FALLBROOK PUBLIC UTILITY DISTRICT

ADMINISTRATIVE CODE
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FALLBROOK PUBLIC UTILITY DISTRICT

ADMINISTRATIVE CODE

Article 1. General Provisions

Sec. 1.1 Purpose.

The purpose of this Administrative Code is to provide the members of the Board and the District Staff with a reference document which contains policies of the Board of Directors, the duties and functions of the Board, the organizational structure, duties and powers of the administrative staff, and the procedures by which the work of the District is carried on.

Sec. 1.2 Adoption.

This code was adopted on January 25, 1993, by Ordinance No. 259, and is on file in the office of the Secretary of the District. This Code incorporates all ordinances in effect at the time this Code was adopted. Any administrative ordinances, as listed herein, in conflict with the provisions of this Code are repealed concurrently with its adoption.
(Ord. 73, 92, 122, 152, 171, 226, 244, 248, 250, 252, 253, 256, 257, 258)

Sec. 1.3 Changes.

It is anticipated that from time to time changes or additions will be required in this Code to cover changes in procedure or new activities of the District. Such changes or additions shall be accomplished only by the Board of Directors at a duly constituted meeting, through the adoption of a resolution or ordinance, in which one or more sections are superseded by revised sections or new sections are added. When so adopted, the revised or new sections shall be inserted in this code and those for which they are substituted will be removed. The changes or additions shall be effective from the date of adoption, or as indicated on the resolution or ordinance.

Article 2. Board of Directors, Guidelines for

Sec. 2.1 Powers - Delegation.

All powers, privileges and duties vested in or imposed upon the District by law and the Public Utility District Act of the State of California shall be exercised and performed by the Board of Directors, except as such Board shall delegate executive, administrative, and ministerial powers to officers and employees of the District.

Sec. 2.2 Officers of Board of Directors.

Directors are elected by the registered voters of the District for overlapping four-year terms. All Directors of the Fallbrook Public Utility District are elected by subdistrict. All prospective Directors must sign an oath as to age, place of residence, occupation, and whether or not he or she is a qualified elector residing within the territory of the District for which he or she is appointed or elected.

Sec. 2.2.1 Election of Officers.

The Officers of the Board of Directors shall consist of a President and a Vice-President chosen by the members. Reorganization (election of officers) will be placed on the agenda in December of each year.

Sec. 2.2.2 Duties of President.

The President shall preside over and conduct all meetings of the Board and hearings before the Board. In so doing, the President shall have the following powers and responsibilities:

A. To follow the prepared agenda unless the Board concurs in any change.

B. To determine all questions of order and parliamentary procedure, unless he or she chooses to submit any such question to the Board for decision.

C. To maintain order and to enforce reasonable rules of decorum.

D. To determine at meetings of the Board, other than public hearings, whether or not members of the public should be heard on particular issues or otherwise be permitted to address the Board.

E. To set reasonable limits upon the length of time and the number of occasions on which a person may speak at public hearings as well as other meetings of the Board.

F. To recognize Board members who may wish to be heard.

G. To restate, where necessary, and to put to a vote all questions properly before the Board, and to announce the result of each vote.

H. To terminate debate after there has been reasonable opportunity for full discussion of any issue and further debate would be needlessly repetitive or otherwise not useful, and where proper, to put the matter to a vote.

I. To rule out of order any comment by Board members, staff or members of the public not germane to the issue then before the Board.

J. To respond to inquiries by Board members relating to procedures, or to factual information, bearing upon the business before the Board.

K. To establish standing or ad hoc committees of the Board, and to appoint the members thereof.

L. To declare the meeting adjourned upon such vote by the Board, or when in his or her judgment any emergency or other cause requires adjournment.

M. To authenticate by his or her signature all acts, orders, and other proceedings of the Board.

Sec. 2.2.3 Duties of Vice President.

The Vice-President shall act if the President is absent or unable to act, and shall exercise all of the powers of the President on such occasion.

Sec. 2.3 Other Officers of the District.

The statutory officers are the General Manager, Assistant General Manager/Chief Financial Officer, and Secretary. The Board of Directors appoints the General Manager, who appoints Management Staff**.** Other officers may be appointed by the Board of Directors as needed.

Sec. 2.4 Employment of Professionals.

Sec. 2.4.1 General Counsel shall be appointed by the Board and shall be directly responsible to the Board. He or she shall provide legal advice and services as requested by the Board and shall assist the General Manager, Assistant General Manager/Chief Financial Officer, Secretary, and department heads on legal problems which may arise in the administration of their respective duties. The General Counsel's compensation is subject to an annual review and signed agreement with the Board of Directors.

Sec. 2.4.2 The Auditor shall be employed and selected in such manner as the Board directs and shall receive for his or her services such compensation as the Board

prescribes. The accounts of the District shall be examined at least once a year by a qualified Auditor, who shall report to the Directors the result of his or her examination.

Sec. 2.5 Time and Place of Board Meetings.

The regular meeting of the Board of Directors shall be held on the fourth Monday of each month at 4:00 p.m. in the Board room of the Fallbrook Public Utility District located at 990 East Mission Road, Fallbrook, California. The Board meeting day and time shall be changed from time to time as designated by the Board of Directors**.** If the regular meeting falls on a holiday, such regular meeting shall be held on the next business day, or such time as the Board may direct. The agenda shall be posted on the north wall of the entrance to the District and on the District's Internet Web site at least 72 hours in advance of the meeting.

Sec. 2.6 Special Meetings.

A special meeting may be called at any time by the President of the Board of Directors, or by a majority of the members of the Board of Directors, by delivering written notice to each member of the Board of Directors and to each local newspaper of general circulation and radio or television station requesting notice in writing and posting a notice on the District's Internet Web site. The notice shall be delivered personally or by other means and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the Board of Directors. The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

Sec. 2.7 Quorum.

A majority of the Board of Directors constitutes a quorum for the transaction of business.

Sec. 2.8 Actions.

The Board shall act only by Ordinance, Resolution, or motion and may act only on items on a pre-posted agenda. The ayes and noes shall be taken upon the passage of all ordinances, resolutions, or motions and entered upon the journal of the proceedings of the Board. No ordinance or resolution shall be passed or become effective without the affirmative votes of at least a majority of the Board. A roll call vote recorded pursuant to the Public Utility District Act in the minutes of the meeting shall be had if requested by any Director. When not requested, or ordered by the President, a roll call vote shall be dispensed with. "Emergency" items may be added to the agenda if it is determined that there is an emergency situation, or there is a need to take action on an item subsequent to the agenda being posted. A two-thirds vote of the Board is required to add emergency items to the agenda.

Sec. 2.9 Order of Procedure of Meetings.

Except as otherwise provided by law or ordinance, the business of the meetings of the Board of Directors and the order of procedure shall be as provided by Robert's Rules of Order, Revised. The President shall preside at all meetings of the Board, and in his or her absence, the Vice-President, and in the absence of both the President and the Vice-President, the presiding officer shall be selected by a majority vote of the members of the Board attending such a meeting. At the beginning of each meeting, the public shall be offered the opportunity to address the Board on any issue not on the agenda. Such matters shall not be acted upon without prior notice on future agendas. Any member of the audience who wishes to speak must fill out a speaker slip and present it to the Board Secretary prior to the meeting. Speakers may be limited to three (3) minutes, for both the public comment period and for any specific item on the agenda. After the initial three minutes are up, the Board may ask questions of the speaker.

Sec. 2.9.1 Guidelines for Conduct of Board Meetings.

In an effort to streamline and maintain control of the conduct at Board meetings, the following rules shall be implemented:

A. The General Manager is responsible for presenting the agenda and all necessary background material and staff reports to the Board of Directors for their consideration.

B. Any Board member can request that the General Manager place an item on the agenda for the next regular meeting.

C. Any member of the public may request that the General Manager place an item on the agenda for the next regular meeting. At the General Manager's discretion, the item may, or may not, be placed on the agenda. If the General Manager declines, he or she will inform the requestor that they may speak at the next regular Board meeting during the public comment period and at that time, they may request that the Board member, or the full Board, place the item on the agenda for discussion.

D. All background and necessary documents required to complete an agenda item must be submitted to the Board Secretary no later than 10 days prior to the Board meeting.

E. All staff reports, other than the General Manager, will be in written format. Staff will only make oral presentations at the request of the Board.

Sec. 2.10 Consent Calendar.

The Consent Calendar shall consist of items of a routine non-controversial nature for action by the Board of Directors and which require no discussion. 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 on the Consent Calendar. Such items shall be considered separately for action by the Board.

If an item is removed from the Consent Calendar, the following order of priority shall take place: (a) staff will first make its presentation and respond to questions from the Board of Directors; (b) the public may make comments and respond to questions from the Board of Directors; and (c) the Board will deliberate on the item.

Sec. 2.11 Minutes.

The minutes of the meetings of the Board of Directors shall be recorded and kept permanently by the Secretary in books maintained for that purpose entitled "Agendas, Minutes, and Reports". Unless otherwise expressly directed by the Board at the time of their adoption, the ordinances and resolutions adopted by the Board may be referred to in the minutes by number and title only, but the same shall be recorded in full in books kept for that purpose entitled "Ordinances" and "Resolutions" respectively.

Sec. 2.12 Directors' Compensation.

Directors of the Fallbrook Public Utility District shall receive per diem compensation of One Hundred Forty-Seven Dollars and Seventy-Four Cents ($147.74) for each meeting of the Board. Per diem compensation shall be reviewed each January at a Board meeting. If the Board determines to proceed with a change, a public hearing will be noticed to receive public comment prior to any action being taken. Changes in compensation shall require the approval of the Board at an open meeting held at least 60 days prior to the effective date of the ordinance making the change and cannot exceed five (5) percent per each calendar year following the operative date of the last adjustment. [Cal. Public Utilities Code § 16002; Cal. Water Code § 20200 et seq.] Said meetings shall include regular, special, and adjourned meetings of the Board, and standing committee meetings.

Compensation for attendance and reimbursement for expenses at other occasions, events, or meetings related to District business, other than those listed below, shall be determined by the Board of Directors, in advance, on a case-by-case basis. Should an occasion arise between Board meetings that would be appropriate for a Board member to attend, prior to the event, the President can authorize such attendance with notification of the rest of the Board at the next regular meeting. If the Board approves a Board Member for a Board or leadership position for another entity that helps advance the objectives of the District, the meetings required to fulfill this role do not require advanced approval. Director fees may be increased as provided by law. Meetings, which shall not require advance approval are:

A. Association of California Water Agencies (ACWA) Conference (semi-annual)

B. California Special District Association (CSDA)

    a. San Diego Chapter Dinner (quarterly)
    b. Water Utilities Committee (quarterly)
    c. Annual Conference

C. California Association of Sanitation Agencies (CASA) (semi-annual)

D. Training Courses in CA Local Agency Ethics (AB 1234) and/or Sexual Harassment for Supervisors (AB 1825)

E. Metropolitan Water District of Southern California (up to one per month)

F. Eastern Municipal Water District (up to one per month)

G. Meetings between the Board President and the General Manager (up to twice per month)

H. Up to one meeting per month for each Director with the General Manager to discuss District business

I. Toastmasters International (up to twice per month)

J. New Board Member Orientation and Training as prescribed by section 2.16.7 of the Administrative Code

Sec. 2.13 Board Packets.

Board packets are available for review at the District office on the Friday prior to a regular Board meeting after they have been made available to the Board of Directors. The general public may request and receive a copy of a full Board packet at no charge on the Friday preceding a regular Board meeting after 12:00 noon. Arrangements for review and pick-up shall be coordinated by the Secretary.

Sec. 2.14 Board Committees.

The Board currently has four (4) standing committees as follows:

A. Fiscal Policy & Insurance Committee – This committee shall work with the General Manager and other officers of the District to review the annual audit, the annual financial statement before publication, budget, water rate structures and fees, investments, insurance, and other financial records and operations of the District.

B. Personnel Committee – This committee is responsible for employer-employee relations, including negotiations with the FPUDEA and FMEA, all substantive changes

in personnel policies, and annual review and salary recommendations of the General Manager.

C. Engineering and Operations Committee — This committee is responsible to advise the Board concerning the planning, construction, operation, and maintenance of the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes. They shall also review the capital improvement programs of the District, environmental documents and programs, and the master plans of the District, while conferring with staff during the preparation thereof.

D. Regional and Community Coordination Committee – This committee is responsible for coordinating with Eastern Municipal Water District (EMWD) and its designated committee to facilitate collaboration with FPUD and Rainbow Municipal Water District (RMWD). It shall oversee activities related to the Community Benefit Program, shared services discussions with regional water districts, and support services for Camp Pendleton. This committee is responsible for fostering collaboration, enhancing regional partnerships, and ensuring effective shared initiatives.

Sec. 2.15 Ethics Policy.

The respected operations of democratic government emphasize that elected officials be independent, impartial and responsible to the people. It requires that they conduct themselves in a manner above reproach. It also imposes an obligation of personal integrity that will foster public respect, confidence, and trust.

This Ethics Policy provides the following general guidelines and specific prohibitions to which elected District officials must conform in pursuit of their assigned duties and responsibilities.

A. Disclosure of Closed Session Matters. No member of the District shall disclose to any person, other than members of the Board, General Manager, or other District staff designated by the General Manager to handle such matters of confidential District business, the content or substance of any information presented or discussed during a closed session meeting unless the District first authorizes such disclosure by the affirmative vote of three members.

B. Disclosure of Confidential Communications. Except when disclosure is mandated by State or Federal law, no member of the District Board shall disclose confidential or privileged communications to any person other than members of the Board, General Manager, or other District staff designated by the General Manager to handle such matters, unless the Board of Directors first authorizes such disclosure by the affirmative vote of three members of the Board of Directors.

C. Conduct During Negotiations/Litigation. The Board of Directors is authorized to provide direction to specifically identified negotiators in a legally constituted closed

session on matters involving pending litigation, real estate negotiations and labor negotiations. If the Board of Directors, in closed session, provides such direction to its negotiators, all contact with the negotiating party or party's representative shall be limited to and made by those individuals designated to handle the negotiations. During a pending labor contract or discussion, no member of the District Board shall have any contact or discussion with the negotiating party or the party's representative regarding the subject matter of the pending negotiation. In addition, during litigation or real estate negotiations, no member of the District Board (unless they have been designated as a negotiator) shall have any contact or discussion with litigating or negotiating party or the party's representative regarding the subject matter of the pending litigation or real estate negotiations.

Nothing in this section shall prohibit Board members from receiving written communications provided they are made available to all Board members and the General Manager on an equal basis.

D. Ex Parte Communications. The purpose of this provision is to guarantee that all interested parties to any matter before the Board have equal opportunity to express and represent their interests. Ex parte communications are those communications members of the Board have with representatives of only one side of a matter outside the presence of other interested parties. A communication concerning only the status of a pending matter shall not be regarded as an ex parte communication.
Any written or oral ex parte communication received by a member of the Board in matters where all interested parties are entitled to an equal opportunity for a hearing, shall be made a part of the record by the recipient.

E. Violations and Penalties. Any perceived violation of this Ethics Policy by a member of the Board shall be referred to the Board President or the full Board of Directors for investigation, and consideration of any appropriate action warranted.

A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy; (b) injunctive relief; (c) referral of the violation to the Attorney General, District Attorney, Fair Political Practices Commission (FPPC), and/or the Grand Jury; or the specific actions available to the Board enumerated in greater detail in Sections 2.16.3 and 2.16.4.

Sec. 2.16 Comprehensive Code of Conduct.

The following is the Board-approved Code of Conduct for District Board Meetings:

Sec. 2.16.1 Purposes and Goals of Code of Conduct.

Effective policy leadership requires the Board to foster effective communication throughout the organization. Effective communication is necessary to encourage the delivery of safe, high quality water and sewer services, as well as compliance with ethical and legal imperatives. Effective communication occurs best in an atmosphere of mutual respect, in which board members, staff, and members of the public feel valued and free to express themselves. Effective communication requires thorough preparation for meetings, adherence to approved procedures for the conduct of meetings, including compliance with time limits and courteous conduct during debate and discussion. Effective communication requires an atmosphere free from threats, intimidation, abusive behavior, violence, harassment, and other dangerous or disorderly conduct.

The Board believes that at a minimum, its members should behave, on a voluntary basis, as if they are fiduciaries who are expected to honor the same duties of loyalty and care expected of their peers who serve on the boards of public agencies. Board members should act professionally at all times.

This Code of Conduct is intended to describe: (1) minimum expectations for conduct at, and surrounding Board meetings; (2) how Board members are provided the resources needed for effective, informed governance; (3) rules for ensuring the fairness of proceedings; and to (4) prescribed consequences for misconduct which does not contribute to effective leadership of the FPUD, including declaring Board members ineligible for receipt of discretionary perquisites of office within the jurisdiction of the Board.

Sec. 2.16.2 Minimum Expectations for Conduct of Board Meetings.

A. Once the Board has a quorum, the meeting should immediately commence. Time periods announced by the President for recesses shall be strictly observed.

B. For each agenda item on which there is anticipated action, there should first be a motion and a second before any Board discussion is permitted, except that:

   1. Any Board member who must abstain from participation in a matter because of a legal conflict of interest shall ask the President for permission to announce the conflict; and

   2. Any Board member who has had any ex parte contacts with respect to an agenda item affecting the legal rights of a party appearing before the Board on a quasi-judicial matter shall ask the President for permission to describe the nature of those contacts so that the party may evaluate the potential partiality and appearance of fairness of the Board member's participation in decision-making regarding that matter. In case of doubt, a Board member shall err on the side of disclosure of the ex parte contacts.

C. If there is no motion on an action item, or if a motion is made and there is no second, the President should move to the next agenda item without further comment from the Board members.

D. For each agenda item that has received a motion and a second, the President should ask each member in turn as to whether that member wishes to speak on the item, starting with the maker of the motion.

E. Each member will be recognized by the President and shall be allotted up to three minutes to speak to the motion, once recognized. Time for questions and answers addressed by a member to staff or to other Board members is included in the three minutes, unless the President grants an exception. Members who anticipate that this time will be insufficient shall, whenever feasible: (1) submit written statements at any time; (2) submit written questions to the President and General Manager at least 48 hours in advance of a regular meeting (see B, 2 above); or (3) request additional time. Only the member who has been recognized may speak on the motion during that time. Time limits are to be managed by the Board President.

F. When the member's time allotment has concluded, the President should immediately recognize the next member in turn to determine if he or she wishes to speak. When recognized, the member should start speaking and the prior speaker shall promptly yield the floor.

G. Once the President has offered each member the opportunity to be heard, the President may offer a second round of comments. The President should again offer each member a three-minute opportunity to speak.

H. Unless recognized by the President, Board members shall not address members of the public who come forward to speak, and should not enter into a dialogue or debate.

I. Agenda materials are intended to provide answers to as many questions as possible regarding agenda items, prior to the Board meetings. Board members are expected to review the agenda materials thoroughly, prior to the Board meetings, and to timely request additional information or clarification in advance whenever feasible—generally at least 48 hours prior to any regular meeting. (See B, 2 above.) Questions from Board members at the meetings should be for the purposes of seeking clarification and/or additional information regarding particular agenda items and/or agenda materials.

J. Board members should be courteous and respectful of all meeting participants, including the President. Board members shall comply with the legitimate orders of the President regarding the orderly conduct of the business before the Board.

K. Conduct while attending Board meetings and other meetings and events related to the Board and Board committees, and while engaged in other Board-related business, which is unsafe, disruptive or which constitutes threats, intimidation, abusive behavior, violence, harassment, and other dangerous or disorderly conduct, willful disturbance of the meeting or which otherwise violates Cal Penal Code § 403, as shown in Appendix A, is prohibited.

L. Board Members should attend every Board Meeting and remain for the entirety of each meeting. The Board President shall make an oral announcement of any departure from the meeting and the reason, if available.

Sec. 2.16.3 Breaches of Order at Meetings; Sanctions.

The Board has a responsibility to govern itself. The Board has a right to make and enforce rules to ensure the conduct of the public's business in an efficient and orderly manner, and without disruption by members of the public or members of the Board, up to and including ejection. At the same time, the public and Board members shall be free to criticize the policies, procedures, programs and services of the organization, and the acts and omissions of the Board.

Notwithstanding any other policy of the Board, violations of this policy during a Board meeting may be enforced, as follows:

A. The President shall call to order, by name, any person who is in violation of any of the rules of conduct established under this policy, which is committed in the immediate view and presence of the Board. The President shall request that person refrain from any further violation, warn that a repetition may violate Cal Penal Code § 403 and result in removal from the meeting, and may specifically state that any further violation may constitute contempt of the Board.

B. If the person repeats the violation or proceeds to violate any other provision of this policy in the immediate view and presence of the Board (such as by refusing to yield the floor or otherwise disrupting proceedings), the President may call a recess of the meeting, stating that the reason for the delay is due to the misconduct of the Board member or other person. If following such recess, the Board member or other person persists in willfully interrupting the meeting such that order cannot be restored, the President, with the concurrence of the Board, shall order the disruptive Board member or other person removed from the meeting room by District or security personnel, or, as to Board members, may request a motion under paragraph C. If removal of a Board member is ordered, the Board member shall be entitled to adjourn to attend the balance of the meeting by telephone at the meeting location or other location consistent with the Brown Act, notwithstanding the provisions of any other Board policy.

C. In the alternative, if a Board member repeats the violation or proceeds to violate any other provision of this policy in the immediate view and presence of the Board, or, following a return from recess of the meeting if called, the President may call for a motion holding the Board member in contempt. Such a motion shall take precedence over any other motion, and shall describe the action or actions constituting the violation of this policy. If such a motion is made and seconded, each Board member shall have an opportunity to discuss the motion in accordance with this policy. If the motion is passed, the Board member shall be advised by the President that he or she has been held in contempt. A second motion may then be made to prescribe the sanction or

sanctions to be imposed, which may include, but shall not be limited to, one or more of the following:

1. A statement of censure, identifying the misconduct;

2. Removal of the offending Board member from membership on one or more Board committees, or, if chair of any committee, removal from that position, for a specified period, or if no period is specified, until the annual election of Board officers;

3. Removal of the offending Board member from holding any Board office currently held;

4. Removal of the offending Board member from the meeting room and offering the member the right to adjourn to attend the balance of the meeting by telephone at the meeting location or another location consistent with the Brown Act; provided that the offending Board member may also be required to attend one or more future meetings by teleconference;

5. A determination that no compensation shall be earned by the offending Board member for attendance at the meeting at which the contempt occurred;

6. A determination that the offending Board member shall not be provided any defense or indemnity in any civil actions or proceedings arising out of or related to the member's misconduct or the agenda items whose consideration was willfully disrupted or prejudicially delayed by the misconduct, based upon the Board member's actual malice;

7. Rendering the offending Board member ineligible to receive any advances or reimbursement of expenses to attend future conferences or meetings otherwise permitted;

8. Referral of the matter to the County Grand Jury pursuant to Cal Gov Code § 3060, as shown in Appendix B.

D. Following the outcome of a motion for sanctions, the President shall direct that the order of the Board be carried out by staff, the General Manager, and/or General Counsel, as appropriate.

E. In the event violations of this Policy occur in a closed session, the President may suspend the closed session and return to open session for the purpose of commencing the enforcement process contemplated by this section. All proceedings under this section 2.16.3 shall occur in open session.

Sec. 2.16.4 Violations of Board Policies or Law Outside of Board Meetings.

A. When a violation of a Board policy by a member of the Board is alleged to have occurred outside of a Board meeting, the President or any member of the Board may request that an item be placed on the agenda to consider what sanctions may be appropriate, if any. In such instances, evidence of the misconduct shall be presented by the requesting member. The Board member accused of misconduct shall have an opportunity to present evidence and respond to the allegations made. Formal rules of evidence shall not apply.

B. After consideration of the evidence presented, the Board may take such actions as it may deem appropriate, including but not limited to those described in section C of this policy, other than section 2.16.3, paragraph C, 5.

Sec. 2.16.5 Sanctions.

A. Discipline imposed on directors herein shall continue for successive election cycles; i.e., re-election of a director who has been disciplined shall have no effect on discipline imposed in a prior term of office.

B. A director may apply for relief from discipline upon submitting proof of compliance with the requirements of the discipline notice, if appropriate. For example, if discipline was imposed for failure to attend director orientation with the general manager, the director would submit proof of attendance.

Sec. 2.16.6 Authority of Administration to Provide for Security.

A. The District Administration is authorized and directed to develop and implement policies and procedures, engage employees or contractors to provide security, consistent with applicable law, to promote a secure and orderly environment for Directors, employees, staff, and members of the public. These policies and procedures will include a process for notifying the District Administration in the event that any person feels that he or she has been subjected to conduct which violates this Policy.

B. The District Administration is authorized and directed to take lawful and appropriate action and to pursue lawful and appropriate remedies against any person found to have violated this Policy.

Sec. 2.16.7 Board Orientation and Training.

A. Every Board member shall participate in an orientation and training to be offered by the District within 60 days of election or assuming office as a condition to receiving compensation or allowance of expenses. The District encourages all directors, including re-elected directors, to attend on-going educational training.

B. The required orientation and training shall be offered at times and places convenient to the Board member.

C. The orientation and training for new Board members shall include:

1. Attendance at the California Special District Association (CSDA) Special District Leadership Academy Conference or a half-day orientation by a third party trainer specialized in local governance. The training will include the following:

   a. Roles and responsibilities of Board members.
   b. The role of staff and the General Manager.

   c. Attributes and characteristics of highly effective Boards

   d. The Boards role in setting direction for the District and in establishing financial accountability and transparency.

2. A copy of the Board Governing Documents, which shall be reviewed and acknowledged by the Director. The Board Governing Documents includes the following:

   a. District Background and Strategic Plan

   b. CSDA Special District Board Member Handbook

   c. Copy of this section of the Administrative Code

   d. Ralph M. Brown Act

   e. Copy of the Public Utility District Act

3. Briefings delivered by members of the management team regarding:

   a. District financial management and budgeting practices.

   b. Review of the District Capital Improvement Program and a tour of the facilities owned or operated by the District.

   c. The roles and responsibilities of each department.

4. A briefing with the District General Counsel regarding:

   a. Compliance laws and regulations, including conflict of interest rules under State and Federal law.

   b. Legal responsibilities of Board members.

D. This orientation and training shall supplement the training required by law under AB 1234.

E. It is also recommended that new Board members complete additional training during their first term, which would include:

1. Additional CSDA training, including additional Special District Leadership Academy Training and courses on financial oversight and governance

2. Tours provided by MWD of the State Water Project and Colorado River Aqueduct systems

Sec. 2.17 Directors Expenses Incurred on District Business.

Members of the Board of Directors attend regular, adjourned, or special meetings of the Board. In addition, they attend other District meetings, committee meetings, association meetings, and/or community functions or education seminars on behalf of the District. State statutes authorize District payments for meetings, reimbursement of expenses, and the provision of health and welfare benefits for active Directors. The District will compensate Directors a per diem for attendance at authorized meetings or functions and will reimburse Directors for reasonable expenses incurred while traveling on District business to include lodging, dining, transportation, and related incidentals.

2.17.1 Directors and Meetings.

As provided in Article 2, Section 2.12 of the District's Administrative Code, each Director shall receive per diem compensation for each day of attendance at meetings of the Board or for each day of service rendered as a Director by request or authorization of the full Board, not to exceed a total of ten (10) days in any calendar month. Attendance at meetings or functions shall be approved in advance by the Board of Directors of the District in order to be eligible for compensation and/or reimbursement. Director's claims for per diem amounts shall be made on a Director Per Diem/Meeting Form.

The District may pay compensation to District Board members for attendance at the following occurrences:

1. A meeting of the Board of Directors.

2. A conference or organized educational activity.

3. Any meeting related to District business with prior approval pursuant to Section 2.12.

4. Standing committee meetings and ad hoc committee meetings. These meetings, where practical, should be scheduled to correlate with other meetings at the District on the same day.

When travel arrangements require a day earlier arrival or a day later departure, Directors will not be eligible for the compensation; however, reasonable expenses associated with the extended stay will be reimbursed as specified below.

2.17.2 Prepayment of Otherwise Reimbursable Expenses.

A Director may request prepayment of registration, transportation, and lodging. Prepayments shall be limited to the Director's expenses only. No advances shall be made on travel expenses.

2.17.3 Reimbursement of Expenses.

Each Director shall be reimbursed for travel expenses to and from meetings or for any other authorized District business as follows:

1. Authorization. Travel associated with the attendance of meetings or functions for Directors shall be approved in advance by the Board of Directors at a regular meeting with the item agendized under "Advance Approval to Attend Meetings."

2. Transportation.

   a. Air Transportation. The District will endeavor to purchase airline tickets in advance taking advantage of discounts and low airfares.

   b. Automobile Transportation. Directors may use their personal vehicle. The District will reimburse Directors at the current rate/mileage as established by the Internal Revenue Service (IRS), plus tolls, parking, etc. provided, however, if air transportation is available, the total amount of expenses paid shall be limited to the cost of coach air travel between points traveled by personal vehicle. Gasoline, collision and liability insurance, and maintenance will be provided by the Director and is deemed covered in the rate/mileage reimbursement.

      Directors using personal vehicles on District business must maintain a valid California driver's license and automobile insurance coverage required by the State of California or make arrangements for a driver who meets the above requirements. The Secretary will verify that Directors have valid driver's licenses. Directors will also be required to maintain automobile insurance coverage. Proof of such insurance shall be submitted to the Secretary upon renewal of the Director's individual automotive insurance policy. A current policy must be on file for a Director to be eligible for mileage reimbursement.

      The District will provide a rental car when needed. Such rental car shall be a compact unless upgrades are offered at no additional cost to the District.

c. Miscellaneous Transportation. Whenever practicable bus, taxi, rail, shuttle, etc., transportation may be used in lieu of, or in conjunction with, transportation modes above.

2.17.4 Meals and Lodging.

Whenever travel requires meals, the meals shall be reimbursable provided the Director presents an itemized receipt along with the "Board Expense Reimbursement Form" for all meals. Reimbursements for expense items where a receipt has been lost will not be paid until the Board President has reviewed and approved the expense item. Meals are reimbursable based on the Meals and Incidental Expenses (M&IE) as updated by the U.S. General Services Administration:

1. Full Day Reimbursement. When a Director is traveling for a full day and no meals are provided for by other sources, such as pre-paid registration, the Director may be reimbursed for meal expenses at the rate provided by the M&IE per day**.** If the Director exceeds the rate provided by the M&IE and the Board President deems the meal expense, in whole or in part, is reasonable for the occasion or circumstance, the Board President may authorize reimbursement in excess of the M&IE rate.

2. Single Meal Reimbursement. When a Director requires reimbursement for a single meal while traveling, the maximum meal reimbursement amount shall be at a rate provided by the M&IE for breakfast, lunch, and/or dinner. If the Director exceeds the rate provided by the M&IE and the Board President deems the meal expense, in whole or in part, is reasonable for the occasion or circumstance, the Board President may authorize reimbursement in excess of the M&IE rate.

3. Partial Day Reimbursement. When a director will be traveling for a partial day or where a single meal is provided for by other sources, such as pre-paid registration, the maximum reimbursement amount shall at the rate provided by the M&IE per meal. If the Director exceeds the rate provided by the M&IE and the Board President deems the meal expense, in whole or in part, is reasonable for the occasion or circumstance, the Board President may authorize reimbursement in excess of the M&IE rate.

4. Taxes and Gratuities. The maximum meal reimbursement amounts are inclusive of, and assume expenses for, taxes and gratuities of up to 15%.

5. Lodging. The District will reimburse Directors or pre-pay accommodations in single rooms at conference facilities at the group rates, if available, or in close proximity when applicable. Or, in the absence of conference accommodations, normal single-room business, government, or commercial class accommodations may be obtained. Under normal circumstances, lodging will not be reimbursed for the night before a conference starts and the night after it ends. However, in situations where available travel

schedules would require the Director to leave home before 6:00 a.m. or return to home after 12:00 a.m., lodging for the night before or the night after will be reimbursable.

2.17.5 Entertainment.

The District will not cover expenses incurred for recreation or entertainment.

2.17.6 Incidental Expenses.

Unavoidable, necessary, and reasonable authorized expenses will be fully reimbursed by the District. Some examples of allowable expenses are:

1. Reasonable transportation to local restaurants and to operational functions that are a part of conference events.

2. Reasonable gratuities, up to 15%, on reimbursable expenses.

3. Parking fees related to conference functions.

4. Fees for in-room high speed internet access for each day while registered at the hotel.

5. The following expenses are not reimbursable:

    a. Alcoholic beverages

    b. Parking or traffic violations

    c. In-room services or movies

    d. Laundry services

    e. Expenses incurred by spouses, family members or guests.

2.17.7 Director's Responsibility.

Directors must submit a detailed "Board Expense Reimbursement Form" for reimbursement. Expense Reports must document that expenses meet the existing District policy. Claim forms should be supported by vouchers and itemized receipts of expenditures for which reimbursement is being requested. Receipts must be attached for all meal expenses and for any expense over ten dollars ($10). Receipts are not required for non-meal individual expenses of ten dollars ($10) or less. However, an explanation of the expenditure, the amount paid and the vendor's name is required. If a

receipt required for reimbursement is lost, the lost receipt must be noted on the "Board Expense Reimbursement Form," presented to the Board President, and approved for reimbursement before any payment can be made. Claim forms should be submitted within 30 calendar days after the expense was incurred. Expense claims requiring reimbursement to the District, which are not reconciled within 30 calendar days, shall be deducted from the next month's reimbursement.
Expenses will not be reimbursed for meetings that have been pre-paid and not attended. Directors shall submit, in writing, for action at the next Board meeting the reason why they were not able to attend the meeting and why they should be excused. Directors will be required to reimburse the District for any pre-paid expenses for any unexcused absence. This reimbursement will be made by deduction from future expenditures.

When two or more Directors combine an expense on one receipt, the Director requesting reimbursement should indicate, on or attached to the Directors' "Board Expense Reimbursement Form," the identity of the other person(s) sharing expenses. This will facilitate appropriate allocation of expenses to each participant.

Expenses incurred by spouses, family members, or guests are the responsibility of the Director.

2.17.8 Reports.

Directors shall provide brief reports on meetings attended at the expense of Fallbrook Public Utility District at the next regular meeting of the District.

2.17.9 Penalties.

Penalties for misuse of District resources or falsifying expense reports in violation of expense reporting policies may include, but are not limited to, the following:

1. The loss of reimbursement privileges.

2. Restitution to the District.

3. Civil penalties for misuse of District resources pursuant to Govt. Code Sec. 8314.

4. Prosecution for misuse of District resources, pursuant to Sec. 424 of the Penal Code.

2.17.10 Ethics Training.

1. "District official" means the following:

   a. Any Director who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties.

b. Any employee designated by the District to receive the training specified under this article.

2. "Ethics Laws" include, but are not limited to, the following:
   a. Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.

   b. Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.

   c. Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.

   d. Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

      (1) If a District official provides any type of compensation, salary, or stipend to a member of a legislative body, or provides reimbursement for actual and necessary expenses incurred by a member of a legislative body in the performance of official duties, then all District officials shall receive training in ethics pursuant to this article.

      (2) Each District official shall receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service <u>every two years</u>.

