VISTA FIRE PROTECTION DISTRICT
Board of Directors
AGENDA

Meeting Location
City Hall, City of Vista
Vista Conference Room
200 Civic Center Drive
Vista, CA 92084

Regular Meeting
Thursday, November 12, 2026
1:00 PM

BUSINESS SESSION – REGULAR AGENDA

Americans with Disabilities Act: If you need special assistance to participate in this meeting, please contact the Board Clerk 760-688-7588. Notification 48 hours prior to the meeting will enable the district staff to make reasonable arrangements to assure accessibility to the meeting.

Rules for Addressing Board of Directors: Members of the audience who wish to address the Board of Directors are requested to complete a form near the entrance of the meeting room and submit it to the Board Clerk. Any person may address the Board on any item of Board business or Board concern. The Board cannot act on any matter presented during Public Comment but can refer it to staff for review and discussion at a future meeting. As permitted by State Law, the Board may act on matters of an urgent nature, or which require immediate attention.

Agendas: Agenda packets are available for public inspection 72 hours prior to scheduled meetings posted on the District's website www.vistafireprotectiondistrict.org or by contacting the Clerk of the Board at krannals@vistafpd.org

CALL TO ORDER
1. ROLL CALL

FLAG SALUTE

ORAL COMMUNICATION (PUBLIC COMMENT)
The Board invites District residents and others in attendance to address the Board on any matter of public concern related to the District's business.

All items listed on the Consent Calendar are considered routine and will be enacted by one motion without discussion unless Board Members, Staff, or the public requests removal of an item for separate discussion and action. The Board of Directors has the option of considering items removed from the Consent Calendar immediately or under Continuing Business.

CONSENT CALENDAR
1. Board of Directors Minutes
   a. Approve the Board of Directors special *in lieu of regular* meeting October 21, 2026

2. Payroll Register
   a. Ratify Payroll paid on November 6, 2026 $6,250.00
   b. Ratify Payroll Taxes paid on November 6, 2026 $478.13
   $6,728.13
3. Accounts Payable
   a. Ratify Accounts Payable Check 4471 through 4478 to be paid November 12, 2026 $38,688.18
   b. Auto withdrawal(s) paid on October 17 – November 10, 2026 $250.26
   $38,938.44
4. Receive and File – Information
   a. Monthly Reports
      i) Fire Chief
      ii) Fire Marshal
      iii) Workforce Program Superintendent
      iv) Effective Response Force Report – September 26
      v) Southern Operations Seasonal Weather Outlook – November 2026 – February 2027
      vi) Administrative Manager's Report
      vii) Correspondence
         (1) None

DISTRICT BUSINESS

1. Independent Auditor's Report FY 2025/2026

The independent auditor Paul Kaymark & Stacy Macias, Nigro & Nigro will make a presentation on the financial status of the Fire District for FY26 and present any findings resulting from the year-end audit to the Board of Directors.
ACTION REQUESTED: ACCEPT

2. Vista Fire Protection District - Policies

To discuss and/or provide directions upon review of the proposed board policy designed to facilitate the handling by the Board of Directors of its own affairs. Staff Report 26-22
ACTION REQUESTED: Direction and/or set an approval date, or approve policy as submitted.

3. Board of Directors Meeting Calendar

To discuss and confirm the CY27 meeting schedule. Staff Report 26-23
ACTION REQUESTED: Confirm dates and/or modify board meeting schedule, if necessary

4. Update: On-Call Grant Research, Writing, and Management Consulting Services

Staff will provide an update on the Request for Proposals (RFP) process.
ACTION REQUESTED: Information

ORAL REPORT(s)

1. Fire Chief
2. Administrative Manager
3. Legal
4. Board of Directors

FUTURE AGENDA ITEM(S)

The purpose of this item is to identify issues presently known to staff or which members of the Board of Directors wish to place on an upcoming Board of Directors agenda. Board comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

1. District Hydrants; date TBD

ADJOURNMENT

CERTIFICATION OF POSTING

I, Karlena Rannals, Board Clerk for Vista Fire Protection District, certify that on November 5, 2026 a copy of the foregoing agenda was posted on the District's website and near the meeting place of the Board of Directors of Vista Fire Protection District, said time being at least 72 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2).

Karlena Rannals
Board Clerk

VISTA FIRE PROTECTION DISTRICT
Board of Directors Meeting *(Special, in lieu of Regular)*
Minutes – October 21, 2026

These minutes reflect the order in which items appeared on the meeting agenda and do not necessarily reflect the order in which items were considered.

BUSINESS SESSION – REGULAR AGENDA

CALL TO ORDER
President Ploetz called to order the regular meeting of the Vista Fire Protection District Board of Directors at 2:154 PM at the Vista conference room located at 200 Civic Center Dr., Vista CA.

a. Roll Call

Directors Present:	Elliott, Hill, Ploetz, Torre-Bueno
Director's Absent:	Miller
Staff Present:	Karlena Rannals, Administrative Manager; Gerard Washington, Fire Chief; and Larissa Fullmer, Workforce Superintendent

FLAG SALUTE
President Ploetz led the assembly in the Pledge of Allegiance.

