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											
	10/01/24	10/25/24	FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82		0.00	414.46	414.46			
	10/01/24	10/25/24	FHMS K743 A2 DTD 06/01/2021 1.770% 05/01/2028	3137H14B9		0.00	250.75	250.75			
	10/01/24	10/25/24	FHMS KJ48 A1 DTD 12/01/2023 4.858% 05/01/2028	3137HBC69		0.00	499.23	499.23			
	10/01/24	10/25/24	FHMS K522 A2 DTD 06/01/2024 4.803% 05/01/2029	3137HDJJ0		0.00	600.38	600.38			
	10/01/24	10/25/24	FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3		0.00	537.46	537.46			
	10/01/24	10/25/24	FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAO74		0.00	592.50	592.50			
	10/01/24	10/25/24	FHMS K046 A2 DTD 06/01/2015 3.205% 03/01/2025	3137BJP64		0.00	264.25	264.25			
	10/15/24	10/15/24	COMET 2023-A1 A DTD 05/24/2023 4.420% 05/15/2028	14041NGD7		0.00	534.08	534.08			
	10/15/24	10/15/24	MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8		0.00	391.58	391.58			
	10/15/24	10/15/24	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	386.75	386.75			
	10/15/24	10/15/24	FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4		0.00	196.13	196.13			
	10/15/24	10/15/24	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4		0.00	516.00	516.00			
	10/15/24	10/15/24	NAROT 2023-B A3 DTD 10/25/2023 5.930% 03/15/2028	65480MAD5		0.00	148.25	148.25			
	10/15/24	10/15/24	FORDO 2022-A A3 DTD 01/24/2022 1.290% 06/15/2026	345286AC2		0.00	13.77	13.77			
	10/15/24	10/15/24	COPAR 2023-2 A3 DTD 10/11/2023 5.820% 06/15/2028	14044EAD0		0.00	533.50	533.50			
	10/15/24	10/15/24	FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3		0.00	483.88	483.88			
	10/15/24	10/15/24	DCENT 2023-A2 A DTD 06/28/2023 4.930% 06/15/2028	254683CZ6		0.00	410.83	410.83			

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2024**

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											
	10/15/24	10/15/24	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1		0.00	188.08	188.08			
	10/15/24	10/15/24	BACCT 2022-A2 A2 DTD 11/23/2022 5.000% 04/15/2028	05522RDF2		0.00	604.17	604.17			
	10/15/24	10/15/24	DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3		0.00	207.67	207.67			
	10/15/24	10/15/24	HART 2023-B A3 DTD 07/19/2023 5.480% 04/17/2028	44933XAD9		0.00	228.33	228.33			
	10/15/24	10/15/24	HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4		0.00	207.75	207.75			
	10/15/24	10/15/24	BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0		0.00	199.58	199.58			
	10/15/24	10/15/24	WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6		0.00	7.01	7.01			
	10/15/24	10/15/24	COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/15/2026	14041NFY2		0.00	60.67	60.67			
	10/15/24	10/15/24	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4		0.00	7.19	7.19			
	10/15/24	10/15/24	CATERPILLAR FINL SERVICE DTD 08/16/2024 4.400% 10/15/2027	14913UAR1		0.00	432.67	432.67			
	10/15/24	10/15/24	HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0		0.00	47.99	47.99			
	10/15/24	10/15/24	DTRT 2023-1 A3 DTD 09/27/2023 5.900% 03/15/2027	233868AC2		0.00	417.92	417.92			
	10/16/24	10/16/24	GMCAR 2023-3 A3 DTD 07/19/2023 5.450% 06/16/2028	36267KAD9		0.00	227.08	227.08			
	10/16/24	10/16/24	GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4		0.00	8.39	8.39			
	10/16/24	10/16/24	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2		0.00	264.92	264.92			
	10/16/24	10/16/24	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1		0.00	5.54	5.54			
	10/18/24	10/18/24	HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815OAC1		0.00	428.29	428.29			

Managed Account Security Transactions & Interest

For the Month Ending October 31, 2024

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											
	10/21/24	10/21/24	MORGAN STANLEY (CALLABLE) DTD 10/19/2021 1.164% 10/21/2025	61747YEG6		0.00	407.40	407.40			
	10/21/24	10/21/24	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5		0.00	118.13	118.13			
	10/21/24	10/21/24	HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3		0.00	6.97	6.97			
	10/23/24	10/23/24	WELLS FARGO & COMPANY DTD 10/25/2016 3.000% 10/23/2026	949746SH5		0.00	1,875.00	1,875.00			
	10/25/24	10/25/24	BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2		0.00	182.33	182.33			
	10/25/24	10/25/24	BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3		0.00	37.51	37.51			
	10/27/24	10/27/24	BANK OF AMERICA CORP (CALLABLE) DTD 04/27/2022 4.376% 04/27/2028	06051GKP3		0.00	1,750.40	1,750.40			
	10/31/24	10/31/24	US TREASURY N/B DTD 11/02/2020 0.500% 10/31/2027	91282CAU5		0.00	62.50	62.50			
	10/31/24	10/31/24	US TREASURY N/B DTD 10/31/2019 1.625% 10/31/2026	912828YQ7		0.00	1,015.63	1,015.63			
	10/31/24	10/31/24	US TREASURY N/B DTD 11/01/2021 1.375% 10/31/2028	91282CDF5		0.00	1,546.88	1,546.88			
	10/31/24	10/31/24	US TREASURY N/B DTD 11/02/2020 0.250% 10/31/2025	91282CAT8		0.00	250.00	250.00			
Transaction Type Sub-Total						0.00	28,362.93	28,362.93			
MATURITY											
	10/03/24	10/03/24	TREASURY BILL DTD 10/05/2023 0.000% 10/03/2024	912797GW1	150,000.00	150,000.00	0.00	150,000.00	114.25	0.00	
Transaction Type Sub-Total						150,000.00	150,000.00	0.00	150,000.00	114.25	0.00
PAYDOWNS											
	10/01/24	10/25/24	FHMS K734 A2 DTD 04/01/2019 3.208% 02/01/2026	3137FLN34	163.41	163.41	0.00	163.41	7.07	3.92	