      (3) If any entity develops curricula to satisfy the requirements of this section, then the Fair Political Practices Commission and the Attorney General shall be consulted regarding the sufficiency and accuracy of any proposed course content. When reviewing any proposed course content, the Fair Political Practices Commission and the Attorney General shall not preclude an entity from also including local ethics policies in the curricula.

      (4) The District or an association of the District may offer one or more training courses, or sets of self-study materials with tests, to meet the requirements of this section. These courses may be taken at home, in-person, or online.

      (5) All providers of training courses to meet the requirements of this article shall provide participants with proof of participation.

(6) The District shall provide information on training available to meet the requirements of this article to its local officials at least once annually.

(a) Each District official in District service as of January 1, 2006, except for District Directors whose terms of office ends before January 1, 2007, shall receive the training required herein before January 1, 2007. Thereafter, each District official shall receive the training required herein at least once every two years.

(b) Each District official who commences service with the District on or after January 1, 2006, shall receive the training required herein no later than one year from the first day of service with the District. Thereafter, each District official shall receive the training required herein at least once every two years.

(c) A District official who serves more than one local agency shall satisfy the requirements of this article once every two years without regard to the number of local agencies with which he or she serves.

(d) The District shall maintain records indicating both of the following:

i. The dates that the District official satisfied the requirements of this article.

ii. The entity that provided the training.

(e) Notwithstanding any other provision of law, the District shall maintain these records for at least five years after District officials receive the training. These records are public records subject to disclosure under the California Public Records Act.

Sec. 2.18 Gifts and Disclosure.

The California Political Reform Act of 1974 requires specified local government officials to periodically submit reports concerning sources of income or gifts as specified and has been amended to prohibit local elected office holders and designated employees of government agencies from accepting any honorarium as defined, as well as gifts in excess of $500.00 with certain exceptions.

The Political Reform Act requires an annual disclosure of any reimbursement paid by the District within the immediately preceding fiscal year of at least $100.00 for individual charges paid to any employee or member of the governing body of the District.

2.18.1 Annual Disclosure of Reimbursements.

The Fallbrook Public Utility District shall cause, at least annually, the disclosure of any reimbursement paid by the District within the immediately preceding fiscal year of at least one hundred dollars ($100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the Board of Directors of the Fallbrook Public Utility District. The Assistant General Manager/Chief Financial Officer shall implement procedures to track such disbursements and publish or print same at least annually by a date determined by the District and shall be made available for public inspection. All reimbursement requests received after January 1, 1995, which are $100 or more shall be listed. Payments for benefits such as insurance, retirement, and car allowances shall not be reported.

2.18.2 Prohibition Against Acceptance of Honorarium.

No elected officeholder, elected or appointed member of the Board of Directors, or "designated employee" (as defined in the Conflict of Interest Code) of the Fallbrook Public Utility District shall accept any honorarium. An "honorarium" means any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering. Honorarium does not include earned income for personal services which are customarily provided in connection with the practice of a bona fide business, trade, or profession such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting unless the sole or predominant activity of the business, trade, or profession is making speeches. This prohibition does not extend to reasonable travel, admission, and the refreshments provided at an event where a Board member or designated employee gives a speech or otherwise actively participates.

2.18.3 Permissible Gifts May Not Exceed $500.00.

No elected officeholder, elected or appointed member of the Board of Directors, or designated employee of the Fallbrook Public Utility District shall accept any gifts, from any single source, which is in excess of five hundred dollars ($500), in any calendar year, except reimbursement for actual travel expenses and reasonable subsistence in connection therewith. The Fair Political Practices Commission may further adjust this amount annually. Prohibited gifts include anything of value that is accepted, regardless of whether it is used. Excessive gifts should be returned within 30 days to avoid violating the law. The limitation on receipt of gifts does not exempt wedding, birthday, or other holiday gifts. The following are not "gifts" under this section: gifts from relatives, informational material (i.e., reports, pamphlets, calendars to keep officials informed), inheritances, and personalized plaques and trophies with an individualized value of less than $500. Other gifts that are not used and are donated to charity within 30 days of receipt are not included.

2.18.4 Penalties for Violations.

The penalties for violating the restrictions on honoraria and gifts under the Political Reform Act constitute a criminal misdemeanor and may be punished by a fine of up to the greater of $10,000 or three times the amount the violation received.

ARTICLE 2

Sec. 2.12 – Rev. 95
Sec. 2.5 - Rev. 2/97
Sec. 2.11 – Rev. 9/98
Sec. 2.13 – Rev. 12/98
Secs. 2.2, 2.9, 2.10, 2.14 – Rev. 2/04
Sec. 2.3 – Rev. 6/06
Sec. 2.14 – Board Committees added – Rev. 8/08
Secs. 2.3, 2.4.1, 2.6, 2.12, 2.13 – Rev. 12/09
Sec. 2.12 – Rev. 9/10
Sec. 2.12 – Rev. 8/12
Sec. 2.16 – Added 12/12
Sec. 2.15 – Rev. 1/13
Secs. 2.16.5, 2.16.6, 2.16.7 – Rev. 9/14
Sec. 2.2 - Rev. 2/27
Sec. 2.12 – Rev. 10/17
Secs. 2.2.2, 2.2.3, 2.3, 2.4.1, 2.5, 2.6, 2.10, 2.11, 2.12, 2.16.7, and add 2.17, 2.17.1, 2.17.2, 2.17.3, 2.17.4, 2.17.5, 2.17.6, 2.17.7, 2.17.8, 2.17.9, 2.17.10, 2.18, 2.18.1, 2.18.2, 2.18.3, 2.18.4 – Rev. 8/18
Sec. 2.12 – Rev. 10/18
Secs. 2.12, 2.14 – Rev. 1/19
Sec. 2.12 – Eff. 4/26/19 (Ord. 343)
Secs. 2.18, 2.18.3 – Rev. 10/19
Sec. 2.12 – Eff. 4/26/20 (Ord. 346)
Sec. 2.12 – Eff. 4/26/21 (Ord. 349)
Sec. 2.12 – Eff 4/29/22 (Ord. 351)
Sec. 2.12 – Eff 4/29/23 (Ord. 355)
Sec. 2.12 – Eff 4/29/24 (Ord. 357)
Sec 2.9.1, 2.12, 2.16.7 – Rev 3/24
Sec. 2.14 – Rev 2/25
Sec. 2.12 – Rev 4/25

APPENDIX A

CALIFORNIA CODES
PENAL CODE
SECTION **403**-420.1

403. Every person who, without authority of law, willfully disturbs or breaks up any assembly or meeting that is not unlawful in its character, other than an assembly or meeting referred to in Section 302 of the **Penal Code** or Section 18340 of the Elections **Code**, is guilty of a misdemeanor.

APPENDIX B

CALIFORNIA CODES
GOVERNMENT CODE
SECTION **3060**-3075

3060. An accusation in writing against any officer of a district, county, or city, including any member of the governing board or personnel commission of a school district or any humane officer, for willful or corrupt misconduct in office, may be presented by the grand jury of the county for or in which the officer accused is elected or appointed. An accusation may not be presented without the concurrence of at least 12 grand jurors, or at least eight grand jurors in a county in which the required number of members of the grand jury is 11.

Article 3. Conflict of Interest Code

The Fallbrook Public Utility District ("District") has adopted a Conflict of Interest Code (the "Code") pursuant to the requirements of the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"). The Code sets forth the required provisions for the disclosure of assets and income, designates the positions subject to the disclosure provisions of the Code, establishes the list of disclosure categories specifying the types of assets and income required to be disclosed by each designated position to which they are assigned, and provides for the disqualification of designated positions from acting where a conflict of interest exists.

The requirements of the Code are in addition to other requirements of the Political Reform Act and to other state and local laws pertaining to conflicts of interest and have the force and effect of law. Designated positions violating any provision of the Code are subject to the administrative, criminal and civil sanctions provided by the Act. Additionally, a decision in relation to which a violation of the disqualification provisions of the Code or Government Code section 87100 has occurred may be set aside as void pursuant to Government Code section 91003.

All officers and designated positions are directed to refer to the Fallbrook Public Utility District's Conflict of Interest Code for these specific requirements. The Conflict of Interest Code is held in the office of the Secretary to the Board of Directors, as the Fallbrook Public Utility District's Filing Officer/Official.

ARTICLE 3
Rev. 9/94
8/95
2/97
7/97
8/04
8/06
7/10
7/14
10/16
2/17
8/18
4/19
7/19

Article 4. Personnel

4.1 General Manager

The General Manager shall be appointed by and serve at the pleasure of the Board. The General Manager's compensation including, salary, benefits and other terms and conditions of employment shall be determined by the Board and contained in an employment contract. Annually each member of the Board shall be requested to complete and return to the secretary of the Board an evaluation of the General Manager. The evaluation shall be in a format as approved by the Board.

The General Manager is responsible for efficient administration of all duties of the District, except those delegated to General Counsel or another officer appointed directly by the Board or reserved for the Board itself.

The General Manager shall employ such personnel as necessary to administer, operate and maintain the District. Each Manager shall have charge of his/her respective Department and be responsible to the General Manager.

Any changes to the number of positions employed by the District or increases in the compensation for a position shall be approved by the Board.

In the event of a temporary absence or disability of the General Manager, the Assistant General Manager shall perform the duties in his/her absence. If there is no Assistant General Manager, the General Manager may appoint a qualified manager to perform his/her duties in his absence. If an absence exceeds 6 months, the Board may appoint a new General Manager.

4.2 Memoranda of Understanding

The current Memoranda of Understanding with District recognized employee organizations are incorporated into this document by reference.

Any modification to the Memoranda of Understanding are subject to the meet and confer process and must be adopted by the Board of Directors.

4.3 Personnel Regulations

The District's Personnel Regulations shall include mandatory policies, as directly mandated by law, such as an equal employment opportunity (EEO) policy; and other policies that are important to carrying out the District's personnel-related functions and operations, such as attendance requirements and disciplinary procedures.

The Personnel Regulations may include language also contained within one or both of the current Memoranda of Understanding (MOU). If a discrepancy exists between the language in the Personnel Regulations and one or both MOU, the MOU language shall prevail.

Modifications to the Personnel Regulations that do not result in a modification to MOU language shall be reviewed with the Personnel Committee. The Personnel Committee may request that the changes be approved by the full Board. Changes to the Personnel Regulations may be subject to the "meet and confer" process.

4.4 Expense Reimbursement and Code of Conduct

4.4.1 Expenses Incurred on District Business.

Employees of the District are called upon to travel in conjunction with their job functions. Federal and State codes permit and provide guidance for reimbursement of expenses and compensation to employees while traveling on District business. The District will compensate employees while traveling in accordance with the District's Personnel policy and applicable Memoranda of Understanding (MOUs).

4.5 Code of Conduct.

Fallbrook Public Utility District relies on the ethical and responsible conduct of all employees. Even the appearance of unethical or irresponsible conduct can be damaging to the public's trust in the District. Employees are expected to conduct themselves fairly, honestly, in good faith, and in accordance with the highest ethical and professional standards and to comply with applicable laws, regulations, contractual obligations, and District policies. The purpose of this Code of Ethics is to set a standard of conduct for all employees. Accordingly, the FPUD Board of Directors adopted this Code of Ethics to:

1. Provide an ongoing source of guidance to employees, in the performance of their duties and their day-to-day service to the District and citizens of Fallbrook; and

2. Promote and maintain a culture of ethics.

4.5.1 General Rule with Respect to Conflicts of Interest

A conflict of interest exists when you have a personal or professional interest that is, or appears to be, at odds with the best interests of the District. Employees shall not engage in or hold any direct or indirect interest in any business or transaction that may conflict with their official duties for the District. Further, employees should not engage in conduct that could reasonably give rise to the appearance of wrongdoing.

4.5.2 Acceptance of Gifts, Gratuities or Benefits

Employees shall not accept any gifts, gratuities, or benefits, which a reasonable person would believe is provided to the employee primarily because of his/her official position, if ANY of the following apply:

1. A reasonable person would believe it is intended or is likely to cause the employee to act in a preferential manner towards the donor;

2. A reasonable person would believe the employee is under an obligation to or influence of the donor;

3. The item consists of cash or anything easily convertible to cash (e.g., entertainment tickets), regardless of the amount or value; or

4. The value of the gift exceeds $25 or the accumulation of the value of gifts from a single donor to the employee exceeds $50 in a 12-month period.

For the purposes of this section, the terms gift, benefit and gratuity shall mean the transfer of cash, goods or services without reasonable and valuable consideration.

An employee shall disclose the nature of any benefit, gift or gratuity and all relevant circumstances to his or her supervisor, the General Manager, or his/her designee, in order to evaluate the reasonableness of any such benefit, gift or gratuity.

4.5.3 Actions and Conduct Designed to Build Public Confidence

Employees shall be impartial and dedicated to the best interests of the District. They are required to conduct themselves, both inside and outside the District's service, so as not to cause doubt of their impartiality or dedication to the District's best interests.

Employees shall also avoid perceived conflicts of interest, which are actions that the public may consider evidence of preferential service or a lack of neutrality in dealing with work-related issues.

4.5.4 Use of Confidential Information

Employees shall not disclose confidential information acquired by or available to them in the course of their employment with the District or use such information for personal gain. This applies to improper disclosure within the organization as well as to the public.

4.5.5 Use of District Employment and Facilities for Private Gain

Employees shall not use, for private gain or advantage, their District time or the District's facilities, equipment or supplies, nor shall they use or attempt to use their position to secure unwarranted privileges or exemptions for themselves or others.

4.5.6 Contracts with the District

Employees shall not be involved in any way with any contract or sale in which they have a financial interest. This means that an employee shall not exercise any discretionary powers for, nor make any recommendations on behalf of or to the District with respect to any contract or sale involving the District if that employee is directly or indirectly financially interested in the contract or sale. This prohibition is not limited to the actual execution of a contract or sale; it covers the entire contracting process, including

advising and participating in preliminary discussions, negotiations, compromises, reasoning, planning, drawing of plans and specifications and solicitation of bids.

4.5.7 Personal Investments

Employees shall not make personal investments which could create a substantial conflict between their private interests and the public interests. If an employee has a financial interest in a matter coming before him or her, or before the department in which s/he is employed, s/he shall disqualify him or herself from any participation in the matter. Employees shall not make decisions or participate in decisions affecting projects that may affect (either positively or adversely) their personal property or that of their relatives or personal friends.

4.5.8 Behavior in the Workplace

Employees are responsible for conducting themselves professionally and lawfully in the workplace. Employees are expected to be aware of and conduct themselves in accordance with the following District documents and policies:

1. Administrative Code
2. Personnel Regulations
3. Drug/Alcohol-Free Awareness Program
4. Unlawful Discrimination, Retaliation and Harassment Policy
5. Workplace Bullying Policy

Employees are expected to be committed to creating an environment that promotes fair treatment and respect for others. Employees are expected to treat one another and the general public in an honest and respectful manner.
No Code of Conduct can list all prohibited conduct. The following information, which is not all-inclusive, illustrates some examples of specifically prohibited conduct that may lead to disciplinary action, up to and including, termination, as either unsatisfactory work performance or work-related behavior, or gross misconduct, under District policy.

Respect for Persons

1. Disorderly conduct, including, but not limited to, using discriminatory, abusive, or threatening language; fighting, provoking a fight, or attempting bodily harm or injury to another employee or to any other individual or threatening physical action or injury on District property or during District activities; or other conduct that threatens or endangers the health, safety, or well-being of any person.

2. Violation of any District policy or law prohibiting harassment, discrimination, or retaliation.

Respect for Property

1. Theft or willful negligent damage to District property.

2. Tampering with or wantonly destroying District data, records, or other information; gaining unauthorized access to such information; disclosing confidential information; or otherwise misusing District data or information.

3. Unauthorized use of District vehicles, mail services, identification and credit cards, telephones, computers, computer equipment, or other District equipment or materials. Computers and computer accounts are provided to employees to assist them in the performance of their jobs. Employees do not have a right to privacy in anything they create, send, or receive on a District computer. The District has the right to monitor, for business reasons, all aspects of any District computer system, including employee e-mail.

Standards of Safety

1. Failure to comply with District Safety Policies.

2. The unlawful manufacture, distribution, dispensation, possession, or use of alcohol, illegal drugs, intoxicants, or controlled substances; abuse of prescription drugs while on duty; use of alcohol in a District vehicle, on or off District property; possession or use of alcohol while on duty; or reporting to work under the influence of illegal drugs or alcohol or while unlawfully using controlled substances.

3. Failure to comply with safety rules, regulations, or common safety practices.

4. Failure to report an accident involving on-the-job injury or damage to District property.

Work Performance

1. Dishonesty.

2. Insubordination or refusal of an employee to follow instructions or to perform designated work or to comply with directives from their supervisor or the General Manager.

3. Failure or refusal to maintain or obtain required licensure, certification, or registration.

4. Instigating or participating in deliberate low productivity and/or interfering with another employee's work.

Standards of Attendance

1. Unexcused Absence. An absence without proper advanced notification is considered an unexcused absence.

Ethical behavior, consistent with the foregoing Code of Ethics, is the responsibility of each employee. Employees are expected to report, in good faith, any possible compliance violations, including, but not limited to: violations of state or federal law or regulations; fraud; misappropriation of resources; acts that endanger the health or safety of the public or employees; and mismanagement of programs, funds, and/or abuses of authority. Moreover, each employee is responsible for reporting ethical violations committed by fellow employees to a supervisor, the General Manager or the Human Resources Manager. Any employee who violates this Code will be subject to disciplinary action in accordance with the applicable employee unit Memorandum of Understanding or District Personnel Regulations.

4.5.9 Ethics and Sexual Harassment Avoidance Training

All new employees will be required to complete an online ethics training course and Sexual Harassment Avoidance Training as part of their new-hire orientation process. In addition, the District will require all current employees to complete an online ethics training course at least once every two years and sexual harassment avoidance training as required by current California law. In lieu of the online training course, the District may opt to provide an in-person ethics training.

4.6 Memberships in Professional Organizations

The District may join and pay dues to civic, educational, and governmental organizations as the General Manager deem appropriate to furtherance of the District's purposes. For purposes of this Chapter, "organizations" includes individual civic, educational and governmental organizations as well as associations, leagues, coalitions and similar affiliations of persons or entities. District memberships include agency memberships and individual memberships of organizations that do not have agency memberships, and sponsorship of or purchase of admission tickets to organization events. The General Manager shall keep a list of the District's memberships and the annual membership payments. The Board shall review the list of District memberships annually.

The General Manager may join and participate in governmental and professional organizations, associations and societies as necessary for the performance of his/her position.

Provisions regarding Memberships in Professional Organizations of employees are located in the Personnel Rules.

ARTICLE 4

Adopted 4/20

Article 5. District Procurement Procedures.

Sec. 5.1 Authority.

California Public Contract Code Sections 20200-20207.7, as well as other provisions in the California Public Contract Code, certain miscellaneous statutes found in the Public Utility District Act (Public Utilities Code Section 15501 et seq.), and the California Government Code, govern procurement (purchasing and contracting) by the District of the following:

- Articles such as goods, materials, supplies, equipment, capital assets, and advertising
- Works of construction, alteration, and non-professional services (including repair and maintenance)
- Professional services

The District has elected to become subject to the provisions of the Uniform Public Construction Cost Accounting Act (the "Act"), Public Contract Code Section 22000 et seq., which provides alternative procedures for the bidding and awarding of public contracts. As provided in Public Contract Code Section 22003, these procedures may also be utilized for maintenance work and other work that does not fall within the definition of "public project." Accordingly, it is the District's intent to utilize these procedures for "public projects" and all other purchases otherwise subject to Public Contract Code Sections 20200-20207.7.

The provisions of this Article 5 shall not apply to the acquisition of land by the District.

Sec. 5.2 General.

The ongoing operation of the District requires the procurement of various items, construction and services. Since it is necessary to procure these items, construction and services on a regular basis to carry on the day-to-day operations of the District, and since the Board of Directors reviews and approves all procurements through the budgeting process, or otherwise approves procurements by separate action from time to time, the following formal procurement policies and procedures are provided for implementation by District staff. These formal procedures are intended to implement the above-listed requirements of the California Public Contract Code, California Government Code, and California Public Utilities Code, which are mandatory for Public Utility Districts located within the State of California. State law forbids any director or other officer of the District from being interested, directly or indirectly, in any contract awarded or to be awarded by the Board, or in the profits to be derived from it.

Sec. 5.3 Procurement Philosophy.

Purchases of goods, materials, supplies, equipment, and capital assets shall be made from time to time, in the most economical quantity, in order to provide the District with maximum benefit for minimum expenditures. Quality and reliability of products are also important factors which may, on a case-by-case basis, cause rejection of an inferior product that does not meet specified requirements. It is also essential that purchases of all goods, materials, supplies, equipment, and capital assets be done by the District in a fair and open manner that promotes public confidence in the District and reinforces the public perception of fairness and equal opportunity for all competing vendors offering their products or services to the District. Contracts for works of construction and all services shall be made from time to time, after complying with applicable legal requirements and these procurement policies and procedures. To the extent permitted by law, and subject to the limitations established in Section 5.10, purchases should be made from vendors located within the boundaries of the District.

Sec. 5.4 Definitions.

a. Articles. Goods, materials, supplies, equipment, capital assets, and advertising required to carry on the day-to-day operations of the District, including without limitation, office supplies, computer hardware and software, communications equipment, equipment, materials and supplies for distribution and treatment, including meters, meter parts, and pipeline materials.

b. Commission. The California Uniform Construction Cost Accounting Commission.

c. Designee. The General Manager may authorize persons as his designee in those areas in which they exercise budgeting control.

d. Maintenance. As defined in Public Contract Code § 22002, Maintenance includes all of the following: (1) routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes (2) minor repainting (3) resurfacing of streets and highways at less than one inch (4) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems (5) work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher.

e. Open Purchase Order. A purchase order for Articles which is effective for a specified period of time, not more than annually, and within the same budget year, i.e., office supplies and auto parts.

f. Professional Services. Professional services, such as services involving provision of a report, study, plan, design, specification, document, program, advice, recommendation, analysis, review, inspection, investigation, audit, brokering or

representation of the District before or in dealings with another party, or any other services which require a special skill or expertise of a professional, scientific or technical nature. Professional Services include architectural, landscape architectural, engineering, environmental, land surveying, construction project management services. Professional Services also include legal, financial, accounting, and planning services.

g. Public Project. Defined in Cal. Public Contract Code § 22002, means any of the following: (1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility and (2) Painting or repainting of any publicly owned, leased, or operated facility.

Sec. 5.5 Procedures for the Purchase of Public Projects, Maintenance, and Articles

a. Purchase Procedures for Public Projects, Maintenance, and Articles in the Amount of $75,000 or Less ("Small Purchase Procedures").

The General Manager or Designee may make purchases of Public Projects, Maintenance, and Articles in an amount of $75,000 or less, in accordance with the following Small Purchase Procedures, which the Board has imposed for such purchases, in the interests of sound business judgment.

(1) Purchases of $10,000 or more shall be made after obtaining three (3) written quotations. Purchases under $10,000 shall be purchased in the most prudent and economical manner possible, but do not require multiple competitive quotations.

(2) The requirement for three (3) quotations is not required in those cases where the Board has approved the purchase as a "standardized item" such as meters, or for Open Purchase Orders as provided below.

(3) Small Purchase Procedures specific to Articles. All purchases shall be made by purchase order after a properly authorized Purchase Order Requisition (POR) has been completed, signed and forwarded in the required manner. The only exceptions to this requirement are purchases made under a pre-existing Open Purchase Order, purchase of small routine items from suppliers with open purchase order or accounts, or purchases made during emergency. The purchase order must indicate the name of the suggested vendor and an exact description and price of each Article. Shipping charges, if any, and applicable taxes must also be included in the total price. The purchase order shall be reviewed and signed by the General Manager or Designee.

Open Purchase Orders shall generally be utilized for the purchase of repetitive need, low-valued Articles or for the purchase of Articles (such as

automotive supplies) which must be available on short notice. Open Purchase Orders shall not be utilized as a substitute for the normal requisition and purchase order process described in this section. Open Purchase Orders may be written for a single class of consumable Articles i.e., office supplies, without listing specific, exact descriptions of each Article, but not to exceed the authority listed above and cannot span a period of time which includes more than one fiscal year.

(4) Small Purchase Procedures specific to Public Projects and Maintenance. All purchases shall be made by written contract. Any such contracts shall be awarded on the basis of price and such other criteria established by the General Manager or Designee, as may be in the best interest of the District, in light of the type of work involved. Contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract exceeds $25,000 and involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.

(5) Petty cash. Occasionally purchases of minor items may be required. Payments for such items may be authorized from petty cash funds by the General Manager or Designee. In no case will approval exceed $50.00.

(6) Quote information shall be retained until completion of the annual audit for the fiscal year in which purchased, or as otherwise established in the District's Records Retention Schedule.

(7) Nothing in these Small Purchase Procedures shall prevent the General Manager, or Designee, from obtaining multiple quotations or from implementing the Informal Bid Procedures or Formal Bid Procedures if it is in the best economic interests of the District to do so. This judgment shall be made in the sole discretion of the General Manager or Designee.

(8) Nothing in these Small Purchase Procedures shall prohibit the District from doing or causing to be done directly by the District, and without any contract, any or all work necessary or proper in or about the making of all current and ordinary repairs or in or about current and ordinary upkeep or maintenance.

(8) Under no circumstances shall purchases be split or separated into multiple purchases in order to avoid the Small Purchase Procedures, Informal Bid Procedures and/or Formal Bid Procedures set forth herein

b. Purchase Procedures for Public Projects, Maintenance, and Articles in Excess of $75,000 and $220,000 or Less ("Informal Bid Procedures").

In accordance with Public Contract Code Section 22034, the District adopts the following Informal Bid Procedures, applicable to purchases of Public Projects, Maintenance, and Articles in excess of $75,000 and $220,000 or less. Contract award shall be made by the Board.

(1) The District shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be as required by the Commission.

(2) All contractors on the list for the category of work being bid or all construction trade journals pursuant to in Public Contract Code Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals pursuant to in Public Contract Code Section 22036, shall be mailed, faxed or emailed, a notice inviting informal bids unless the product or service is proprietary.

(3) All delivery of notices inviting informal bids to contractors and construction trade journals shall be completed not less than 10 calendar days before bids are due. The notice inviting informal bids may also be published in in a newspaper of general circulation.

(4) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(5) If all bids received are in excess of $220,000, the Board may, by adoption of a resolution by a four-fifths (4/5) vote, award the contract, at one $245,000 or less, to the lowest responsible bidder, if it determines the cost estimate of the District is reasonable.

(6) If awarded, a contract will be awarded to the lowest responsible bidder, consistent with the quality and delivery requirements.

(7) All contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.

(8) The Board shall have the right to reject all or any of the bids received.

c. <u>Purchase Procedures for Public Projects, Maintenance, and Articles in Excess of $220,000 ("Formal Bid Procedures").</u>

Purchases of Public Projects, Maintenance, and Articles in an amount exceeding $220,000 shall be procured pursuant to the following Formal Bid Procedures. Contract award shall be made by the Board. Additionally, all plans and specifications for Public Projects shall be adopted by the Board or General Manager/ Designee.

(1) In accordance with Public Contract Code Section 22037, a notice inviting formal bids shall be published in a newspaper of general circulation, printed and published, at least 14 calendar days before the date of opening the bids, in the jurisdiction of the District and any such other newspaper publications deemed appropriate by the General Manager or Designee. Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.

If applicable, the notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals. The notice shall be sent at least 15 calendar days before the date of opening the bids.

(2) All bids for shall be presented under sealed cover. If awarded, a contract will be awarded to the responsible bidder who submits the lowest responsive bid.

(3) All bids for Public Projects shall be accompanied by one of the following forms of bidder's security:

i. Cash
ii. A cashier's check made payable to the District
iii. A certified check made payable to the District
iv. A bidder's bond executed by an admitted surety insurer made payable to the District in the form provided by the District

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the District beyond 60 days from the time the award is made.

(4) All contracts for Public Projects shall require the successful bidder to execute a bond, in a form approved by the Board, for the faithful performance of the contract. Additionally if the contract involves erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind, the successful bidder shall execute a payment bond, as required by the provisions of the California Civil Code.

(5) The Board shall have the right to reject all or any of the bids received.

d. Nothing in this Section shall preclude the District from utilizing the design-build project delivery method where authorized by and in accordance with the provisions and requirements set forth in California Public Contract Code Section 22160 et seq., as it may be amended from time to time.

e. Any federally funded project shall comply with Uniform Guidance for Procurement.

Sec. 5.6 Procedures for Procurement of Professional Services.

a. Pursuant to California Government Code Section 4526 et seq., the District shall secure professional services on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. When specific technical expertise or experience is required, the District may negotiate the scope and fee for these services with an individual firm with this specific expertise.

b. The District may, for procurement of architectural, landscape architectural, engineering, environmental, land surveying, and construction management services, utilize the Qualification-Based Selection procedures adopted by the Architects and Engineers Conference Committee of California, as deemed appropriate by the General Manager or Designee.

c. If the value of the services are estimated to be $75,000 or more, the District shall issue a formal Request for Proposals for the services. Additionally, if deemed in the best interests of the District as determined by the General Manager or Designee, the District may first issue a Request for Qualifications to solicit firms with the necessary qualifications for the services.

d. If the value of the services are estimated to be less than $75,000, where practical, three proposals shall be obtained unless the General Manager or Designee deems otherwise appropriate.

e. Award of Professional Services Contracts may be made by the General Manager for contracts in the amount of $75,000 or less. Contracts in excess of $75,000 shall be awarded by the Board.

f. The contract amendment procedures outlined in this Article apply to Professional Services Contracts.

Sec. 5.7 Prequalification.

The District may prequalify contractors, pursuant to the provisions and requirements of California Public Contract Code Section 20101, as determined appropriate

in the reasonable discretion of the General Manager or District Engineer. Prequalification shall be through a uniform system of rating bidders on the basis of completed questionnaires and financial statements in a form specified by the Board. The District may accordingly limit bids or proposals it receives to those contractors who are prequalified.

Sec. 5.8 Emergencies.

California Public Contract Code Section 22050 authorizes special contracting procedures in cases of "emergency." An "emergency" for purposes of Section 22050 is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

In the case of an emergency, as defined herein, the General Manager or Designee, may repair or replace a public facility, take any directly related and immediate action required by the emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. The General Manager, or Designee, must report to the Board at its next meeting required pursuant to this Section 5.8, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

If the General Manager or Designee, orders any action specified herein, the Board shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless the General Manager or Designee, has terminated that action prior to the Board reviewing the emergency action and making a determination. 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.

Sec. 5.9 Exceptions to Procurement Requirements.

a. Sole Source Exception.

Notwithstanding any provision in this Article 5, the procurement requirements set out in this Article 5 shall not apply to the procurement of Articles, Professional Services, Public Projects, or Maintenance that can only be obtained from one supplier or contractor and for which obtaining quotes or bids is therefore impossible or not in the public interest, such that no competitive advantage can be gained by soliciting quotes or bids. Sole source contracts or agreements up to $75,000 may be procured by the General Manager or Designee. The Board must approve any source contracts or agreements of $75,000 or more.

b. Purchases when Price Controlled by an Official Rate-Making Body.

Whether approved by the General Manager or Designee, or the Board, the District is authorized to procure services or Articles without quotation or bid if the price is controlled by an official rate-making body such as is the case with wholesale water from Eastern Municipal Water District, electricity, gas and telephone, and the services are provided for in the operating budget.

Sec. 5.10 Local Procurements.

a. It is the District's policy to encourage local businesses to provide goods and services to the District in order to maintain a healthy local economy, to increase local competition, and to lower core costs of goods and services. Local preference for the procurement of eligible contracts may be allowed, so long as it is not otherwise prohibited by funding sources, by providing a 5% local preference where the purchase or contracts with a respective local vendor or business during any fiscal year do not exceed $75,000. In order to qualify for this local preference, a vendor or business must either (a) be a District rate payer in good standing for the past six months, or (b) receive District utility services at its business location for the past six months, paid by a third party.

b. Eligible procurements include those contracts which are not otherwise subject to competitive bidding, including contracts for the following:

(1) Purchases of Public Projects, Maintenance, and Articles in the amount of $75,000 or less, pursuant to Section 5.5(a).

Sec. 5.11 Sale of Surplus Property/Equipment and Scrap Metal.

a. Surplus Property/Equipment. When it has been determined by the General Manager that equipment is no longer appropriate because of capability, size, age, etc., to fulfill the District's mission or if a particular piece of equipment is more costly to maintain than to replace, the item will be disposed of through the next scheduled San Diego County auction. Should property become surplus through obsolescence or through a change in operating methodology, the excess property will be disposed of, as determined by District staff, as follows:

(1) To other public agencies on a bid basis;
(2) San Diego County Auction, or
(3) Internet-based inline auction services.

b. Scrap Metal. The scrap metal which accumulates through the replacing of damaged and/or unserviceable items in the course of District operations, shall be sold as scrap to local scrap dealers at prevailing rates. Sales receipts shall be miscellaneous revenues of the District.

Sec. 5.12 Use of District Credit Card.

a. There are certain transactions that are more efficient using a credit card transaction. Examples include small purchases that are lower cost on-line, travel arrangements, registration for training and other similar services.

b. The credit card shall never be used to circumvent established competitive purchasing procedures. The credit card is prohibited from being used to purchase items for personal use under all circumstances. Personal use of the credit card will result in disciplinary action.

c. Authorized cardholders and credit card use shall be per the District Credit Card Users Guide as approved by the General Manager.

Sec. 5.13 Contract Amendment Procedures.

As delegated by the Board of Directors of the District pursuant to the provisions of the Public Utility District Act, the General Manager is authorized to issue amendments to contracts as follows:

a. A purchase order or contract may be amended by the issuance of a change order or amendment, provided the change which is the subject of the change order or amendment is reasonably related to the scope of the original contract. The General Manager may issue a change order or amendment which results in a total contract price of $75,000 or less. The General Manager may request approval authority from the Board to issue contract amendments for up to 10% of the total contract value for specific projects with an initial contract value of greater than $75,000.

b. When the cumulative sum of amendments to a contract would exceed the limits in (a) above, a report of such amendments will be presented to the Board at its next meeting. Upon acceptance of the amendments by the Board, the General Manager shall have additional authorization to issue amendments as if the original contract amount were the total of the original amount and all accepted amendments.

ARTICLE 14 (Renumbered as Article 5 by Resolution 5006)
Sec. 14.7 - Rev. 4/95
Sec. 14.10 – Rev. 3/96
Sec. 14.5(a), 14.6(a) & (d), 14.7(d) – Rev. 6/99
Sec. 14.11 – Added 10/05
Sec. 14.4e(2), 14.10(c) & 14.12(g) – Rev. 6/06
Sec. 14.5(g) – Rev. 8/08
Sec. 14.4(e), Rev 01/09
Secs. 14.4(e)1,3,4,5,(f); 14.5(a)(d); 14.6(c)(d); 14.7(d); 14.9(b); 14.11(c) – Rev. 2/10

Add Sec. 14.12 – Rev. 2/11
Secs. 14.4; 14.9 – Rev. 1/13
Secs. 14.4; 14.13 – Rev. 7/13
Sec. 14.4 – Rev. 5/15
Sec. 14.4(f), 14.9(c) – Rev. 1/16
All Secs. Repealed and Replaced - Rev. 6/17
Sec. 14.4 – Rev. 5/19
Sec. 5.5 – Rev. 3/21
Secs. 5.4; 5.5; 5.6; 5.9; 5.10; 5.13 – Rev. 7/22
Sec. 5.9(b) – Rev. 5/24
Sec. 5.4(c) – Rev 10/24
Secs. 5.5, 5.6, 5.9, 5.10, and 5.13 – Rev. 2/25

Article 6. Budget and Fund Management

Sec. 6.1 District's Annual Budget.