ORAL COMMUNICATION (PUBLIC COMMENT)
No one requested to speak to the board.

MOTION WAIVING READING IN FULL OF ALL RESOLUTIONS/ORDINANCES
MOTION BY DIRECTOR ELLIOTT, SECOND BY DIRECTOR TORRE-BUENO, and CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to waive reading in full of all resolutions and/or ordinances.

CONSENT CALENDAR
MOTION BY DIRECTOR TORRE-BUENO, SECOND BY DIRECTOR ELLIOTT, CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to approve the consent calendar as submitted:

1. Board of Directors Minutes – APPROVE
   a. Regular Meeting September 9, 2026
2. Payroll Register (Ratify)
   a. Payroll paid on October 7, 2026 $7,950.00
   b. Payroll Taxes paid on October 6, 2026 $608.18
   $8,558.18
3. Accounts Payable (Ratify)
   a. Accounts Payable Check 4463 through 4470 paid October 21, 2026 $107,916.07
   b. Auto withdrawals(s) paid September 5 – October 16, 2026 $266.35
   Total $108,182.42
4. Receive and File (Information)
   a. Financial Reports – Quarterly
      i) FY27 Budget to Actual GF – September 30, 2026
      ii) FY27 Budget to Actual FMF – September 30, 2026 (No Activity)

iii) FY27 Combined Balance Sheet – June 30, 2026 (unaudited)
iv) Portfolio Summary Report – September 30, 2026
v) Interest Rate Summary

b. Monthly Reports
i) Fire Chief
ii) Fire Marshal
iii) Workforce Program Superintendent
iv) Effective Response Force Report – August 26
v) Southern Operations Seasonal Weather Outlook – October 2026 – January 2027
vi) Administrative Manager's Report
vii) Correspondence
(1) None

DISTRICT BUSINESS

1. Fire Pathways Vulnerability and Mitigation Prioritization Analysis - Update

Chief Washington and Workforce Superintendent Fullmer presented the findings of the completed Xylo Plan analysis, demonstrating how the technology identifies wildfire spread pathways and prioritizes areas for vegetation management, defensible space, and home hardening. The analysis validated existing fuel reduction efforts, particularly along the Buena Creek corridor, and will help guide future mitigation projects using data-driven risk assessments.

The Board discussed how the Xylo Plan will assist staff in prioritizing high-risk areas, coordinating vegetation management efforts, and identifying additional mitigation needs. Discussion also addressed ongoing fuel reduction projects, workforce development partnerships, funding opportunities, and the importance of community education and participation. Board members expressed strong support for the initiative and commended staff for its proactive, data-driven approach to wildfire prevention.

2. Update: On-Call Grant Research, Writing and Management Consulting Services

Ms. Rannals reported that eight proposals were received in response to the Request for Proposals (RFP) for On-Call Grant Research, Writing, and Management Services. The evaluation and interview process was delayed due to the relocation of the District's administrative office. All respondents were notified of the delay, and proposals remain valid for 120 days. Ms. Rannals recommended establishing an ad hoc committee consisting of up to two Board members and staff to evaluate the proposals and present a recommendation to the Board, anticipated at the December meeting. She noted that an evaluation form had been developed to facilitate the review process.

The Board discussed the proposed evaluation process and the potential participation of City of Vista Fire Department personnel. Chief Washington indicated that City staff resources would remain available to assist as needed but recommended that the District take the lead in the selection process.

Following the discussion, President Ploetz appointed himself and Director Torre-Bueno, who volunteered to serve on the ad hoc committee. Staff will coordinate the evaluation process and come back to the Board with a recommendation for consideration at the December meeting.

3. RFP – Access Roads Maintenance

Ms. Rannals reported that the District's contract with Aztec Landscaping for maintenance of approximately 2.7 miles of emergency access roads expires December 1, 2026. The annual contract cost is approximately $30,000. Staff requested Board direction on whether to issue a Request for Proposals (RFP), negotiate a short-term contract extension, or explore transitioning maintenance responsibilities to the Pathways Workforce Development Program.

The Board discussed the ongoing maintenance needs of the emergency access roads, including vegetation management, drainage, and erosion control, as well as the potential cost savings of utilizing Pathways and California Conservation Corps (CCC) crews. Chief Washington supported exploring this option but cautioned that the developing workforce program has limited capacity and that professional contractors may still be necessary for certain maintenance activities.

At the conclusion of the discussion, the Board reached a consensus to direct staff to negotiate a six-month extension with Aztec Landscaping to allow additional time to evaluate maintenance alternatives, including the potential use of Pathways and CCC crews. Staff will return to the Board in February 2027 for further discussion and consideration of whether to proceed with a Request for Proposal.