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2024**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
PAYDOWNS										
10/01/24	10/25/24	FHMS KJ48 A1 DTD 12/01/2023 4.858% 05/01/2028	3137HBC69	315.10	315.10	0.00	315.10	0.00	0.00	
10/01/24	10/25/24	FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	202.90	202.90	0.00	202.90	6.24	3.83	
10/01/24	10/25/24	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJX07	69.97	69.97	0.00	69.97	1.94	0.86	
10/01/24	10/25/24	FHMS K046 A2 DTD 06/01/2015 3.205% 03/01/2025	3137BJP64	558.16	558.16	0.00	558.16	4.16	0.76	
10/01/24	10/25/24	FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	3,231.22	3,231.22	0.00	3,231.22	0.02	0.01	
10/01/24	10/25/24	FNA 2023-M6 A2 DTD 07/01/2023 4.181% 07/01/2028	3136BODE6	0.91	0.91	0.00	0.91	0.02	0.01	
10/01/24	10/25/24	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	92.78	92.78	0.00	92.78	0.01	0.01	
10/15/24	10/15/24	WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	1,353.95	1,353.95	0.00	1,353.95	0.18	0.07	
10/15/24	10/15/24	HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	2,644.52	2,644.52	0.00	2,644.52	0.11	0.05	
10/15/24	10/15/24	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	2,079.96	2,079.96	0.00	2,079.96	0.34	0.11	
10/15/24	10/15/24	FORDO 2022-A A3 DTD 01/24/2022 1.290% 06/15/2026	345286AC2	1,684.64	1,684.64	0.00	1,684.64	0.20	0.08	
10/15/24	10/15/24	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	3,661.11	3,661.11	0.00	3,661.11	0.09	0.05	
10/15/24	10/15/24	MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	5,920.11	5,920.11	0.00	5,920.11	1.18	0.71	
10/16/24	10/16/24	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	1,220.70	1,220.70	0.00	1,220.70	0.03	0.01	
10/16/24	10/16/24	GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	894.53	894.53	0.00	894.53	0.08	0.04	
10/21/24	10/21/24	HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	1,362.84	1,362.84	0.00	1,362.84	0.29	0.09	
10/25/24	10/25/24	BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	1,405.98	1,405.98	0.00	1,405.98	0.08	0.03	

Managed Account Security Transactions & Interest

For the Month Ending October 31, 2024

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
Transaction Type Sub-Total					26,862.79	26,862.79	0.00	26,862.79	22.04	10.64	
SELL											
10/01/24	10/04/24		SALESFORCE INC (CALLABLE) DTD 07/12/2021 1.500% 07/15/2028	79466LAH7	60,000.00	55,128.00	197.50	55,325.50	1,261.80	1,037.37	FIFO
10/08/24	10/10/24		HERSHEY COMPANY (CALLABLE) DTD 05/04/2023 4.250% 05/04/2028	427866BH0	30,000.00	30,219.30	552.50	30,771.80	262.20	249.90	FIFO
10/08/24	10/10/24		META PLATFORMS INC (CALLABLE) DTD 05/03/2023 4.600% 05/15/2028	30303M8L9	50,000.00	50,842.50	926.39	51,768.89	767.50	787.94	FIFO
10/08/24	10/10/24		SALESFORCE INC (CALLABLE) DTD 07/12/2021 1.500% 07/15/2028	79466LAH7	80,000.00	72,712.00	283.33	72,995.33	890.40	559.12	FIFO
10/08/24	10/10/24		CATERPILLAR FINL SERVICE DTD 08/16/2024 4.375% 08/16/2029	14913UAO3	25,000.00	25,105.00	164.06	25,269.06	172.75	170.88	FIFO
10/09/24	10/10/24		STATE STREET CORP (CALLABLE) DTD 08/03/2023 5.272% 08/03/2026	857477CD3	75,000.00	76,324.50	735.88	77,060.38	2,025.00	1,771.21	FIFO
10/09/24	10/10/24		STATE STREET CORP (CALLABLE) DTD 08/03/2023 5.272% 08/03/2026	857477CD3	85,000.00	86,501.10	834.00	87,335.10	1,501.10	1,501.10	FIFO
10/09/24	10/10/24		STATE STREET CORP (CALLABLE) DTD 08/03/2023 5.272% 08/03/2026	857477CD3	60,000.00	61,059.60	588.71	61,648.31	1,038.00	1,046.78	FIFO
10/10/24	10/11/24		COMCAST CORP (CALLABLE) DTD 03/27/2020 3.300% 04/01/2027	20030NDK4	200,000.00	195,722.00	183.33	195,905.33	2,634.00	5.90	FIFO
10/10/24	10/11/24		LOCKHEED MARTIN CORP (CALLABLE) DTD 05/25/2023 4.450% 05/15/2028	539830BZ1	35,000.00	35,266.70	631.66	35,898.36	392.70	358.35	FIFO
10/10/24	10/11/24		HOME DEPOT INC (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	140,000.00	135,167.20	294.00	135,461.20	7,288.40	2,448.22	FIFO
10/10/24	10/11/24		META PLATFORMS INC (CALLABLE) DTD 05/03/2023 4.600% 05/15/2028	30303M8L9	60,000.00	60,942.00	1,119.33	62,061.33	852.00	876.57	FIFO
10/10/24	10/11/24		LOCKHEED MARTIN CORP (CALLABLE) DTD 05/25/2023 4.450% 05/15/2028	539830BZ1	10,000.00	10,076.20	180.47	10,256.67	94.20	89.21	FIFO
10/17/24	10/18/24		MERCK & CO INC (CALLABLE) DTD 12/10/2021 1.700% 06/10/2027	58933YBC8	50,000.00	47,115.00	302.22	47,417.22	3,165.00	1,528.49	FIFO
10/17/24	10/18/24		IBM CORP (CALLABLE) DTD 02/09/2022 2.200% 02/09/2027	459200KM2	100,000.00	95,414.00	421.67	95,835.67	6,489.00	1,397.96	FIFO
10/17/24	10/18/24		IBM CORP (CALLABLE) DTD 02/09/2022 2.200% 02/09/2027	459200KM2	80,000.00	76,331.20	337.33	76,668.53	(2,681.60)	(3,208.96)	FIFO