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

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

6.1.1 Annual Budget Resolution.

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

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

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

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

Sec. 6.2 Treasurer's Fund.

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

Sec. 6.3 General Fund.

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

Sec. 6.4 Utility Funds.

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

Sec. 6.5 Capital Funds.

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

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

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

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

Sec. 6.6 Equipment Fund.

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

Sec. 6.7 Debt Service Funds.

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

Sec. 6.8 Appropriated Fund Balances.

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

6.8.1 Utility Funds Appropriated Fund Balances.

1. Water.

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

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

2. Wastewater.

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

b) Rate Stabilization Fund. To promote smooth and predictable rates and charges a Rate Stabilization Fund is established with a target of level equal to 10% of annual revenues.

3. Recycled Water.

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

6.8.2 Utility Capital Funds Appropriated Fund Balances.

1. Water Capital Fund.

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

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

2. Wastewater Capital Fund.

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

3. Recycled Water Capital Fund.

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

6.8.3 Debt Service Funds.

Each borrowing activity is maintained within a separate Debt Service fund. Some indentures require the establishment of a reserve fund and the District must comply with any creditor imposed requirements. Since sources of funding to repay each debt instrument varies, the possibility of that inflow being interrupted is

likely/possible with different issues in differing circumstances. Because of the possibility of this interruption, each Debt Service Fund should establish an Appropriated Fund Balance equal to the next year's total debt service (principal and interest).

Sec. 6.9 Petty Cash.

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

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

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

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

ARTICLE 15 (Renumbered as Article 6 by Resolution 5006)
Sec. 15.8 - Rev.74/97
Sec. 15.4 & 15.5 – Rev. 4/03
Sec. 15.8 added 4/03
Sec. 15.1 & 15.9 – Rev. 6/06
Sec. 15.9 – Rev. 8/08
Sec. 15.6 – Rev. 9/09
Sec. 15.8.1 – Rev. 12/09
Secs. 15.1, 15.5, 15.8.1, 15.8.2, 15.8.4, 15.9 – Rev. 1/18
Secs. 15.1.1, 15.8.1 – Rev. 2/19
Sec. 15.1.1 – Rev. 4/19
Sec. 15.1 – Rev. 7/19

Article 7-A. Insurance Claims Handling Procedures (JPIA)

Sec. 7A.1 General.

The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) and obtains its general liability and real property insurances from them. It is the policy of JPIA to see that all liability claims made against its member districts are investigated and settled expeditiously. Decisions regarding the disposition of a claim shall be based on the merits of that claim; including the legal liabilities involved, the nature and extent of damage, and the coverage afforded by and/or through JPIA. It is the policy of JPIA to pay only those claims for which member districts have legal liability.

Sec. 7A.2 General Handling Procedures.

Before commencing a suit for money or damages against the District, the claimant must present a written claim to the District and allow it to act upon the claim. The claim must contain the name and address of claimant, P.O. box to which the person presenting a claim desires notices to be sent, date, place and circumstances of the occurrence, description of injury, damages, or losses so far as they are known, names(s) of District employee(s) causing injury or damage, the amount claimed and the basis for computation if under $10,000 and signature of the claimant or representative.

A claim for death, personal injury, or damage to personal property must be presented within six (6) months of the accrual of the cause of action. Exceptions to the six month rule are claims for inverse condemnation, violations of federal rights, contract violations, and damage to real property.

7A.2.1 Rejection of Sufficient and Timely Claims.

Only those claims with proper and sufficient contents and presented in a timely fashion may be rejected by the Board of Directors. If a claim is rejected in writing within 45 days of presentation and the rejection by the Board is in the prescribed manner, the claimant has only six (6) months in which to file suit. The claimant may also contact JPIA directly and be assigned a claims adjuster to handle their claim after the Board's rejection.

If a claim is not rejected in writing within 45 days of presentation, the claim is deemed rejected by operation of law on the 45th day. The resulting problem, however, is that the claimant then has two (2) years in which to file suit. Therefore, written claim rejections are recommended where claims are to be rejected.

7A.2.2 Rejection of Insufficient and Late Claims.

An insufficient claim should not be rejected. The District must notify the claimant in writing with 20 days of presentation that the claim is insufficient and state the particulars, or the District waives the insufficiency and cannot claim insufficiency as a defense.

7A.2.3 Late Claims.

If a claim is not presented in a timely fashion, then the claimant must present an application to present a late claim within one year of accrual of cause of action, and must have a written claim attached and must set forth the reason for delay. Claims filed late, if not accompanied by an application for leave to file a late claim, should be rejected specifically because they are late. They should not be considered on their merits.

The District shall grant the application where the failure to present a claim was by excusable neglect, mistake or the like, and the District was not prejudiced, or the claimant was a minor during all of the time period, or physical or mental incapacitation or death was the cause.

The District may deny any application if it is not excused. The denial must be in writing, and must advise the claimant that he has only six (6) months to take the matter to court. The court can choose to allow the filing of the late claim on the same grounds as in acceptance of application for late claim. The denial for the application has nothing to do with the validity of the claim. It is not a rejection of the claim or its merits. It means only that the claim was not properly presented.

Sec. 7A.3 Small Claims Settlement Option.

The District has the option of settling or denying claims arising out of any occurrence covered by the JPIA Liability Program which meets all of the following conditions:

(a) All claims arising out of the occurrence are for property damage only.

(b) No claim arising out of the occurrence has any apparent potential for related bodily injury allegations.

(c) The estimated settlement value for all claims arising out of the occurrence does not exceed the District's Self-Insured Retention per occurrence.

(d) The claim settlement or denial arising out of the occurrence can be concluded within 60 days of when the District became aware that the claim existed.

(e) A settlement is to be made only when the claim being considered is determined to be based upon liability covered by the JPIA Liability Program.

ARTICLE 16 **(Renumbered as Article 7A by Resolution 5006)**

Renamed Article 16A – 1/22/07

Article 7-B. Insurance Claims Handling Procedures (District-Government Code 905)

Sec. 7B.1 General.

The liability and immunity of a public agency such as the District is governed by the Government Tort Claims Act set forth in Government Code Section 819 et seq, (the "Act"). Pursuant to the Act, an action for money or damages may not be maintained against the District unless a written claim has first been timely presented to the District and rejected in whole or in part (Government Code Section 905, 905.2, 945.4). Presentation of a claim, when required by law, is a mandatory prerequisite to bringing a legal action against the District, and,

Government Code Section 905 sets forth the rule regarding the presentation of claims and also provides an exemption from said requirement in certain cases including claims by the State or another public entity.

Government Code Section 935 permits the District to establish its own procedures to cover the presentation of those claims against it which are exempted by Section 905, as well as all other claims.

Pursuant to the authority contained in Section 935 of the Government Code, the following claims procedure is hereby established for claims against the District for money or damages that are not governed by any State law.

Sec. 7B.2 Claims Time Limitations.

Notwithstanding the exemptions set forth in Section 905 of the Government Code, all claims against the district for damages or money, where a procedure for presenting such claims is not otherwise provided by State law, shall be presented within the time limitations and in the manner provided by Section 910, et seq. of the Government Code.

Sec. 7B.3 Claims Required.

All claims against the District for money or damages not otherwise governed by the Government Claims Act, California Government Code Division 3.6, Sections 810 et seq., or another state law (hereinafter in this ordinance, "claims") shall be presented within the time, and in the manner, prescribed by Part 3 of Division 3.6 of Title 1 of the California Government Code (commencing with Section 900 thereof) for the claims to which that Part applies by its own terms, as those provisions now exist or shall hereafter be amended, and as further provided by this article.

Sec. 7B.4 Form of Claim.

All claims shall be made in writing and verified by the claimant or by his or her guardian, conservator, executor or administrator. No claim may be filed on behalf of a class of persons unless verified by every member of that class as required by this section. In addition, all claims shall contain the information required by California Government Code Section 910.

Sec. 7B.5 Claim Prerequisite to Suit.

In accordance with California Government Code Sections 935(b) and 945.6, all claims shall be presented as provided in this section and acted upon by the District prior to the filing of any action on such claims and no such action may be maintained by a person who has not complied with the requirements of Sec. 7B.3 of this section.

Sec. 7B.6 Suit.

Any action brought against the District upon any claim or demand shall conform to the requirements of Sections 940-949 of the California Government Code. Any action brought against any employee of the District shall conform to the requirements of Section 950-951 of the California Government Code.

Sec. 7B.7 Severability.

Should any provision of this article, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this article or the application of this article to any other person or circumstance and, to that end, the provisions hereof are severable.

ARTICLE 16B (Renumbered as Article 7B by Resolution 5006)

New Article added – 1/22/07

Article 8. District Inspections by a Regulatory Agency

Sec. 8.1 General.

It is the policy of Fallbrook Public Utility District (FPUD) to permit inspections by representatives of county, state and federal regulatory agencies without notice or court order and to cooperate fully. Such inspections shall be accomplished in accordance with the procedures outlined below.

Sec. 8.2 Purpose.

In order to comply with FPUD's Mission Statement to continue to provide for the community of Fallbrook now and in the future:

(a) A reliable supply and delivery of high quality retail potable water and service, and

(b) the collection and disposal of wastewater and solids consistent with the optimal use of recycled water,

(c) use of the most efficient and economical means possible while emphasizing the importance of making customer satisfaction the top priority of operations,

these procedures are designed to provide guidance to District employees to effectively respond to and assist with, regulatory agency compliance inspections. These procedures were developed to provide guidance for District personnel in complying with regulatory inspections without impairing the functioning of District Staff.

Sec. 8.3 Scope.

These procedures shall apply to all FPUD employees who may interact with regulatory agency compliance inspectors in the course and scope of their work. Members of management and employees directly involved in an inspection shall be guided by the examples following.

Sec. 8.4 Responsibilities.

The Engineering Department Head, or his designee, will be the initial contact for any regulatory agency compliance inspector. If no one is available, it will be arranged for the inspector to return at a later time.

If the inspector arrives unannounced, he/she will be asked to wait for the Engineering Department Head. If the Engineering Department Head is unavailable, an available member of management will meet with the inspector to explain the District's policy on unannounced inspections and will then make an appointment for that inspector with the Engineering Department Head or his designee. If the

inspection is of a regulatory nature that requires an inspection without prior notice, a member of management will accompany the inspector.

Sec. 8.5 Procedures.

Before an Inspection:

1. Upon arrival at any District workplace, the inspector will be asked to wait for the Engineering Department Head or his designated District representative. If the inspector contacts a District employee, the employee shall immediately notify their supervisor who will inform the Engineering Department Head. The inspector may be requested to meet with the Engineering Department Head or his representative at a specific location, such as the administrative offices.
2. If the Engineering Department Head or his designated District representative (herein known as the District representative) is not available in a reasonable time, 30 to 60 minutes, the inspector is to be informed of that fact. The inspector should be told that District policy requires the presence of a District representative during the inspection and that the inspection may not proceed without this individual. If no District representative is available, it should be politely suggested that the inspection take place another time or day.
3. The District representative will ask for an opening conference in an attempt to learn the basis for the inspection. The representative should try to limit the inspection to the purpose stated by the inspector.
4. During or upon completion of the opening conference, the inspector should ask consent to begin the inspection. The inspection will then commence in the presence of the District representative.

During the Inspection:

1. The District representative will accompany the inspector throughout the inspection. The representative should be courteous to the inspector and respond to questions only if authorized to do so. The inspector should be informed that the representative is not authorized to speak for the District. Answers should be direct and succinct. Do not volunteer irrelevant and unfavorable information.

   Under no circumstances is the representative, or any other employee, to guess or speculate when responding to questions of an inspector. The only acceptable answer is what the employee knows to be the facts. If the employee has no actual knowledge he should say so. Do not agree with statements made by the inspector, as they may be incorrect.
2. Inspectors may take photographs, videos, and/or samples of the workplace. The District representative will take similar samples and photographs. The District representative should take notes of everything the inspector says and does, and the identity and summary of testimony of the employees interviewed.

After the Inspection:

1. Upon completion of the inspection, ask the inspector for a closing conference. At this conference ask if any citations will be issued and what regulatory guidelines will be cited. Also try to find out how the citations will be classified (general, serious, etc.). Do not argue with the inspector and do not admit to any violation of regulatory guidelines. It may be helpful to have additional management staff at the closing conference to ensure what the inspector says is fully understood.
2. If the inspector indicates that citations may be issued, call the inspecting agency's District office, that day, and schedule a meeting with the District Manager. The purpose of this meeting is to present your side of the facts and attempt to mitigate any potential citations. During the meeting advise the District Manager that the District is concerned and desires to mitigate and/or avoid reoccurrence.
3. When the inspection is completed, the District representative should meet with District management and District legal counsel. A report should be prepared listing all actions taken during the inspection, everything the inspector said and did, and include all photographs and samples. The report is confidential and copies of this report are not to be circulated.
4. Call JPIA Risk Management, 800/231-5742 and discuss the results of the inspection and the District's potential options.
5. If the District receives a citation(s) it will come by certified mail. If it is decided by management and legal counsel that the District is going to appeal the citation, the District usually has 15 days to file an appeal. Contact JPIA Risk Management and District legal counsel for assistance in appropriately filling out the appeal form. The completed appeal form should be filled out and returned via certified mail.
6. If the District has to appear at an appeal hearing, legal counsel should represent the District. Working with JPIA Risk Management in preparing for the hearing is also recommended.

ARTICLE 17 (Renumbered as Article 8 by Resolution 5006)
Sec. 17.10 – Rev. 4/95 Sec. 17.11 – Rev. 4/95 Sec. 17.12 – Rev. 4/95 Sec. 17.7 – Rev. 7/97 Sec. 17.13 & 17.14 – Rev. 11/99 Sec. 17.5 – added ½ Sec. 17.16.4 & 17.16.5 – Rev. 6/06 Secs. 17.7 to 17.15; 17.6 deleted – Rev. 1/11 All Secs. – Rev. 3/11

Article 9. Annexations

Sec. 9.1 Incorporation by Reference.

Ordinance Nos. 73, 92, 122, 226, and 248 are hereby incorporated into the Administrative Code and made a part hereof. Summaries of various provisions of these ordinances follow herein. Reference must be made to a particular ordinance for exact language and legal descriptions of property annexed. The above referenced ordinances refer to the following:

Ordinance No. 73	1950 Annexation
Ordinance No. 92	1958 Annexation
Ordinance No. 122	Airpark Annexation
Ordinance No. 226	Conditions of Service, Waterline Extensions
Ordinance No. 248	Water Service & Water Rates
Resolution No. 1732	Description of Land, Red Mountain Ranch
Resolution No. 1791	Red Mountain Ranch Annexation
Resolution of LAFCO	DeLuz Annexation 1/8/90
Resolution No. 10A	Board of Supervisors, DeLuz Annexation 6/13/90
Resolution 2023-11	Concurrent Annexation to Eastern Municipal Water District and Detachment from San Diego County Water Authority with Related Actions

Sec. 9.2 General.

Water Service will be provided to lands within FPUD only after the owner of each parcel to be served has paid an annexation fee. Annexation fees are established for the purpose of equalizing the proportionate obligations, expenditures, and costs of operation between the territory within the District and the territory to be annexed.
Ordinance No. 92
Ordinance No. 226 and 248.

Sec. 9.3 Annexation Payments.

Annexation payments made to the District will be deposited in and held in a special account and will be used by the District toward defraying the costs and expenses of:

a) Payment of costs and expenses of the District in connection with or incidental to the annexation proceedings.

b) Payment to the Eastern Municipal Water District (if any) and Metropolitan Water District of any amounts established by each said Districts in consenting to the concurrent annexation of said territory to said Districts, to be levied as special taxes by said Authority and by said District.

c) In lieu taxes, from date of Board's approval of annexation to date District taxes may be levied.

d) Pipelines to service or facilitate service of water to the annexed lands.

e) Storage facilities.

f) Improvements in District's facilities to enable it to handle the larger operating load created by the annexation.

g) Other capital improvements which the Board of Directors may determine would be beneficial to the annexed lands.

Annexed lands share fully in all District assets and liabilities and shall be subject to the same District taxes as the lands already in the District, including taxes for payment of the present bonded indebtedness and other outstanding obligations of the District.

All water rates, rentals, rules and regulations established and to be established by the District for water service and for water delivered by said District, irrespective of the source from which water comes, shall apply uniformly to lands in the annexed areas which have paid their service connection charges in full and to the land already within the District.
Ordinance No. 92

Sec. 9.4 Conditions for Annexation.

All lands annexed shall be subject to easements for rights of way for District pipelines, power and phone lines and similar facilities used and to be used in connection with the District's operations, as may be required and determined necessary by the Board of Directors of said District, for installing, improving, repairing, replacing and maintaining such District facilities, which rights of way shall be furnished the District without claim or charge for compensation or damages. The District or its party will undertake to locate and maintain such facilities with as little injury as possible to the landowners property consistent with maintaining and operating an efficient system.

All existing operating policies of the District relating to water service and water delivery shall apply to and govern the annexed lands which have completed their service connection charges in full, uniformly with present District lands.

District's distribution pipelines to service the annexed lands will be laid along routes as determined by the District. Pipelines beyond District distribution lines or meters, must be installed, maintained and operated by owners.

Annexation to the District is and will be subject to the condition that the said territory shall also be annexed concurrently to the EMWD and MWD and shall become and be subject to and be bound by all the terms and conditions fixed by said District and said

Authority respectively, for said annexation and annexation to the District shall become effective and binding only if and when said annexation also has become effective and binding as to the EMWD and MWD and said lands have been included in and have become a part of the EMWD and MWD.
Ordinance No. 92

Sec. 9.5 1950 Annexation.

The 1950 annexation has all been paid into the District. The 1950 annexation was recorded August 1, 1950.
Ordinance No. 73.

Sec. 9.6 1958 Annexation.

A petition for annexation to the Fallbrook Public Utility District of unincorporated contiguous territory was filed with the District by not less than 15% of the qualified electors residing in the territory and adopted on September 2, 1958.

In 1958, the District annexed 7,277 acres of land, mainly in the area across the Santa Margarita River, but also taking in all the little windows, which were within the original District boundary that had not paid their annexation fee. Prior to 1958, annexations were not voluntary, and therefore, there was no annexation fee charged at the time. Starting in 1958, a fee of $250/acre rising to $450/acre, which was reached in 1970, is a condition for receiving District water. Persons wishing to annex to the District must provide 1) certification of gross acreage by a licensed engineer or surveyor, 2) metes and bounds legal description, and 3) a plat map. (A recorded lot split map showing gross acreage provides all three requirements.)

At the option of the owner of land within the annexed area, service connection charges may be paid for a portion of a single ownership, at the rate of $450/acre, subject to the following conditions:

a) The portion of a single ownership so paid up shall consist of not less than 10 acres and shall be rectangular in shape with all four of its side boundaries parallel to Section lines, except sides which are property boundaries.

b) Water service will not be provided for any portion of a single ownership unless service connection charges have been paid for all planted acreage within such single ownership.

The 1958 annexation was filed with the County Recorder on November 24, 1958.
Ordinance No. 92

Sec. 9.7 Airpark Annexation.

In 1966, the Board annexed the Airpark property to the District. The maximum service connection charge of $400 per gross acre was reached in 1975.
Ordinance No. 122.

Sec. 9.8 Red Mountain Ranch Annexation.

In 1978, the District annexed 330 acres of Red Mountain Ranch. Water service connection charges (annexation) began at $750/acre in 1980 and progressed to $1,000/acre January 1, 1984. The District will not serve any parcel above the 1400 foot elevation level until such time as all water service connection charges have been paid on all such parcels within the annexed area. Two parcels, 108-010-39 and 40, have been granted a waiver from this agreement.
Resolution Nos. 1732 & 1791

Sec. 9.9 DeLuz Annexation.

Formation of the Parent District of the DeLuz Heights MWD occurred on September 25, 1962 by the registered voters. The District then became a member agency of the San Diego County Water Authority on June 28, 1967, and the District Board of Directors established Improvement District No. 1 (I.D. #1) on March 11, 1969 which consisted of approximately 8,970 acres. Subsequently, a joint petition was filed by 13 individual property owners requesting annexation of approximately 1,580 additional acres to I.D. #1. Improvement District No. 2 (I.D. #2) was formed by the Board of Directors on February 29, 1972 by a special election of individual property owners, which brought the total area to 10,687 acres.

Both I.D. #1 and #2 have coterminous boundaries and voter approved bonds in both areas were used for system improvements in the DeLuz Service Area.

On June 13, 1990, the San Diego County Board of Supervisors and the Local Agency Formation Commission approved the dissolution of DeLuz Heights MWD and its annexation to the Fallbrook Public Utility District, with approval from a majority of the voters. This reorganization included transfer of 12,000 acres of inhabited land, all tangible assets and monies, including cash on hand, monies due but not collected, and all accounts payable and any other obligations, effective June 30, 1990.
LAFCO Resolution dated 1/8/90 & Board of Supervisors Resolution No. 10A dated 6/13/90.

Sec. 9.10 Annexation/Detachments Between Adjacent Districts.

Requests for annexation/detachment between Districts is usually done because one District has a pipeline closer to the parcel wishing service, or the other District can provide more adequate service. These requests must be made to both Districts so that annexation/detachment is concurrent. The Board of Directors determines administrative fees, annexations fees, and/or pro-rated share of bonded indebtedness.
Ordinance No. 120

Sec. 9.11 Partial Annexations.

If a landowner has more than 10 acres, he may pay for just 10 acres, provided he submits a legal description of the acreage to be annexed and served with District water. If he has less than 10 acres, he must pay in the whole piece. If more than 10 acres are planted, he must bring in all the planted area. In December of 1976, the Board of Directors authorized the General Manager and/or Secretary to accept a promissory note secured by a Deed of Trust, for annexation fees, if the payment of the fees causes a hardship on the property owner. The owner must pay 20% down with the balance, plus interest at the current general rate, on the promissory note. The balance is paid in four annual payments.
This section revises Section 4 of Ordinance No. 92

Sec. 9.12 DeLuz Service Area Annexations.

The fees charged for annexation of land to the DeLuz Service Area are as follows:

a) Fee for annexation to the DeLuz Service Area, Parent District, is $1,000.00, plus an acreage fee of $100.00 per acre.

b) Fee for annexation to the DeLuz Service Area Improvement Districts I and II is $1,000.00, plus an acreage fee of $350.00 per acre.

c) Fee for annexation to the DeLuz Service Area Parent District and Improvement Districts I and II is $1,000.00, plus an acreage fee of $450.00 per acre.

9.12.1 Additional Costs.

The acreage fee shall increase as follows:

Five percent (5%) annually commencing July 1, 1988, and this increase shall be imposed on the first day of July of each calendar year thereafter.

All costs of preparing and processing an Environmental Impact Report, in the event one is required to process the annexation, shall be paid in full by the applicant.

All persons making application for annexation shall deposit with the District the required fees. In the event an environmental impact report is required to be prepared, the estimated cost of preparation and processing of the report shall be deposited with the District prior to the employment of the person or firm which will prepare the report. All additional fees required shall be deposited by the applicant before the District will file the Certificate of Completion to complete the annexation process. Any excess fees deposited will be returned to the applicant upon completion of the annexation.
DeLuz Heights MWD Ordinance No. 10 (9/8/87)

Sec. 9.13 Improvement District "S".

9.13.1 Annexation Fees and Costs.

The fees and costs for annexation of real property to the Fallbrook Public Utility District, Improvement District "S" after April 24, 2012, shall be those set forth below:

a) Costs: The amount of Three Hundred Dollars ($300.00) plus the current LAFCO processing fees shall be paid to the District at the time of application for processing annexation of real property to Improvement District "S".

The costs shall include any fees or costs required to be deposited with other governmental agencies in order to process the annexation. The District shall not approve the annexation until all required fees and costs have been deposited with the District.

b) Fees: An annexation fee as identified in Article 11 shall be charged for each equivalent dwelling unit permit for sewer service granted for service within the annexed territory at any time after the territory is annexed to the District. This fee shall be deposited with the application for issuance of a sewer service permit for service within the annexed territory.

9.13.2 Adjustment Review.

The fees and costs fixed by this Article of the Administrative Code shall be reviewed every five (5) years for the following fiscal year and the fees and costs may be adjusted to be effective with the commencement of the fiscal year.

Sec. 9.14 Eastern Municipal Water District (EMWD) Annexation

On July 10, 2023, the San Diego Local Agency Formation Commission (LAFCO) approved the concurrent annexation to Eastern Municipal Water District and detachment from San Diego County Water Authority for the District. This action transferred the entire jurisdictional boundary of the district to EMWD. This action became effective January 1, 2024.

ARTICLE 18 (Renumbered as Article 9 by Resolution 5006)
Sec. 18.11 – Rev. 2/93
Sec. 18.1, 18.3-4 – Rev. 4/93
Sec. 18.12 – Rev. 11/94
Sec. 18.13 – Rev. 6/95
Sec. 18.13.6 – Rev. 9/96
Sec. 18.13.4 – Rev. 6/97
Sec. 18.13.5 – Rev. 6/97
Sec. 18.13.6(b) – Rev. 6/97
Sec. 18.13.2,3,4,5,6(b) – Rev. 9/98
Sec. 18.13 – Rev. 4/12
Secs. 18.2, 18.3 – Rev. 7/19
Secs. 9.1, 9.3 (b), 9.4, 9.13.1(b), 9.14 – Rev. 7/24

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

Sec. 10.1 Definitions.

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

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

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

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

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

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

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

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

The term "Domestic purposes", as used herein, shall mean the use of water for residential (up to and including two units) purposes and businesses that use water for incidental

domestic purposes only. If an agricultural parcel has a permanent residence, the first 5 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property. Parcels using water for Agricultural purposes are eligible for the Agricultural-Domestic (AD).

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

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

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

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

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

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

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

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

Sec. 10.2 Remote Meter Agreements.

A Remote Meter Agreement is an agreement between the District and a consumer that a water meter will be installed at a location remote from the property to be served where the District does not intend to extend the District distribution system to abut the said property, and that the consumer is responsible for extending his own private line from the meter to his property and obtaining the permanent easements required for such extension.

Sec. 10.3 Temporary Service Agreements.

A Temporary Service Agreement is a recorded agreement between the District and a consumer that a meter will be placed temporarily at a location remote

from the property to be served, where the District intends, at some future date, to extend the District distribution system to abut the property described in the agreement, and that the consumer is responsible for extending his own temporary private line from the meter to his property, and obtaining whatever temporary easements are required for such extension. Such agreements shall establish the financial obligations of the consumer related to the future installation costs of the District's distribution system and the cost of relocation of the meter, and shall be binding upon the signatory and all successor owners of said property.

If the customer's obligation is to be secured with a promissory note and deed of trust, the terms will be based on the 10-year Treasury Bill rate plus 2%. Interest will be recalculated annually on the anniversary date of the recorded Trust Deed and will be compounded annually on the same anniversary date.

Failure to comply with the terms of the agreement shall be cause for termination of water service to said property and the basis for establishing a lien against the property for collection of any amounts due the District. Upon change of ownership, any parcel receiving water service under a Temporary Service Agreement will be required, as a condition of continued service, for the new owner to enter into a new Temporary Service Agreement with the District.

Sec. 10.4 Engineering Fees.

Sec. 10.4.1 Plan Check Fees.

A) Plan checks less than 500 lineal feet, water or sewer, $500 each.
B) Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, $1,000 each.
C) Plan checks greater than 1,000 lineal feet, $1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 10.4.2 Fees for District to Inspect Contractor Installed Facilities

A) Water Meter Service Line Installation
   - ¾" to 2" 5 hours @ $ 137.71= $ 688.55
   - 3" and larger 9 hours @ $ 137.71= $ 1,239.39
B) Fire Hydrant Installation 9 hours @ $ 137.71= $ 1,239.39
C) Fire Service Installation 9 hours @ $ 137.71= $ 1,239.39

If the sum of the inspection fees for a project is greater than $3,000, the inspection will be done on a time and material basis and a deposit for the estimated cost will be paid prior to start of construction. Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 10.5 Rules for Service of Water.

The following rules for the service of water by the District to the consumer, either within or without the District, are hereby established:

All parcels desiring water must abut a District pipeline, and all meters will be located on the parcel being served unless the General Manager approves a Remote Meter Agreement, or the Board of Directors authorizes a Temporary Service Agreement subject to certain conditions as described in Section 10.3.

Each consumer desiring water furnished by the District shall furnish a plat of the property to be served, individually file a written application for such service, and in the form provided by the District, shall state the location, the number of acres served, the legal owner thereof, the purpose for which water is to be used and such other data regarding consumer's water production and use practices as required by the District. Based on the information provided, and verified by physical inspection if appropriate, each application will be assigned a user code: Agricultural (AG); Agricultural-Domestic (AD); Domestic (D); Commercial (C), Government (G); or Multi-Unit (M) in accordance with the definitions provided in Section 10.1.

By making such application and upon approval thereof by the General Manager, or his designee, the application and the acceptance shall constitute a contract, the effect of which shall bind the applicant to pay all rates then or thereafter prescribed by the District for water service and to comply with all the rules and regulations with respect to service, a breach of any of which will authorize the District to discontinue water service immediately without notice or recourse and to levy such charges as otherwise provided for in this ordinance for resumption of service.

In addition, the effect of this contract shall be such as to bind the applicant to pay reasonable attorney's fees as fixed by the court where the District is required to take legal action to enforce collection of any charges incurred under this service.

The District reserves the right to determine the size and location of all service connections and may to that extent, where deemed for the best interests of the District, reduce the size, change the location or the pressure of the service connection without notice or recourse.

Sec. 10.6 Meter and Service Line Installations.

Before any service connection with the water distribution system of the District is made, the District shall collect from the applicant who desires water service an installation charge as set forth below. A connection fee based on the demand factor shall be paid in addition to the installation charges and is described in Article 10.8 of this Administrative Code. Reclaimed meter and service line connections shall be capitalized as part of the project and not charged to the customer. Installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Meter Size	Meter and Service Line*	Meter Only on Existing Service Line	Service Line Only*
¾”	$ 4,817	$ 629	$ 4,190
1”	$ 4,932	$ 742	$ 4,190
1-1/2”	$ 6,135	$ 1,392	$ 4,742
2”	$ 6,700	$ 1,703	$ 4,997
3”, 4” or 6”	Cost	Cost	Cost

Recycled, any size	No charge	No charge	No charge

* If paving for a service line is less than or equal to 15 feet, there is an additional charge of $ 2,839. If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of $ 5,206. If County road inspection is required, there is an additional fee of $ 1,665.

Sec. 10.7 Meter Relocation Fees.

Meter Size	Relocation and Service Line*
¾"	$ 6,047
1"	$ 6,047
1-1/2"	$ 6,693
2"	$ 6,948

* If paving is required up to 30 feet, there is an additional fee of $ 5,638. If County road inspection is required, there is an additional fee of $ 1,665.

Sec. 10.8 Connection/Capacity Fees.

A connection fee shall be paid at the time meter service is applied for, for all permanent service connections, which fee shall be in addition to the charges made for the actual cost of labor and materials necessary to make the physical connection to the water system. The capacity fee for the connection is based on the demand that could be placed on the District's water system by reason of the connection. The extent of demand will be determined on the basis of the size of the water meter necessary to provide the estimated quantity of water usage for the connection. The demand factor for each meter size shall be calculated on the basis of the rated capacity of each size of meter divided by the rated capacity of a 3/4" meter at a pressure of 40 pounds per square inch (20 gpm), hereinafter referred to as an "equivalent meter unit" (EMU). Connection/ capacity charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing current fees to calculated fees.

Effective January 1, 2026, the schedule of capacity fees based on the demand factor of each meter size shall be as follows:

Meter Size	Capacity Demand Factor (EMU)	Capacity Fee
¾"	1	$ 7,485
1"	1.6	$ 11,976
1-1/2"	3	$ 22,455
2"	5.2	$ 38,922
3"	9.6	$ 71,856
4"	16.4	$ 122,754
6"	30	$ 224,550

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:

Meter Size	Fee for testing
¾" – 1"	$ 158
1 ½" – 2"	$ 214
Over 2"	To be tested by an outside agency at a cost to be determined on actual time and materials.

If the meter is inaccurate, the District will absorb the cost of the test and make the appropriate exchange or repair to said meter to AWWA standards of accuracy. These charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February.

Sec. 10.8.3 Adjustment to Fees for Meters and Connections.

Service requests after advance payments for meters and connection fees shall be adjusted to the District's current schedule after six (6) months from the payment date(s).

Sec. 10.9 Credit for Connection Fees and Fees for Increased Meter Size.

Owners of parcels presently receiving water service through a District meter that subdivide their property and apply for additional meters to new legal parcels will be given credit for connection charges if they reduce their demand by requesting a smaller meter for their original service.

Owners of parcels presently receiving water service through a District meter that are not in the process of subdividing their land, but require a larger meter service connection due to a change in land use, shall pay a connection fee equal to the difference between connection fees for the old and new meters in accordance with the schedule in Sec. 10.8.

Sec. 10.10 Place Holder for Future Changes.

Sec. 10.11 Place Holder for Future Changes.

Sec. 10.12 Installation or Extension Line Costs.

In connection with the installation or extension of water distribution lines, the District may concurrently install service lines for adjoining land parcels. The cost of the service lines together with the pipeline extension costs will be borne by the owners.

Where because of any unusual circumstance service connections involve extra expense to the District, an additional deposit or payment based upon the actual cost of such connection as determined by District staff, may be required by the District.

Sec. 10.13 Customer Valve.

There shall be a stopcock or wheel valve in every attachment between the meter and the main next to the meter which said stopcock or wheel valve and the meter and other devices and fittings, including the meter box supplied by the District, shall be for the exclusive use and under the control of the District.

There shall be a stopcock or wheel valve in each service connection located on the consumer's side of the meter, at a point to be designated by the District, which stopcock or wheel valve shall be for the use of the consumer and shall be referred to as the "customer valve."

The District has responsibility to repair or replace facilities up to and including the customer shut off valve. Repair and maintenance of facilities beyond the customer valve is the responsibility of the customer.

The District is not responsible for water loss due to leaks or other problems on the property side of the customer valve.

If there is an emergency, the District, at its discretion, can make temporary repairs and charge the customer a minimum of $50. However, the District is under no obligation to

repair leaks beyond the customer valve and assumes no long term liability for those repairs. It is recommended that the customer obtain the services of a licensed plumber to make permanent repairs.

Sec. 10.14 Water Must Pass Through Meter.

All water sold by the District and used by any consumer must pass through that customer's meter, and no delivery will be made by the District except through that customer's meter. In the event that it should be discovered that water is served to any premises by means of a bypass or any other mechanical device or instrument which permits water to be served other than through that customer's meter, the District shall have the right to immediately cut off the supply of water to said consumer until the person guilty of such conduct shall have reimbursed the District for the cost, as determined by the District, of the water so illegally used. The District shall assess a $100 penalty, per incident, to any person who steals water in any amount.