4. Review - Vista Fire Protection District Investment Policy

Ms. Rannals summarized the staff report as required by California Government Code §53646, the District has a policy that governs the investment of surplus funds for purposes of generating investment income for the District. A review is required annually and must be conducted at a public meeting per Government Code §53646(a). Since there are no proposed changes, she recommended that the Board acknowledge the review and retain the District's Policy as approved on October 11, 2023.

The Board of Directors agreed by consensus to accept the staff recommendation and retain the District's Investment Policy as approved by Resolution No. 2023-10 on October 11, 2023.

5. Community Engagement Improvement

In the absence of Director Miller, President Ploetz introduced the item, explaining that Director Miller had requested a discussion regarding improving communication with District constituents, particularly making it easier for residents to report fire hazards and request inspections. The discussion also included potential improvements to the District's website, use of social media, and other community outreach methods.

The Board discussed existing communication methods, including the District's website and its "Ask the Fire Inspector" feature, which allows residents to submit concerns that staff forwards to the appropriate inspector. Members suggested making the reporting process more prominent and user-friendly, including the ability to submit photographs.

Chief Washington emphasized the importance of tailoring outreach efforts to the District's demographics, suggesting community meetings and other direct engagement opportunities rather than relying solely on social media. He also offered to explore whether the City's part-time communications specialist could assist with website improvements as a contractor. Ms. Rannals noted that funding is available in the District's budget for website redesign. Discussion included transitioning to a .gov domain, updating website content, incorporating wildfire prevention information, and providing links to Firewise resources.

Following discussion, the Board reached a consensus that a comprehensive website update would address many of the identified communication concerns, with an emphasis on improving accessibility, public information, and the reporting of fire hazards.

ORAL REPORT(S)

1. *Fire Chief*

   Chief Washington reported that In addition to the Chief's report, the following information was discussed:

   - He reported continued progress with the Pathways workforce development program and its partnership with the California Conservation Corps (CCC). He highlighted ongoing vegetation management projects and efforts to expand workforce training opportunities while ensuring the program's long-term sustainability. He noted that additional grant funding is being pursued to support continued operations and expand mitigation efforts throughout the District.
   - He discussed ongoing efforts to evaluate staffing and resource deployment strategies to improve operational efficiency and emergency response capabilities. He also provided a brief update on the development of the Mobile Integrated Health Program, identifying Steve Richards as the individual who will lead the initiative.
   - He presented a proposed portable sandwich-board sign to be displayed at locations where vegetation management crews are working. The signs will identify participating agencies and promote public awareness of the District's wildfire mitigation efforts. He explained that portable signage would allow the signs to be relocated as crews move between project areas. The Board expressed support for the signage as a means of increasing public awareness and recognition of the District's ongoing efforts.
   - During discussion, a Board member inquired about a recent fire in the District and the absence of customary incident notification to Board members. Chief Washington explained that the oversight resulted from a recent staffing transition and acknowledged the need to ensure continuity of the established notification process.
   - In response to a Board member's question regarding the distribution of emergency calls, Chief Washington reported that approximately 87% of calls are medical-related, while 13% involve fire and other incidents. He noted that structure fires represent a small percentage of overall calls and that the Department has responded to more vegetation fires than structure fires over the past 18 months. He agreed to provide a more detailed breakdown of incident statistics. Chief Washington emphasized that despite the relatively low frequency of structure fires, maintaining adequate staffing, equipment, and training is essential to effectively respond to major emergencies and minimize potential loss of life and property. He also discussed the impact of traffic-calming measures, particularly speed humps, on emergency response times, noting that a recent study identified an average delay of approximately 18 seconds per speed hump for fire apparatus. The Board discussed the challenges of balancing resource allocation with preparedness for infrequent but potentially catastrophic incidents. Chief Washington emphasized the importance of using objective data and risk assessments to guide operational planning and resource decisions.

2. *Administrative Manager*

   In addition to her report, she added:

   - Ms. Rannals provided a brief update on the District's administrative office relocation, noting that work associated with the move remains ongoing.
   - She also reminded the Board that the November regular meeting will be held on Thursday, November 12, 2026, rather than Wednesday, November 11, in observance of Veterans Day, consistent with the

District's meeting resolution requiring meetings that fall on a holiday to be held on the next business day.

3. Legal
   - Legal Counsel was absent. No report was provided.
4. Board of Directors
   - Ploetz: he informed the Board that a previously proposed residential development near Buena Creek Road, known as the 1050 Ora Avo project, has resurfaced with a revised proposal for 42 residential units. He noted that the District had previously submitted a letter, prepared by Legal Counsel, and signed by Chief Washington, identifying concerns regarding compliance with County development standards and emergency access requirements. The Board discussed potential concerns with the revised proposal, particularly the adequacy of secondary emergency access, increased residential density, and applicable zoning requirements. President Ploetz advised that Legal Counsel has contacted County Planning regarding the project and will continue monitoring its status. No action was taken.

FUTURE AGENDA ITEM(s)

No additional items were added to the list.

President Ploetz adjourned the meeting at 3:59 pm.