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2024**

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
SELL										
10/17/24	10/18/24	MORGAN STANLEY DTD 01/20/2017 3.625% 01/20/2027	61746BEF9	50,000.00	49,241.50	443.06	49,684.56	2,707.50	1,626.58	FIFO
10/21/24	10/22/24	UNITEDHEALTH GROUP INC (CALLABLE) DTD 05/20/2022 3.700% 05/15/2027	91324PEG3	125,000.00	123,483.75	2,017.02	125,500.77	4,661.25	1,973.24	FIFO
10/21/24	10/22/24	UNITEDHEALTH GROUP INC (CALLABLE) DTD 05/20/2022 3.700% 05/15/2027	91324PEG3	20,000.00	19,757.40	322.72	20,080.12	(231.80)	(237.05)	FIFO
10/22/24	10/23/24	US TREASURY N/B DTD 11/01/2021 1.375% 10/31/2028	91282CDF5	175,000.00	157,958.01	1,150.82	159,108.83	5,202.15	1,192.74	FIFO
Transaction Type Sub-Total				1,510,000.00	1,464,366.96	11,686.00	1,476,052.96	38,491.55	15,175.55	
Managed Account Sub-Total					(53,883.91)	33,971.87	(19,912.04)	38,627.84	15,186.19	
Total Security Transactions					(53,883.91)	\$33,971.87	(\$19,912.04)	\$38,627.84	\$15,186.19	

California State Treasurer
Fiona Ma, CPA



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

November 18, 2024

[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 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/15/2024	10/14/2024	QRD	1761611	N/A	SYSTEM	83.02

Account Summary

Total Deposit:	83.02	Beginning Balance:	7,000.75
Total Withdrawal:	0.00	Ending Balance:	7,083.77

FALLBROOK PUBLIC UTILITY DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
10/1/2024 to 10/31/2024

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

Account Summary

Source	Balance as of 10/1/2024	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 10/31/2024
OPEB	\$1,237,387.50	\$0.00	-\$24,382.95	\$562.02	\$0.00	\$0.00	\$1,212,442.53
PENSION	\$7,407,402.54	\$0.00	-\$145,964.23	\$3,364.47	\$0.00	\$0.00	\$7,258,073.84
Totals	\$8,644,790.04	\$0.00	-\$170,347.18	\$3,926.49	\$0.00	\$0.00	\$8,470,516.37

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	-1.97%	1.14%	22.16%	2.22%	6.20%	-	2/16/2017
PENSION	-1.97%	1.14%	22.20%	2.23%	6.20%	-	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



Account Name: Fallbrook Public Utility District Water Revenue Refunding Bonds 2024 Project Fund
Account Number: 219614005

MARKET VALUE SUMMARY

	Current Period 10/01/24 to 10/31/24
Beginning Market Value	\$7,426,711.72
Adjusted Market Value	\$7,426,711.72
Investment Results	
Interest, Dividends and Other Income	8.26
Total Investment Results	\$8.26
Ending Market Value	\$7,426,719.98

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO
DATE: December 9, 2024
SUBJECT: Budget Status Report for Fiscal Year 2024-2025

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 1.0% under budget due to lower than budget operating revenues. Since this is early in the new fiscal year, no trends can be concluded from this limited amount of data. As the year progresses, the revenues are expected to trend to the Budgeted levels.

Non-operating revenues are over budget due largely to higher than Budget Investment Earnings, Capacity Charges, Facility Rents and Other Non-Operating revenues. As the year progresses, Non-Operating Revenues are expected to trend towards the Budget.

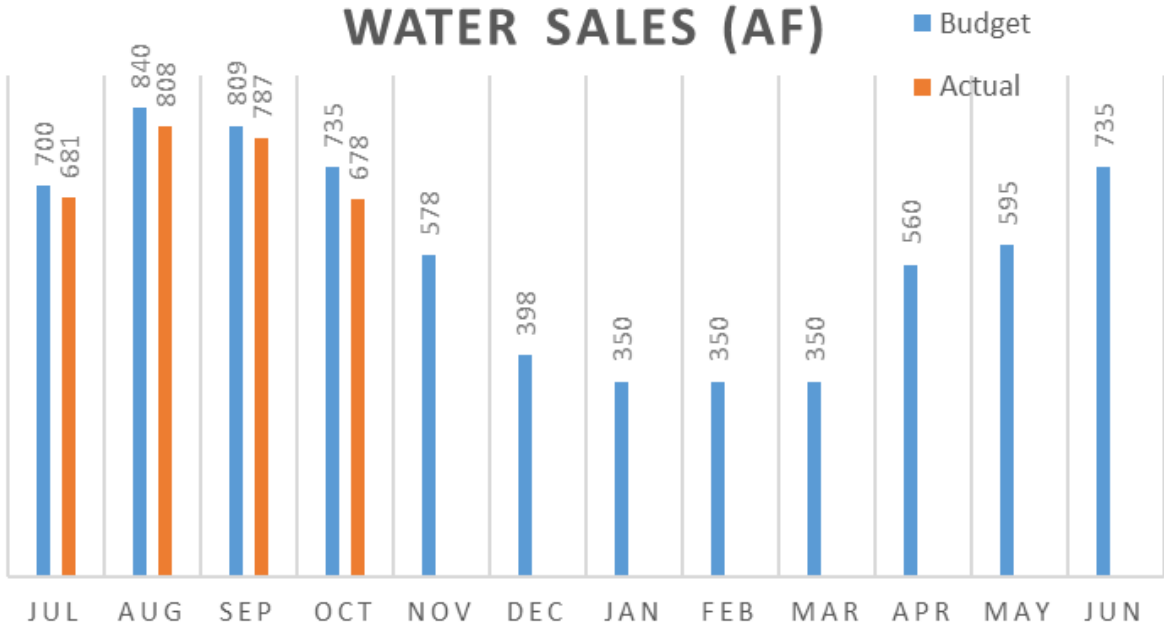
The District's year-to-date total expenditures are 0.6% over Budget largely due to purchased water expenditures. The higher purchased water expenditures is being driven by recent reductions in Camp Pendleton water deliveries due to operational issues on the base. The District's operating costs, excluding purchased water expenditures and the Community Benefit Program, are under Budget but expected to trend towards Budget as the year progresses and available local water supply increases.