Sec. 10.15 Mains, Service Pipes, Equipment Belonging to District.

All water mains, extensions of service pipes, meters, and all other equipment used in the delivery of water to any meter, including the meter and the customer valve shall belong to and be the property of the District, and shall be maintained and repaired by the District.

Customer shall permit reasonable access to the meter and valves to effect said maintenance and repairs and to read the meter. Replacement shall be made by the District when such equipment is rendered unserviceable through reasonable use thereof.

However, the cost of replacements, repairs, or adjustments of any equipment of said District, including meters, when rendered necessary by any act, negligence or carelessness of the consumer, shall be made by the District at the expense of the consumer.

Sec. 10.16 Meter Area Clean and Consumer Line Free from Leaks.

Every consumer of water must keep his service pipes, valves, fixtures, and all other apparatus beyond that belonging to and serviced by the District in good repair and free from leakage at his own expense and he will be responsible for all damages which may result from failure to comply with this rule.

Sec. 10.17 Fires.

In the event that fires should take place within the District, where it is necessary to use the distribution mains of the District to supply water to extinguish such fires, the District may temporarily discontinue service to any meter, and the affected consumer shall not be permitted to use water from any of the District mains until such fire is completely extinguished.

Sec. 10.18 Access to Meters.

No person shall place or cause to be placed on or about or around any meter, hydrant, stopcock or service connection of any of the mains, pipes or water-works of the District any material of any kind which may serve or act as an obstruction to the free access or use of such meter, hydrant, stopcock or service connection. Upon failure to remove such obstruction after reasonable notice, the District shall have the right to have

the water shut off and keep the same from being turned on again until such obstruction is removed and the necessary fee for turning on said water paid to the District.

Sec. 10.19 Temporary Discontinuance of Service for Repairs, etc.

The District reserves the right at any time to discontinue the service of water from its mains to water consumers for the purpose of making repairs or extensions to all parts of the system under the operation and control of the District or for any other purpose which may be found necessary by the District in order to properly maintain its system. In such case, the District will, if practicable, give notice to the consumer of such interruption in service.

Sec. 10.20 Allowances or Rebates.

No allowance or rebates in rates or charges shall be made under any circumstances, except as hereinafter in this Administrative Code authorized, and the rates herein prescribed for service of water shall be a charge against any and all property as hereinbefore specified, until the District shall receive written notice of request to discontinue the water to such property, provided, however, that notwithstanding such written notice or request, the District shall still collect the minimum amount prescribed by this Administrative Code for the standby service as long as the meter is in place.

Sec. 10.21 Water Served to Others.

It is hereby declared to be a violation of the consumer's contract for which the District shall have the right to discontinue the service of water, if any water consumer shall be found to have served water to a consumer whose water has been shut off for breach of any of the provisions of this Administrative Code.

The District or representatives of the District shall have the right at all times to have free access to all parts of the premises of the consumer supplied with water to inspect the water system maintained by the customer.

Sec. 10.22 Backflow Prevention Devices.

In accordance with Title 17 of the California Administrative Code, backflow prevention devices to protect the District distribution system from possible contamination will be owned and maintained by the District. The device will be located at the service connections. The type of protection that shall be required to prevent backflow into the public water supply shall be commensurate with the degree of hazard that exists on the customer premises. The type of protective device that will be required (listed in an increasing level of protection) includes: Double check Valve Assembly-(DC), Reduced Pressure Principle Backflow Prevention Device-(RP) and an Air gap Separation-(AG). The customer may choose a higher level of protection than required by FPUD. The minimum types of backflow protection required to protect the public water supply, at the water user's meter connection to the property with various degrees of hazard, are listed below. Situations not covered in the listed below shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by FPUD.

Sec. 10.22.1 Type Of Backflow Protection Required.

1. An (AG) is required on premises where there are waste water pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.

2. An (AG) is required on premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.

3. An (RP) is required on premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected. Any sign of injection systems on the property, including unused systems will require an (RP).

4. Auxiliary Water Supplies--Any water supply other than that received from a public water system.

   A) (AG) is required on premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. A RP or DC may be provided in lieu of an AG if approved by the District.

   B) An (RP) is required on premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system.

5. Recycled Water

   A) An (AG) is required on premises where the public water system is used to supplement the recycled water supply.

   B) An (RP) is required on premises where recycled water is used, and there is no interconnection with the potable water system.

   C) An (RP) is required on residences using recycled water for landscape irrigation as part of an approved dual plumbed use area. If the District is also the supplier of the recycled water, to utilize an alternative backflow protection plan that includes an annual inspection and annual shutdown test of the recycled water and potable water systems.

6. Fire Protection Systems

   A) An (RP) is required on premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).

B) An (AG) is required on premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. A RP may be provided in lieu of an AG if approved by the District.

C) An (RP) is required on Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used.

D) An (RP) is required on Premises where the fire system is supplied from the public water system and where recycled water is used in a separate piping system within the same building.

E) A (DC) is required for single family residence with fire protection system. The (DC) needs to be installed and maintained by the property owner.

7. An (RP) is required on premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.

8. An (RP) is required on premises where there is a repeated history of cross-connections being established or re-established.

9. An (RP) is required where adjacent parcels under common ownership are served by more than one meter. RP devices will be required at each meter.

10. An (RP) is required on all new Agricultural (AG) and Agricultural-Domestic (AD) services. An RP will be installed by the District only with the new meter services.

11. Property owners who appeal to the District to change classification from a classification other than agricultural (AG, AD) will be required to install a Reduced Pressure Backflow Preventer at the property owners expense. See Section 10.22.3 & 4.

Evaluation of Hazard. The District shall evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a user's premises. The District, however, shall not be responsible for abatement of cross-connections which may exist within a user's premises. As a minimum, the evaluation should consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping system complexity and the potential for piping system modification. Special consideration shall be given to the premises of the following types of water users:

A) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.

B) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District.

C) Premises that have internal cross-connections that are not abated to the satisfaction of the District.

D) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.

E) Premises having a repeated history of cross-connections being established or reestablished.

Sec. 10.22.2 Backflow Device Installation on New Services.

The District shall install Reduced Pressure Backflow Preventers on new potable water meter services when applicable. (See Type of Backflow Device Protection Required)

An additional charge will be made for installation of backflow prevention devices as follows:

Reduced Pressure Principle Devices (installed along with new meter)

For each ¾ inch meter	$ 907
For each 1 inch meter	$ 932
For each 1-1/2 inch meter	$ 1,606
For each 2 inch meter	$ 1,857
For each 3, 4 or 6 inch meter	Cost

Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Sec. 10.22.3 Reduced Pressure Backflow Preventer Retrofits.

Retrofit: Installation of a Backflow device after the service connection has been established.

General Design Considerations.

A) The design and construction of the backflow prevention assembly shall meet the requirements called for in this specification.

B) The nominal size of the backflow prevention device shall be equal to the size of the purchased meter. For example, a (1") meter shall have a (1") backflow prevention device.

C) The assembly shall include same size valves located on either side of the backflow prevention assemblies. Four test cocks shall be appropriately located on the assembly for testing and certification.

D) The nominal size of reduced-pressure principle detector assemblies shall be as shown on the Approved Plans or as directed by the Fire Department of jurisdiction.

E) Enclosures and concrete slabs shall be provided only as shown on the Approved Plans or as required by the agency of jurisdiction.

Sec. 10.22.4 Reduced Pressure Backflow Preventer Device Retrofit –Installed by Property Owner

The property owner shall be responsible for the Reduced Pressure Backflow Device Retrofit. Once the device is installed, passes the backflow test, and meets the District's standards the device will become the property of the District. The device will be charged the standard monthly service charges and will be tested annually.

Upon notification by the District that a Reduced Pressure Backflow Device is needed, the property owner will have sixty (60) days to comply. After sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars ($50) to lock the meter. A fee of one hundred ($100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and the device is installed, passes, and meets the District standards.

Installation.

1) Installations of retrofit backflow devices will not be performed by District Personnel and is the sole responsibility of the property owner.

2) Forty-eight (48) hours prior to installation, the Backflow Department will be notified at (760) 728-1125, extension 1129. Installations and inspections will be scheduled Monday through Thursday's only – excluding all District holidays. District personnel will shut off the angle stop before the meter. If the installer or property owner shuts off the angle stop and causes damage, the installer and property owner will be responsible for damages. The damages will be calculated at a time and materials rate.

3) Installation shall comply with the latest edition of the Uniform Plumbing Code and applicable District requirements.

4) Backflow prevention assemblies shall be installed in accordance with the District's standard drawings.

5) Water service and fire service shut-off valves will be secured closed during installation until an approved backflow prevention device is installed and tested in compliance with this specification.

6) When static pressure exceeds 175 psi, a pressure-reducing valve may be installed. Please contact the Backflow Department for determination of necessity.

7) After installation of the backflow device, the Backflow Department must be notified to inspect the installation to insure that the device meets the District specifications. It will then be tested by District personnel.

8) There will be no charge if the backflow device is installed correctly and test properly on the first inspection. If the backflow device fails the first test, it shall be the responsibility of the property owner to have any necessary repairs made. Repairs must be made according to District specifications. Any additional inspections will be charged one hundred forty dollars ($ 144) plus the costs of parts if needed.

9) Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

10) Any damages or leaks after the customer shut-off valve will be the property owner's responsibility.

Sec. 10.22.5 Well Destruction and Alteration.

To protect the State's groundwater supplies, the Legislature authorized the establishment of standards (Department of Water Resources Bulletins 74-81 and 74-90) and regulations pertaining to the construction, alteration, and destruction of wells.

California Water Code Section 13750.5 requires that those responsible for the construction, alteration, or destruction of water wells, cathodic protection wells, groundwater monitoring wells, or geothermal heat exchange wells possess a C-57 Water Well Contractor's License. This license is issued by the Contractors State License Board.

California Water Code Section 13751 requires that anyone who constructs, alters, or destroys a water well, cathodic protection well, groundwater monitoring well, or geothermal heat exchange well file with the Department of Water Resources a report of completion within sixty (60) days of the completion of the work.

The Land and Water Quality Division regulates the design, construction, modification, and destruction of water wells throughout San Diego County to protect San Diego County's groundwater resource. Water Wells are commonly used as the only potable water supply in the rural areas of San Diego County. For general information call the San Marcos office at (760) 471-0730.

Upon the completion of the well destruction or alteration, the property owner is responsible for supplying proper documentation to the District.

If the property owner chooses not to follow the California Water Code (listed above) within sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars ($50) to lock the meter. A fee of one hundred ($100) will be charged for broken or damaged locks. Damage to 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) ..... $ 13,583(complete assembly)

Model J-3765 (3-port hydrant) ..... $ 16,660(complete assembly)
Fire flow testing ..... $ 632

If paving over 20 feet is required, there is an additional fee of $ 332 per trench foot. If county road inspection is required, there is an additional fee of $ 1,665.

Charges for fire hydrants will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Maintenance and repairs to hydrants, valves and connecting pipelines, will be performed by the District at the expense of the North County Fire Protection District.

Sec. 10.25 Automatic Sprinkler and Fire Protection Systems.

For automatic sprinkler and fire protection systems, the District upon request, will install a detector check valve system subject to the payment of the following installation charges by the user:

4 inch service ..... Cost
6 inch service ..... Cost
8 inch service ..... Cost

Sec. 10.26 Construction Meters.

For each use of a fire hydrant by any person not officially associated with a fire fighting organization, by pre-arrangement and approval of the District, and upon receipt of a $ 1,634 deposit, a meter installation charge of $ 158 will be made. There will be a relocation charge of $ 158 to cover cost of moving a construction meter. Upon notification by customer that the construction meter is no longer needed, District staff will retrieve the meter. Charges for construction meters will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Upon retrieval, deposits will be refunded to the customer less any accrued operations charges and water use charges. The cost to repair a damaged construction meter will be deducted from the deposit. The construction meter will be locked to the fire hydrant and moved only by District staff. If the meter is stolen, the District will bear the cost of replacement.

Sec. 10.27 Water Used for Annual Crops.

For each use of water for agricultural purposes solely for the growing of annual crops, as described in Sec. 10.1, Temporary Ag Service, the connection charge levied by Sec. 10.8 will not be assessed for this purpose.

All other fees, assessments, and charges of this Administrative Code will be in effect. The Board of Directors will determine annually the availability of water for these purposes, and the use will be continued on a year to year basis at the discretion of the Board of Directors.

Sec. 10.28 Illegal Use of Water.

The District may discontinue service to any consumer who uses or

permits the use of District water beyond District boundaries or who within the District permits the flow of water beyond the limits of his property which is recorded as being served by the meter service through which the water is supplied. After discontinuing service for such cause, a charge of $100 plus the estimated cost of the water so wasted or misused will be made and water service will not be resumed until paid.

Sec. 10.29 Water Service Outside District.

In the event that the District should at any time have surplus water over and above that which may be needed and used within the limits of the District, then and in that event, the Directors of the District are hereby authorized to enter into a contract for the sale of such surplus water outside the boundaries of the District, upon such terms and conditions and for such rates as the Directors may at the time deem for the best interests of said District, provided, however, that in no case shall the Directors of said District, in fixing the rate to be charged for water in such contract, charge less than a sum which would represent the cost of actually developing and delivering said water outside of said boundaries of said District.

Sec. 10.30 Application of Water Service to Affordable Housing

Per Government Code Sec. 65589.7, effective July 1, 2006, the District shall not deny or condition the approval of an application for water service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or

b) The District is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections; or

c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or

d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or

e) The applicant fails to agree to reasonable terms and conditions for water service from the District which is generally applicable to other development projects seeking water service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 10.30.1 Review of Service Policies.

At least once every five (5) years after passage of this policy, the policies contained in this section shall be presented to the Board of Directors of the District for a review and evaluation of the written policies governing water service to proposed developments that include housing units affordable to lower income households.

Sec. 10.31 Administrative Fees.

The following administrative fees will be charged for the preparation, processing, and recording of the following documents:

Insufficient Funds Check	$25
Temporary Service Agreements	$50
Remote Meter Agreements	$50
Quitclaim of Easement	$50
Grant of Easement	$50
Grant Deed	$50
Temporary Sewer Service Agreements	$50
Repayment Agreements	$100

Sec. 10.32 Prohibition of potable water for the irrigation of nonfunctional turf

a) The use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities is prohibited as of the following dates:

   1. All properties owned by the Department of General Services, beginning January 1, 2027.

   2. All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.

   3. All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.

   4. All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029.

   5. All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

b) Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial non-

turf plantings, or to the extent necessary to address an immediate health and safety need.

c) The State Water Resources Control Board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.

d) For purposes of this section, the following definitions apply: "Common area" means that portion of a common interest development or of a property owned or managed by a homeowners' association or a community service organization or similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property. "Common interest development" means any of the following:

1. A community apartment project.
2. A condominium project.
3. A planned development.
4. A stock cooperative.

e) "Community service organization or similar entity" means a nonprofit entity, other than an association, that is organized to provide services to residents of the common interest development or to the public in addition to the residents, to the extent community common area or facilities are available to the public.

f) "Community service organization or similar entity" does not include an entity that has been organized solely to raise moneys and contribute to other nonprofit organizations that are qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code and that provide housing or housing assistance.

g) "Community space" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

h) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

i) "Functional turf" means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.

j) "Homeowners' association" means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

k) "Nonfunctional turf" means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots.

l) "Potable water" means water that is suitable for human consumption.

m) "Recreational use area" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

n) "Turf" means a living ground cover surface of mowed grass.

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
Sec. 19.6 – Rev. 6/07; 19.7 – Added 6/07; 19.20 – Rev. 6/07; 19.22 – Rev. 6/07

ARTICLE 19 (Renumbered as Article 10 by Resolution 5006)
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
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,

ARTICLE 19 (Renumbered as Article 10 by Resolution 5006)
10.11.1, 10.11.5, 10.22.1, 10.22.2, 10.24, 10.26 – Rev. 12/21
Secs. 10.4.2, 10.6, 10.7, 10.8, 10.8.2, 10.10, 10.22.2, 10.24, 10.25, 10.26 – Rev 12/22
Secs. 10.1, 10.4.2, 10.5-10.8, 10.8.2, 10.9-10.11, 10.22.1, 10.22.2, 10.24, 10.26 – Rev. 12/23
Secs. 10.4.2, 10.6, 10.7, 10.8, 10.8.2, 10.22.2, 10.22.4, 10.24, 10.26 – Rev 12/24
Secs. 10.4.2, 10.6, 10.7, 10.8, 10.8.2, 10.22.2, 10.22.4, 10.24, 10.26 – Rev 12/25
Sec. 10.32 – Added 10/26

Article 11. Sewer Service Requirements and Fees

Sec 11.1 Definitions.

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

The word "applicant," as used herein, shall mean a person making application to the District for a permit for a sewer connection, Special Use Permit, determination or redetermination.

The term "application," as used herein, shall mean the application form approved by the District for applicants to submit a request for sewer service to the District or for a Special Use Permit, or determination or redetermination of equivalent dwelling units.

The term "Authorized Inspector," as used herein, shall mean the person designated by the General Manager to conduct inspections and take enforcement actions for the purpose of ensuring compliance with this chapter.

The term "Board," as used herein, shall mean the governing board of the Fallbrook Public Utility District or any successor-in-interest.

The term "BOD," as used herein, means biochemical oxygen demand.

The term "bypass" means the diversion of waste streams from any portion of the sewer system.

The term "discharge" means the addition of any material to the District's sewer system.

The term "District," as used herein, shall mean the Fallbrook Public Utility District or any successor-in-interest or any person authorized by the Board or General Manager to act as a representative of the District.

The term "Domestic Sewage" shall mean the liquid and water-borne wastes derived from humans in dwelling units and non-industrial commercial structures or uses, said wastes being of such character as to permit satisfactory disposal into a public sewer or private disposal system without special treatment.

The term "Equivalent Dwelling Unit" or "EDU," as used herein, shall mean an increment of wastewater flow attributable to a single-family residence and as further discussed in Section 11.7.

The term "Industrial User" refers to a person whose discharges or processes have a different characteristic than domestic sewage or domestic activities and which may require special review or a Special Use Permit in accordance with this Article.

The term "Owner," as used herein, shall mean the holder of record title to a parcel or parcels of real property located within the District.

The term "Parcel Map," as used herein, shall mean the division of a parcel of land into four (4) or fewer lots in compliance with the Subdivision Map Act.

The term "Parcel of Land," as used herein, shall mean a separate parcel of land recognized as a separate unit by the Assessor's office for the County of San Diego and legally subdivided by California law.

The term "pass through" means wastewater leaving the District's sewer system in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the state or federal law, regulation, or order.

The term "Permit," when used as a noun as used herein, shall mean permit for a sewer connection required by the District for any discharger to the District's sewer system and includes a sewer permit, a Special Use Permit, a temporary sewer service agreement, and any other authorization to connect to and use the District's sewer system.

The term "person," as used herein, shall mean any individual, entity, partnership, firm, association, corporation or public agency, including the State of California and the United States of America.

The term "Project," as used herein, shall mean the development, use, building or structure for which the owner is seeking sewer service and all developments, uses, buildings, and structures which have not previously secured a sewer permit from the District.

The term "sewer system" or "District's sewer system" shall mean all of the publicly owned property involved in the operation of the sewage collection, treatment, and disposal system in the District, including land, sewers and appurtenances, pumping stations, and the treatment works and equipment.

The term "Special Use Permit" shall mean a permit for a sewer connection issued by the District to certain industrial users of the District's sewer system in accordance with Section 11.9.

The Term "SS," as used herein, means suspended solids.

The term "Subdivision," as used herein, shall mean any improved or unimproved real property, or a portion thereof, shown on the latest equalized County Assessment Tax Roll as a unit or as contiguous units which is divided into five (5) or more parcels for the purpose of sale, lease or financing.

The term "upset" means an incident in which there is temporary noncompliance with requirements of the District's sewer system regulations.

The term "user" refers to any person who connects to or discharges to or authorizes, permits, facilitates, or allows the connection or discharge to the District's sewer system.

Sec 11.2 Prohibited Connections.

It shall be unlawful for any person to connect to or to facilitate, authorize, permit, or allow connection to the District sewer system or to add or to facilitate, authorize, permit, or allow the addition of any building, apartment, trailer, or other unit to an existing sewer connection or commence construction of any sewer line within the District without having first obtained a written permit from the District authorizing such connection or construction in accordance with Division 20.2 of this Article. No permit to connect shall be issued except to the owner of the property or the owner's duly authorized agent.

Sec 11.3 Prohibited Uses and Prohibited Discharges.

It is unlawful for any person to use or discharge to, or to facilitate, authorize, permit, or allow the use of or discharge to, the sewer system except in accordance with Division 20.3.

Industrial users subject to the pretreatment standards specified in Part 403 of Title 40 of the Code of Federal Regulations are prohibited from connecting to or discharging into the District's sewer system.

Sec 11.4 Permit Required.

No person or entity shall be entitled to establish, authorize, cause, facilitate or allow a connection or discharge to the District's sewer system without first obtaining a sewer permit in accordance with Section 11.4, a Special Use Permit in accordance with Section 11.9 or a temporary sewer service agreement in accordance with Section 11.10 and paying required fees in accordance with this Article.

No person or entity shall be entitled to discharge or to authorize, cause, facilitate, or allow a discharge to the District's sewer system except as authorized by a sewer permit, Special Use Permit or temporary sewer service agreement. Permits are issued only for the use expressly authorized by the permit.

If a permit does not show thereon the number of equivalent dwelling units for which it is issued, the holder of the permit may seek a determination of the equivalent dwelling units authorized by the permit in accordance with this Article.

The holder of a permit who seeks to undertake any of the following actions on the property associated with the permit must submit an application for a redetermination of equivalent dwelling units as set forth in Section 11.7 and/or a redetermination of strength classification under Section 11.8 and, if required apply for a new or amended permit and pay fees in accordance with this Article:

a) add a new or change an existing use of a property;

b) remodel, renovate, or enlarge a structure that discharges or connects to the District's sewer system;

c) construct any additional improvements on the parcel of property that discharges or connects to the District's sewer system;

d) discharge a greater volume of wastewater than is authorized by an existing sewer permit;

e) discharge wastewater with a greater concentration of BOD, SS or other constituent than is authorized by the sewer permit.

No sewer permit required by this Section is valid until the applicant has paid all fees and charges of the District and complied with all requirements of this Administrative Code. An applicant does not have any right to sewer service until the permit is issued. Upon issuance of the permit, monthly service charges will commence in accordance with this Article.

Sec 11.5 Sewer Permit Application Process.

Sec 11.5.1 Submission of Application.

Any person required to obtain a permit in accordance with Section 11.4 must submit a request for sewer service from the District on the application form approved by the District. The application shall be made in the name of the Owner and be signed by the Owner or Owner's authorized representative. No application shall be deemed complete for the purposes of processing until the District has obtained all information requested by District staff to process the application, which may include but is not limited to the following:

a) Environmental Review.

Upon request, the applicant shall provide the District with all documents evidencing any environmental review of the project for which the applicant seeks sewer service. If the District determines that additional environmental review is necessary, the applicant shall be required to complete this additional environmental review. All environmental review shall be at the applicant's sole cost and expense. The District may elect to utilize the applicant's environmental expert or may elect to retain its own environmental consultant at the applicant's sole cost and expense. Where District staff determines that the environmental review is insufficient, the District may require a deposit for additional environmental review as determined necessary by District staff. All costs for such additional environmental review shall be paid by the applicant.

b) Plans and Specifications.

Except where waived by District staff, all applications for a sewer permit shall be accompanied by a complete set of all plans and specifications for the proposed development prepared by an architect or engineer licensed in the State of California. The District shall have no obligation to process any application until District staff has received

all plans and specifications determined necessary by District staff to consider the impacts of the proposed project on the District's sewer system.

c) Parcel Maps and Subdivisions.

Applications for sewer service to parcel maps and subdivisions will not be processed until the applicant submits an executed application form and the District has been provided with a copy of the parcel map or subdivision map prepared by a licensed civil engineer in the State of California. The parcel map or subdivision map shall show all proposed sewer facilities. Where the parcel map or subdivision will require a pipeline extension, the applicant will be required to execute a pipeline extension agreement.

Sec 11.5.2 Determination of Equivalent Dwelling Unit and Strength.

Upon receiving an application for issuance of a sewer permit, the District will determine the number of equivalent dwelling units and anticipated strength classification for which the Permit shall be issued, and fees shall be calculated in accordance with this Article.

Sec 11.5.3 Payment of Fees.

Before a sewer permit may be issued, the applicant must pay the following fees or arrange for payment of the fees pursuant to Section 11.16:

a) Capacity fees in accordance with Section 11.16.2;

b) Plan Check fees in accordance with Section 11.16.3;

c) Lateral fees in accordance with section 11.16.4, if applicable;

d) Fees to inspect contractor-installed laterals in accordance with Section 11.16.5, if applicable; and

e) Annexation fee in accordance with Section 11.16.6, if applicable.

Sec 11.6. Sewer Availability Forms and Letters.

If an applicant has submitted a completed application, all environmental review has been completed to the satisfaction of the District, and the District has reviewed and approved the applicant's plans for sewer service, and all fees have been paid or guaranteed, the District may issue a sewer availability letter or execute the Sewer Project Facility Availability form provided by the County of San Diego.

Execution of the sewer availability letter or form is not a commitment that the District will provide sewer service to any project nor is it a guarantee that sewer service will be available to serve the project at the time a sewer commitment is actually made. Execution of the sewer availability letters or forms merely indicates that sewer service is available at the time the District executes the sewer availability letter or form. The District is not committed to provide sewer service until the District issues the permit, the applicant pays

all deposits and fees required by the District, and all sewer facilities required to serve the project by the District have been completed and accepted by the District.

Sec 11.7 Equivalent Dwelling Units.

a) Equivalent Dwelling Unit Schedules.

1. The following schedule shall be used when determining the equivalent dwelling units and class of service for any connection to the District's sewer system.

(SEE SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE ON THE FOLLOWING PAGES)

SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE

Equivalent Class	Description	Dwelling Units
Class 1	Single Family Residence	
	Single family residence	1.00
	Mobile home on individual parcel	1.00
Class 2	Apartment/Condominium/Attached Cottage-Mobile Home	
	Per detached cottage with bathroom and kitchen on a parcel with a single family residence	0.80
	Per mobile home on a parcel with a single family residence	0.80
	Per apartment unit	0.80
	Per condominium/duplex unit	0.80
	Accessory Dwelling Unit* (As defined by State Government Code.) *Capacity Fees do not apply to Accessory Dwelling Units (ADUs) that are exempt from such fees under State Law. Sewer Service Fees still apply, and they are determined by the applicable EDU factor.	0.40
Class 3	Mobile Home Park	
	Per separate mobile home space	0.80
	Motel/Hotel with no restaurant	
Class 4	Per motel/hotel with kitchen unit	0.80
Class 41	Per motel/hotel without kitchen unit	0.50
	A Separate Business, Retail Shop With Office, Or Packing House Equipped With Restroom Facilities, Or Not So Equipped But Located In A Building Or Complex With Common Restroom	
Class 5	First 3500 square feet (exterior building area) facilities	1.33

Class 55	Per additional 1000 square feet (exterior building area)	0.38
	Automotive Service Station	
Class 6	4 pumps or less	2.00
Class 61	More than 4 pumps	3.00
Class 62	Per recreational vehicle holding tank disposal station	1.00
Class 7	Church, Fraternal Lodge Or Similar Auditorium	
	Per 200 seating capacity	1.00
Class 8	Bakery	
	Per 3500 square feet (exterior building area)	1.00
Class 9	Theater	
	Per 150 seating capacity	1.33
Class 10	Hospital	
	Per bed	0.65
Class 11	Convalescent or Boarding Home	
	Per bed	0.30
Class 13	Elementary School / Daycare	
	Per 60 Students	1.00
	Junior High School	
	Per 40 Students	1.00
Class 17	High School	
	Per 30 Students	1.00
Class 14	Mortuary	1.00
Class 21	Car Wash with water recovery system and public restroom	2.00
Class 23	Self Service Laundry	2.00
	Restaurants	
Class 24	Restaurant Under 2500 Square feet	3.00
Class 25	Restaurant 2501-7000 Square feet	4.00
Class 26	Restaurant Over 7000 Square feet	5.00

	Grocery Stores	
Class 32	Grocery Stores Under 2500 feet	3.00
Class 33	Grocery Stores 2501-7000 Square feet	4.00
Class 34	Grocery Stores Over 7000 Square feet	5.00
Class 88	Standby	0.70

2. Unclassified Users. Users whose use is not classified in the above table are considered "unclassified users." District staff shall determine the number of equivalent dwelling units for which a permit shall be issued to an unclassified user, including but not limited to commercial and industrial users, based upon the estimated volume of wastewater to be discharged therefrom into the District's sewer system. An unclassified user that is also an Industrial User may be required to obtain a Special Use Permit pursuant to Section 2.9.

b) Determination and Redetermination of Equivalent Dwelling Units.

1. Determination of Equivalent Dwelling Units.

The holder of an existing sewer permit which does not show thereon the number of equivalent dwelling units for which it is issued, may make application to the District for a determination of equivalent dwelling units based on the current use of the property to which the permit relates.

Upon receipt of an application, the District shall determine the number of equivalent dwelling units which shall be credited to the permit based on this section.

Upon completing the determination of the number of equivalent dwelling units to be assigned to an existing permit, the District shall amend the permit to show thereon the number of equivalent dwelling units assigned thereto and shall also make a notation of such equivalent dwelling units assigned to the existing in the appropriate District record.

2. Redetermination of Equivalent Dwelling Units.

Upon receiving an application for a redetermination, the District shall determine the number of equivalent dwelling units assigned to such permit and the number of equivalent dwelling units required by the action undertaken by the permit holder. If the permit does not accurately show the number of equivalent dwelling units for which it was issued or which will exist after the action undertaken by the permit holder, the District shall determine the number of equivalent dwelling units to be assigned to such permit in the manner above provided in this section, and whether the action undertaken by the permit holder will necessitate additional equivalent dwelling units.

If additional equivalent dwelling units are required as a result of the action undertaken by the permit holder, the applicant will be required to acquire additional equivalent dwelling units in accordance with Section 11.4, to construct any additional sewer facilities determined necessary by the District to adequately serve the property, and to pay fees required by this Article based on the fees in effect at the time the application is submitted for the additional number of equivalent dwelling units calculated by District staff.

3. Reduction in Equivalent Dwelling Units.

If any determination or redetermination conducted in accordance with this Section results in a reduction in equivalent dwelling units, such reduction in capacity will reduce the ongoing capital improvement charge, but will not result in any refund of capacity fees.

Sec 11.8 Determination and Classification of Strength (BOD and SS).

The District shall use the following guidance when determining the anticipated concentrations of BOD and SS for discharges to the District's sewer system:

a) Low strength: BOD < 200 mg/l and SS < 200 mg/l: Retail, laundry, church or community facility with no kitchen, offices, car wash, nursing home or hospital.

b) Medium strength: BOD 200 - 700 or SS 200 -700: hotel, auto service station, hotel with restaurant, light manufacturing.

c) High strength: BOD > 700 mg/l or SS > 700 mg/l: Restaurant, mortuary, manufacturing or high strength wastes.

The allowable discharge strength classification shall be set forth in the permit.

Industrial Users required to obtain a Special Use Permit may be subject to alternative strength classification requirements and/or additional discharge requirements pursuant to Section 11.9.

Any user or applicant whose actual or proposed discharge is determined by the District to have characteristics that may adversely impact sewer system operations or the District's ability to comply with state and federal laws, regulations, or orders must immediately cease any actual discharge and obtain and implement a Special Use Permit in accordance with Section 11.9 before commencing or recommencing any such discharge.

Sec. 11.9 Special Use Permits.

Any user or applicant whose actual or proposed discharge is determined by the District to have characteristics that may adversely impact sewer system operations or the District's ability to comply with state and federal laws, regulations, or orders must immediately cease

any actual discharge and obtain and implement a Special Use Permit before commencing or recommencing any such discharge.

Applicants for Special Use Permits shall complete and file the standard application form and submit all applicable fees. Applications for a Special Use Permit shall include such additional information as may be required by the General Manager, which may include, but not be limited to, sewage constituents and characteristics (as may be determined by a laboratory approved by the District), and any other information deemed necessary by the District to evaluate the application.

The Special Use Permit shall be subject to all requirements and provisions applicable to general permits under this Article, but may also be subject to one or more of the following:

a) Limitation of the volume discharged;

b) Restriction of peak flow discharges;

c) Pretreatment of wastewater prior to discharge;

d) Discharge of certain wastewater only to specified sewers of the District;

e) Relocation of the point of discharge;

f) Prohibition or limitation of discharge of certain wastewater constituents;

g) Restriction of discharge to certain hours of the day;

h) Filing of periodic self-monitoring discharge reports or results of periodic measurements;

i) Installation of a suitable manhole together with such necessary meters and other appurtenances to facilitate observation, sampling, and measurement of the wastes;

j) Payment of additional charges to defray increased costs of the District created by the wastewater discharge; and

k) Such other conditions as may be required to achieve the purpose of this section.

Sec 11.10 Temporary Sewer Service Agreement.

A Temporary Sewer Service Agreement is a recorded agreement between the District and a user that a sewer will be placed temporarily at a location remote from the property to be served, where the District intends, at some future date, to extend the District sewer system to abut the property described in the agreement, and that the consumer is responsible for extending a temporary private line from the sewer to the property to be served, and obtaining whatever temporary easements are required for such extension. Temporary sewer service agreements shall establish the financial obligations of the user related to the

future installation costs of the District's distribution system and the cost of relocation of the sewer, and shall be binding upon the signatory and all successor owners of said property.

If the user's obligation is to be secured with a promissory note and deed of trust, the terms will be based on the 10-year Treasury Bill rate plus 2%. Interest will be recalculated annually on the anniversary date of the recorded Trust Deed and will be compounded annually on the same anniversary date.

Sec. 11.11 Permit Modifications.

The terms and conditions of a permit may be subject to modification by the District, in accordance with any changes in the effluent standards limitations or prohibited substances by superior regulators or in response to violations of this Code. The discharger shall be informed of any proposed changes in the permit at least thirty (30) days prior to the effective date of change, except in the case of violations of a permit or other order of the District, which may be modified as needed to protect public health, safety, and welfare, the District's sewer system, or personnel. Any modifications or new conditions in the permit shall include a reasonable time schedule for compliance.

No person shall discharge sewage in excess of the quantity or quality limitations set by a permit. Anyone desiring to discharge wastes or use wastewater facilities that are not in conformance with terms of a permit must apply to the District for an amendment to the permit or for a Special Use Permit, as applicable.

Sec. 11.12 Permits Non-Transferable.

A permit issued for a particular parcel of land is specifically limited to use for that parcel of land. A permit shall not be transferred to or used for a parcel of land which is not specifically described in the permit. Permits may be used only for the use which is specifically set forth on the permit.

Sec 11.13 Application of Sewer Service to Affordable Housing.