_____ _____

Karlena Rannals
Board Clerk

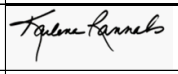
John Ploetz
President

VISTA FIRE PROTECTION DISTRICT

PAYROLL REGISTER - September (Paid 11/6/26)

Payment No.	Name		Gross
Direct Deposit	Rannals, Karlena		$ 6,250.00
		Total	$ 6,250.00
	Employer Payroll Taxes		
	Federal (Social Security/Medicare)		$ 478.13
	State		$ -
			$ 6,728.13

VISTA FIRE PROTECTION DISTRICT
ACCOUNTS PAYABLE
November 12, 2026

Check #	PAYEE & ADDRESS	DESCRIPTION	AMOUNT
Auto Withdrawal	ADP, Inc.	October Payroll Fee	$99.06
		Paid on 11-06-2026	
Auto Withdrawal	AT&T	October Internet	$151.20
		Paid on 11-04-2026	
		Accounts Payable (Auto withdrawal)	**$250.26**
4471	AZTEC LANDSCAPING	Emergency Access Roads, Invoice # L8229 October 2026	$2,464.33
	7980 Lemon Grove Way		
	Lemon Grove, Ca 91945		
4472	CA SPECIAL DISTRICTS ASSOCIATION	2027 CSDA Membership Renewal	$2,082.00
	1112 I Street, Ste 200	Sample Policy Handbook Subscription	
	Sacramento, CA 95814		
4473	CALIFORNIA CONSERVATION CORPS	October 2026 Buena Creek Project	$24,621.00
	1719 24th Street		
	Sacramento CA 95816		
4474	LOOP COMMUNICATIONS	Telephone Service - November	$92.45
	PO Box 96108		
	Charlotte, NC 28296-0108		
4475	NIGRO & NIGRO	Final Payment Audit Fee - FY26 (Inv#)	$5,500.00
	PO Box 1247		
	Murrieta, CA 92564		
4476	RANNALS, Karlena	Out of Pocket Expenses (Oct 1 - 31, 2026)	$2,622.57
4477	RGM CONSULTING	Monthly Maintenance (Nov 2026)	$150.00
	815 Sierra Verde Dr.	Inv # 7468	
	Vista, CA 92084		
4478	WILSON & HAMPTON PAINTING CONTRACTORS	Painting File Cabinets	$1,155.83
	1301 N Jefferson St.	Inv #535270	
	Anaheim, CA 92807		
	PAYROLL:	**Accounts Payable (Checks)**	**$38,688.18**
	See Payroll Register	Employee & Directors	$6,250.00
	U.S. TREASURY (PAYROLL TAX)	FEDERAL FORM 941-EFT VIA EFTPS-DEPOSIT	$478.13
		August Payroll Total	**$6,728.13**
		Total District Expenses -Oct/Nov 2026	**$45,666.57**
	Director	**12-Nov-26**	
			
	Administrative Manager	**5-Nov-26**	

Vista Fire Protection District

TO: BOARD OF DIRECTORS

FROM: GERARD WASHINGTON, FIRE CHIEF

SUBJECT: MONTHLY ACTIVITY REPORT – FIRE CHIEF'S REPORT

DATE: NOVEMBER 12, 2026

Monthly Activity Summary (October 1 to October 31, 2026)

The following highlights the work activities for the reporting period:

1. On October 3, the first Open House Saturday was held at Fire Station 1, kicking off Fire Prevention Month, with 200 to 250 community members attending.
2. On October 8, the All-Hands Meeting brought the full organization together for a look back on the past year's accomplishments and to set the stage for what is ahead.
3. On October 10, the second Open House was held at Fire Station 2 and was heavily attended by Vista residents.
4. On October 11, crews supported the Día de Muertos Festival.
5. On October 12, three (3) fire recruits began academy training, with Firefighter/Paramedic Eibel assisting Chief Childress as Academy Coordinator.
6. Significant calls: On October 10, a working fire involved the attached patio and exterior wall of a double-wide mobile home at 1010 E. Bobier Drive. On October 16, a fully involved outbuilding fire on Voluntary Road contained approximately 50 e-bikes, with fire investigators and HazMat responding. Structure fires followed on October 18 on Rosewood Street and October 19 on Ora Avo Drive. On October 24, crews responded to an outside natural gas line break on West Drive with assistance from neighboring agencies. Six (6) additional structure fire dispatches during the final week of the month included Grapevine Road, N. Santa Fe Avenue, Aspen Way, and Hacienda Drive. BR122 and Chief Halle were deployed to the Henderson Fire at Camp Pendleton.
7. The City Manager's Office and Vista Fire Rescue established an El Niño Working Group to coordinate the City's preparations for the predicted storm season. The first meeting was held on October 15, where department plans were compiled into a single document and reviewed together. Storm and Swiftwater preparedness coordination also continued with Public Works, Emergency Management, the San Diego County Sheriff's Office, and Oceanside Lifeguards.
8. On October 17, the third Open House was held at Fire Station 3, with more than 200 community members attending.
9. Also on October 17, members attended Cal-JAC's 2026 Southern California Firefighter Career Expo at FCTC San Diego County, connecting with more than 500 prospective candidates interested in a career in the fire service.
10. On October 20, an emergency preparedness tabletop exercise was held for City staff and cooperating agencies, focused on executive-level crisis management, interdepartmental coordination, and decision-making during a simulated emergency. This was the second of two (2) scheduled exercises.
11. On October 21, department interviews were conducted for the Senior Office Specialist position, and an offer was extended to the selected candidate later in the month.