Total revenue is \$14,696,196 or 1.0% under budget and total expenditures are \$10,332,481 or 0.6% under the Budget. PAYGO CIP expenditures are over budget for the year-to-date. It should be noted that this will change as Bond proceeds are available for drawn down to fund the District's Water CIP. After adjusting for the PAYGO expenditures year-to-date net revenues are slightly under Budget.

Recommended Action

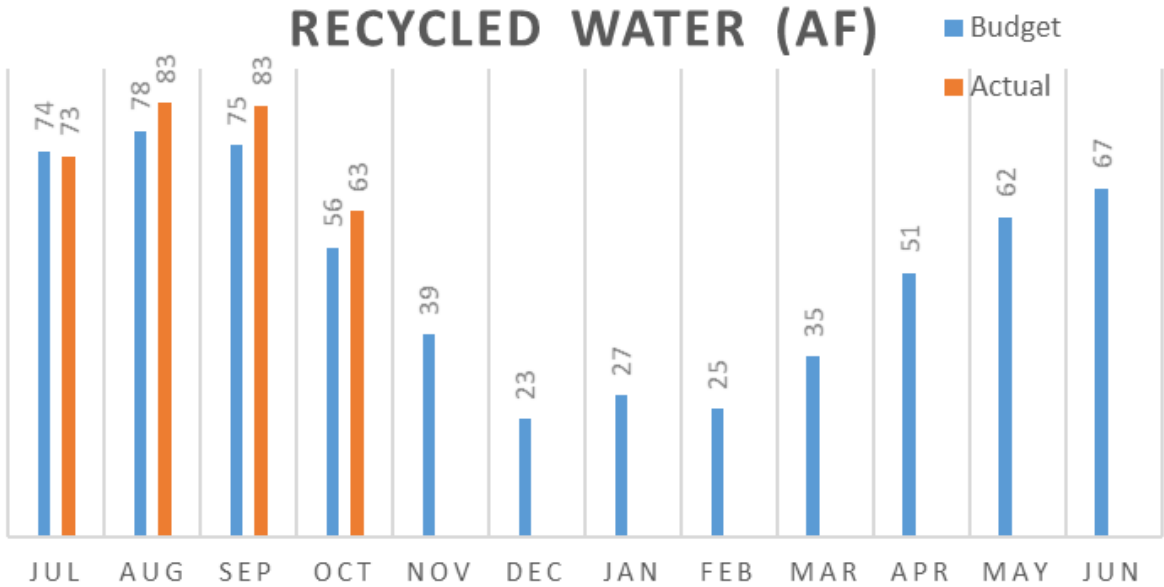
This item is for discussion only. No action is required.

WATER SALES (AF)



Year-to-Date Actual 2,953 AF Year-to-Date Budget 3,084 AF

RECYCLED WATER (AF)



Year-to-Date Actual 302 AF Year-to-Date Budget 283 AF

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⁾	1,513,620	1,757,530	6,995,652	7,374,933	(379,281)	-5.1%	17,022,775	10,027,124	58.9%
Water Meter Service Charges	702,144	721,960	2,805,231	2,887,839	(82,608)	-2.9%	8,813,396	6,008,165	68.2%
Wastewater Service Charges	614,903	635,336	2,467,369	2,541,345	(73,976)	-2.9%	7,480,829	5,013,461	67.0%
Recycled Water Revenues	133,026	119,427	638,917	601,973	36,943	6.1%	1,332,131	693,215	52.0%
Other Operating Revenue	-	-	-	-	-	NA	-	-	NA
Total Operating Revenue	2,963,693	3,234,254	12,907,167	13,406,090	(498,922)	-3.7%	34,649,132	21,741,965	62.7%
Non Operating Revenues:									
Water Capital Improvement Charge	152,124	151,695	608,421	606,782	1,640	0.3%	1,820,346	1,211,924	66.6%
Wastewater Capital Improvement Charge	113,318	116,217	453,260	464,869	(11,609)	-2.5%	1,394,608	941,348	67.5%
Property Taxes	42,735	53,772	105,445	109,519	(4,074)	-3.7%	2,710,462	2,605,016	96.1%
Water Standby/Availability Charge	1,194	2,463	1,194	2,463	(1,269)	-51.5%	200,000	198,806	99.4%
Water/Wastewater Capacity Charges	87,421	10,850	98,100	43,399	54,702	126.0%	130,196	32,096	24.7%
Portfolio Interest	99,737	50,069	375,497	200,276	175,221	87.5%	600,827	225,330	37.5%
Federal Interest Rate Subsidy	-	-	-	-	-	NA	55,178	55,178	100.0%
Grant Funds	-	-	-	-	-	NA	240,000	240,000	100.0%
Gain/(Loss) on Sale of Asset	-	-	-	-	-	NA	-	-	NA
Facility Rents	23,690	19,714	93,606	78,855	14,751	18.7%	236,565	142,959	60.4%
Fire Hydrant Service Fees	-	-	-	-	-	NA	-	-	NA
Other Non-Operating Revenues	15,012	6,250	53,505	25,000	28,505	114.0%	75,000	21,495	28.7%
Total Non Operating Revenues	535,232	411,030	1,789,028	1,531,163	257,866	16.8%	7,463,181	5,674,153	76.0%
Total Revenues	3,498,925	3,645,283	14,696,196	14,937,252	(241,056)	-1.6%	42,112,313	27,416,118	65.1%
Expenditures									
Purchased Water Expense ⁽²⁾	599,140	405,874	2,282,379	1,705,748	(576,631)	-33.8%	3,433,211	1,150,833	33.5%
Water Services	523,159	654,738	2,180,564	2,522,309	341,746	13.5%	7,648,968	5,468,405	71.5%
Wastewater Services	338,457	331,338	1,125,026	1,276,445	151,419	11.9%	3,870,852	2,745,827	70.9%
Recycled Water Services	41,790	52,486	129,965	202,196	72,231	35.7%	613,163	483,199	78.8%
Administrative Services	786,854	747,566	2,980,751	2,879,919	(100,833)	-3.5%	8,733,428	5,752,677	65.9%
Community Benefit Program	474	46,737	2,031	180,048	178,017	98.9%	546,000	543,969	99.6%
Total Operating Expenses	2,289,874	2,238,739	8,700,715	8,766,664	65,949	0.8%	24,845,623	16,144,908	65.0%
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	675,782	675,782	100.0%
WW Rev Refunding Bonds	-	-	1,433,841	1,433,841	-	0.0%	1,733,575	299,734	17.3%
QECB Solar Debt	-	-	-	-	-	NA	521,362	521,362	100.0%
Total Debt Service	-	-	1,631,766	1,631,766	-	0.0%	6,141,364	4,509,598	73.4%
Total Expenses	2,289,874	2,238,739	10,332,481	10,398,430	65,949	0.6%	30,986,987	20,654,507	66.7%
Net Revenue/(loss) From Operations and Debt Service	1,209,052	1,406,544	4,363,715	4,538,822	(175,107)	-3.9%	11,125,326	6,761,611	60.8%
Capital Investment									
Capital Investment ⁽³⁾									
Construction Expenditures-Admin	13,954	131,667	324,187	232,417	(91,770)	-39.5%	582,000	257,813	44.3%
Construction Expenditures-Water	643,722	551,667	2,280,815	2,173,667	(107,148)	-4.9%	8,508,750	6,227,935	73.2%
Construction Expenditures-Recycled	-	-	-	-	-	NA	124,000	124,000	100.0%
Construction Expenditures-Wastewater	29,417	108,167	555,661	670,667	115,005	17.1%	2,511,250	1,955,589	77.9%
Construction Expenditures-PAYGO TOTAL	687,094	791,500	3,160,663	3,076,750	(83,913)	-2.7%	11,726,000	8,565,337	73.0%
Capital Expenditures Funded by Water Bond Proceeds	-	-	(1,060,582)	(1,060,582)	-	0.0%	(1,060,582)	-	0.0%
Net Revenue/(Loss)	521,958	615,044	2,263,634	2,522,654	(259,020)	-10.3%	459,908	1,803,726	-392.2%