Per Government Code Sec. 65589.7, effective July 1, 2006, the District shall not deny or condition the approval of an application for sewer service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or

b) The District is subject to a compliance order issued by the State Water Resources Control Board, Division of Drinking Water that prohibits new water connections; or

c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or

d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or

e) The applicant fails to agree to reasonable terms and conditions for sewer service from the District which is generally applicable to other development projects seeking sewer service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 11.14 Sewer Use Requirements.

Sec. 11.14.1 General Conditions for Sewage Disposal.

No person shall discharge to the District's sewer system except through a connection permitted in accordance with Division 20.2 and in accordance with the sewer use requirements of this Division 20.3 and on payment of fees and charges provided in Division 20.4. Unless specifically authorized in a Special Use Permit issued by the District, no person shall discharge to the District's sewer system anything other than domestic sewage that complies with the requirements of this Article.

No person shall discharge to the District' sewer collection system in any manner that does the following:

a) Create nuisances such as odors,

b) Menace or endanger public health or safety or damage public or private structures, facilities or improvements,

c) Impose unreasonable collection, treatment, or disposal costs to the District,

d) Interfere with wastewater treatment processes,

e) Exceed quality requirements set by regulatory government agencies,

f) Detrimentally affect the local environment,

g) Causes or contributes or threatens to cause or contribute to a bypass of untreated waste, pass through, or upset; or

h) Cause or contribute to a violation of any permits applicable to the District's sewer system or treatment facilities.

Sec. 11.14.2 Discharge Prohibition.

Unless written approval has been provided by the District, no person shall discharge or cause to be discharged into the District's sewer, directly or indirectly, the following:

a) Any storm water, surface water, groundwater, roof runoff, subsurface drainage, uncontaminated cooling water, or industrial process waters.

b) Pollutants which create a fire or explosion hazard, including but not limited to any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.

c) Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant, including but not limited to cyanides in excess of two (2) mg/L as CN in the wastes as discharged to the public sewer.

d) Pollutants which will cause corrosive structural damage to the sewer system, but in no case any waters or wastes having a pH lower than 6.0 or in excess of 9.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewage works.

e) Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewage works such as, but not limited to, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, ashes, unground garbage, whole blood, paunch manure, hair and fleshings, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.

f) Any pollutant, including oxygen demanding pollutants (BOD, etc.) released in a discharge at a flow rate and/or pollutant concentration which will cause interference with the sewer system.

g) Brine from on-site regenerated ion exchange water treating devices.

h) Water softener waste or any other salt water brine wastes.

i) Any trucked or hauled pollutants, except at discharge points designated by the District.

j) Fats, oils and grease (FOG) from food service establishments, except in compliance with the District's FOG program.

k) Any other substances, materials, waters, or wastes if it appears likely in the opinion of the District's General Manager that such wastes can harm either the sewers, sewage treatment process, or equipment, have an adverse effect on the receiving

stream, or can otherwise endanger life, limb, public property, or constitute a nuisance. In making a determination as to the acceptability of these wastes, the General Manager will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, capacity of the sewage treatment plant, degree of treatability of wastes in the sewage treatment plant, and other pertinent factors. The substances prohibited are:

l) Heat in amounts which will inhibit biological activity in the sewer system resulting in interference, but in no case any liquid or vapor having a temperature higher than one hundred fifty (150) °F (65°C).

m) Any water or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of two hundred (200) mg/L or containing substances which may solidify or become viscous at temperatures between thirty two (32) and one hundred fifty (150) °F (0 and 65° C).

n) Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three fourths (3/4) horsepower (0.76 hp metric) or greater shall be subject to the review and approval of the District.

o) Any waters or wastes containing strong acid iron picking wastes, or concentrated plating solutions whether neutralized or not.

p) Any water or wastes containing boron, cadmium, chromium, copper, iron, lead, manganese, mercury, selenium, tin, zinc and similar objectionable or toxic substances, or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite sewage at the sewage treatment works exceeds the limits established by the District for such materials. And, any water or wastes containing constituents in excess of those required by the District's current permits.

q) Any water or wastes containing phenols or other taste odor producing substances, in such concentrations exceeding limits which may be established by the District as necessary, after treatment of the composite sewage, to meet the requirements of the State, Federal, or other public agencies of jurisdiction for such discharge to the receiving waters.

r) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the District in compliance with applicable State or Federal regulations.

s) Materials which exert or cause:

    1. Any waters or wastes containing more than 350 parts per million by weight of suspended solids or have a 5 day B.O.D. greater than 300

parts per million by weight, or a C.O.D. greater than 600 parts per million by weight.

2. Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions).

3. Unusual B.O.D. chemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment works.

4. Unusual volume of flow or concentration of wastes constituting "slugs" as defined herein.

t) Waters or wastes containing substances which are not amenable to treatment or reduction by the sewage treatment processes employed, or are amenable to treatment only to such degree that the sewage treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

Sec. 11.14.3 FOG Compliance Program.

The District has prepared and adopted a fats, oils, and grease (FOG) program on the implementation and enforcement of this Article. The District may require compliance with the FOG program as a condition of a Special Use Permit under this Article. FOG program may be updated as needed to achieve the applicable performance standards for the sewer system.

Sec. 11.15 Miscellaneous Provisions.

Sec. 11.15.1 Provide Information.

Users must provide information regarding the nature of any discharge to the system on request of the District.

Sec. 11.15.2 Users Outside the District.

The Board of Directors of the District shall have the power under Sec. 16474 of the Public Utilities Code to establish by agreement or resolution, the fees and charges and such other conditions as it deems appropriate that shall be imposed for providing sewer services to premises located outside the District. The provision of sewer services to premises outside the District shall also comply with applicable law, including but not limited to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code § 56000 et seq.).

Sec. 11.15.3 Agreements.

No statement contained in this Article shall be construed as preventing any special agreement or arrangement between the District and any discharger whereby waste

of unusual strength or character may be accepted by the District for treatment, subject to payment as agreed thereof by the discharger.

Sec. 11.16 Fees and Charges.

Sec. 11.16.1 Sewer Service Charges.

Every user of the District's sewer system must pay a sewer service charge for the use of the District's sewer system in an amount and at a frequency established by the Board.

Sec. 11.16.2 Capacity Fees.

a) Capacity Fee Amount. Prior to issuance, reissuance, or amendment of a sewer permit the following capacity fees shall be paid by an applicant for a sewer permit for each equivalent dwelling unit determined by the District in accordance with Section 11.7:

Capacity Fee	$ 9,217 per EDU

b) Adjustments to Capacity Fees. Capacity fee charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

c) Financing Capacity Fees. Finance options are available for customers who owe additional fees to the District due to property expansions that did not purchase additional capacity and/or visual audits conducted by District staff as follows:

1. Any amounts financed by the District require a signed agreement and Promissory Note. Any amount greater than $10,000 will also require a Trust Deed.

2. Any delinquent amounts will be transferred to the property tax bill.

3. Amounts up to $3,000 are due immediately with no financing option.

4. Amounts between $3,001 and $5,000 may have terms of up to one year at the Local Agency Investment Fund (LAIF) rate + 2%.

5. Amounts between $5,001 and $10,000 may have terms of up to two years at the LAIF rate + 3%; interest to be re-calculated at the one year anniversary.

6. Amounts greater than $10,001 may have terms up to three years at the LAIF rate + 4%; interest to be re-calculated at the one year and two year anniversaries.

7. Liens will not be offered as a methods of postponing payment of fees.

Sec. 11.16.3 Plan Check Fees.

a) An applicant must pay a plan check fee in accordance with the following:

1. Plan checks less than 500 lineal feet, water or sewer, $500 each.

2. Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, $1,000 each.

3. Plan checks greater than 1,000 lineal feet, $1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 11.16.4 Lateral Fees.

If the District staff will be utilized to install a lateral from the main line and to put in a clean-out box and overflow device, the applicant shall pay the following fee upon submission of an application. The fee is to cover the cost to install a lateral from the main line and to install the clean-out box and overflow device, if a lateral is required based on the nature of the application:

Length	Depth	Crew Size	Hours	Cost
≤ 15’	≤ 8’	4	36	$ 9,497
≤ 15’	>8’	4	56	$ 13,755
>15’ to 30’	≤8’	5	90	$ 18,242
>15’ to 30’	>8’	5	115	$ 21,236
>30’	Any	5	Actual	Actual

If paving less than or equal to 15 feet is required, there is an additional fee of $ 2,839. If paving is greater than 15 feet up to 30 feet is required, there is an additional fee of $ 5,206. If county road inspection is required, there is an additional fee of $ 1,665.

Lateral installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Sec 11.16.5 Fees for District to Inspect Contractor-Installed Facilities.

If a contractor will install the sewer lateral and related facilities, the applicant shall pay a sewer lateral inspection fee on a time and materials basis. Upon submission of an application, the applicant shall pay a deposit for the estimated inspection fee, calculated as follows:

Sewer Lateral Installation Estimated inspection hours @ $ 137.71= Estimated inspection fee

If the actual time per form inspection is less than the District’s estimate, the District will refund the excess amount to the applicant. If the actual time to perform inspection exceeds the estimated time, the applicant shall pay the remaining amount due to the District as a

condition of service. If the applicant fails to pay within the time specified by the District, the District may include the remaining amount in its bill for sewer service or seek collection through any other lawful means.

Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 11.16.6 Annexation Fees.

An applicant must pay a sewer annexation fee for any connection located in an area that is required to be annexed to the sewer service area after March 23, 2012 in accordance with state law. Annexation fees are due with the other sewer permit fees when applying for a sewer permit and are calculated for each equivalent dwelling unit determined by the District in accordance with Section 11.7.

Annexation Fee (if required)	$11,389 per EDU

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 entirely – 8/20
Sec. 20.16.2, 20.16.4, 20.16.5 – 12/20
Secs. 11.16.2, 11.16.4, 11.16.5 – Rev. 12/21
Secs. 11.7, 11.16.2, 11.16.4, 11.16.5 – Rev. 12/22
Secs. 11.16.2, 11.16.4, 11.16.5 – Rev. 12/23
Secs. 11.16.2, 11.16.4, 11.16.5 – Rev. 12/24
Secs. 11.16.2, 11.16.4, 11.16.5 – Rev. 12/25

Article 12. Water and Sewer Rates and Service Charges.

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

Effective January 1, 2026, the following rates for water deliveries to each class of service are established:

Sec. 12.1 Volumetric Water, Recycled Water and Pumping Rates.

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

Domestic (D), Large Lot Domestic (LD), Multi-Unit (M).

1-5 units per month .....$7.95 per unit

Over 5 units per month .....$8.76 per unit

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

All usage .....$8.39 per unit

Agricultural (AG).

All usage .....$6.12 per unit

Agricultural-Domestic (AD).

1-5 units per month .....$7.95 per unit

Over 5 units per month .....$6.12 per unit

Water Shortage Emergency Surcharges

In order to prepare and manage future periods of water shortage and mandatory conservation, the District adopted a water shortage contingency plan called the Water Shortage Response Program (the "Program"). Pursuant to the Program, the District established six Water Shortage Response Levels. Article 17 Water Shortage Response Program provides information on the program and the applicable water use rates.

Volumetric Recycled Water Rate.

Recycled water furnished within the District service area for any appropriate purpose will be billed at $6.68 per 1,000 gallons. Recycled water sold outside the District service area will be sold by contract with specific customers.

Construction Meter.

Water furnished for construction purposes will be billed at $9.14 per 1,000 gallons.

Volumetric Pumping Charges. (DSA and Toyon only)

Pumping charges for the DeLuz High Pressure Service Area and Toyon Heights shall be furnished at $0.79 per 1,000 gallons to recover the cost of electricity.

Sec. 12.2 Monthly Fixed Charges.

Effective January 1, 2026, the following rates and charges are established and shall be collected by the District for water and recycled water service:

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

	Water Fixed Charges	Recycled Water Charges	Standby Service Charge	Private Fire Services Charge
3/4 inch meter	$62.12	$27.43	$18.95	NA
1 inch meter	$98.65	$37.29	$26.55	NA
1-1/2 inch meter	$189.09	$61.70	$45.37	NA
2 inch meter	$298.10	$91.13	$68.04	$8.33
3 inch meter	$589.14	$169.69	$128.56	$9.67
4 inch meter	$916.16	$257.95	$196.57	$11.99
6 inch meter	$1,824.11	$503.04	$385.41	$20.32
8 inch meter	NA	NA	NA	$34.69

NA- Not applicable

For construction meters, a service charge of $447.15 per month or fraction thereof will be made in addition to the cost of water consumed. This rate is calculated using a factor of 1.5 times the fixed charge for a 2” water meter.

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

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

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

For each 3/4 inch device	$11.10
For each 1 inch device	$11.22
For each 1-1/2 inch device	$14.39
For each 2 inch device	$15.57
For each 3 inch device	$34.04
For each 4 inch device	$41.06
For each 6 inch device	$52.85

Sec. 12.3 Place Holder for Future Changes

Sec. 12.4 Water Capital Improvement Charge.

For each water account, an additional $13.99 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge effective January 1, 2026. This charge is solely dedicated to funding water capital improvement projects. The Water Capital Improvement Charge (the "CIC") was implemented to provide a partial funding source for capital projects like the UV treatment facility at the Red Mountain Reservoir and to fund pipeline replacement projects.

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

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

Meter Size	FPUD EMU	Water CIC
3/4 inch meter	1.0	$ 13.99
1 inch meter	1.67	$23.30
1-1/2 inch meter	3.33	$ 46.64
2 inch meter	5.33	$74.57
3 inch meter	10.67	$ 149.16
4 inch meter	16.67	$ 233.07
6 inch meter	33.33	$ 466.12

Sec. 12.5 Billing Periods.

Billing due dates fall on the 10th, 20th, and 30th of the month depending on meter location in the District. All charges for water and sewer services during specified meter read dates are due and payable when rendered. Bills become delinquent the day after the due date. Residential accounts not paid within 30 days of the due date are sent past due statements and the meters are subject to lock-up for non-payment after being delinquent for 60 days (See District Residential Discontinuation of Service Policy available on the District

website). Non-Residential accounts not paid within 30 days of the due date are subject to meter lock-up. All water accounts accrue a $30 Delinquent Processing Fee on the 31st day of delinquency.

Accounts not paid within 30 days after lock-up and accounts that have tampered with the meter to obtain water illegally are subject to removal of meters and permanent disconnection of water service. Standby charges will continue to accrue after the meter has been removed.

If a meter has been locked for non-payment for a period of 90 days, it may be placed on Standby Service by FPUD. Standby Service charges will accrue from that time until an application for service restoration has been received by the District.

The District must be notified in a timely manner with the name and mailing address of the new owner or tenant and the upcoming date of transfer. Notification of the transfer of property ownership, or tenancy, is the responsibility of the owner/seller. The District is not responsible for the proration of the final billing if notification is not received prior to the date of sale, or change of tenancy.

Sec. 12.5.1 Unclaimed Funds

Unclaimed funds in an amount less than $15 or where the depositor's name is unknown will become FPUD general funds if unclaimed for 1 year. Unclaimed funds in an amount greater than $15 become may become FPUD general funds once the following procedure is competed:

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:

Meter Size	Installation Fee
¾" and 1" Meters	$144
1-1/2" and larger	$611

Sec. 12.7 Meter Not Registering.

Whenever, for any reason, a meter fails to register correctly, the consumer will be charged an amount for the previous billing period increased or decreased by the percentage change in total billing by the District for all consumers for the two billing periods.

Sec. 12.8 Water Rates or Service Charges Lien on Property.

In addition to any other remedy provided therein or by law for the collection of any water rate, charges or account, all rates or service charges provided for in this Administrative Code shall be charged and become a charge against the property on which the water is furnished and against the owner thereof, and all charges for water so served to a property shall be and become a lien against the premises upon which the water is used or served.

Standby accounts with a delinquent balance greater than $500 as of April 1st of each year may be sent notification of intent to place delinquent and unpaid charges on the annual tax roll. The notification will be sent by May 1st and provides the customer 60 days to bring the account current. If the amount is not brought current by July 1st, the portion of the delinquency due as of the prior April 1st may be reported to the County Treasurer for inclusion on the annual taxes levied on the property.

If for any reason or cause the sums of money owing for such water services are not paid as required by the terms and provisions of this Administrative Code, the District shall have the right to shut off such water, and in no case shall service of water be resumed on the same property until all such delinquencies and additional turn-on charges shall have been paid in full. Delinquent bills from former owners or tenants are the responsibility of the present owner. Prior to appealing any delinquent bills to the Board, the current owner shall demonstrate that they have pursued recovery of the funds from the prior owner or agents involved in the real estate transaction.

Sec. 12.8.1 Theft of Water.

Water is defined as stolen from the customer if the water is stolen from the customer's side of the meter. Water stolen from a mainline, hydrant, District pipeline, appurtenance, or tampering with a customer's meter is defined as water being stolen from the District.

Water Stolen from Customer.

Customers who have reported water theft to the District must also notify local law enforcement agencies. The District will require proof of theft from a law enforcement agency that a theft of water occurred. Customer's asking for credit on the bill for water theft will be processed by account type. If a full price M&I customer, the District may discount the estimated amount of water stolen and charge the District's wholesale cost of water for the amount stolen. An estimate of the amount of water stolen will be made by District staff using that customer's usage history. Water sold to Agricultural customers and Agricultural-Domestic is sold at District cost so no discount may be applied. If the stolen water caused the customer's allocation bank to be adversely affected, the District will restore the estimated amount stolen to the customer's allocation bank. If the water theft resulted in an overuse penalty, the District will credit the penalty to the customer for the estimated amount of water stolen.

Water Stolen from District.

Any theft of water from the District will be reported to law enforcement agencies. If the theft is due to meter tampering, the customer will be charged a $250 fee for tampering with the meter plus time and materials to place the meter back into proper position. If a water theft from the District due to meter tampering occurs again on the same meter, the customer will be charged a $500 fee for tampering and an item will be brought forward to the Board of Directors to consider discontinuance of service. An estimate of the amount of water stolen will be calculated and billed to the customer's account. Collection of said fees are subject to all District regulations regarding collection of past due accounts.

Sec. 12.9 Volumetric Wastewater Charges.

Wastewater service charges are established upon each property within the District that is connected to a sewer line of the District whether said premises are occupied or unoccupied. Volumetric Wastewater Charges are applied to estimated billable wastewater flows, which are based upon adjusted water deliveries. The charge per killogallon of wastewater flow is shown below:

User Class	Volumetric Wastewater Charge ($/kgal)
Agricultural-Domestic (AD)	$ 6.82
Residential (LD, D, M))	$ 6.82
Government (G)	$ 12.35

User Class	Volumetric Wastewater Charge ($/kgal)
Commercial – Low Strength* (C_L)	$ 12.35
Commercial – Medium Strength* (C_M)	$ 15.39
Commercial – High Strength* (C_H)	$ 19.67

*Appendix A to this Article provides commercial effluent classification.

For the purpose of determining the billable wastewater flows, water deliveries must be converted to wastewater flows returned to the sewer system. To do this conversion, a Return to Sewer Factor is applied. The Return to Sewer factor adjusts the water received by the meter to the estimated flows from the residence or entity into the sewer system. The Return to Sewer Factor applied to the different customer classes are shown below:

Customer Class	Return to Sewer Factor
Residential (Multi-Family, Single Family)	80%
Non-Residential/Commercial	90%
Low / Medium / High	90%
Government	
Low / Medium / High	90%
Schools	80%
Churches	80%
Special	
Low / Medium / High	100%
Special 10% RTS (1-10%)	
Low / Medium / High	10%
Special 20% RTS (11-20%)	
Low / Medium / High	20%
Special 30% RTS (21-30%)	
Low / Medium / High	30%
Special 40% RTS (31-40%)	
Low / Medium / High	40%
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%
Special 70% RTS (61-70%)	
Low / Medium / High	70%
Special 80% RTS (71-80%)	
Low / Medium / High	80%

Non-residential customers with higher outdoor are evaluated on a case by case basis.

For those Single Family Residences (D, LD, AD), volumetric charges are calculated as follows:

1. The 2-year average winter use is calculated based upon prior year water deliveries that include December, January and February. The average used for wastewater billing is capped at 20 units.
2. 80% of this water is assumed to be returned to sewer/billable flow.
3. The Volumetric Wastewater Charge ($/kgal) is applied to this flow.
4. Consumption analysis is performed annually. Appeal for consumption is available.
5. No prior history customer (new customer) will be placed at that customer class median of 6. For customers with at least one winter of use data, that data will be used for their winter average.
6. Use must be > 0 unless customer is on standby.

For those Multi-Family Residences (M), volumetric charges are calculated as follows:

7. The average winter use is calculated based upon prior year water deliveries that include December, January and February.
8. 80% of this water is assumed to be returned to sewer/billable flow.
9. The Volumetric Wastewater Charge ($/kgal) is applied to this flow.
10. Consumption analysis is performed annually. Appeal for consumption is available.
11. No prior history customer (new customer) will addressed on a case by case basis.

All other water customer classes (G, C)**,** with the exception of public elementary and public junior high schools:

1. Monthly sewer bill based on actual water sold.
2. The Return to Sewer factor applied to determine the billable flow. Appeals for irrigation and/or water usage which does not get returned to the sewer is available.
3. Customer is classified as high, medium, or low strength (based upon BOD and SS). See attached Appendix A. Appeal for strength classification is available.
4. The applicable Wastewater Volumetric Charge is applied to the billable flow.

Public elementary and public junior high schools:

1. Monthly sewer bill based on per person, per month charge.
2. The public elementary and / or public junior high school district to provide a report each October that documents the number of students and faculty at each site.
3. CY 2026 public elementary school rate is $1.55 per student and $2.31 per staff, per month.
4. CY 2026 public junior high school and administrative offices rate is $2.31 per person, per month.
5. Rates to be increased by the overall percentage increase in wastewater revenues each year.

Sec. 12.10 Monthly Fixed Wastewater Charge.

For each Residential/Domestic sewer account, which includes D, LD, M, AD accounts, effective January 1, 2026, the Monthly Fixed Wastewater Charge shall be $40.41 per month per Equivalent Dwelling Unit (EDU). For Comercial (C) and Government (G) accounts, effective January 1, 2026, the Monthly Fixed Wastewater Charge shall be $13.53 per month per EDU. For all customer types, the EDUs will be calculated per Administrative Code Sections 11.7.2, 11.7.3, or 11.7.4.

Sec. 12.10.1 Wastewater Capital Improvement Charge.

For each account, an additional $ 14.97 per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge Effective January 1, 2026. This charge is dedicated to Wastewater Debt Service and Wastewater Capital Improvements. The Wastewater Capital Improvement Charge has been implemented to partially fund the debt service payments for upgrades to the Wastewater Treatment Plant. EDUs will be calculated per Administrative Code Sections 11.7.2, 11.7.3, or 11.7.4. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February, not to exceed 10%. Staff will report back to the Board of Directors every five (5) years with analysis of its necessity. The Capital Improvement Charge will only be used to fund capital improvement projects or debt service for capital improvement projects. Revenue from the Capital Improvement Charge will not be used to fund Operating Costs.

ARTICLE 21 CONTINUED (Renumbered as Article 12 by Resolution 5006)

ARTICLE 21 (Renumbered as Article 12 by Resolution 5006)

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

ARTICLE 21 CONTINUED (Renumbered as Article 12 by Resolution 5006) **ARTICLE 21** (Renumbered as Article 12 by Resolution 5006)
Secs. 21.1, 21.2, 21.3, 21.4, 21.9, 21.10, 21.10.1 – Rev. 12/18 Sec. 21.3 – Rev. 6/19 Secs. 21, 21.1, 21.2, 21.3, 21.4, 21.5, 21.9, 21.10, 21.10.1 – Rev 12/19 Secs. 21.5, 21.6, 21.5.1 (added) – Rev. 1/20 Sec 21.3 – Rev 6/20 Secs. 21, 21.1, 21.2, 21.3, 21.4, 21.9, 21.10, 21.10.1 – Rev 12/20 Sec 12.3 – Rev 6/21 Secs. 12, 12.1, 12.2, 12.3, 12.4, 12.6, 12.8, 12.9, 12.10, 12.10.1 – Rev 12/21 Secs. 12.3 – Rev 6/22 Secs. 12.1, 12.2, 12.3, 12.4, 12.5, 12.9, 12.10, 12.10.1 – Rev 11/22 Sec. 12.2 – Rev 12/22 Sec. 12.9 – Rev 4/23 Secs. 12.1, 12.2, 12.3, 12.4, 12.8.1, 12.9, 12.10, 12.10.1, - Rev 12/23 Sec. 12.8 – Rev 4/24 Secs. 12, 12.1, 12.2, 12.4, 12.9, 12.10, 12.10.1 – Rev 12/24 Secs. 12, 12.1, 12.2, 12.4, 12.9, 12.10, 12.10.1 – Rev 12/25

Compilation of Published Data on Sewer User Strength Classifications

User Classification Description	SIC Code	Proposed Strength (mg/l) BOD	SS	Weighted Average	Percent of Single Family	Data Source
Strength Weighting Factor		50%	50%			
Residential Single Family	881	200	200	200	100%	SWRCB
LOW STRENGTH CLASSICATION						
Low I Strength:						
Soft Water Service	494	3	55	29	15%	SWRCB
Office With Public Access	738	80	80	80	40%	SWRCB
Car Wash	550	20	150	85	43%	SWRCB
Veterinarian	74	130	80	105	53%	Los Angeles
Business Equipment Rental	735	130	80	105	53%	Los Angeles
Business Services -- Other	730	130	80	105	53%	Los Angeles
Office (Finance, Insurance, etc.)	600	130	80	105	53%	Los Angeles
Office (No Public Access)	871	130	80	105	53%	SWRCB
Office (Medical Services)	807	130	80	105	53%	Los Angeles
Personal Services (Other)	720	130	80	105	53%	Los Angeles
Photo & Portrait Studios	722	130	80	105	53%	Los Angeles
Manufacturing - Textile Mill Products	220	115	115	115	58%	Metcalf & Eddy
Schools	821	130	100	115	58%	SWRCB
Low II Strength:						
Laundromat-Public	721	150	110	130	65%	SWRCB
Landscaping Services	70	150	150	150	75%	Los Angeles
Amusement & Recreation: Indoor & Out	790	150	150	150	75%	Los Angeles
Auto Parking	752	150	150	150	75%	Los Angeles
Barber Shop	724	150	150	150	75%	Los Angeles
Beauty Shop	723	150	150	150	75%	Los Angeles
Church (No Kitchen)	866	150	150	150	75%	Los Angeles
Community Center (No Kitchen)	864	150	150	150	75%	Los Angeles
Grocery Market (No Butcher or Baker)	541	150	150	150	75%	Los Angeles
Health Spa	805	150	150	150	75%	Los Angeles
Kennel	75	150	150	150	75%	Los Angeles
Malls/Dept. Stores (No Food Svcs)	531	150	150	150	75%	SWRCB
Manufacturing (Other)	200	150	150	150	75%	Los Angeles
Manufacturing (Apparel & Other Textiles)	230	150	150	150	75%	Los Angeles
Manufacturing (Furniture)	250	150	150	150	75%	Los Angeles
Membership Organizations	860	150	150	150	75%	Los Angeles
Museum/Art Gallery	840	150	150	150	75%	Los Angeles
Nursery/Greenhouse	526	150	150	150	75%	Los Angeles
Office (Construction)	150	150	150	150	75%	Los Angeles
Massage Parlor	805	150	150	150	75%	Los Angeles
Retail Apparel and Accessory Store	560	150	150	150	75%	Los Angeles
Retail Bldg. (Maferials & Gardening)	520	150	150	150	75%	Los Angeles
Retail (Packaged) Food (No Sewer Disposal)	540	150	150	150	75%	Los Angeles
Retail Furniture & Home Furnishings	570	150	150	150	75%	LACSD
General Merchandise -- Retail/Wholesale	530	150	150	150	75%	SWRCB

Compilation of Published Data on Sewer User Strength Classifications

User Classification Description	SIC Code	Proposed Strength (mg/l) BOD	SS	Weighted Average	Percent of Single Family	Data Source
Retail Trade -- Misc. (Except Food/Drink)	590	150	150	150	75%	SWRCB
Storage, Warehouse & Outdoor	422	150	150	150	75%	Los Angeles
Studio/Recording Sound Stage	781	150	150	150	75%	Los Angeles
Theater/Auditorium (No Food)	780	150	150	150	75%	Los Angeles
Low III (Residential) Strength:						
Convalescent Homes	836	250	100	175	88%	SWRCB
Hospital	806	250	100	175	88%	SWRCB
Other Health Services	800	250	100	175	88%	SWRCB
Transp. & Utilities (SIC 400 through 489)	400	200	150	175	88%	Metcalf & Eddy
Agricultural Production	10	150	250	200	100%	Metcalf & Eddy
Agricultural Services - Other	70	250	150	200	100%	Metcalf & Eddy
Bar Without Restaurant	581	200	200	200	100%	SWRCB
Restaurant -- Preprocessed Only	581	200	200	200	100%	Los Angeles
Social Services	830	200	200	200	100%	SWRCB
MEDIUM STRENGTH CLASSICATION						
Medium I Strength:						
Hotel (No Restaurant)	700	310	120	215	108%	SWRCB
Prison With Food Service	704	310	120	215	108%	Los Angeles
Auto Repair (No Steam Cleaning)	753	180	280	230	115%	SWRCB
Auto Service Station (No Steam Cleaning)	554	180	280	230	115%	SWRCB
Agricultural Services -- Animal	75	350	150	250	125%	Metcalf & Eddy
Auto/Vehicle Sales	550	300	200	250	125%	Metcalf & Eddy
Repair Services -- Misc.	760	250	250	250	125%	Metcalf & Eddy
Manufacturing -- Rubber/Plastic Products	300	200	350	275	138%	Metcalf & Eddy
Medium II Strength:						
Manufacturing -- Electric/Electronic Equip	360	300	350	325	163%	Metcalf & Eddy
Manufacturing - Instruments	380	300	350	325	163%	Metcalf & Eddy
Manufacturing -- Fabricated Metal Products	340	300	350	325	163%	Metcalf & Eddy
Manufacturing -- Transport Equipment	370	400	250	325	163%	Metcalf & Eddy
Laundromat, Commercial	721	450	240	345	173%	SWRCB
Transportation -- Bus/Air Terminal	417	350	350	350	175%	Metcalf & Eddy
Medium III Strength:						
Malls/Shopping (Including Food Sales)	541	400	400	400	200%	Los Angeles
Manufacturing -- Machine Shops	350	290	550	420	210%	Los Angeles
Manufacturing -- Metal Industry	330	290	550	420	210%	Los Angeles
Manufacturing -- Lumber & Wood Product	240	431	431	431	216%	Los Angeles
Manufacturing -- Stone, Clay, Glass Produc	320	200	700	450	225%	Metcalf & Eddy
Reproduction/Mailing Service	733	500	400	450	225%	Metcalf & Eddy
Hotel (With Restaurant)	701	500	600	550	275%	SWRCB
Manufacturing -- Paper/Containers	260	700	500	600	300%	Metcalf & Eddy
Manufacturing -- Printing & Publishing	270	700	500	600	300%	Metcalf & Eddy
Laundry (Industrial)	721	670	680	675	338%	SWRCB

Compilation of Published Data on Sewer User Strength Classifications

User Classification Description	SIC Code	Proposed Strength (mg/l) BOD	SS	Weighted Average	Percent of Single Family	Data Source
HIGH STRENGTH CLASSICATION						
High I Strength:						
Agricultural Production - Livestock	20	1,200	350	775	388%	Metcalf & Eddy
Mortuary	726	800	800	800	400%	SWRCB
Grocery (W/Butcher or Baker)	542	800	800	800	400%	SWRCB
Manufacturing -- Baked Foods	205	1,000	600	800	400%	SWRCB
Restaurant/Bar (W/Food Preparation)	581	1,000	600	800	400%	SWRCB
Manufacturing -- Beverages	208	1,500	300	900	450%	Metcalf & Eddy
Manufacturing -- Paint	285	1,300	1,100	1,200	600%	Metcalf & Eddy
Manufacturing -- Other Chemical Products	280	1,300	1,100	1,200	600%	Metcalf & Eddy
High II Strength:						
Manufacturing -- Dairy Products	202	2,369	922	1,646	823%	Los Angeles
Steam Cleaning -- Auto	754	1,150	2,150	1,650	825%	SWRCB
Manufacturing -- Other Food Products	209	2,213	1,453	1,833	917%	Los Angeles
High III Strength:						
Septage	495	5,400	12,000	8,700	4350%	SWRCB

Article 13. Easements.

Sec. 13.1 Requirement for Easements.

Whenever a pipeline is constructed, a meter is installed, an extension of a line is made, or a fire hydrant installed, the District requires an easement in order to go on the property.

Sec. 13.2 Acceptance of Easements.

The District accepts easements for right-of-way for District pipelines and facilities, together with right of ingress and egress for the purpose of construction, repairing, relaying, enlarging and operating same.

On January 26, 1987, the Board of Directors authorized the General Manager to approve all easements received and the President and Secretary to sign them and prepare them for recordation upon the necessary information provided by the legal owner.

Sec. 13.3 Granting of Easements.

Granting of easements must be approved by the Board of Directors. Staff will determine whether the District will grant an easement over District property or over easements the District has that allows for reconveyance to others.

ARTICLE 22 (Renumbered as Article 13 by Resolution 5006)
Sec. 22.3 – Rev. 6/93
Sec. 22.1 – Rev. 11/94
Sec. 22.3 – Rev. 6/95
Sec. 22.1-22.3 – Rev. 9/96

Article 14. Construction, Regulations Governing.

Sec. 14.1 Water Line Extensions and Replacements by the District.

As finances permit, the District will repair and replace the system of mains, storage reservoirs, pumps and controls that are existing, maintained, and operated by the District. Storage reservoirs connected by these mains will be located at convenient high points within the District so that reasonable pressures under gravity flow can be provided to the consumers around them. Pressures higher than those available under gravity flow will not be provided by the District except as may be considered under a special rate Ordinance.

Extensions desired beyond the existing system in service shall be provided by others desiring the extensions.

The District can fund pipeline looping projects, when all properties are served and a short pipeline section is needed to loop the end of the pipeline to another pipeline in the distribution. When this occurs in a subdivision or other development project, the project plans of improvement must include all District pipeline improvements, both private and District funded portions, prior to being approved by the District.
Ordinance No. 226.

Sec. 14.2 Water Line Extensions, privately financed.

The following terms and conditions shall apply to extensions and others who provide them:

a) An extension, at the expense of others, may be required as a condition of service where the property to be served does not abut a District pipeline. A required pipeline extension shall extend a minimum of 20 feet beyond the property line into the property.

b) An extension, at the expense of others, shall be required as a condition of service where the property to be served does not abut a District pipeline and where the land is to be part of a subdivision or a similar development. For minor subdivisions (5 parcels or fewer) the pipeline extension shall extend a minimum of 20 feet into the last parcel to be served.

c) The District will accept, maintain and operate those extensions constructed to its standards and requirements by others. Whenever an extension is to be provided by others, it shall conform to the then current Standard Specifications for Distribution System Construction, as approved by the Board of Directors.

d) The location of all extensions and service connections shall be at the discretion of the District.

e) Whenever it is not possible for an extension provided by others to lie within a County Road, the District shall require that an easement, normally thirty (30) feet in width, be provided, which will enable the District to maintain and replace the pipeline.

f) An extension to serve a major subdivision (greater that 5 parcels) or other property being similarly developed may be required to the far edge of the last lot served.

g) All extensions shall be constructed with pipe of a size adequate in the judgment of District staff to serve the area and the minimum size shall be six (6) inches.

h) Fire hydrant installations as required by the North County Fire Protection District and then existing ordinances of San Diego County shall be provided as an integral part of all extensions.

i) The District can approve exceptions to these requirements in the form of a Remote Meter Agreement per Section 10.2 or a Temporary Service Agreement per Section 10.3.