12. On October 24, the fourth Open House was held at Fire Station 4, with 200 community members attending.
13. At the October 27 City Council meeting, Council received an update on the Fire Department Route Map and discussed the updated map, the proposed pilot speed lump project, and the operational review of pending speed hump requests. The item passed 5-0.
14. Rocket Rules classroom safety visits continued at VUSD schools throughout the month. Rocket, a red Dalmatian, teaches first graders how to dial 9-1-1 and second graders fire safety.
15. Planning is underway for the kickoff of the 100-year anniversary celebration, 1927 to 2027, a yearlong series of events honoring a century of service to the community. Planning also continues for the Badge-Pinning Ceremony on November 14 from 1:00 to 3:30 p.m. at the Moonlight Amphitheatre, celebrating new hires and promotions.
16. Training: Mid-rise drills began and concluded, covering suppression tactics for buildings between four and eight floors using the buildings near 315 S. Santa Fe. EMS began community CPR and fire extinguisher training at Vista High School and completed the entire freshman class, part of an initiative to train every high school student. Eight EMTs finished onboarding and ride-outs and are now working in the field, and two EMTs completed paramedic school and are preparing for their national registry examinations. The department hosted a countywide California Incident Command Certification System informational meeting, which certifies members for assignment to large incidents such as wildfires. Sharp Performance updates were completed, and training began on the new NEOGOV personnel evaluation process.
17. On October 30, crews supported Vista Fright Night in the downtown district, with a dedicated medical unit assigned to the event.
18. On October 31, the fifth Open House was held at Fire Station 5, with an estimate of over 1,000 community members attending.

Vista Fire Protection District

TO: BOARD OF DIRECTORS

FROM: MARK VIEROW, FIRE MARSHAL

SUBJECT: MONTHLY ACTIVITY REPORT–FIRE MARSHAL

DATE: November 12, 2026

Monthly Activity Summary (October 1 – October 31, 2026)

The following highlights the work activities for the reporting period:

1. Plan Checks and Construction Inspections
    a. 10 plan checks completed
    b. 8 construction inspections

2. San Diego County Fire Mitigation Fees
    a. 3,115 square feet of new construction
    b. $2990.40 in fire mitigation fees

3. General
    a. Open Houses at Stations 1-5. Station 6, November 7th.
    b. Tentative start date for Assistant Fire Marshal is 11/16

4. Plans
    SB9 lot split, Detached garage ADU, Fire Sprinklers, Tentative Parcel Map.

Vista Fire Protection District

TO: BOARD OF DIRECTORS

FROM: LARISSA FULLMER, SUPERINTENDENT

SUBJECT: MONTHLY ACTIVITY REPORT – SUPERINTENDENT REPORT

DATE: November 12, 2026

Monthly Activity Summary (October1 to October 31st, 2026)

Work Activities for the Reporting Period

1. The California Conservation Corps (CCC) continued vegetation-management work along Buena Creek Road toward Lone Oak Road. During the reporting period, the crew completed approximately **1.5 acres** of 30-foot roadside clearance. Work included removing ladder fuels, overgrown vegetation, dead, dying, and diseased vegetation, and invasive species. The crew also removed and hauled approximately **160 cubic yards** of slash and brush material. During October, the crew logged a total of **849** hours.

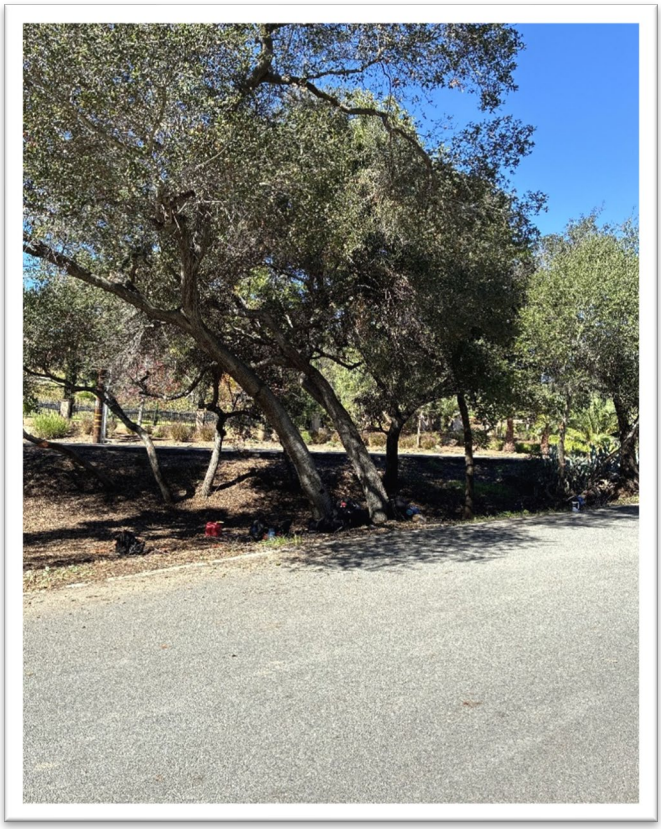
2. October 21-23, 2026, The CCC crew and Pathways interns participated in a three-day Wildland Chainsaw Training course funded through an SDWF grant. A total of **16 students** completed one day of classroom instruction at Station 5, one day of field instruction along Buena Creek Road, and one day of field training at Brengle Terrace. Participants received instruction in safe chainsaw operation, brushing, and vegetation-removal techniques. Upon completion, students received S-212 certificates through the California Office of the State Fire Marshal's State Fire Training program. This industry-recognized certification is a highly desirable professional credential.