(1) Includes Local Resource Credit of \$234,362

(2) Does not include RTS and Capacity fees, which have not been finalized

(3) Detailed CIP Summary Table attached

CIP Summary Table

FY25 PAYGO CIP Summary Table

Water Capital Projects	Annual Budget	September October	Year-to-Date
Pipelines and Valve Replacement Projects by District	\$ 630,000	\$ 68,868	\$ 507,088
Pipeline Replacement Projects by Contractors	\$ 4,725,000	\$ 484,786	\$ 1,298,137
Deluz ID Projects	\$ 100,000	\$ 15,832	\$ 63,769
Pump Stations	\$ 1,250,000	\$ 34,150	\$ 283,131
Meter Replacement	\$ -	\$ -	\$ -
Pressure Reducing Stations	\$ 250,000	\$ 762	\$ 12,756
Red Mountain Reservoir Improvements	\$ 90,000	\$ -	\$ -
Steel Reservoir Improvements	\$ 840,000	\$ 29,167	\$ 47,445
Treatment Plant R&R	\$ 310,000	\$ -	\$ 4,909
SCADA Upgrades/ Security/Telemetry	\$ 150,000	\$ 1,469	\$ 27,769
Vehicles and Heavy Equipment	\$ 163,750	\$ 8,688	\$ 35,811
Total Water Capital Projects	\$ 8,508,750	\$ 643,722	\$ 2,280,815

Recycled Water Capital Projects

Recycled Water Improvements	\$ 124,000	\$ -	\$ -
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Wastewater Capital Projects

WRP Improvements	\$ 1,280,000	\$ 19,929	\$ 79,435
Collection System Improvements	\$ 690,000	\$ 1,027	\$ 44,133
Outfall Improvements	\$ 50,000	\$ 3,523	\$ 32,142
Vehicles and Heavy Equipment	\$ 491,250	\$ 4,938	\$ 399,951
Total Wastewater Capital Projects	\$ 2,511,250	\$ 29,417	\$ 555,661

Administrative Capital Projects

Administrative Upgrades	\$ 205,000	\$ 15,260	\$ 46,788
Engineering and Operations Information Systems	\$ -	\$ -	\$ -
Facility Improvements/Upgrades/Security	\$ 65,000	\$ 4,634	\$ 20,051
District Yard Improvements	\$ 312,000	\$ (5,940)	\$ 257,347
Total Administrative Capital Projects	\$ 582,000	\$ 13,954	\$ 324,187

Capital Projects Total	\$ 11,726,000	\$ 687,094	\$ 3,160,663
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10/31/2024

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 - 10/2024

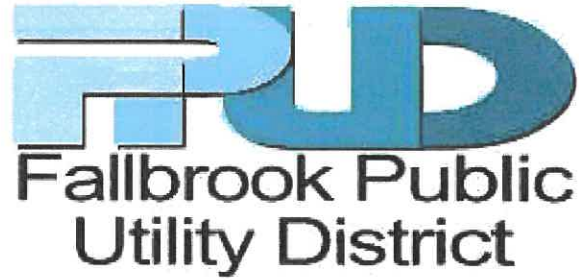
Computer Check Register

Payroll #1	\$188,495.15
Payroll #2	\$191,080.56
Payroll #3	<u>\$197,029.30</u>
	<u>\$576,605.01</u>