Sec. 14.3 Repayment Agreements - Water and Sewer Line Improvements.

Improvements provided by others which benefit owners fronting upon but not contributing toward the cost at the time of construction may be subject to a privately financed extension agreement for the collection and refunding of part of the cost. The Agreement consists of the following:

a) The District will have title to the improvements and will operate and maintain them as a part of the District's system.

b) The District agrees to collect a proportionate contribution for the cost of the improvements to provide service to those adjoining lands benefiting from them for a period of 10 years or until all proportionate charges have been collected and refunded, whichever period is less.

c) The District agrees to refund to the financing owners the proportionate contribution funds that are collected.

d) The District will have the sole authority to permit connections to or extensions from and service connections to said privately financed improvements.

e) The basis upon which proportions of the cost of the improvement(s) shall be computed for each privately financed extension agreement shall be negotiated by the Board of Directors with the financing owners and shall generally consist of practicable front footage, acreage, number of service connections, or such other basis as may be determined by the Board of Directors to be equitable to the financing owners and other benefiting property owners.

f) The improvement(s) will be installed in an easement granted to the District free of liens and encumbrances.

14.3.1 Administrative Costs. The administrative cost to the financing owners shall be one hundred dollars ($100) and shall be collected by District at the time such privately financed extension agreement is entered into.

Payment for District service(s) that has been used on any parcel of land shall have been made in full before the parcel is to be eligible to receive service from a new extension or service connection.

Sec. 14.4 Pipeline Extensions - Sewer.

14.4.1 Process. If an Applicant seeks an application for sewer service for property which is not adjacent to a District sewer system pipeline, the Applicant shall be required to enter into a written agreement with the District to construct additional facilities determined necessary by the District at the time the application is submitted.

14.4.2 Agreement. No pipeline extension shall be allowed unless the Applicant executes the agreement entitled "Agreement for Construction of Sewer Facilities to be Dedicated to the Fallbrook Public Utility District".

14.4.3 Fees. For line extensions, the Applicant shall pay the District a cash deposit computed as follows:

(a) Inspection fees of $5 per lineal foot;

(b) One hundred fifty percent (150%) of the District's estimate of the total construction costs for the line extension, or one hundred fifty percent (150%) of the actual bid secured by the applicant for the work, if lower.

Sec. 14.5 Construction Ownership and Maintenance of Sewer Lateral Pipelines.

The sewer lateral pipeline is that portion of the service lateral between the connection to the common sewer main and the service cleanout, located typically at the edge of the right-of-way where it connects with the owner lateral.

The installation of sewer lateral pipelines and connection of sewer lateral pipelines to the sewer main transmission lines of the District shall be done only by personnel of the District. The District is authorized to contract for such installation and connection when personnel of the District are not available to install and connect the lateral pipeline. The contract work shall be inspected and approved by the District before acceptance of the work by the District.

The entire sewer lateral pipeline and owner lateral from the connection to the common sewer main to the house connection shall belong to and be the property of the Owner. The common sewer main, including all manholes and appurtenances, shall belong and be the property of the District. The District may maintain that portion of the Owner's lateral between the common sewer main and the service cleanout upon the request of the Owner. The District may repair that portion of the Owner's lateral between the common sewer main and the service cleanout upon the request of, and at the expense of, the Owner.

Sec. 14.6 Temporary Sewer Service Connections.

A Temporary Sewer Service Agreement is a recorded agreement between the District and a consumer that a connection will be placed temporarily at a location which must be pumped to serve the property, where the District intends, at some future date, to extend the District collection system to abut, or cross, the property described in the agreement, and that the consumer is responsible for extending his own temporary private lateral from the main to his property, obtaining whatever temporary easements are required for such extension, and maintaining private pump stations in a sanitary fashion, free of odors. Such agreements shall establish the financial obligations of the consumer related to the future installation costs of the District's collection system and the cost of connection to the gravity main, and shall be binding upon the signatory and all successor owners of said property.

Failure to comply with the terms of the agreement shall be cause for termination of sewer 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 sewer service under a Temporary Sewer Service Agreement will be required, as a condition of continued service, for the new owner to enter into a new Temporary Sewer Service Agreement with the District.

ARTICLE 23 (Renumbered as Article 14 by Resolution 5006)
Sec. 23.1 – Rev. 7/94
Sec. 23.4 – Rev. 6/95
Sec. 23.5.2 – Rev. 9/96
Sec. 23.3 - Rev. 1/99
Sec. 23.5, Sec. 23.5.1- Rev. 6/99
Sec. 23.6 – Added 11/99
Sec. 23.5 – Rev. 1/01
Sec. 23.5 – Rev. 6/07
Secs. 23.1, 23.2 – Rev. 7/19

Article 15. Standby or Availability Charges

Sec. 15.1 Definition.

In accordance with Division 7, Chapter 4, Article 3, Sec. 16475 and 16477 of the Public Utility District Act, the Board of Directors has the authority to establish standby or water availability charges, not to exceed $30.00 an acre.

Sec. 15.2 Water Availability Charges.

Water availability charges are hereby fixed and established on all land within the District boundaries, whether the water is actually used or not, as follows:

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

15.2.1 Fallbrook Service Area.

(a) $10 (ten) per acre for all parcels one (1) acre or more prorated out to one hundredth of an acre, as set forth in the San Diego County Tax Assessor's maps, EXCEPTING lands permanently dedicated exclusively to transportation of persons or property, hereafter referred to as the transportation dedication exclusion. For purposes of this Administrative Code, it is assumed that 5% of all parcels have been permanently dedicated exclusively to transportation of persons and property; therefore, the actual assessment will be $9.50 per gross acre, as set forth in the San Diego County Tax Assessor's maps.

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

15.2.2 DeLuz Improvement District.

(a) Acreage adjacent to or lying within 1320 feet of water distribution line $10.00 per acre.

(b) Acreage between 1320 and 2640 feet of a water distribution line – $ 9.00 per acre.

(c) Acreage between 2640 and 3960 feet of a water distribution line – $ 8.00 per acre.

(d) Acreage between 3960 and 5280 feet of a water distribution line – $ 7.00 per acre.

(e) Acreage over 5280 feet from water distribution line -$ 6.00 per acre.

(f) All parcels of less than one acre - $ 5.00.

Sec. 15.3 Exemptions.

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

Sec. 15.4 Collection of Standby/Availability Charges.

On or before August 10 of each year, the Secretary of the District shall furnish in writing to the Board of Supervisors of San Diego County and to the County Auditor a description of the land within the District upon which standby or availability charges are to be levied and collected, together with the amount of the charges. At the time and in the manner required by law for the levying of taxes for County purposes, the Board of Supervisors shall collect, in addition to taxes it levies, water availability charges in the amounts fixed by this Administrative Code for the respective parcels of land described in Sec. 14.2.1 and Sec. 14.2.2 of this Code. All County officers charged with the duty of collecting taxes will collect the charges with the regular tax payments in the same form and manner as County taxes are collected. Such availability charges are a lien on the property with respect to which they are fixed. Collection of the charges may be enforced by the same means as provided for the enforcement of liens for State and County taxes.

Sec. 15.5 Deferral of Charge.

Situations may arise when an owner of a parcel of land does not use and has no present intention of using water provided by the District. The purpose of this section is to permit an evaluation by the District, on a case-by-case basis, of the circumstances which pertain to such situations to determine whether a deferral of charges should be approved according to the terms and conditions herein provided.

15.5.1 Application. Any owner of a parcel of land who believes that the amount of the Water Standby Availability Charge fixed against such parcel should be deferred may file an application with the District for deferral of the charge, as follows:

a) The application shall include a statement describing the circumstances and factual elements which support the request for deferral.

b) The General Manager shall consider the request within sixty (60) days after the filing of a completed application. If the application for deferral meets the established criteria, the General Manager may decide whether to approve the request and order the charge deferred accordingly. If the request is denied, the applicant shall be notified in writing stating the reasons for the denial.

c) An application shall be deemed timely as to a charge established for any year if it is filed within three (3) years after the date the ordinance fixing the charge is adopted.

15.5.2 Appeal to Board of Directors. If the General Manager denies a request, the owner may file an appeal with the Board of Directors within sixty (60) days after such denial. No new application for deferral need be considered by the General Manager until expiration of twelve (12) months from the date of a denial unless differently directed by the Board of Directors.

15.5.3 Deferred Charges on Restricted Parcels. The levy of the charge may be deferred annually as to any parcel of land which meets each of the following criteria:

a) The owner of such parcel makes a timely application requesting deferral of the charge as defined in subsection 15.5.1.

b) The parcel, which is the subject of the request, will become subject to enforceable restrictions which prohibit the use of water on the parcel, except by means of natural precipitation or runoff; provided however, if considered appropriate by the General Manager local water may be used for limited domestic, stock watering and irrigation uses.

c) The owner executes a recordable agreement which includes provisions that:

set forth the enforceable restrictions pertinent to the subject parcel;

the agreement may be terminated upon written request by the owner and payment of all deferred Water Standby Availability Charges, plus interest thereon, compounded annually, and accruing at the legal rate from the date such charges would have been otherwise due and payable;

no water service from District sources shall be provided to such parcel for a period of ten (10) years after the total amount due for the charges deferred, plus annually compounded interest, is paid in full to the District;

during the ten (10) year period, while water service is not available to the subject land, the owner pays all annual Water Standby Availability charges as fixed; and

contains such other provisions considered by the General Manager to be appropriate.

15.5.4 Deferred Charges on Partial Parcels. The District does not allow partial deferments of the Water Availability/Standby charge on a single parcel. Landowners within the District's service area wishing to defer these charges on a portion of their property will need to obtain a separate Assessor Parcel Number (APN) for that property that cannot be developed or planted.

A property owner must submit a map to the San Diego County Assessor's Office, Mapping Division, depicting the owners property and the area(s) to be considered separately, and a request that the Water Availability/ Standby charge be deferred. This will create a new APN and an Owner's Map which is for assessment purposes only.

15.5.5 Surcharge. Upon termination of the deferral agreement, an owner may elect to receive water prior to the expiration of the ten (10) year period upon payment of a surcharge. The surcharge shall be equal to the amount of the annual water Standby Availability Charge fixed for the parcel(s) of land in the year of election to receive water service multiplied by the number of years remaining of the ten (10) year period.

15.5.6 Refunds. If it is determined that a refund of any previously fixed Water Standby Availability Charge is appropriate because the subject parcel qualifies for deferral of charges, the amount refunded shall be added to the amount of deferred charges due under section 15.5.3, c, para. 2, and will be subject to the legal interest rate compounded annually.

15.5.7 Enforcement Procedures. In order to insure that terms and conditions of the recordable agreement are being met, the General Manager shall:

a) maintain a record of all parcels approved for deferral of the Water Standby Availability Charge;

b) make a written report to the Board of Directors in August of each calendar year showing all parcels with deferred annual Water Standby Availability Charges and the amount of the deferred charges and accrued interest;

c) cause each such parcel to be physically inspected every three (3) years from the date of deferment;

d) report to the Board of Directors any instances where the terms of the agreement are being violated; and

e) take such other actions or procedures considered appropriate.

Sec. 15.6 Certified Copies.

The Secretary of the District shall deliver certified copies of this Ordinance to the Board of Supervisors and to the Auditor of San Diego County with the list of charges described above.

Sec. 15.7 Correction of Errors.

The General Manager of the District is hereby authorized to correct any clerical error made in any assessment or charge pursuant to this Administrative Code to make an appropriate adjustment in any assessment or charge made in error.
Ord. No. 218, 225, 232, 246, 256, 261, 285, and 295.

ARTICLE 24 (Renumbered as Article 15 by Resolution 5006)

Sec. 24.5.4 – Rev. 9/97
Sec. 15.5 – Rev. 5/24

Article 16. Tax Levy

Sec. 16.1 Definitions.

Annually, during the Budget process, the Board of Directors makes a determination whether or not budgeted revenues are adequate to pay both the District's budgeted expenditures of the Utility Fund, and the annual principal and interest available on the bonded debt. The District's taxpayers have agreed to pay by taxation any principal and interest on general obligation bonded indebtedness at the time of the bond authorization election. If the Board determines that other revenues are insufficient to meet the debt obligation, then it is necessary for the District to raise money by taxation for the purposes of paying the principal of and interest on the bonded debt of the District as they become due.

Sec. 16.2 General Bonded Indebtedness.

The Fallbrook Public Utility District will have no principal and interest due on general obligation bonded indebtedness during the current fiscal year.
Ordinance No. 257, 262 267, 270, 275, 277, 282, 286, 289, 292, 296, 310, 314, 317.

Sec. 16.3 Money to be Raised By Taxation.

The Board of Directors has determined that it will not be necessary to raise by taxation during fiscal year 2007-08 any amount for payment of principal and interest on general obligation bonded indebtedness. *Ordinance No. 257, 262, 267, 270, 275, 277, 282, 286, 289, 292, 296, 310 314, 317.*

Sec. 16.4 Full Valuation of Taxable Property.

It will not be necessary to set a tax levy for fiscal year 2007-08.
Ordinance No. 257, 262, 267, 270, 275, 277, 282, 286, 289, 292, 29, 310, and 314.

Sec. 16.5 Certified Copies.

The Secretary of this Board is not required to immediately transmit to the County Auditor of San Diego County a certified copy of this Ordinance, as no principal and interest is due on general obligation bonded indebtedness for the Fallbrook Public Utility District for the fiscal year 2007-08**.**

ARTICLE 25 (Renumbered as Article 16 by Resolution 5006)
Sec. 25.1, 25.2, 25.3, 25.4 & 25.5 – Rev. 7/93 Sec. 25.2, 25.3, & 25.4 – Rev. 7/94, 7/95, 7/96, 7/97, 7/98, 7/99, 7/00, 7/01, 7/02, 7/03, 7/04, 7/05, 7/06, 7/07

Article 17. Water Shortage Response Program.

Sec. 17.1 Declaration of Policy.

California Water Code Section 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity. The Board of Directors hereby establishes a comprehensive water conservation program pursuant to California Water Code Section 375 et seq., based upon the need to conserve water supplies and to avoid or minimize the effects of any future shortage. Additionally, the California Water Code mandates that water agencies adopt a water shortage contingency plan (WSCP) as part of their Urban Water Management Plan (UWMP). The District's WSCP is a detailed plan for how an urban water supplier, like the District, intends to act in the case of any actual water shortage condition. This Article 17 is consistent with the District's WSCP and is how the District implements its WSCP, and can be amended, as needed, outside of updating the District's UWMP.

Sec. 17.1.1 Place Holder for Future Changes.

Sec. 17.1.2 Place Holder for Future Changes.

Sec. 17.2 Findings.

The Board of Directors finds and determines that a water shortage could exist as a result of a general regional water supply shortage due to increased demand or limited supplies.

The Board of Directors also finds and determines that the conditions prevailing within and in the vicinity of the District's service area require that the water resources available be put to maximum beneficial use to the extent to which they are capable, and that the waste or unreasonable use, or unreasonable method of use, of water be prevented and that the conservation of such water encouraged with a view to the maximum reasonable and beneficial use thereof in the interests of the people of the Fallbrook Public Utility District and for the public welfare.

Sec. 17.3 Application.

The provisions of this Administrative Code shall apply to all water served to persons, customers, and property by the Fallbrook Public Utility District.

Sec. 17.4 Determination and Declaration of Water Supply Conditions.

Sec. 17.4.0 NORMAL CONDITIONS. The District's service area is in a semi-arid climate. Good water management practices dictate that water be used wisely and not wasted at any time. Customers are required to follow the guidelines presented in Sec. 17.8.0 for Normal Conditions at all times. The District will provide public education and outreach efforts to emphasize public awareness of the need to always use water wisely and practice water conservation measures.

Sec. 17.4.1 The General Manager shall monitor the projected supply and demand for water by its customers on a daily basis. The General Manager shall determine

the extent of the conservation required through the implementation and/or termination of particular conservation stages in order for the District to prudently plan for and supply water to its customers, and shall recommend to the Board of Directors that the appropriate level of water conservation/water shortage condition be implemented or terminated in accordance with the applicable provision of this Administrative Code. Based on the recommendation of the General Manager, and based upon all available data, the Board of Directors shall from time to time determine and declare whether the District's water supply is in one of the following "water shortage" conditions:

1. WATER SHORTAGE RESPONSE LEVEL 1 – WATER SHORTAGE NOTICE CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to ten percent (10%) is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 1 condition. In such an event, the Board of Directors shall take action to implement and increase enforcement of the conservation practices identified in Sec. 17.8.1 and may implement Water Shortage Emergency Surcharges as specified in 17.8.7.

2. WATER SHORTAGE RESPONSE LEVEL 2 – WATER SHORTAGE WATCH CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to twenty percent (20%) is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 2 condition. In such an event, the Board of Directors shall take action to implement the Level 2 conservation practices identified in Sec. 17.8.2. During a Level 2 Water Shortage Watch Condition, the District may implement Water Shortage Emergency Surcharges as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

3. WATER SHORTAGE RESPONSE LEVEL 3 – WATER SHORTAGE ALERT CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to cutbacks caused by water shortages or other reduction in supplies, a consumer demand reduction of up to thirty percent (30%) is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 3 condition. In such an event, the Board of Directors shall implement the mandatory Level 3 conservation measures identified in Sec. 17.8.3. During a Level 3 Water Shortage Alert Condition the District may implement Water Shortage Emergency Surcharges as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

4. WATER SHORTAGE RESPONSE LEVEL 4 – WATER SHORTAGE WARNING CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to increasing cutbacks caused by water shortages or other reduction of supplies, a consumer demand reduction of up to forty (40%) percent is required in order to have sufficient

supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 4 condition. In such an event, the Board of Directors shall implement the Level 4 conservation measures identified in Sec. 17.8.4. During a Level 4 Water Shortage Warning Condition the District may implement Water Shortage Emergency Surcharges as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

5. WATER SHORTAGE RESPONSE LEVEL 5 – CRITICAL CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency notifies the District that due to increasing cutbacks caused by water shortages or other reduction of supplies, a consumer demand reduction of up to fifty percent (50%) is required in order to have sufficient supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 5 condition. In such an event, the Board of Directors shall implement the Level 5 conservation measures identified in Sec. 17.8.5. During a During a Level 5 Critical Condition, the District may implement Water Shortage Emergency Surcharges as specified in 17.8.7 and may suspend consideration of annexations to its service area, and any service outside District boundaries.

6. WATER SHORTAGE RESPONSE LEVEL 6 – EMERGENCY CONDITION. This level applies when local supply conditions, and/or the District's wholesale water agency declares a water shortage emergency pursuant to California Water Code Section 350. A Level 6 Emergency Condition requires a demand reduction of greater than fifty percent (>50%) in order for the District to have maximum supplies available to meet anticipated demands. The Board of Directors may declare the existence of a Water Shortage Response Level 6 condition. In such an event, the Board of Directors shall implement the Level 6 conservation measures identified in 17.8.6. During a Level 6 Emergency Condition the District may implement Water Shortage Emergency Surcharges as specified in 17.8.7, and may suspend consideration of annexations to its service area, and any service outside District boundaries.

The General Manager is authorized to require submission of water use curtailment plans from those users having the largest effect on overall District consumption in order to protect the minimum supplies necessary to provide for public health, sanitation, and fire protection. Failure to provide curtailment plans in a timely manner or plans that do not meet the required cutbacks shall authorize the District to install flow restrictors at the meter or termination of service.

Sec. 17.5 Implementation of Water Shortage Condition Declarations.

California Water Code Sections 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity.

The declaration of any level beyond Normal Conditions shall be made by the Board of Directors, and public announcement shall be made to the District's rate payers through direct communication (mail and/or phone notification), physical posting in the District lobby, on the District website and by publication in a newspaper of general circulation and shall become effective immediately upon announcement. Upon adoption of a water shortage condition, the District shall provide notice to customers within (14) days of the Board's declaration.

The declaration shall be reported by the Board of Directors. The Board of Directors shall rescind the declaration, and may adopt such additional rules and regulations to limit water use during the emergency as it deems appropriate.

Sec. 17.6 Duration of Declaration.

As soon as a particular condition is declared to exist, the water conservation measures provided for herein for that condition shall apply to all District water service until a different condition is declared.

Sec. 17.7 Mandatory and Discretionary Use of Recycled Water.

Nothing in this Administrative Code shall prohibit or limit the use of recycled water for any purposes listed herein. No customer of the District shall make, cause, use or permit the use of potable water supplied by the District for construction grading on major subdivisions, paved surface cleaning, or greenbelt uses, including, but not limited to, cemeteries, playing fields, parks, and highway landscaped areas, when, following notice and a hearing, the District finds that recycled water is available under the following conditions:

1. The recycled water is of adequate quality and is available for use.

2. The recycled water may be furnished to such areas at a reasonable cost, equal to or less than the cost of supplying potable domestic water.

3. The State Department of Health Services has determined that such use would not be detrimental to public health.

4. The use of recycled water will not adversely affect downstream water rights, and will not degrade water quality.

Sec. 17.8 Water Conservation Stages.

Sec. 17.8.0 NORMAL CONDITIONS.

During a Normal Condition, customers are required to use water wisely and to practice water conservation measures so that water is not wasted. All water withdrawn from District facilities shall be put to reasonable beneficial use. District water users shall comply with the following water use prohibitions and conservation measures at all times:

1. Do not wash down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

2. Eliminate water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.

3. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only, unless using drip irrigation.

4. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.

5. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/ equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time.

6. Use re-circulated water to operate ornamental fountains.

7. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation**.**

8. The irrigation with potable water of ornamental turf on public street medians is prohibited.

9. The application of potable water to outdoor landscapes during or within 48 hours of measurable rainfall is prohibited

10. The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the County of San Diego's Landscape Ordinance.

11. Serve and refill water in restaurants and other food service establishments only upon request.

12. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.

13. Repair all water leaks within five (5) days of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

14. Use recycled or non-potable water for construction purposes when available.

During a Water Shortage Response Levels 1-6 condition, the water conservation measures and water use restrictions established by this Article 17 are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies as specified in this Article.

Sec. 17.8.1 WATER SHORTAGE RESPONSE LEVEL 1 – WATER SHORTAGE NOTICE CONDITION.

During a Level 1 Water Shortage Notice condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and increase enforcement of prohibitions of end use to promote a consumer demand reduction of up to ten percent (10%).

All persons using District water shall comply with Normal Conditions water conservation practices during a Level 1 Water Shortage Watch, as identified in Sec. 17.8.0.

Sec. 17.8.2 WATER SHORTAGE RESPONSE LEVEL 2 – WATER SHORTAGE WATCH CONDITION.

During a Level 2 Water Shortage Watch condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to twenty percent (20%).

All persons using District water shall comply with Normal Conditions and Level 1 Water Shortage Notice water conservation practices during a Level 2 Water Shortage Watch, as identified in Sec. 17.8.0 and 17.8.1. Additionally, upon declaration of a Level 2 Water Shortage Watch condition, the District will suspend consideration of annexations to its service area except under the following circumstances:

1. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of Fallbrook Public Utility District.

Sec. 17.8.3 WATER SHORTAGE RESPONSE LEVEL 3 – WATER SHORTAGE ALERT CONDITION.

During a Level 3 Water Shortage Alert condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to thirty percent (30%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice and Level 2 Water Shortage Watch water conservation practices during a Level 3 Water Shortage Alert, as identified in Sec. 17.8.0, 17.8.1 and 17.8.2, and shall also comply with the following additional conservation measures:

1. During the months of June through October, limit residential and commercial landscape irrigation to no more than two (2) days per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. During the months of November through May, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the Fallbrook Public Utility District. During extreme Santa Ana conditions (temperature > 80 and easterly winds > 20 mph), one additional day per week of watering is allowed. This section shall not apply to commercial

growers or nurseries. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per assigned day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.

3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by Section 17.8.3 (1), on the same schedule set forth in Section 17.8.3 (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation.

4. Repair all leaks within seventy-two (72) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

For Levels 3 and above, the District may establish a water allocation for property served by the Fallbrook Public Utility District using a method that does not penalize persons for the implementation of conservation methods or the installation of water saving devices and allows for the banking and subsequent use of unused allocations.

If the District establishes a water allocation it shall provide notice of the allocation within (14) days of its establishment by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for ongoing water service. The following customer classes are subject to allocations: Agricultural (AG), Agricultural-Domestic (AD), Commercial (C), Government (G), and Irrigation (I). Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty in the amount of 1.5 times the Base Rate, for each unit of usage greater than the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Article.

Sec. 17.8.4 WATER SHORTAGE RESPONSE LEVEL 4 – WATER SHORTAGE WARNING CONDITION.

During a Level 4 Water Shortage Warning condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to forty percent (40%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch and Level 3 Water Shortage Alert water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2 and 17.8.3 during a

Level 4 Water Shortage Warning condition and shall also comply with the following additional mandatory conservation measures:

1. Water landscaped areas, including trees and shrubs located on residential and commercial properties, in accordance with Section 17.8.3.

2. Stop filling or re-filling ornamental lakes or ponds, except to the extend needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a drought response level under this Article.

3. Stop washing vehicles except at commercial carwashes that recirculate water, or by high pressure/low volume wash systems.

4. Repair all leaks within forty-eight (48) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

Sec. 17.8.5 WATER SHORTAGE RESPONSE LEVEL 5 – WATER SHORTAGE CRITICAL CONDITION.

During a Level 5 Water Shortage Critical condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of up to fifty percent (50%).

All persons using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch, Level 3 Water Shortage Alert and Level 4 Water Shortage Warning water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2, 17.8.3 and 17.8.4 during a Level 5 Water Shortage Critical Condition, and shall also comply with the following additional mandatory conservation measures:

1. Stop all automated landscape irrigation, except crops and landscape products of commercial growers and nurseries. This restriction shall not apply to the following categories of use unless the Fallbrook Public Utility District has determined that recycled water is available and may be lawfully applied to the use.

   A. Maintenance of trees and shrubs that are watered on the same schedule set forth in Section 17.8.3 by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation;

   B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection Fallbrook Public Utility District having jurisdiction over the property to be irrigated;

   C. Maintenance of existing landscaping for erosion control;

   D. Maintenance of plant materials identified to be rare or essential to the wellbeing of rare animals;

E. Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under Section 17.8.3;

F. Watering of livestock; and

G. Public works projects and actively irrigated environmental mitigation projects.

2. Repair all water leaks within twenty-four (24) hours of notification by the Fallbrook Public Utility District unless other arrangements are made with the General Manager.

The District may establish a water allocation for property served by the District. If the District establishes a water allocation it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for ongoing water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty in the amount 1.5 times the Base Rate, for each unit of usage greater than the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Article.

Water consumed during each billing period will be compared to the assigned target. Any use below the target will be accumulated and carried forward. The customer's cumulative use will be compared with the cumulative target, and any total usage above the target will be billed at the "above target" rates. This cumulative comparison will continue for the duration of the fiscal year. Below target usage "credits" will be carried forward until the cumulative target is exceeded, at which time, all cumulative "over target" use will be billed at the "above target" rates and the cumulative comparison process will start over in the next fiscal year.

Sec. 17.8.6 WATER SHORTAGE RESPONSE LEVEL 6 – EMERGENCY CONDITION.

During a Level 6 Emergency Condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices to ensure that no water is wasted, and promote a consumer demand reduction of greater than fifty percent (>50%).

All person using District water shall comply with Normal Conditions, Level 1 Water Shortage Notice, Level 2 Water Shortage Watch, Level 3 Water Shortage Alert, Level 4 Water Shortage Warning, and Level 5 Water Shortage Critical water conservation practices as identified in Sections 17.8.0, 17.8.1, 17.8.2, 17.8.3, 17.8.4 and 17.8.5, and shall also comply with the following additional mandatory conservation measures:

The General Manager is authorized to require submission of water use curtailment plans from those users having the largest effect on overall District consumption in order to protect the minimum supplies necessary to provide for public health, sanitation, and fire protection. Failure to provide curtailment plans in a timely manner or plans that do not meet the required cutbacks shall authorize the District to install flow restrictors at the meter or termination of service.

Sec. 17.8.7 Water Shortage Emergency Surcharges

Water Shortage Emergency Surcharges may be implemented during declaration of Levels 1, 2, 3, 4, 5 and 6 described above. Water Shortage Emergency Surcharges would only be in effect during declared drought Levels 1-6. The escalation factors that would be used to calculate "Water Shortage Emergency Surcharges" relative to a given year's normal rates are set forth in the tables below:

Water Shortage Emergency Surcharges by Level ($/kgal)

	Level 1 Up to 10% Reduction	**Level 2** Up to 20% Reduction	**Level 3** Up to 30% Reduction	**Level 4** Up to 40% Reduction	**Level 5** Up to 50% Reduction	**Level 6** > 50% Reduction
Water Shortage Emergency Surcharges (actual class and tier surcharges will be calculated and adjusted based upon normal rates in effect)	**5%** of Normal Rates	**12%** of Normal Rates	**20%** of Normal Rates	**32%** of Normal Rates	**49%** of Normal Rates	**74%** of Normal Rates

Section 17.9 Water Shortage Emergencies Pursuant to Water Code Section 350 et seq.

In addition to the declaration by the Board of a water shortage condition under this Article 17, the restrictions in this subsection shall apply if the Board of Directors adopts finding supporting a Water Shortage Emergency and does declare a Water Shortage Emergency in the manner and on the grounds provided in Water Code Section 350 et seq. "Water Shortage Emergency" means a condition existing within the District in which the ordinary water demands and requirements of the persons within the District cannot be satisfied without depleting the District's water supply to the extent that there would be insufficient water for human consumption, sanitation and fire protection. A water shortage emergency includes a threatened water shortage, in which the District determines that its supply cannot meet an increased future demand.

The District may determine no new potable water service will be provided, no new temporary meters will be provided and those in use will be terminated and collected, no permanent meters will be installed, no additional capacity will be sold, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) will be issued, as authorized by Water Code Sections 350 and 356. Exceptions to these restrictions may be allowed under the following circumstances:

1. A valid, unexpired building permit has been issued for the project, all grading has been completed, and the construction of structures has begun; or

2. The project is necessary to protect the public's health, safety, and welfare; or

3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset to the satisfaction of the District.

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted for a period of one year or less.

Sec. 17.10 Variances.

If, due to unique circumstances, a specific requirement of this Article of the Administrative Code would result in undue hardship to a person using District water or to property upon which the District water is used, that is disproportionate to the impacts to the District water users generally or to similar property or classes of water uses, then the person may apply for a variance to the requirements as provided in this section.

The variance may be granted or conditionally granted, only upon a written finding of the existence of facts demonstrating an undue hardship to a person using District water or to property upon with the District water is used, that is disproportionate to the impacts to the District water users generally or to similar property or classes of water use due to specific and unique circumstances of the user or the user's property.

A completed appeal shall describe the specific reason(s) the allocation is causing undue hardship, including the following:

1. Commercial buildings that were empty or partially occupied during base period but are now occupied to a greater degree and require more water.

2. A grove with new trees planted a year before the base period began that, in the third year of growth, would need additional water.

3. Agricultural land used for annual crops that had abnormally low irrigation application during the base year.

4. An unexpected emergency line break, or equipment malfunction that has since been fixed.

5. Loss or reduction of an alternative water source, such as a well or pond.

6. Other, with a detailed description.

Sec. 17.10.1 Application.

Application for a variance shall be a form prescribed by Fallbrook Public Utility District.

Sec. 17.10.2 Supporting Documentation.

The application shall be accompanied by photographs, maps, drawings, and other information, including a written statement of the applicant.

Sec. 17.10.3 Required Findings for Variance.

An application for a variance shall be denied unless the approving authority finds, based on the information provided in the application, supporting documents, or such additional information as may be requested, and on water use information for the property as shown by the records of the Fallbrook Public Utility District, all of the following:

A. That the variance does not constitute a grant of special privilege inconsistent with the limitations upon other Fallbrook Public Utility District customers.

B. That because of special circumstances applicable to the property or its use, the strict application of this Article would have a disproportionate impact on the property or use that exceeds the impacts to customers generally.

C. That the authorizing of such variance will not be of substantial detriment to adjacent properties, and will not materially affect the ability of the Fallbrook Public Utility District to effectuate the purpose of this chapter and will not be detrimental to the public interest.

D. That the condition or situation of the subject property or the intended use of the property for which the variance is sought is not common, recurrent or general in nature.

Sec. 17.10.4. Approval Authority.

The General Manager or his/her designee shall exercise approval authority and act upon any completed application no later than 20 days after submittal and may approve, conditionally approve, or deny the variance. The applicant requesting the variance shall be promptly notified in writing of any action taken. Unless specified otherwise at the time a variance is approved, the variance applies to the subject property during the term of the mandatory drought response.

Sec. 17.10.5 Appeals to Fallbrook Public Utility District Board of Directors.

An applicant may appeal a decision or condition of the General Manager on a variance application to the Fallbrook Public Utility District Board of Directors within 10 days of the written decision upon written request for a hearing. The request shall state the grounds for the appeal. Any determination not appealed within ten (10) days is final. At a public meeting, the Fallbrook Public Utility District Board of

Directors shall act as the approval authority and review the appeal de novo by following the regular variance procedure. The decision of the Fallbrook Public Utility District Board of Directors is final.

ARTICLE 26 (Renumbered as Article 17 by Resolution 5006)
Sec. 26.6 – Rev. 7/97
Sec. 26.4, Sec. 26.5, Sec. 26.8.2 – Rev. 10/07
Article 26 revised in its entirety – 6/08
Sec. 26.8.3, 26.9, 26.10 , 26.10.1, 26.10.2, 26.10.3, 26.10.4, 26.10.5, and addition of Domestic Class and Multi-Unit Class rates– Rev. 6/09
Sec. 26.8.3 –Rev. 10/09
Sec. 26.8.3 – Rev. 5/11
Sec. 26.8.3 – Rev. 8/14
Sec. 26.11 – Rev 6/15
Secs. 26.1.1, 26.1.2, 26.4, 26.5, 26.8.3, 26.8.5, 26.10, 26.10.1, 26.10.4, 26.10.5, 26.11 – Rev. 3/16
Secs. 26.8.1, 26.8.3 – Rev. 6/16
Secs. 26.8.2, 26.8.3, 26.8.6 – Rev. 12/17
Secs. 26.1.1, 26.1.2, 26.8.5 – Rev. 12/20
Secs. 17.1, 17.1.1, 17.1.2, 17.2, 17.4, 17.4.0, 17.4.1, 17.5, 17.8.0, 17.8.1, 17.8.2, 17.8.3, 17.8.4, 17.8.5, 17.8.6, 17.8.7, 17.9, 17.10.3 – Rev.06/21
Secs. 17.4.1, 17.8.7 – Rev. 11/22
Secs. 17.1.1, 17.1.2, 17.8.3, 17.8.5, 17.8.7, - Rev. 12/23

Article 18. Investment Policy

Sec. 18.1 General.