3. VFR Pathways interns continued vegetation-management work at Brengle Terrace near the area of recent fire activity. Work included removing ladder fuels, overgrown vegetation, dead, dying, and diseased vegetation, and invasive species. During the reporting period, the crew treated approximately **0.5 acre**.

4. The City of Vista and the California Conservation Corps (CCC) entered into an agreement to use Greenhouse Gas Reduction Fund (GGRF) bond funding to continue the Brengle Terrace Hazard Mitigation. The project is expected to treat approximately **6.5 acres.** Targeted start date is Mid December 2026.



Before



After

Wildland Chainsaw S212
3-Day Course and Training







Map of Treatment Areas

Pink= Treatment completed

Blue/ Gray = Operational area- In process





EFFECTIVE RESPONSE FORCE REPORT

SEPTEMBER 2026

VISTA FIRE RESCUE

STANDARD OF COVER TRAVEL INTERVALS

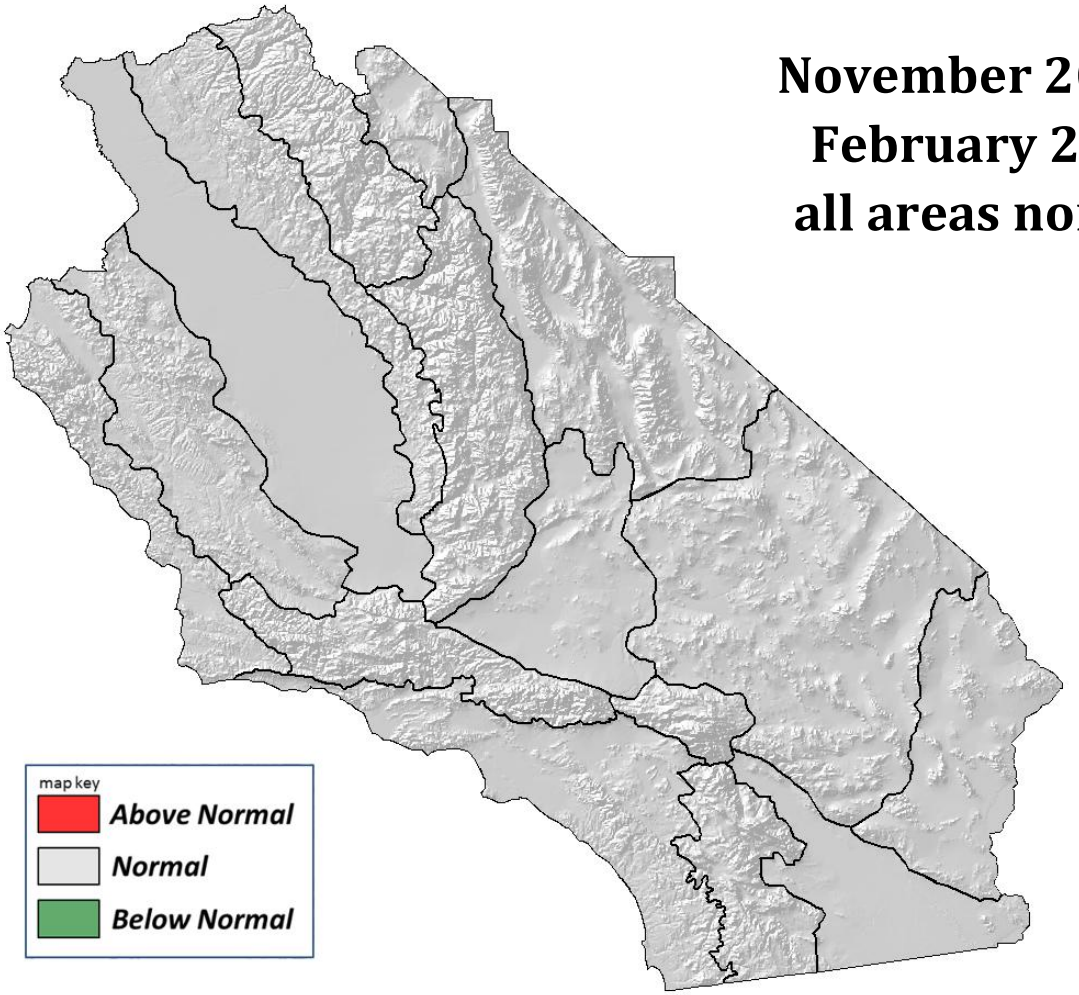
September 2026

This table describes the Vista Fire Rescue standard travel interval times in accordance with Section 2.G.2. of the agreement with the Vista Fire Protection District.