Accounts Payable

Checks by Date - Summary by Check Date

User: annaleceb
 Printed: 11/14/2024 11:38 AM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	00152	FPUD EMPL ASSOCIATION	10/03/2024	741.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	10/03/2024	22,776.83
ACH	06758	UNITED STATES TREASURY	10/03/2024	72,079.53
ACH	06759	STATE OF CA - PR TAXES	10/03/2024	11,937.72
ACH	06760	STATE OF CA - SDI	10/03/2024	3,262.88
ACH	06763	PERS - PAYROLL	10/03/2024	51,433.60
Total for 10/3/2024:				162,232.06
95424	01460	AFLAC	10/10/2024	446.72
95425	91286	AMAZON CAPITAL SERVICES, INC.	10/10/2024	4,480.42
95426	91490	AMAZON WEB SERVICES, INC.	10/10/2024	1,471.44
95427	91911	AMTEK CONSTRUCTION	10/10/2024	47,029.75
95428	06536	ARCADIS U.S., INC	10/10/2024	4,689.50
95429	02805	ASBURY ENVIRONMENTAL SERVICES	10/10/2024	3,630.78
95430	91724	ASPHALT & CONCRETE ENTERPRISES	10/10/2024	5,900.00
95431	05088	AT&T	10/10/2024	611.63
95432	91608	AT&T MOBILITY LLC	10/10/2024	4,222.77
95433	91814	AURORA POWER SERVICES	10/10/2024	1,240.00
95435	06020	BABCOCK LABORATORIES, INC	10/10/2024	20,004.36
95436	91503	BACKGROUNDS ONLINE	10/10/2024	255.30
95437	02743	BEST BEST & KRIEGER	10/10/2024	12,309.84
95438	06424	CAEATFA FUND	10/10/2024	2,168.10
95439	03134	CALIFORNIA WATER ENVIRONMENT	10/10/2024	209.00
95440	03978	CAMERON WELDING SUPPLY	10/10/2024	2,076.19
95441	91880	CCL CONTRACTING INC	10/10/2024	422,553.93
95442	06115	CDW GOVERNMENT INC.	10/10/2024	2,399.06
95443	91950	CMS COMMUNICATIONS, INC.	10/10/2024	5,383.18
95444	91819	COMPLETE OFFICE OF CALIFORNIA,	10/10/2024	655.41
95445	91330	AARON COOK	10/10/2024	336.25
95446	02176	CORELOGIC SOLUTIONS, LLC	10/10/2024	212.18
95447	91008	MICHAEL COTHRAN	10/10/2024	777.34
95448	05714	COUNTY OF SD DEPT PUBLIC WORKS	10/10/2024	1,135.00
95449	02925	DATA NET SOLUTIONS	10/10/2024	5,534.25
95450	06762	DENALI WATER SOLUTIONS LLC	10/10/2024	9,304.76
95451	04122	EVOQUA WATER TECHNOLOGIES LLC	10/10/2024	396.52
95452	91611	FALLBROOK ACE HARDWARE	10/10/2024	2,481.29
95453	09523	FALLBROOK EQUIP RENTALS	10/10/2024	421.64
95454	01099	FALLBROOK IRRIGATION INC	10/10/2024	47.18
95455	00169	FALLBROOK OIL COMPANY	10/10/2024	6,059.51
95456	00170	FALLBROOK WASTE & RECYCLING	10/10/2024	1,055.30
95457	91833	FAMILY SUPPORT REGISTRY	10/10/2024	100.15
95458	06497	FASTENAL COMPANY	10/10/2024	440.74
95459	04494	FEDERAL EXPRESS CORPORATION	10/10/2024	55.54
95460	01432	FERGUSON WATERWORKS #1083	10/10/2024	347.49
95461	02972	FISHER SCIENTIFIC COMPANY LLC	10/10/2024	2,098.83
95462	05560	FRANCHISE TAX BOARD	10/10/2024	50.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
95463	02170	GRAINGER, INC.	10/10/2024	2,763.54
95464	03174	HAAKER EQUIPMENT COMPANY	10/10/2024	5,628.07
95465	05380	HACH CO	10/10/2024	1,667.52
95466	06062	HARRINGTON INDUSTRIAL PLASTICS	10/10/2024	250.23
95467	91862	IFLOW INC.	10/10/2024	10,858.20
95468	06577	INFOSEND INC	10/10/2024	2,504.37
95469	91524	INSIGHT DIRECT USA, INC.	10/10/2024	136.74
95470	00190	JCI JONES CHEMICALS INC.	10/10/2024	7,947.06
95471	91933	JPR SYSTEMS INC.	10/10/2024	1,564.00
95472	91927	KENWAVE SOLUTIONS, INC.	10/10/2024	3,000.00
95473	91912	LEGEND TECHNICAL SERVICES OF AI	10/10/2024	1,232.00
95474	05194	LESLIE'S SWIMMING POOL SUPPLIES	10/10/2024	6,637.40
95475	91815	MAIN ELECTRIC SUPPLY COMPANY L	10/10/2024	262.05
95476	91751	MANAGED MOBILE INC	10/10/2024	9,168.98
95477	02618	MC MASTER-CARR	10/10/2024	596.33
95478	03201	NATIONAL SAFETY COMPLIANCE INC	10/10/2024	47.45
95479	00370	NUTRIEN AG SOLUTIONS, INC.	10/10/2024	185.29
95480	91674	O'REILLY AUTO ENTERPRISES, LLC	10/10/2024	108.95
95481	91951	PACIFIC LASER CUTTING	10/10/2024	900.00
95482	01267	PACIFIC PIPELINE	10/10/2024	4,974.39
95483	06688	ANDO PILVE	10/10/2024	1,125.00
95484	00216	PINE TREE LUMBER	10/10/2024	1,628.50
95485	06608	ROTARY CLUB OF FALLBROOK	10/10/2024	182.00
95486	02265	RUPE'S HYDRAULICS	10/10/2024	391.76
95487	06666	SAGINAW CONTROL & ENGINEERING	10/10/2024	496.82
95488	00232	SAN DIEGO GAS & ELECTRIC	10/10/2024	108,775.52
95489	91955	SOFTRESOURCES LLC	10/10/2024	7,250.00
95490	90929	SOUTHWEST ANSWERING SERVICE, I	10/10/2024	920.00
95491	05415	STATE WATER RESOURCE CONTROL I	10/10/2024	80.00
95492	91945	SIERRA STEPHENSEN	10/10/2024	60.00
95493	06735	TCN, INC.	10/10/2024	196.29
95494	05731	TEMECULA VALLEY POWDER COATING	10/10/2024	575.00
95495	00724	UNDERGROUND SERVICE ALERT	10/10/2024	513.87
95496	91703	UNIVAR SOLUTIONS	10/10/2024	1,701.73
95497	91929	VESTIS SERVICES, LLC	10/10/2024	287.89
95498	04290	VILLAGE NEWS, INC.	10/10/2024	545.00
95499	91498	WEST COAST TRUCK & AUTO	10/10/2024	3,169.34
95500	00805	ACWA/JOINT POWERS INS.	10/10/2024	18,502.00
95501	91286	AMAZON CAPITAL SERVICES, INC.	10/10/2024	778.72
95502	04995	AMERICAN MESSAGING	10/10/2024	243.59
95503	02805	ASBURY ENVIRONMENTAL SERVICES	10/10/2024	369.90
95504	91821	ATP GENERAL ENGINEERING	10/10/2024	1,141.55
95505	91486	CONNECTA SATELLITE SOLUTIONS L	10/10/2024	78.28
95506	05192	DIAMOND ENVIRONMENTAL SERVIC	10/10/2024	975.34
95507	04122	EVOQUA WATER TECHNOLOGIES LLC	10/10/2024	8,711.59
95508	06303	EXECUTIVE LANDSCAPE INC.	10/10/2024	1,260.00
95509	01099	FALLBROOK IRRIGATION INC	10/10/2024	1,855.06
95510	UB*00574	STEPHEN HEINSOHN	10/10/2024	79.52
95511	UB*00571	EDGAR HERNANDEZ	10/10/2024	4.45
95512	06329	HILL BROTHERS CHEMICAL COMPAN	10/10/2024	1,475.47
95513	06561	HOWELLS GOVERNMENT RELATIONS	10/10/2024	7,500.00
95514	06380	JANI-KING OF CALIFORNIA, INC - SA	10/10/2024	3,440.56
95515	00190	JCI JONES CHEMICALS INC.	10/10/2024	10,109.40
95516	04926	KONICA MINOLTA PREMIER FINANCE	10/10/2024	2,082.37
95517	UB*00572	JUANITA LABROUSSE	10/10/2024	1.15
95518	02618	MC MASTER-CARR	10/10/2024	1,398.89
95519	UB*00576	RYAN MENKE	10/10/2024	2.81