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

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

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

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

1. The primary objective shall be to safeguard the principal of the funds under the Treasurer's control.

2. The secondary objective shall be to meet the liquidity needs of the District.

3. The third objective shall be to achieve a return on the funds under control of the Treasurer within the parameters of prudent risk management.

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

Sec. 18.2 Treasurer's Annual Statement of Investment Policy.

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

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

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

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

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

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

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

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

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

a) Inverse Floater
b) Range Notes
c) Interest-only strips derived from a pool of mortgages
d) Any security that could result in zero interest accrual, except as authorized by Government Code Section 53601.6.

Sec. 18.3 Internal Controls.

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

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

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

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

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

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

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

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

Sec. 18.4 Permissible Investments.

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

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

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

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

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

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

1) Treasury: Unlimited.

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

Minimum Credit Requirement: None.

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

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

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

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

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

a. The entity meets the following criteria: (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars ($500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in a rating category of "A", the equivalent or higher by a NRSRO.

b. The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (iii) has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category shall be 25%. The District may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for this category shall be 30%. The District may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

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

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

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

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

Minimum Credit Requirements: None

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

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

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

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

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

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

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

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 18.4.10 and 18.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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

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

Maximum Exposure of Portfolio: The maximum exposure to the portfolio for 18.4.10 and 18.4.11-California Local Agency Obligations, category shall be a combined 25% of the book value of the investment portfolio. No more than 5% of the book value of the portfolio at the time of purchase may be invested in bonds issued by any one agency.

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

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

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

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

Minimum Credit Requirement: None.

18.4.13 Money Market Mutual Funds.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 18.5 Maturity/Limit of Investments.

With the exception of U.S. Treasury and Federal Agency securities, the maturity of a give investment will not exceed five (5) years, without prior board approval per Section 18.2.4.

Sec. 18.6 Reporting Requirements.

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

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

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

ARTICLE 27 (Renumbered as Article 18 by Resolution 5006)

Revised in its entirety: 2/94
Adopted in current form: 1/96, 1/97, 1/98, 1/99
Sec. 27.2.4 – Rev. 1/00
Adopted in current form: 1/01
Sec. 27.4.7 – Rev. 10/01
Sec. 27.6 – Rev. 1/03
Sec. 27.2.4 – Rev. 1/07
Sec. 27.4.4 – Rev. 3/07
Secs. 27.2.3, 27.4.1(2), 27.4.2, 27.4.3, 27.4.4, & 27.4.6 – Rev. 9/07
Sec. 27.2.1 – Rev. 1/10
Secs. 27.4.10-12 – Rev. 1/12
Secs. 27.2.4, 27.2.5, 27.4.5, 27.4.6, 27.4.7, 27.4.10, 27.4.11, 27.4.13, 27.4.14, 27.5 – Rev. 2/13
Secs. 27.4.6, 27.4.11 – Rev. 1/14
Secs. 27.1, 27.1.1, Attachment A – Rev. 3/15
Secs. 27.1, 27.1.1, 27.1.2, 27.1.3, 27.2, 27.2.3, 27.2.4, 27.3, 27.4, 27.4.1, 27.4.2, 27.4.3, 27.4.4, 27.4.6, 27.4.10, 27.4.11, 27.4.12, 27.4.13, 27.4.14, 27.4.15, 27.5 – Rev. 2/16
Secs. 27.2.4, 27.4, 27.4.3, 27.4.4, 27.4.6, 27.4.10, 27.4.11, 27.4.14, 27.4.15 – Rev. 3/17
Sec. 27.2.3 – Rev. 6/18
Sec. 27.6 – Rev. 7/18
Sec. 27.4.14 – Rev. 2/19
Sec. 18.2.5 – Rev. 6/21
Sec. 18.4.3 – Rev. 6/21
Sec. 18.4.4 – Rev. 6/21

ATTACHMENT A

Fallbrook Public Utility District
State and Federal Credit Union Deposit Restrictions
Acknowledgement

Sections 53637 and 53648 of the California Government Code do not permit the deposit or investment of monies in a state of federal Credit Union by members of a legislative body of a local agency or by individuals of a local agency with investment decision making authority if those individuals are members of the board of directors, or any committee appointed by the board of directors or the credit committee or supervisory committee, of the state of federal credit union.

I hereby attest by my signature below that I am in compliance with the California Government Code sections 53637 and 53648. I will promptly notify the Secretary of the Fallbrook Public Utility District's Board of Directors when I am no longer in compliance with these California Government Code sections.

PRINT NAME:_____ POSITION:_____

SIGN:_____ DATE:_____

Article 19. Recycled Water Program

Sec. 19.1 Declaration of Policy.

a. The Fallbrook Public Utility District (FPUD) operates and maintains a recycled water distribution system within its service area enabling it to provide disinfected tertiary treated recycled water for a variety of beneficial uses. The District shall require the use of recycled water in-lieu of potable water for irrigation or other non-potable uses where recycled water is suitable and available.

b. The beneficial use of recycled water is regulated by the California State Water Resources Control Board (SWRCB). California Water Code Section 13551 establishes a State policy to encourage the use of recycled water.

c. FPUD shall determine whether a potential service will be furnished with recycled water and/or potable water. The feasibility of recycled water service will be considered on a case-by-case basis and in accordance with applicable law.

Sec. 19.2 Statutory Requirements.

a. All onsite and public recycled water facilities must be consistent with and adhere to the requirements described in the following documents:

   1. FPUD Backflow and Cross-Connection Control Ordinance, Article 10.22

   2. FPUD Recycled Water Program, Article 19

   3. California Code of Regulations, Title 22, Division 4

   4. California Code of Regulations, Title 17, Division 1, Chapter 5, Subchapter 1, Group 4, Articles 1 and 2

   5. San Diego County Department of Environmental Health Recycled Water Program Requirements

   6. For Facilities Hauling Recycled Water: Engineering Report for the Installation of Hauled Recycled Water Fill Stations and Use of Hauled Recycled Water in the San Diego Region, San Diego County Water Authority, July 8, 2015

   7. All applicable Federal, State or local statutes, regulations and ordinances

Sec. 19.3 Approved Use.

a. These rules and regulations pertain to recycled water service to lands and/or improvements lying within the legal boundaries of the District unless otherwise stated. It is the intent of the District to provide recycled water service in accordance with these rules and regulations to all areas that recycled service is feasible. The District will work with existing potable water users to facilitate the conversion of existing facilities for recycled water use or the installation of facilities for a new recycled water use. All new developments will be evaluated for the feasibility of recycled water usage.

b. The uses of recycled water include only those uses approved by the District, local and State regulatory authorities and for which Title 22, California Code of Regulations provides treatment requirements. All potential applications of recycled water shall be reviewed and approved by the District prior to installation of facilities. Prior to approval and at its discretion, the District may set forth specific requirements as conditions for providing service and/or require specific prior approval from the appropriate regulatory agencies.

c. The facilities shall be constructed in accordance with the procedures and requirements of the District. No recycled water mains or connections to the recycled water mains shall be installed unless shown on approved drawings and approved by the District.

Sec. 19.4 Definitions.

b. Approved Backflow Prevention Assemblies.

A device/assembly approved by the State of California and the District which is installed to protect the potable water supply from contamination through backflow of a non-potable substance.

c. Artificial Lake.

A man-made lake, pond, lagoon, or other body of water that is used wholly or partly for landscape, scenic or non-contact recreational purposes.

d. Board.

The duly elected and constituted Board of Directors of the Fallbrook Public Utility District.

e. Cross-Connection.

Any unprotected actual or potential connection between any part of a water system used or intended to supply potable water and any source or system containing recycled or other water or substance that is not potable and not acceptable for human consumption.

f. Cross-Connection Control Specialist.

An individual who has a current American Water Works Association and/or American Backflow Prevention Association Specialist Certificate on file with the District

g. Designated User.

A recipient of recycled water service from the District.

h. District.

The Fallbrook Public Utility District, a duly constituted Public Agency of the State of California and located in San Diego County, California.

i. Greenbelt Areas.

Greenbelt areas include, but are not limited to, golf courses, playing fields, cemeteries, parks, and landscaping.

j. Hauled Recycled Water.

Recycled water use that complies with the San Diego County Water Authority publication "Engineering Report for the Installation of Hauled Recycled Water Fill Stations and Use of Hauled Recycled Water in the San Diego Region."

k. Industrial Process Water.

Water used by any industrial facility with process water requirements which includes, but is not limited to, rinsing, washing, cooling and construction.

l. Manager.

The duly appointed General Manager of the Fallbrook Public Utility District or their designee.

m. Non-Potable Water.

Water, which does not conform to federal, state and local standards for human consumption.

n. Non-Potable Water Distribution System.

A piping system intended for the delivery of non-potable water only, and which is maintained separate from any potable water distribution system.

o. Non-Potable Water Transmission Mains.

A piping system intended for the delivery of non-potable water only and which is maintained separate from any potable water distribution system and which is owned by the District.

p. Non-Potable Water Use Area.

The property of portion of property, which has been approved by the District for non-potable or recycled water service.

q. Notice of Determination.

The notice provided to a designated user by the District.

r. Off-Site Facilities.

Those facilities located off the user's site and under the control of the District, including the service meter and any backflow prevention assembly (ies) installed with the meter.

s. On-Site Facilities.

Facilities under the control of the customer beginning at the water meter and backflow prevention assembly if installed.

t. Potable Water.

Water furnished to the customer that is approved for human consumption and conforms to all federal, state and local requirements.

u. Recycled Water.

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.

v. Recycled Water Facilities.

Facilities used in the storage, pumping and conveyance of recycled water.

w. Recycled Water Service Connection.

The point of connection of the customer's recycled water line with the recycled water service main of the District which shall normally be the downstream end of the recycled water meter tailpiece.

x. Site Supervisor.

An individual who has taken a training course, normally four hours in length, that has been approved by State and local authorities and the District for the on-site use of recycled water.

Sec. 19.5 Administration.

a. Manager.

The District General Manager shall administer, implement, and enforce the provisions of this Article of the Administrative Code. Any duties imposed upon the General Manager may be delegated by him to persons in the employ of the District.

b. Recycled Water Master Plan.

The General Manager shall prepare and update a Recycled Water Master Plan. The Plan shall include, but not be limited to, actual and future planning for recycled water use.

c. Coordination among Agencies.

The District shall examine the potential for initiating a coordinated effort between the District and other public agencies. The purpose of this effort shall be to share in the production and utilization of recycled water.

d. Fees and Charges.

All fees and charges for the use of recycled water shall be established separately by the Board in Article 21 of the Administrative Code.

e. Payment for On-Site Facilities.

The Designated User shall pay for all on-site facilities, including backflow prevention assemblies that may be necessary to protect the health and safety of on-site residents or employees. The Designated User of recycled water shall comply with all requirements of applicable federal, state, and local statutes, ordinances and regulations. The cost of any investigations by District staff and/or regulatory authorities resulting from the misuse of recycled water shall be the responsibility of the Designated User.

Sec. 19.6 Suspension or Termination of User Service.

19.6.1 Recycled water service may be suspended or terminated at any time by the Manager. Reasons for suspension or termination shall include, but not be limited to, the following:

1. Failure by a Designated User to adhere to the provisions of this Article.

2. The lack of necessary procedures or facilities for protection of health, safety and welfare.

3. The discovery of a cross-connection between the on-site potable and non-potable water distribution system.

4. Changes in the use and/or footprint of the non-potable distribution system without District approval.

5. Recycled water service may also be subject to discontinuation of service for failure to pay any rates, fees and charges due to the DISTRICT in accordance with the DISTRICT's discontinuation procedures then in effect for non-residential service.

19.6.2 Procedure.

The suspension or termination procedure shall be as follows: Where the District determines that service should be suspended or terminated, a written notice shall be mailed by regular mail to the customer at least ten (10) calendar days prior to the date of proposed suspension or termination of services. This notice shall set forth the reasons for the suspension or termination of services. In the event the District determines an emergency condition prevails at the time the written notice of proposed suspension or termination is mailed to the customer, the District may immediately suspend recycled water service pending a determination of any appeal. If an emergency condition does not exist, the user shall have ten (10) calendar days to come into compliance with the written notice. Thereafter the District may commence suspension or termination procedures.

19.6.3 Appeals of the Suspension or Termination Notice.

The customer may appeal the determination of the District as follows:

Not later than ten (10) calendar days following the date upon which the District Manager forwards to the customer a Notice of Suspension or Termination the customer may appeal to the Board of Directors by submitting a written appeal to the Board Secretary.

The Board of Directors shall conduct a hearing concerning the proposed determination within thirty (30) calendar days of receipt of this written appeal. Within a reasonable time thereafter the Board of Directors shall render a decision which shall be final.

19.6.4 Prohibited Connections.

No person shall make any connection to the recycled water facilities of the District unless the District has executed a written Agreement with said person as Designated User of recycled water service in accordance with the provisions of the Article of the Administrative Code.

19.7 Implementation.

19.7.1 Designation of Users.

The intent of the District is to work cooperatively with users to facilitate the conversion of existing potable users or the installation of new recycled services. The District would execute a User Agreement with the potential Designated User to implement the provisions of this Article of the Administrative Code.

If the potential Designated User declines to voluntarily execute a User Agreement with the District, but the District determines that the potential Designated User would be a beneficial user of suitable and available recycled water supplies, the District may issue a Notice of Determination that a specific water user shall be a Designated User of recycled water. A general description of the obligations of the potential Designated User shall accompany this notification. A proposed schedule for implementation of the use of recycled water shall be included in this Notice.

19.7.2 Appeal.

The potential Designated User may file a Notice of Appeal with the District within thirty (30) calendar days after the Notice of Determination has been sent. Upon receipt of the Notice of Appeal the District Manager shall schedule a hearing of the appeal before the Board of Directors and provide notice in accordance with the rules of the District.

Following this hearing, the determination of the Board shall be final and binding.

19.7.3 Design and Construction of On-Site Facilities.

The Designated User shall provide and install, at no cost to the District, all on-site recycled water facilities. Recycled water facilities shall conform to State and local

statutes, ordinances, regulations and District requirements. The Designated User shall make, at no cost to the District, any modifications to the potable water system on the premises which are required by the District in order to permit the safe use of recycled water service. Such facilities shall include, but not be limited to, installation of approved backflow prevention assemblies. Specifications and record drawings of on-site recycled facilities shall be prepared and be available for inspection or use on the premises of the Designated User and at the District office.

19.7.4 Recycled Water Supervisor.

The Designated User shall designate a Site Supervisor and shall keep the District informed of the Site Supervisor's identity. The Site Supervisor shall have attended a Site Supervisor training class, be knowledgeable in the construction and operation of the recycled water system and any on-site uses of recycled water. The Site Supervisor should be familiar with federal, State and local guidelines, criteria, standards, rules and regulations governing the use of recycled water. The Site Supervisor shall be responsible for overseeing the recycled water service and maintaining the on-site facilities in conformance with the District's guidelines and regulations. The Site Supervisor shall be responsible for the prevention of any cross-connections between the recycled water system and the on-site potable system. Any actual or suspected cross-connections shall immediately be reported to the District.

19.7.5 Conversion of Existing Facilities.

Where a Designated User proposes a conversion of any existing potable water system to a recycled water system, a comprehensive investigation of the system including conversion plans shall be performed at the expense of the Designated User. The District shall review and approve the conversion plans before the potable system is converted to recycled water use.

19.7.6 User Agreement Form.

Upon the final determination by the District that a property, or a portion of the property, shall be served with recycled water the Designated User shall execute a User Agreement with the District to implement the provisions of this Article of the Administrative Code. The District shall provide a general form of the agreement. The District may refuse or terminate recycled water service if a signed User Agreement is not on file with the District.

19.8 Water Meter Requirement.

All recycled water used on any premises approved for recycled water service must be metered. The District shall be responsible for the enforcement of this requirement.

When a parcel is developed, if the parcel has the potential for future recycled use or is along a planned recycled line extension, the development must provide for facilities to utilize recycled water when available or pipeline extensions through the parcel at the time of project construction.

19.9 Public Safety Requirements.

19.9.1 General Requirements.

All sites shall comply with the County of San Diego's Department of Environmental Health Recycled Water Plan Checklist and Inspection Manual and all District rules and regulations for recycled water service.

19.9.2 Backflow Protection at the Service Meter.

All recycled water sites are required to prevent backflow into the public water supply. Backflow protection will be determined by the degree of hazard present on the Designated User's property. Sites that use recycled water for irrigation purposes as part of a dual plumbed system are required to install a double check valve assembly device on the potable water service connection. Recycled water sites that also use potable water must install a reduced pressure principle backflow prevention assembly at the potable water connection.

19.10 Truck Load Delivery of Recycled Water.

The San Diego County Water Authority publication "Engineering Report for the Installation of Hauled Recycled Water Fill Stations and Use of Hauled Recycled Water in the San Diego Region" shall be complied with by any user that has been certified by the District for hauling of recycled water.

19.11 Miscellaneous.

If any section, subsection, sentence, clause or phrase of the Article of the Administrative Code is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Article of the Administrative Code. The Board of Directors hereby declares that it would have passed each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, or sentences, clauses or phrases may be unconstitutional or invalid.

19.12 Non-Liability.

The District will not be responsible or liable for any suspension in service of, or failure to supply, recycled water, or for any damage or injury to person or property relating to the provision of recycled water.

ARTICLE 28 (Renumbered as Article 19 by Resolution 5006)
Program Adopted 2/94 Sec. 28.9 – Rev. 6/95 Sec. 28.1-28.4, 28.6, 28.9, 28.10 – Rev. 7/97 All Sections – Rev. 1/16 All Sections – Rev. 1/21

Article 20. Emergency Action Plan (EAP)

The Fallbrook Public Utility District has adopted an Emergency Action Plan for internal use by its officers, employees and Directors. The plan sets guidelines to use when an emergency arises.

The District's Emergency Action Plan (EAP) is made a part of this Administrative Code and incorporated into the District's Injury/Illness Prevention Program (IIPP).

ARTICLE 29
(Renumbered as Article 20 by Resolution 5006)

Program Adopted 6/94
Rev. 2/20

FALLBROOK PUBLIC UTILITY DISTRICT EMERGENCY ACTION PLAN (EAP)

All employees will follow the guidelines below when an emergency arises. All employees will be required to participate in all "training elements."

1) The Operations Manager (or designee) will be the individual responsible for coordinating the Emergency Response Plan. His responsibilities include, but are not limited to:

    A. Assessing the situation to determine if an emergency exists that requires activating the District Emergency Action Plan.
    B. Directing all efforts in the area, including evacuating personnel and minimizing property loss.
    C. Ensuring that outside agencies are called when necessary.
    D. Directing shutdown of operations, when necessary.
    E. Direct the Emergency Response Team.

2) If a major emergency involving fire or threat of an explosion occurs, and evacuation of the building and/or yard is necessary, the following will be done:

    A. The Receptionist will alert all employees by way of the intercom system that there is an emergency and that all employees will evacuate to the announced designated meeting area.
    B. The Operations Manager will establish his "command post" next to where the employees are to be evacuated.
    C. Alternate communications can be the District's cellular phone, radio system (high band and low band), and coordination with the Sanitary District's base station with our radio system.
    D. Regular updating of off-duty emergency on-call personnel will help keep the answering service current on who to notify during off-hours.

3) The Operations Manager (or designee) will be responsible to account for all personnel and notify authorities if anyone is believed missing. No personnel shall leave the scene until a total head count has been conducted (unless it is not safe to remain). Do not leave this area until the Operations Manager (or designee) or your supervisor knows you are leaving.

4) The Emergency Response Team (ERT) has to be able to distinguish between an emergency that they can handle and one that needs professional emergency aid. The emergency response team will be trained in the following:

    A. Use of various types of fire extinguishers;
    B. First Aid and CPR;
    C. Shutdown procedures including all electric panels, gas main and location of the shut off devices;
    D. Evacuation procedures;
    E. Use of breathing apparatus (when applicable);
    F. Search and rescue procedures (if there is a major disaster).

5) The Emergency Response Team members are:

A. Operations Manager,
B. Field Service Manager,
C. All Department Supervisors,
D. Safety & Risk Officer.

6) Employee Accountability Procedures after Evacuations:

A. When an evacuation signal is given, each supervisor involved will assume a station in the vicinity of the designated evacuation area. Supervisor will insure all personnel are evacuated and will provide assistance to employees requiring same.
B. All employees will proceed to a designated evacuation area for a head count by their supervisor. Supervisors will then report their department's status to Safety or designee. No one is to re-enter the building or yard for any reason until the Fire Department or other responsible agency has notified the District the building or yard is safe for re-entry

BUILDING EVACUATION

IN THE OFFICE OR YARD:

1) Each employee is to be aware of all marked exits from the area and building.

2) When evacuating the building, do not collect your personal belongings (purse, brief case, etc.) leave by walking quickly to the nearest marked exit and ask others to do the same. DO NOT RUN.

3) Assist all customers and the handicapped in exiting the building.

4) When outside, proceed to the announced designated meeting area. Keep well away from the building and keep clear of emergency vehicles. Do not leave this area until the Operations Manager or your supervisor knows you are leaving.

5) Supervisors, to the best of their ability, and without re-entering the building, will report to the Operations Manager if everyone has evacuated the area safely.

6) Do not return to the building until being told it is OK to do so by the Fire Dept. or Police.

FIRE

IN THE OFFICE OR YARD:

1) Know the location of fire extinguishers in your area and know how to use them.

2) In case of fire, immediately call 911. Give your name and describe the location and size of the fire.

3) On a minor fire that appears to be controllable, promptly direct the charge of a fire extinguisher toward the base of the flame. Get help if necessary.

4) On large fires that are not immediately controllable, promptly or after using the extinguisher, close all doors to confine the fire and reduce the oxygen - but do not lock doors.

5) Notify the receptionist to alert employees and instruct them to evacuate the building by quickly walking to the nearest exit, (being sure to collect your personal belongings, purse, brief case, etc.) and alerting people as you go.

6) Once outside, move to the announced designated meeting area, and stay well away from the building. Do not leave this area until the Operations Manager or your supervisor knows you are leaving. Keep clear of emergency vehicles.

7) Do not return to the building until being told it is OK to do so by the Fire Dept. or Police.

IN THE FIELD:

1) Notify the office, by radio, to report the fire to the fire department. Be sure to describe the location, type of fire and the area involved.

2) On a minor fire that appears to be controllable, promptly direct the charge of a fire extinguisher toward the base of the flame.

3) If in a remote area, coordinate to meet the Fire Dept. at a predetermined location to direct them to the area.

VIOLENCE OR CRIMINAL BEHAVIOR

IN THE OFFICE OR DISTRICT YARD:

Assist in making the Facility a safe place by being alert to suspicious situations.

1) If you witness any suspicious situations do not hesitate, CALL 911 and then, if safe, alert your supervisor or Operations Manager of the situation.
2) If you are the victim; or are involved in any on property violation of the law; or witness an on-property violation of the law, such as assault, robbery, theft, overt sexual behavior, etc., DO NOT TAKE ANY UNNECESSARY CHANCES. Notify your supervisor and call 911 and report the following:

    a. Nature of incident.
    b. Building location of incident.
    c. Description of person(s) involved.
    d. Description of property involved.

3) Assist the sheriff when they arrive by supplying them with additional information and ask others to do the same.

4) Report to your supervisor the existence of any person loitering or soliciting on District property. These people may be asked to leave if they do not have permission or a proper reason for being on the property. The Sheriff's Dept. is to be called if they refuse to leave when asked.

IN THE FIELD:

1) Do not confront any trespasser(s) on District property.

2) If trespassers are observed stay at a safe distance and;

    a. Report to the Operations Manager, by radio, the area and what activity is going on.
    b. The Operations Manager will notify the Sheriff's Office who will respond to the area.

EXPLOSION – AIRPLANE CRASH OR SIMILAR

IN THE OFFICE OR YARD:

1) Immediately take cover under tables, desks and any other such objects, which will give you protection against glass or debris.

2) After the effects of the explosion have subsided, call 911. Give your name; describe the location and nature of the emergency.

3) Evacuate the building being sure to collect your personal belongings (purse, brief case, etc.) and:

    a. Be aware of any structural damage.
    b. Stay away from glass doors and windows.
    c. Do not touch or move any suspicious objects.

4) Assist others, especially the injured and handicapped in the evacuation of the building.

5) Once outside, move to the announced designated meeting area, away from the affected area. Keep clear of emergency vehicles. Do not leave this area until the Operations Manager or your supervisor knows you are leaving.

6) To the best of your ability, and without re-entering the building, determine if everyone has evacuated safely.

7) Do not return to the building until being told it is OK to do so by the Fire Dept. or Police.

IN THE FIELD:

1) Notify the office by radio, cell phone, or other means the location, the extent of the incident, and what assistance you need.

2) Do not touch or move any suspicious objects.

3) Keep a safe distance until emergency help arrives.

EARTHQUAKE

IN THE OFFICE OR YARD:

1) During an earthquake remain calm and quickly follow the steps outlined below.

2) If indoors, seek refuge in a doorway or under a desk or table. Stay away from glass windows shelves and anything else that might fall.

3) If outdoors, move quickly away from buildings, utility poles and other structures.

4) After the initial shock, evaluate the situation and if emergency help is necessary, call 911. Protect yourself at all times and be prepared for aftershocks.

5) Coordinate with management and begin turning off all potentially hazardous equipment such as gas and electric appliances. Damaged facilities should be reported.

6) Evacuate the building by quickly walking to the nearest exit, alerting people as you go. Be aware of structural damage and assist both the handicapped and injured. DO NOT RUN.

7) Once outside, move to the announced designated meeting area away from the building. Keep clear of emergency vehicles. Do not leave this area until the Operations Manager or your supervisor knows you are leaving.

8) Do not return to the building until told to do so by police and fire personnel.

IN THE FIELD:

1) Pull over to the side of the road, away from possible falling objects like power lines, telephone poles, trees, buildings, etc. and stay in your vehicle.

2) Report to the main office as soon as it is safe to travel. If it is not safe to travel, contact the office or another unit by radio informing them of your location and situation.

SUBJECT: EMERGENCY NOTIFICATION PROCEDURE OF AMMONIA RELEASE, WATER DEPARTMENT

Ammonia stations are equipped with a Telemetry Alarm System that when activated will page the "on-call" System Operator. If there is no response with 30 minutes, the Operation Manager will then be called.

REGULAR WORKING HOURS (7:00 AM TO 4:30 PM):

Fallbrook Service Area:	Cellular Phone #
Standby System Operator	760-497-4096

AFTER HOURS, WEEKENDS AND HOLIDAYS: Incoming calls to the District's answering service (760728-1125) will be given to the water department on-call duty person who will be responsible for notifying the following personnel.

Name	Cellular Phone #
Standby System Operator	760-497-4096
Water System Supervisor	760-497-5777
Operations Manager	760-497-4103

Article 21. Records Retention and Destruction Policy

Sec. 21.1 Purpose.

The purpose of this policy is to provide guidelines to staff regarding the retention or disposal of District records; provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

Sec. 21.2 Authorization to Implement Policy.

The General Manager is authorized by the Board of Directors to interpret and implement this policy, and to cause to be destroyed any or all such records, papers and documents that meet the qualifications governing the retention and disposal of records, as specified below.

Sec. 21.3 Government Code (Chapter 7) Sections Providing for the Destruction of Records of Special Districts:

60200. Duplicate records, papers, or documents. The retention and disposal of records by the Fallbrook Public Utility District, the legislative body of any special district may authorize at any time the destruction or disposition of any duplicate record, paper, or document, the original or a permanent photographic record of which is in the file of any officer of a department of the District.

60201. Records, papers or documents more than two years old and prepared or received other than pursuant to statute. The legislative body of a district may authorize the destruction or disposition of any record, paper, or document which is more than two years old and which was received in any manner other than pursuant to state statute. Such records, papers, or documents need not be photographed, reproduced, or microfilmed prior to destruction and no copy thereof need be retained.

60202. Unaccepted bids for construction of public works more than two years old. The legislative body of a district may authorize the destruction of any unaccepted bid or proposal for the construction or installation of any building, structure or other public work, which is more than two years old.

60203. Records, papers, or documents not required to be filed: Conditions. The legislative body of a district may authorize the destruction of any record, paper, or document that is not expressly required by law to be filed and preserved if all of the following conditions are complied with:

a. The record, paper, or document is photographed, microphotographed, or reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data processing system, recorded on optical disk, or any other medium which does not permit additions, deletions, or changes to the original document in compliance with the minimum standards or guidelines, or both, as recommended by the American National Standards Institute or the Association for Information and Image Management for recording of permanent records or non-permanent records, whichever applies;

b. The device used to reproduce the record, paper, or document on film optical disk or any other medium is one which accurately reproduces the original thereof in all details, and which does not permit additions, deletions, or changes to the original document images;

c. The photographs, microphotographs, or other reproductions on film or any other medium are placed in conveniently accessible files and provision is made for preserving, examining, and using the files.

For the purpose of this section, every reproduction shall be deemed to be an original record and a transcript, exemplification, or certified copy, as the case may be, of the original.

Sec. 21.4 State Controller's Guidelines.

The basic guidelines for destruction of records of special districts is in Government Code Sections 60200 through 60203 recorded above. The following is supplementary information and intends to define an acceptable records retention and destruction guide for special districts.

A. Accounting Records. Include but are not limited to the following:

1. Source Documents

a) Invoices
b) Purchase Orders
c) Deposit Permits
d) Warrants
e) Vouchers
f) Requisitions
g) Receipts
h) Claims
i) Bank Statements
j) Bank Deposits
k) Checks
l) Bills
m) Various accounting authorizations taken from Board minutes, resolutions, or contracts.

2. Journals

a) Cash Receipts or Disbursement Book
b) Note Register
c) Deposit Permit Register
d) Accounts Receivable or Payable Register
e) Check or Warrant Register
f) General Journal
g) Payroll Journal

3. Ledgers

a) Expenditure
b) Revenue
c) Taxes Receivable
d) Accounts Payable or Receivable Ledger
e) Warrants Payable
f) Construction
g) Appropriation
h) General Ledger

4. Trial Balance

5. Adjusting Entries

6. Statements (Interim or Certified – Individual or All Fund)

a) Balance Sheet
b) Analysis of Changes in Available Fund Balance
c) Cash Receipts
d) Expenditures
e) Revenues
f) Changes in Bonded Indebtedness
g) Profit and Loss
h) Changes in Fixed Assets

7. Closing Entries

8. Reversing Entries

9. Other

a) Schedule of Investments
b) Long Term Debt Records
c) Inventory Records
d) Capital Asset Records
e) Lease-Purchase Records
f) Depreciation Schedule
g) Cost Accounting Records
h) Budgets
i) Petty Cash Records

B. Retention of Accounting Records.

All Accounting Records should be retained indefinitely in their original form until the governing body gives authorization for destruction.

1. Any accounting record except the Journals and Ledgers which are more than five years old and which were prepared or received in any manner other than pursuant to State Statute may be authorized for destruction, provided that:

a. There is no continuing need for said record, i.e., long-term transactions, special projects, pending litigations, etc., and;

b. There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;

c. Said audit report or reports were prepared pursuant to procedures outlined in Government Code Section 26909 and other State or Federal audit requirements, and that;

d. Said audit(s) contains the expression of an unqualified opinion.

2. Any accounting record created for a specific event or action may be destroyed upon authorization five years from the end of the fiscal period to which it applies.

3. Any source document detailed in a register, journal, ledger or statement may be authorized for destruction five years from the end of the fiscal period to which it applies.

4. The following may be destroyed at any time:

a. Duplicates (original-subject to aforementioned requirements)

b. Rough drafts, notes or working papers (except audit).

c. Cards, listings, nonpermanent indices, other papers used for controlling work or transitory files.

C. Retention of Payroll and Personnel Records.

1. All payroll and personnel records should be retained indefinitely. Originals may upon authorization be destroyed after seven years retention, provided said records have been microfilmed and qualify for destruction under Government Code Section 60203 with its various conditions. Payroll and personnel records include the following:

a. Accident reports, injury claims and settlements.
b. Medical histories
c. Injury frequency charts
d. Applications, changes and terminations of employees
e. Insurance records of employees
f. Time sheets
g. Job descriptions
h. Performance evaluations
i. Earning records and summaries
j. Retirement records

2. The following associated with personnel records should be retained five years after termination:

a. Fidelity bonds
b. Garnishments

D. Retention of Assessing and Tax Collecting Records.

1. All assessing records may, upon authorization be destroyed after seven years retention from lien date; however, these records may be destroyed three years after the lien date when said records are microfilmed as provided for in Government Code Section 60203. (Revenue & Taxation Code Section 465)

2. Any original unsecured tax roll may upon authorization be destroyed after five years if the delinquent roll or abstract list has been certified as correct and complete by the county auditor or district auditor. (Revenue & Taxation Code Section 2928)

3. All tax rolls may upon authorization be destroyed after twelve years retention, if all necessary data needed from the secured delinquencies has been transferred to a delinquency abstract, which should be retained indefinitely. (Revenue & Taxation Code Section 4377)

E. Retention of Records Concerning Long-Term Debt.

1. Records of proceedings for the authorization of long-term debt, bonds, warrants, loans, etc., after issuance or execution, may be destroyed if microfilmed as provided for in Government Code Section 60203.

2. Terms and conditions of bonds, warrants, and other long-term agreements should be retained until final payment, and thereafter may be destroyed in less than ten years if microfilmed as provided for in Government Code Section 60203.

3. Paid bonds, warrant certificates and interest coupons may be destroyed after six months if detailed payment records are kept for ten years.

F. Retention of Minutes.

Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may, upon authorization, be destroyed if said minutes are microfilmed as provided for in Government Code Section 60203.

G. Retention of Construction Records.

Construction records, such as bids, correspondence, change orders, etc., should not be kept in excess of seven years unless they pertain to a project

which includes a guarantee or grant and, in that event, they should be kept for the life of the guarantee or grant plus seven year. As-built plans for any public facility or works should be retained as long as said facility is in existence. Unaccepted bids may be destroyed after two years.

H. Retention of Contracts.

Contracts should be retained for their life plus seven years.

I. Retention of Property Records.

Property records, such as documents of title, should be kept until the property is transferred or otherwise no longer owned by the District.

Sec. 21.5 General Provisions

21.5.1 Public Records Policy.

Public records of the District shall be open to inspection during regular office hours of the District. "Public Records" are all records of the District except those which are exempted from disclosure by the California Public Records Act (Government Code 6250 et. seq.)

21.5.2 Definitions.

A. "Public Records" includes any writing containing information relating to the conduct of the public's business prepared, owned, used or retained by the District regardless of physical medium or characteristics.

B. "Writing" means handwriting, typewriting, printing, Photostatting, photographing, and every other means of recording upon any form of communication or representation, including letters, words, pictures, sounds, or symbols, or a combination thereof and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, drums, and other documents.

21.5.3 Records Exempt from Disclosure.

In accordance with Government Code Section 6254, the following records are exempt from disclosure and shall not be disclosed:

A. Preliminary drafts, notes or interagency or interdistrict memoranda which are not retained by the District in the ordinary course of business, provided that the public interest in withholding such records clearly outweighs the public interest in disclosure.

B. Records pertaining to pending litigation to which the District is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled.