Type	Risk Level	Unit Complement	Parameter	Urban	Suburban	Rural
All Risks	N/A	1 Engine or 1 Aerial	Objective	00:05:40	00:06:30	00:08:00
All Risks	N/A	1 Engine or 1 Aerial	90th Percentile	00:06:18	00:06:06	00:10:38
All Risks	N/A	1 Engine or 1 Aerial	Count	111	9	24
Fire	High	4 Engine, 1 Ambulance, 1 BC, 1 Aerial	Objective	00:09:30	00:11:00	00:11:30
Fire	High	4 Engine, 1 Ambulance, 1 BC, 1 Aerial	90th Percentile	00:08:51	n/a	n/a
Fire	High	4 Engine, 1 Ambulance, 1 BC, 1 Aerial	Count	1	n/a	n/a
Fire	Medium	3 Engine, 1 Ambulance, 1 BC, 1 Aerial	Objective	00:09:00	00:10:30	00:11:00
Fire	Medium	3 Engine, 1 Ambulance, 1 BC, 1 Aerial	90th Percentile	n/a	n/a	n/a
Fire	Medium	3 Engine, 1 Ambulance, 1 BC, 1 Aerial	Count	n/a	n/a	n/a
Fire	Low	1 Engine	Objective	00:05:40	00:08:00	00:08:00
Fire	Low	1 Engine	90th Percentile	00:08:58	00:09:47	00:18:02
Fire	Low	1 Engine	Count	10	1	1
EMS	High	1 Engine, 1 Ambulance	Objective	00:06:00	00:08:30	00:09:30
EMS	High	1 Engine, 1 Ambulance	90th Percentile	00:07:51	00:06:20	00:10:32
EMS	High	1 Engine, 1 Ambulance	Count	18	3	7
EMS	Medium	1 Engine, 1 Ambulance	Objective	00:06:00	00:08:30	00:09:30
EMS	Medium	1 Engine, 1 Ambulance	90th Percentile	00:09:20	00:02:40	00:13:15
EMS	Medium	1 Engine, 1 Ambulance	Count	40	1	8
EMS	Low	1 Engine, 1 Ambulance	Objective	00:06:00	00:08:30	00:09:30
EMS	Low	1 Engine, 1 Ambulance	90th Percentile	n/a	n/a	n/a
EMS	Low	1 Engine, 1 Ambulance	Count	n/a	n/a	n/a
Rescue	High	2 Engine, 1 Ambulance, 1 BC, 1 Aerial	Objective	00:09:00	00:10:30	00:11:30
Rescue	High	2 Engine, 1 Ambulance, 1 BC, 1 Aerial	90th Percentile	n/a	n/a	n/a
Rescue	High	2 Engine, 1 Ambulance, 1 BC, 1 Aerial	Count	n/a	n/a	n/a
Rescue	Medium	1 Engine, 1 Ambulance, 1 BC, 1 Aerial	Objective	00:08:30	00:11:00	00:11:00
Rescue	Medium	1 Engine, 1 Ambulance, 1 BC, 1 Aerial	90th Percentile	n/a	n/a	n/a
Rescue	Medium	1 Engine, 1 Ambulance, 1 BC, 1 Aerial	Count	n/a	n/a	n/a
Rescue	Low	1 Engine, 1 Ambulance	Objective	00:08:00	00:08:00	00:09:00
Rescue	Low	1 Engine, 1 Ambulance	90th Percentile	00:05:23	n/a	00:04:59
Rescue	Low	1 Engine, 1 Ambulance	Count	3	n/a	1
Wildland	Red Flag	2 Type 1, 3 Type 3, 1 BC, 1 WT, Aircraft	Objective	00:10:24	00:13:00	00:18:12
Wildland	Red Flag	2 Type 1, 3 Type 3, 1 BC, 1 WT, Aircraft	90th Percentile	n/a	n/a	n/a
Wildland	Red Flag	2 Type 1, 3 Type 3, 1 BC, 1 WT, Aircraft	Count	n/a	n/a	n/a
Wildland	High	2 Type 1, 3 Type 3, 1 BC, 1 WT, Aircraft	Objective	00:10:24	00:13:00	00:18:12
Wildland	High	2 Type 1, 3 Type 3, 1 BC, 1 WT, Aircraft	90th Percentile	n/a	n/a	n/a
Wildland	High	2 Type 1, 3 Type 3, 1 BC, 1 WT, Aircraft	Count	n/a	n/a	n/a
Wildland	Medium	2 Type 1, 2 Type 3, 1 BC	Objective	00:10:24	00:13:00	00:18:12
Wildland	Medium	2 Type 1, 2 Type 3, 1 BC	90th Percentile	n/a	n/a	n/a
Wildland	Medium	2 Type 1, 2 Type 3, 1 BC	Count	n/a	n/a	n/a
Wildland	Low	2 Type 1, 2 Type 3, 1 BC	Objective	00:09:00	00:13:00	00:18:12
Wildland	Low	2 Type 1, 2 Type 3, 1 BC	90th Percentile	n/a	n/a	n/a
Wildland	Low	2 Type 1, 2 Type 3, 1 BC	Count	n/a	n/a	n/a
Hazmat	High	2 Engine, 1 Ambulance, 1 BC, 1 Aerial	Objective	00:09:00	00:10:30	00:11:30
Hazmat	High	2 Engine, 1 Ambulance, 1 BC, 1 Aerial	90th Percentile	n/a	n/a	n/a
Hazmat	High	2 Engine, 1 Ambulance, 1 BC, 1 Aerial	Count	n/a	n/a	n/a
Hazmat	Low	1 Engine	Objective	00:05:40	00:06:30	00:08:00
Hazmat	Low	1 Engine	90th Percentile	n/a	n/a	n/a
Hazmat	Low	1 Engine	Count	n/a	n/a	n/a