Check No	Vendor No	Vendor Name	Check Date	Check Amount
95520	91730	MHS LOMACK HEATING AND AIR COI	10/10/2024	591.25
95521	UB*00575	ROY MOOSA	10/10/2024	4.77
95522	01267	PACIFIC PIPELINE	10/10/2024	1,601.68
95523	04075	RAYNE WATER SYSTEMS	10/10/2024	195.00
95524	91779	RINGCENTRAL, INC.	10/10/2024	1,100.11
95525	UB*00573	PAMELA & ROBERT SANTORO	10/10/2024	2.17
95526	04434	SNAP ON TOOLS	10/10/2024	874.34
95527	91636	SOLV - BUSINESS SOLUTIONS, CONNI	10/10/2024	261.00
95528	91860	SPECTRUM ENTERPRISE	10/10/2024	4,448.59
95529	UB*00570	KEVIN STEPHENS	10/10/2024	232.25
95530	00159	SUPERIOR READY MIX	10/10/2024	4,192.56
95531	91082	TELETRAC, INC	10/10/2024	1,957.37
95532	91703	UNIVAR SOLUTIONS	10/10/2024	7,567.17
95533	91929	VESTIS SERVICES, LLC	10/10/2024	566.55
95534	01847	WATEREUSE ASSOCIATION	10/10/2024	1,709.26
95535	00233	WAXIE SANITARY SUPPLY	10/10/2024	1,468.29
95536	06231	WESTERN WATER WORKS SUPPLY CC	10/10/2024	5,020.30
95537	91700	STEPHEN WUERTH	10/10/2024	756.91
95538	91214	YOUNGREN CONSTRUCTION, INC.	10/10/2024	1,010.69
Total for 10/10/2024:				854,493.55
ACH	00152	FPUD EMPL ASSOCIATION	10/17/2024	741.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	10/17/2024	23,582.83
ACH	06758	UNITED STATES TREASURY	10/17/2024	73,136.85
ACH	06759	STATE OF CA - PR TAXES	10/17/2024	12,106.34
ACH	06760	STATE OF CA - SDI	10/17/2024	3,330.21
ACH	06763	PERS - PAYROLL	10/17/2024	52,179.73
Total for 10/17/2024:				165,077.46
95540	91882	EASTERN MUNICIPAL WATER DISTRIK	10/21/2024	335,656.90
Total for 10/21/2024:				335,656.90
ACH	91223	STERLING ADMINISTRATION	10/24/2024	125.00
95541	91608	AT&T MOBILITY LLC	10/24/2024	2,749.95
95542	06578	AZTEC TECHNOLOGY CORPORATION	10/24/2024	6,120.20
95543	05953	CORODATA RECORDS MANAGEMEN1	10/24/2024	747.62
95544	06675	CORODATA SHREDDING, INC	10/24/2024	67.32
95545	91611	FALLBROOK ACE HARDWARE	10/24/2024	35.82
95546	01099	FALLBROOK IRRIGATION INC	10/24/2024	23.95
95547	01155	FALLBROOK WASTE/RECYCLING	10/24/2024	80.00
95548	91965	GCI CONSTRUCTION INC.	10/24/2024	11,328.75
95549	06577	INFOSEND INC	10/24/2024	80.18
95550	91967	NEW PIG CORPORATION	10/24/2024	677.84
95551	91077	RED WING BUSINESS ADVANTAGE AC	10/24/2024	1,323.24
95552	91385	VERONICA TAMZIL	10/24/2024	120.00
95553	91282	WREGIS	10/24/2024	6.05
95554	00101	ACWA JPIA	10/24/2024	136,409.50
95555	06323	ADVANCED COMMUNICATION SYSTE	10/24/2024	490.00
95556	91256	AFP	10/24/2024	1,181.24
95557	91286	AMAZON CAPITAL SERVICES, INC.	10/24/2024	852.01
95558	91278	ANDRITZ SEPARATION INC.	10/24/2024	8,502.91
95559	91724	ASPHALT & CONCRETE ENTERPRISES	10/24/2024	59,000.00
95560	01813	ASSOCIATION OF CALIFORNIA WATEI	10/24/2024	26,490.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
95561	91708	B2B SECURITY	10/24/2024	3,000.00
95562	91487	BADGER METER, INC.	10/24/2024	6,049.47
95563	91970	JUAN BASAVE	10/24/2024	88.24
95564	90957	BIG TEX TRAILER WORLD, INC	10/24/2024	8,688.44
95565	91840	BLUE - WHITE INDUSTRIES	10/24/2024	249.07
95566	06374	BOOT BARN INC.	10/24/2024	166.38
95567	04741	CALIFORNIA SPECIAL DISTRICT ASSC	10/24/2024	9,785.00
95568	03134	CALIFORNIA WATER ENVIRONMENT	10/24/2024	239.00
95569	91827	JUSTIN CAMERON	10/24/2024	612.93
95570	03978	CAMERON WELDING SUPPLY	10/24/2024	1,856.89
95571	04408	DEVIN CASTEEL	10/24/2024	505.00
95572	91595	CLIFTONLARSONALLEN LLP	10/24/2024	22,100.00
95573	91950	CMS COMMUNICATIONS, INC.	10/24/2024	197.04
95574	91272	KEVIN COLLINS	10/24/2024	60.00
95575	91917	COZAD & FOX, INC.	10/24/2024	4,539.15
95576	01099	FALLBROOK IRRIGATION INC	10/24/2024	376.18
95577	00169	FALLBROOK OIL COMPANY	10/24/2024	3,465.53
95578	02411	FALLBROOK PRINTING CORP	10/24/2024	289.88
95579	91833	FAMILY SUPPORT REGISTRY	10/24/2024	100.15
95580	01432	FERGUSON WATERWORKS #1083	10/24/2024	4,283.36
95581	91200	FIRST BANKCARD	10/24/2024	2,110.83
95582	91202	FIRST BANKCARD	10/24/2024	388.99
95583	91225	FIRST BANKCARD	10/24/2024	1,193.72
95584	91313	FIRST BANKCARD	10/24/2024	19.99
95585	91323	FIRST BANKCARD	10/24/2024	845.73
95586	91540	FIRST BANKCARD	10/24/2024	4,716.53
95587	91678	FIRST BANKCARD	10/24/2024	3,231.33
95588	91744	FIRST BANKCARD	10/24/2024	1,344.04
95589	91895	FIRST BANKCARD	10/24/2024	315.02
95590	91971	FIRST BANKCARD	10/24/2024	775.00
95591	05560	FRANCHISE TAX BOARD	10/24/2024	50.00
95592	02170	GRAINGER, INC.	10/24/2024	48.50
95593	02767	GRANGETTO FARM & GARDEN SUPPI	10/24/2024	15.17
95594	05380	HACH CO	10/24/2024	1,939.89
95595	91963	HPS WEST, INC.	10/24/2024	4,631.76
95596	91083	NIKOLAY ILIEV	10/24/2024	399.00
95597	06577	INFOSEND INC	10/24/2024	3,195.66
95598	91897	KAY CONSTRUCTION COMPANY, INC	10/24/2024	47,158.58
95599	06479	KNOCKOUT PEST CONTROL & TERMI	10/24/2024	100.00
95600	91130	LINCOLN NATIONAL LIFE INSURANC	10/24/2024	4,906.97
95601	90887	LLOYD PEST CONTROL	10/24/2024	163.00
95602	91751	MANAGED MOBILE INC	10/24/2024	1,747.20
95603	91966	MUNICIPAL INFORMATION SYSTEMS	10/24/2024	130.00
95604	91718	MYRON L COMPANY	10/24/2024	83.07
95605	91972	JAMES OLLERTON	10/24/2024	60.00
95606	01267	PACIFIC PIPELINE	10/24/2024	43,755.10
95607	91535	PAYMENTUS CORPORATION	10/24/2024	5,158.35
95608	91865	PIPELINE PRODUCTS, INC.	10/24/2024	560.19
95609	91839	RENEWABLE ENERGY & DRIVES US, I	10/24/2024	10,600.00
95610	00236	SCRAPPYS	10/24/2024	4,096.01
95611	00191	SDTTC	10/24/2024	180.76
95612	91723	SPECIALTY MOWING SERVICES, INC	10/24/2024	28,191.13
95613	05415	STATE WATER RESOURCE CONTROL I	10/24/2024	53.00
95614	02927	TIM STERGER	10/24/2024	60.00
95615	00159	SUPERIOR READY MIX	10/24/2024	1,173.69
95616	05971	UNISORB CORPORATION	10/24/2024	7,572.14
95617	91703	UNIVAR SOLUTIONS	10/24/2024	8,442.54