C. The District Server backs up all Electronic mail ("E-mail") daily and retains said e-mail backups for a period of nine (9) days and then it is subject to permanent deletion. This shall include any and all business and personal E-mail that has been saved to any folder or subfolder within any and all user Outlook Profiles on District Mail Servers. It is the responsibility of the user of the District's E-mail system to print a paper hardcopy, and file appropriately, any e-mails that are considered part of the official record of District business (e.g., contracts or changes, legal correspondence, invoices, etc.). The District shall not be responsible for the retention, backup, or recovery of any personal e-mails.

In the event of litigation to which the District is a party or reasonably anticipates becoming a party, the email users who generate emails relevant to litigation, including, but not limited to, emails, email attachments, Microsoft Word documents, Microsoft Excel spreadsheets, and Power Point presentations, shall print a hard copy of each potentially relevant document to the litigation as it is generated or received (including communications with attorneys or other relevant outside parties that could be protected by applicable privileges) and deliver each hard copy to the Board Secretary for filing in a central litigation file.

D. Personnel, medical or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

E. Geological and geophysical data, plant production data and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence form any person.

F. Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment or academic examination.

G. The contents of real estate appraisals, engineering or feasibility estimates and evaluations made for or by the District relative to the acquisition of property, or to prospective public supply and construction contracts, until such time as all the property has been acquired or all of the contract agreements obtained, provided, however, the law of eminent domain shall not be affected by this provision.

H. Information required from any taxpayer in connection with the collection of local taxes, which is received in confidence, and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying such information.

I. Library and museum materials made or acquired and presented solely for reference or exhibition purposes.

J. Records the disclosure of which is exempted or prohibited pursuant to provision of federal or state law, including but not limited to, provisions of the Evidence Code relating to privilege.

21.5.4 Government Code 6255.

The District shall withhold from inspection any record that is exempt under the express provisions of the California Public Records Act, including those items set forth above, and may withhold any other record if on the facts of the particular case the public interest served by not making a record public clearly outweighs the public interest served by disclosure of the record.

21.5.5 Right of Privacy.

The Board of Directors has determined that the public interest is served by not making public the names, addresses and billing information regarding its customers since the indiscriminate disclosure of such information could constitute an undue invasion of the right of privacy of its customers. Any person seeking such information may file a written appeal with the Secretary of the District. Thereafter, the Board of Directors shall on the facts of the particular case determine whether the public interest served by not making the record public clearly outweighs the public interest served by disclosure of such record. However, nothing herein shall preclude any District employee, including members of the board of directors, access to customer billing information necessary to carry out the regular duties of such employees including the resolution of customer service issues.

21.5.6 Procedures for Access to Public Records.

A. Any person desiring to inspect any public record shall identify himself and shall identify the records to be inspected. Exception: Statements of Economic Interest filed pursuant to Government Code Section 81008 (The Political Reform Act of 1974).[1]

B. The Secretary of the District shall determine whether the requested record is subject to inspection. If the Secretary of the District is uncertain whether the record is exempt from disclosure under the California Public Records Act, or whether the facts of the particular case indicate the public interest is served by not making the record public clearly outweighs the public interest served by disclosure of the record, she shall consult with Counsel for the District.

If the Secretary of the District refuses to permit inspection of any record, the person seeking such inspection may appeal the decision of the Secretary of the District to the Board of Directors. Such appeal shall be in writing and shall be filed with the Secretary of the District not later than 10 working days after the refusal of the Secretary of the District to permit inspection.

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1 Government Code Section 81008 states, "no conditions whatsoever shall be imposed upon persons desiring to inspect or reproduce reports and statements filed under this title, not shall any information or identification be required from such persons".

C. The Board of Directors shall consider and rule upon the appeal within 30 days after the filing thereof, and shall thereupon notify the applicant in writing of its decision. If the applicant has filed a written appeal with the Board, the applicant shall be notified of the time and place of the meeting of the Board to consider the matter, and the applicant may appear in person before the Board when the matter is heard. If the Board fails to give written notice of its decision within 30 days of the filing of the appeal, the appeal shall be deemed denied.

D. Inspection of public records shall be made only in the District office, and no document shall be removed there from. A representative of the District may be present during the inspection of any records.

E. The District will make every effort to cooperate with the person seeking to inspect documents; however, if the request is to inspect a substantial quantity of documents or documents not readily available, the District shall have a reasonable period of time to collect such records and may require the inspection of such records to take place at a future date.

F. Any person may obtain a copy of any identifiable public record. Upon request, an exact copy shall be provided unless impracticable to do so. Computer data shall be provided in a form determined by the District.

G. A request for a copy of an identifiable written public record, or information produced there from or a certified copy of such record shall be accompanied by payment of a fee in the amount of $0.25 for the first page and $0.10 for each page thereafter. In some cases, it may be necessary to send a document or document(s) to a printer or commercial copying service; and in such cases, the person requesting copies shall pay the total direct cost. Blueprint reproduction shall be $5.00 per print, plus staff time in excess of one-half hour. A request for a copy of a tape recording of a meeting of the Board of Directors of the District shall be accompanied by payment of a fee of $10.00.

H. This public records policy of the District shall at all times be subject to the California Public Records Act, that it may be amended from time to time, and if there is any conflict between that act and this policy, the act shall prevail.

21.5.7 Records Retention and Destruction Policy.

All records identified in the records retention schedules attached hereto shall be retained in original form in the District offices for the number of years indicated in the column designated, “Responsible Department”.

Upon transfer to archives, any identical copies or duplicates shall be destroyed and the original shall be stored for the number of years indicated in the column designated, “open/active”.

The column designated as "closed" indicates the disposition of a record after reaching its retention period.

The column designated as "disposal" indicates how the record is to be disposed of, whether it be archived, tossed, or shredded.

The column designated as "notes" shall designate specific information relating to a particular document and how it is to be retained or destroyed. It may also contain miscellaneous notes pertinent to the specific document.

No record shall be destroyed without the written authorization from the department manager and the general manager. If the department manager and/or the general manager have determined that the record has continuing value due to litigation or any other reason, it shall be retained either in original form or by microfilming or imaging,.

Sec. 21.6 California Public Records Act.

The California Public Records Act is made a part of Article 21 and incorporated as Exhibit "A" attached.

Sec. 21.7 Records Retention Schedule.

The District's Records Retention Schedule is made a part of Article 21 and incorporated as Exhibit "B" attached.

[1] The following requirements apply to microfilming:

(1) The item must be photographed; microphotograhed; reproduced by electronically recorded video images on magnetic surfaces; recorded on optical disk; reproduced on film or any other medium which does not permit additions, deletions or changes to the original document in compliance with the minimum standards and/or guidelines as recommended by the American National standards Institute or the Association for Information and Image Management for recording of permanent records or nonpermanent records, whichever applies; and

(2) The original must be accurately reproduced in all details; and

(3) The reproductions must be stored in conveniently accessible files, and provision must be made for preserving, examining and using the files.

ARTICLE 32 (Renumbered as Article 21 by Resolution 5006)
New policy added 2/28/05
Sec. 32.5.3(C) – Rev. 10/06
Records Retention Schedule (Email) – Rev. 10/06
Exhibit B – Rev. 2/10
Exhibit A – Rev. 12/10
Exhibit B – Rev. 8/11

Exhibit A

California Public Records Act

(As Amended by Statute from Time to Time)

The Public Records Act (GOVT. CODE §§ 6250-6276.48) is designed to give the public access to information in possession of public agencies: "public records are open to inspection at all times during the office hours of the agency and every person has a right to inspect any public record, except as provided, and to received an exact copy of an identifiable record unless impracticable". (GOVT. CODE §§ 6253) The agency always bears the burden of justifying nondisclosure, and "any reasonably segregable portion shall be provided after deletion of the portions which are exempt." (GOVT. CODE §§ 6253(a))

All state and local agencies are covered by the California Public Records Act, including:

- Any officer, bureau or department
- Any Board, Commission or Agency created by the Agency (including advisory Boards)
- Non-profit entities that are legislative bodies of a local agency. (GOVT. CODE §§ 6252(a),(b))

In addition, many state and regional agencies are required to have written public record policies. (GOVT. CODE §§ 6253.4)

The Courts (except itemized statements of total expenditures and disbursements) (GOVT. CODE §§ 6252(a), 6261), the Legislature (GOVT. CODE §§ 6252), Private non-profit corporations and entities, as well as Federal agencies are **not** covered by the California Public Records Act.

"Records" include all communications related to public business "regardless of physical form or characteristics, including any writing, picture, sound, or symbol, whether paper, magnetic or other media." (GOVT. CODE §§ 6252(e)) Electronic records are included, but software may be exempt. (GOVT. CODE §§ 6253.9(a),(g), 6254.9(a),(d))

When a person requests a public record:

- Access is immediate and allowed at all times during business hours. (GOVT. CODE §§ 6253(a)). Staff need not disrupt operations to allow immediate access, but a decision whether to grant access must be prompt. An agency may not adopt rules that limit the hours records are open for viewing and inspections. (GOVT. CODE §§ 6253(d); 6253.4(b))

- The agency must provide assistance by helping to identify records and information relevant to the request and suggesting ways to overcome any practical basis for denying access. (GOVT. CODE §§ 6253.1)
- Any agency has 10 days to decide if copies will be provided. In unusual cases (request is voluminous, seeks records held off-site, or requires consultation with other agencies) the agency may, upon written notice to the requesters, give itself an additional 14 days to respond. (GOVT. CODE §§ 6253(c)). These times periods may not be used solely to delay access to the records. (GOVT. CODE §§ 6253(d))
- The agency may never make records available only in electronic form. (GOVT. CODE §§ 6253(e))
- Access is always free. Fees for inspection or processing are prohibited. (GOVT. CODE §§ 6253)
- Copy costs are limited to statutory fees set by the Legislature (not by local ordinance) or the direct cost of duplication, usually 10 to 25 cents per page. Charges for search, review or deletion are not allowed. (GOVT. CODE §§ 6253(b))
- If a request for electronic records either (1) is for a record normally issued only periodically, or (2) requires data compilation, extraction, or programming, copying costs may include the cost of the programming. (GOVT. CODE §§ 6253.9(a),(b))
- The agency must justify the withholding of any record by demonstrating that the recode is exempt or that the public interest in confidentiality outweighs the public interest in disclosure. (GOVT. CODE §§ 6255)

The following are not covered by the California Public Records Act:

- Employees' private papers, unless they "relate to the conduct of the public's business, and are prepared, owned, used, or retained by the agency". (GOVT. CODE §§ 6252(e))
- Computer software "developed by a state or local agency, including computer mapping systems, computer programs, and computer graphic systems." (GOVT. CODE §§ 6254.9(a),(b))
- Records not yet in existence: The PRA covers only records that already exist, and an agency cannot be required to create a record, list or compilation. "Rolling requests" for future-generated records are not permitted.

The Act exempts certain records from disclosure in whole or in part. This does not mean they are not public records or that disclosure is prohibited. An agency may withhold the records, but can allow greater access if it wishes. (GOVT. CODE §§ 6253(e)) However, "selective" or "favored" access is prohibited, once it is disclosed to one requester, the record is public for all (GOVT. CODE §§ 6254.5) Many categories of records are exempt, some by the Act itself, (GOVT. CODE §§ 6254(a)-(z)) and some by other laws. (GOVT. CODE §§ 6275-6276.48)

The following records are exempt from disclosure:

- Attorney-Client discussions are confidential, even if the agency is the client, but the agency (not the lawyer) may waive secrecy. (GOVT. CODE §§ 6255(k), 6254.25, 6276.04)
- Appointment calendars and applications, phone records, and other records, which impair the deliberative process by revealing the thought process of government decision-makers may be withheld only if "the public interest served by not making the record(s) public clearly outweighs the public interest served by disclosure of the record(s)." (GOVT. CODE §§ 6255) If the interest in secrecy does not clearly outweigh the interest in disclosure, the records must be disclosed "whatever the incidental impact on the deliberative process." The agency must explain, not merely state, why the public interest does not favor disclosure.
- Preliminary drafts, notes and memos may be withheld only if: (1) they are "not retained in the ordinary course of business" and (2) "the public interest in withholding clearly outweighs the public interest

EXHIBIT "B"

FALLBROOK PUBLIC UTILITY DISTRICT
RECORDS RETENTION SCHEDULE

		REVIEW PERIOD			
Records Series (Description)	**Responsible Department**	**Open/Active**	**Closed**	**Disposal**	**Notes**
Accident reports and logs	Safety & Risk Administrator	2 years	2 years	Shred	
Accounting files, misc.	Accounting	5 years	4 years	Shred	
Accounts payable (vendor files, invoices, employee travel & expense records)	Accounting	1 year	6 years	Shred	
Accounts receivable (water billing and customer files)	Customer Service	1 year	4 years	Shred	
Accounts receivable (images of checks received)	Customer Service	Audit +2	N/A	Destroy	Checks are imaged, images are sent to the bank, hard copies are kept for 30 days and then destroyed. Images are kept in database for three years.
Agendas, minutes and supporting materials for Board of Directors packet	Administration	1 year	Indefinite	Archive	
Agreements/contracts with other districts/agencies	Administration Engineering Operations	1 year	5 years	Shred	Depending on type of agreement, some may be indefinite
Annexation files	Engineering	1 year	Indefinite	Archive	
Annual reports, other agencies	Administration	1 year	6 months	Toss	

REVIEW PERIOD					
Records Series (Description)	**Responsible Department**	**Open/Active**	**Closed**	**Disposal**	**Notes**
Appraisal reports	Administration Engineering	1 year	5 years	Shred	Originals to be filed in project file
As-built drawings	Engineering	Indefinite	Indefinite	Archive	
Audit Reports	Accounting	10 years	10 years	Shred	
Backflow Test Reports	Operations	1 year	3 years	Destroy	Must be archived for 3 years prior to destruction
Bank statements (with cancelled checks)	Accounting	1 year	4 years	Shred	
Bids, accepted	Engineering	1 year	7 years	Archive	Must be kept for life of guarantee + 7 years
Bids, unaccepted	Administration	1 year	2 years	Shred	
Board correspondence	Administration	1 years	4 years	Shred	
Board standing committee meeting packets	Administration	1 year	Indefinite	Indefinite	
Bonds (performance payment and bid public official surety)	Engineering	1 year	Indefinite	Archive	Originals to be filed with contract documents
Budgets, annual	Accounting	1 year	Indefinite	Archive	
Budget worksheets	Accounting	1 year	4 years	Shred	
Cash receipt books with backup and deposit tickets	Customer Service	1 year	4 years	Shred	
Claim or litigation on behalf of FPUD	Administration	1 year	Indefinite	Archive	
Claim or litigation against FPUD	Administration	1 year	Indefinite	Archive	
Public Affairs files	Public Affairs	1 year	5 years	Shred	
Computer maintenance files	IT	1 year	3 years	Toss	
Computer programs	IT	1 year	6 years	Toss	
Computer tape disks/backup	IT	2 years	2 years	Toss	
Computer tracking records	IT	1 year	3 years	Toss	

REVIEW PERIOD					
Records Series (Description)	**Responsible Department**	**Open/Active**	**Closed**	**Disposal**	**Notes**
Confined space tests	Safety Tech	1 year	2 years	Toss	
Conflict of Interest Statements (Form 700)	Administration	1 year	Indefinite	Archive	Includes oath of office, economic statements, etc.
Construction project schedules	Engineering	1 year	3 years	Toss	Original to be filed in project file
Contracts and agreements for leases, equipment, services or supplies, excluding capital improvement	Administration	2 years	5 years	Destroy	May destroy after completion. Grant funded projects keep permanently.
Correspondence, general	Accounting Administration Engineering HR Public Affairs Operations Plant Operations	1 year	2 years	Toss	
Customer Applications	Customer Service	Active	Indefinite	Archive	Keep permanently after account closed
Customer Records, including payment stubs, account adjustments, correspondence, meter reading records	Customer Service	Active	2 years	Shred	Destroy 2 years after account closed
Daily Reports, foremen	Operations	2 years	N/A	Shred	Keep in office 2 years, then destroy
Deeds	Engineering	1 year	Indefinite	Archive	
Deferred compensation reports	HR	1 year	Indefinite	Archive	
Directors' compensation and reimbursement	Administration	1 year	4 years	Shred	Dispose after director leaves Board

REVIEW PERIOD					
Records Series (Description)	**Responsible Department**	**Open/Active**	**Closed**	**Disposal**	**Notes**
Directors' fees	Accounting	1 year	6 years	Shred	Dispose after director leaves Bd.
Directors' files, general correspondence	Administration	1 year	2 years	Toss	
Disability Claims	HR	1 year	Indefinite	Archive	
Easements	Engineering	1 year	Indefinite	Archive	
Election materials	Administration	1 year	Indefinite	Archive	
Electronic Mail ("E-mail")	Information Sys. Board Secretary (central litigation file)	9 days	Personal email folders may be closed at user's discretion. Server empties deleted files after 7 days. No longer retrievable unless on 9-day backup.	Delete from computer and/or shred hard copies. Email generated that may be relevant to litigation must be printed out and kept in hard copy in a central litigation file.	Users are responsible for the retention, backup, and/or recovery of personal e-mails.
Emergency generators	Operations Tech	1 year	5 years	Shred	
Emergency procedures	Operations Tech	1 year	6 years	Toss	Until superceded
Employees' Association	HR	Active	2 years	Shred	Keep in office while active; destroy after 2 years in archive
Employee handbook	HR	1 year	Indefinite	Archive	Until superceded
Employee records	HR	1 year	6 years	Shred	
Employee records terminated	HR	1 year	6 years	Shred	
Employee records retired	HR	1 year	6 years	Shred	

REVIEW PERIOD					
Records Series (Description)	**Responsible Department**	**Open/Active**	**Closed**	**Disposal**	**Notes**
Employee time records (i.e., payroll files) including deduction authorizations and overtime	Finance	1 year	6 years	Shred	
Employee travel and expense records	Finance	6 years	6 years	Shred	
Encroachment permits	Engineering	2 years	2 years	Toss	
Energy usage reports	Operations	3 years	3 years	Toss	
Environmental Impact Reports (EIR)	Engineering	2 years	2 years	Toss	Originals to be filed in project file. May keep indefinitely.
Equipment files, misc.	Operations	1 year	1 year	Toss	After sale of equipment, keep for 1 year
Equipment maintenance records and contracts	Operations	1 year	5 years	Toss	
Equipment operating manuals	Operations	1 year	1 year	Toss	
Equipment trouble and repair reports	Operations	1 year	3 years	Toss	
Equipment use reports	Operations	1 year	3 years	Toss	
Ethics Training Reports	Administration	2 years	5 Years	Shred	5 yrs after training
Financial reports, misc.	Accounting	10 years	10 years	Shred	
Financial statements, annual	Accounting	1 year	Indefinite	Archive	
Fuel and oil usage files	Operations Tech	1 year	1 year	Toss	
General Counsel reports, monthly	Administration	1 year	Indefinite	Archive	
Hazardous materials	Operations Tech	5 years	5 years	Shred	
Historical files, (history of FPUD, former DeLuz Heights MWD, Fallbrook Sanitary District (FSD)	Administration	1 year	Indefinite	Archive	

REVIEW PERIOD					
Records Series (Description)	**Responsible Department**	**Open/Active**	**Closed**	**Disposal**	**Notes**
Insurance certificates and policies (Benefit)	HR	1 year	6 years	Shred	
Inventory records	Operations	1 year	6 years	Shred	
Investment Portfolio	Treasurer	1 year	Indefinite	Archive	Permanent for research/historical value
Investments, Certificates of Deposit (CD's)	Treasurer	1 year	6 years	Shred	
Job applications	HR	1 year	3 years	Shred	Destroy 3 years after employment decision
Job applications, not hired	HR	2 years	N/A	Shred	Destroy after 2 yrs.
Laboratory Analysis	Treatment Plant	20 years	20 years	Shred	Original to be filed in project file
Laboratory Records	Treatment Plant	15 years	15 years	Shred	
Lease Agreements	Administration	1 year	6 years	Shred	Permanent for research/historical value
Ledgers, General & Journal	Accounting	1 year	Indefinite	Archive	
Legal opinions	Administration	1 year	Indefinite	Archive	
Maintenance work schedules	Operations	2 years	2 years	Toss	
Meter readings	Customer Service	3 years	3 years	Shred	
Motor Vehicle Pulls (DMV)	Safety Tech	1 year	7 years	Shred	
MSDS – Material Safety Data Sheets	Safety Tech	30 years	Indefinite	Archive	
Negotiations, employee	HR	Active	7 years	Archive	Law requires permanent retention
NPDES Permits	Administration	1 year	Indefinite	Archive	
Ordinances	Administration	1 year	Indefinite	Archive	
OSHA logs	HR	1 year	5 years	Shred	
Permits	Administration	1 year	Indefinite	Archive	

REVIEW PERIOD					
Records Series (Description)	**Responsible Department**	**Open/Active**	**Closed**	**Disposal**	**Notes**
Personnel policies/procedures	HR	1 year	10 years	Shred	
Policies and Procedures	Administration	1 year	Indefinite	Archive	
Projects/Construction	Engineering	1 year	Indefinite	Archive	
Projects/General	Engineering Operations	1 year	Indefinite	Archive	
Proposals	Engineering Operations	1 year	3 years	Toss	
Purchase orders and purchase requisitions	Accounting	1 year	4 years	Shred	
Reimbursement Agreements	Accounting	1 year	Indefinite	Archive	
Reports and Studies	Administration Engineering Operations	1 year	10 years	Toss	
Resolutions	Administration	1 year	Indefinite	Archive	
Retirement plan agreements, amendments & related documents	HR	1 year	Indefinite	Archive	Permanent for historic value
Safety meeting records	Safety Tech	1 year	5 years	Toss	Dispose when no longer relevant
Salary & Classification surveys	HR	2 years	N/A	Shred	Destroy after 2 years
Security reports	Safety Tech	1 year	Indefinite	Archive	Until suspended
Sewage spills, other agencies	Treatment Plant	6 months	6 months	Toss	
Sewage spills, FPUD reports	Treatment Plant	1 year	Indefinite	Archive	
Sewage spills, misc. correspondence	Treatment Plant	1 year	Indefinite	Archive	
Telemetry reports	Operations	1 year	10 years	Toss	
Tracts/Developer files	Engineering	1 year	Indefinite	Archive	
Training records	HR				
Underground storage tanks	Operations	1 year	Indefinite	Archive	
Valve Maintenance	Operations				

REVIEW PERIOD					
Records Series (Description)	**Responsible Department**	**Open/Active**	**Closed**	**Disposal**	**Notes**
Vehicle & equipment permits, licenses, registration	Administration	1 year	1 year	Shred	
Vehicle operating records	Mechanic	1 year	3 years	Toss	
Vendor files, misc. correspondence	Accounting	1 year	1 year	Shred	Dispose when no longer relevant
Vouchers, consultants	Accounting	1 year	Indefinite	Archive	
Wastewater/Recycled daily operations	Treatment Plant	1 year	5 years	Shred	
Water billings, problem reports	Customer Service	2 years	2 years	Shred	
Water education program files	Public Affairs	1 year	5 years	Shred	
Water production (well & pump records)	Operations	1 year	5 years	Shred	
Water quality complaints	Operations	1 year	6 years	Toss	
Water quality compliance documentation	Operations	1 year	10-12 years	Shred	
Will Serve letters	Engineering	2 years	5 years	Shred	
Work order files	Customer Service	2 years	5 years	Shred	
Workers' compensation files	Safety & Risk Administrator	1 year	6 years	Shred	

***Schedule Information**

1. Records are Open/Active files for at least the period stated as a matter of general practice. After the Open/Active period has passed, to the extent possible, records will be identified to the applicable department for closure recommendations, via electronic records management systems.

2. Records placed in Closed files will be retained for the scheduled period. Notice to the applicable department will be made prior to disposal.

Article 22. Social Media Policy and Procedure

Sec. 22.1 General Purpose.

This Social Media Policy ("Policy") establishes guidelines for the establishment and use by the Fallbrook Public Utility District ("District") of social media sites as a means of conveying information to members of the public. The intended purpose of District social media sites is to disseminate information from the District about the District's mission, meetings, activities, and current issues to members of the public. The District has an overriding interest and expectation in protecting the integrity of the information posted on its social media sites and the content that is attributed to the District and its officials.

Sec. 22.2 Definitions.

The following words and phrases whenever used in these Policies and Procedures shall have the meaning defined in this section:

Sec. 22.2.1 "Social media sites" means content created by individuals, using accessible, expandable, and upgradable publishing technologies, through and on the internet. Examples of social media include, but are not limited to, Facebook, Twitter, Instagram, Blogs, RSS, YouTube, and LinkedIn.

Sec. 22.2.2 "District social media sites" means social media sites which the District establishes and maintains, and over which it has control over all postings, except for advertisements or hyperlinks by the social media site's owners, vendors, or partners. District social media sites shall supplement, and not replace, the District's required notices and standard methods of communication.

Sec. 22.2.3 "Posts" or "postings" means information, articles, pictures, videos or any other form of communication posted on a District social media site.

Sec. 22.3 General Policy.

Sec. 22.3.1 The District's official website at www.fpud.com (or any domain owned by the District) will remain the District's primary means of internet communication.

Sec. 22.3.2 The establishment of District social media sites is subject to approval by the General Manager or his/her designee. Upon approval, District social media sites shall bear the name and/or official logo of the District.

Sec. 22.3.3 Content on District social media sites is subject to oversight by the General Manager's Department.

Sec. 22.3.4 District social media sites shall clearly state that such sites are

maintained by the District and that the sites comply with the District's Social Media Policy.

Sec. 22.3.5 District social media sites shall link back to the District's official website for forms, documents, online services, and other information necessary to conduct business with the District whenever possible.

Sec. 22.3.6 The District's Public Affairs Specialist shall monitor content on District social media sites to ensure adherence to both the District's Social Media Policy and the interest and goals of the District.

Sec. 22.3.7 District social media sites shall be managed consistent with the Brown Act. Members of the District's Board of Directors shall not respond to, "like", "share", retweet, or otherwise participate in any published postings, or use the site or any form of electronic communication to respond to, blog, or engage in serial meetings, or otherwise discuss, deliberate, or express opinions on any issue within the subject matter jurisdiction of the body.

Sec. 22.3.8 The District reserves the right to terminate any District social media site at any time without notice.

Sec. 22.3.9 District social media sites shall comply with usage rules and regulations required by the site provider, including privacy policies.

Sec. 22.3.10 The District's Social Media Policy shall be displayed to users or made available by hyperlink.

Sec. 22.3.11 All District social media sites shall adhere to applicable federal, state, and local laws, regulations, and policies.

Sec. 22.3.12 District social media sites are subject to the California Public Records Act. Any content maintained on a District social media site that is related to District business, including a list of subscribers, posted communication, and communication submitted for posting, may be considered a public record and subject to public disclosure.

Sec. 22.3.13 Employees representing the District on District social media sites shall conduct themselves at all times as a professional representative of the District and in accordance with all District policies.

Sec. 22.3.14 All District social media sites shall utilize authorized District contact information for account set-up, monitoring, and access. The use of personal email accounts or phone numbers by any District employee is not allowed for the purpose of setting-up, monitoring, or accessing a District social media site.

Sec. 22.3.15 District social media sites may contain content, including but not

limited to, advertisements or hyperlinks over which the District has no control. The District does not endorse any hyperlink or advertisement placed on District social media sites by the social media site's owners, vendors, or partners.

Sec. 22.3.16 The District reserves the right to change, modify, or amend all or part of this policy at any time.

Sec. 22.4 Content Guidelines.

Sec. 22.4.1 The content of District social media sites should only pertain to District-sponsored or District-endorsed programs, services, and events. Content includes, but is not limited to, information, photographs, videos, and hyperlinks.

Sec. 22.4.2 Content posted to the District's social media sites must contain hyperlinks directing users back to the District's official website for in-depth information, forms, documents, or online services necessary to conduct business with the Fallbrook Public Utility District, whenever possible.

Sec. 22.4.3 The District shall have full permission or rights to any content posted, including photographs and videos.

Sec. 22.4.4 Any employee authorized to post items on any of the District's social media sites shall review, be familiar with, and comply with the social media site's use policies and terms and conditions.

Sec. 22.4.5 Any employee authorized to post items on any of the District's social media sites shall not express his or her own personal views or concerns through such postings. Instead, postings on any of the District's social media sites by an authorized District employee shall only reflect the views of the District.

Sec. 22.4.6 Postings must contain information that is freely available to the public and not be confidential as defined by any District policy or state or federal law.

Sec. 22.4.7 Postings may NOT contain any personal information, except for the names of employees whose job duties include being available for contact by the public.

Sec. 22.4.8 Postings to District social media sites shall NOT contain any of the following:

Sec. 22.4.8.1 Comments that are not topically related to the particular posting being commented upon;

Sec. 22.4.8.2 Comments in support of, or opposition to, political campaigns, candidates or ballot measures;

Sec. 22.4.8.3 Profane language or content;

Sec. 22.4.8.4 Content that promotes, fosters, or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, or status with regard to public assistance, national origin, physical or mental disability or sexual orientation, as well as any other category protected by federal, state, or local laws;

Sec. 22.4.8.5 Sexual content or links to sexual content;

Sec. 22.4.8.6 Solicitations of commerce;

Sec. 22.4.8.7 Conduct or encouragement of illegal activity;

Sec. 22.4.8.8 Information that may tend to compromise the safety or security of the public or public systems; or

Sec. 22.4.8.9 Content that violates a legal ownership interest of any other party.

Sec. 22.4.9 These guidelines shall be displayed to users or made available by hyperlink on all District social media sites. Any content removed based on these guidelines must be retained, including the time, date, and identity of the poster, when available.

Sec. 22.4.10 The District reserves the right to implement or remove any functionality of its social media sites, when deemed appropriate by the General Manager or his/her designee. This includes, but is not limited to, information, articles, pictures, videos, or any other form of communication that is posted on a District social media site.

Sec. 22.4.11 Except as expressly provided in this Policy, accessing any social media site shall comply with all applicable District policies pertaining to communications and the use of the internet by employees, including email content.

Sec. 22.4.12 All of the content on District social media sites is subject to oversight by the General Manager's Office. The District reserves the right to change, modify, or amend all or part of this policy at any time.

ARTICLE 33 (Renumbered as Article 22 by Resolution 5006)
Adopted in its Entirety – 9/18

Article 23 Community Benefit Program

Sec. 23.1 Purpose.

The purpose of this Section is to define the rules and regulations that govern the District's functions of parks and recreation, street lighting and roads and streets, as activated by the San Diego Local Agency Formation Commission in 2022 as defined in Section 1.2 below. Administration of these functions are combined under the District's Community Benefit Program. The goal of this program is to promote, coordinate and oversee community projects in the District's service area that benefit the District's residents.

Sec. 23.2 Definition of Services Provided

The District may provide services of parks and recreation, street lighting and roads and streets as defined in more detail below:

Parks and Recreation Function:

Public parks, public playgrounds, public recreation buildings, buildings to be used for public purposes (to supplement existing service powers exercised by the County of San Diego and County Service Area (CSA) No. 81 as well as volunteer activities by non-profit organizations).

Street Lighting Function:

Street lighting systems (to supplement existing service powers exercised by the County of San Diego and County Service Area (CSA) No. 81 as well as volunteer activities by non-profit organizations).

Roads and Streets Function:

Works to provide for the drainage of roads, streets, and public places, including, but not limited to, curbs, gutters, sidewalks, and pavement of streets (to supplement existing service powers exercised by the County of San Diego and County Service Area (CSA) No. 81 as well as volunteer activities by non-profit organizations).

Sec. 23.3 Source of Funds

The District shall allocate $546,000 of unrestricted property tax revenue each fiscal year, as part of the District's budget adoption process, to the Community Benefit Program.

Sec 23.4 Procurement of Services

All services and projects procured under the Community Benefit Program must comply with the District's procurement procedures set forth in Article 5 of the District's Administrative Code. Any use of funds to provide services and projects must

meet the limitations of Section 1.2 above, and benefit public spaces. Any District Community Benefit Program funds shall be used to benefit public spaces and shall not be used to benefit any specific organization(s).

Sec 23.5 Program Administration

The Community Benefit Program will be administered by the Community Benefit Program Committee (Committee). The members of the Committee shall be appointed by the District Board of Directors. Committee meetings will be noticed pursuant to the Ralph M. Brown Act, Government Code section 54950 et seq., as it may be amended from time to time. Meetings of the Committee shall be conducted similar to meetings of Board Standing Committees.

Sec 23.5.1 Committee Member Selection Criteria:

1. All Committee Members shall serve in a voluntary capacity and shall receive no compensation.
2. Committee Members shall be solicited by posting an application to be a Committee member on the District website and advertised in the local newspaper. The Committee Members will be selected by the District's Board of Directors.
3. Vacancies occurring during a Committee Member's term shall be reviewed by the Regional and Community Coordination Committee, which may recommend qualified applicants to the District Board of Directors for appointment. The Board of Directors may appoint an individual to fill a vacancy for the remainder of the unexpired term.
4. Committee Members must either reside within the FPUD service area, or be a FPUD ratepayer, in order to be eligible to serve on the Committee.
5. The Committee shall consist of seven (7) members and will include representatives from nonprofits, residents and business owners.
6. Committee Members shall serve staggered three (3) year terms with staggered terms to start the process. There shall be a three term limit (total of nine years), with a one-year break after serving three consecutive terms. The one-year break may be waived by majority vote of the FPUD Board.

Sec 23.5.2 Committee Guidelines:

1. The Committee shall meet no less than once a quarter on a set date and time as established by the District.
2. The Committee Chair shall be elected by the Committee Members for a one-year term and shall conduct the meetings. A Vice Chair and Secretary shall be elected for one-year terms. The Vice Chair shall act in the absence of the Chair. The Secretary shall take minutes for the Committee.
3. If a Committee Member serves on the Board of Directors of an organization whose project is under consideration, the Committee member must recuse themselves and leave the room during discussion of the project.

4. Committee Members shall be required to Statements of Economic Interests (FPPC Form 700) and otherwise comply with applicable provisions of the Districts Conflict of Interest Code and applicable provisions of the Political Reform Act.
5. If services or projects under consideration by the Committee involves an organization on which a Committee Member serves on the Board of Directors, the Committee member must recuse themselves from participating in any way in the making of the decision regarding the services or projects and must leave the room during discussion of the services or projects.
6. The Committee will recommend which community projects should be funded for approval by the District Board of Directors.

Sec 23.5.3 Project Selection Process for Services and Projects Funded by the Community Benefit Program

1. The intent of the Community Benefit Program is that the Committee will be responsible for determining the criteria for the selection of services and projects, making recommendations for services and projects to the Board for approval, and overseeing and administering the selected projects/services with limited support from the District staff.
2. The Committee shall provide regular reports to the Board on the progress of the selected/awarded services and projects and on the expenditure of allocated funds.
3. The Committee shall develop criteria and process for requesting or soliciting, and for selecting and awarding services and projects for presentation to the Board for the Board's approval.
4. Priorities on allocation of funding should include determining the broadest community benefit as determined by the Committee. It is the intent that 50% of the funds allocated to the Community Benefit Program be allocated for maintenance and 50% for capital projects. Funds for larger capital projects can be accumulated over fiscal years. The Committee may determine to fully fund or partially fund services and projects it recommends selecting/awarding.