Check No	Vendor No	Vendor Name	Check Date	Check Amount
95618	91668	V & A CONSULTING ENGINEERS, INC.	10/24/2024	15,000.00
95619	91929	VESTIS SERVICES, LLC	10/24/2024	734.30
95620	91871	WALTERS WHOLESALE ELECTRIC CO	10/24/2024	543.95
95621	00233	WAXIE SANITARY SUPPLY	10/24/2024	66.83
95622	02773	WHITE CAP L.P	10/24/2024	1,924.42
95623	03358	US BANK TRUST NA	10/24/2024	262,782.50
Total for 10/24/2024:				793,528.18
ACH	00152	FPUD EMPL ASSOCIATION	10/31/2024	741.50
ACH	00718	NATIONWIDE RETIREMENT SOLUTIO	10/31/2024	23,582.83
ACH	06758	UNITED STATES TREASURY	10/31/2024	75,272.16
ACH	06759	STATE OF CA - PR TAXES	10/31/2024	12,791.72
ACH	06760	STATE OF CA - SDI	10/31/2024	3,401.93
ACH	06763	PERS - PAYROLL	10/31/2024	51,581.81
ACH	06758	UNITED STATES TREASURY	10/31/2024	25.10
ACH	06760	STATE OF CA - SDI	10/31/2024	1.80
Total for 10/31/2024:				167,398.85
Report Total (219 checks):				2,478,387.00

A handwritten signature in black ink, appearing to read "Jack Bebee", is written over a solid horizontal line.

Jack Bebee

General Manager

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Charley Wolk

Name & Location of Function: COWU lunch Butcher shop

Date(s) of Attendance: 10/15/24

Purpose of Function: Information

Sponsoring Organization: COWU

Summary of Conference or Meeting:

The main presentation was on the City of S.D. Pure Water project. I was impressed with the size and cost of the project. I was surprised that other Districts are questioning what will happen to the price of water when they roll off

Director Signature: [Signature]

Date: 10/23/24

The Administrative Code requires reports of conferences or meetings for which a director requests per diem or expense reimbursement. Reports must be submitted to the secretary no later than one (1) week prior to the board meeting.

Reports must be submitted before the District will pay per diem or reimbursement for the conference or meeting. Reports are not required for board or committee meetings or meetings with board or committee officers, the general manager, or the general counsel.