MONTHLY/SEASONAL OUTLOOKS

ISSUED OCTOBER 31, 2026 VALID NOVEMBER 2026 – FEBRUARY 2027



November 2026 – February 2027 all areas normal

***Monthly Images will only be shown when there are changes**

November 2026 – February 2027 South Ops Highlights

- Temperatures will likely average below normal throughout the period.
- Above normal precipitation is highly likely, with potential for an extremely wet winter season due to a strong El Nino.
- A below normal amount of offshore wind events are expected through the period as weather systems move in from the Pacific as opposed to over land.

Weather Discussion

October was a notably warm month across the region, as a scorching heatwave over the month's first 10 days easily offset the more seasonable and variable conditions over the last three weeks of the month. Most areas ended up 2 to 6 degrees above normal, **(Figure 1)** warmest in coastal areas where much warmer than normal offshore waters continue to produce a coastal warming effect. For the second month in a row, a significant rainfall event enhanced by a remnant tropical cyclone occurred, this time related to Hurricane Rachel. Once again, effects were greatest over Southern California. An additional widespread rain event occurred about a week later, and precipitation ended up vastly above normal over Southern California, while it was closer to normal over most of Central California **(Figure 2)**.

A moderate to strong Santa Ana wind event occurred from October 14-17 **(Figure 3)**, after the rainfall event associated with Rachel. Even still, multiple significant wildfires occurred across Orange County, despite 1.5 to 2 inches of rainfall occurring just days prior. A number of smaller fires also occurred elsewhere in the region during that wind event. Subsequent wetter and less windy weather brought rapid containment of this fire activity and a lack of fire activity for the remainder of the month.

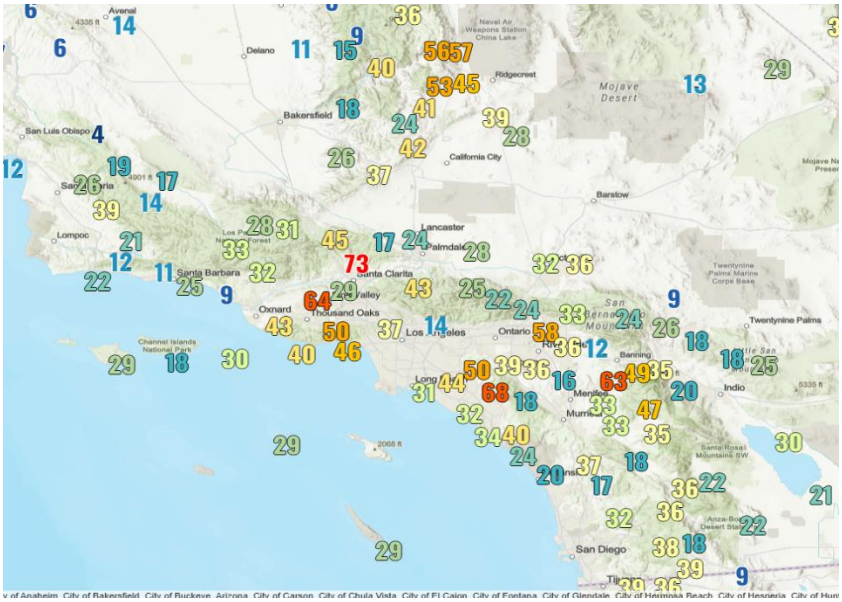


***Fig 3**: 24 hour maximum wind gusts (mph) ending 7AM PDT Oct 16.*

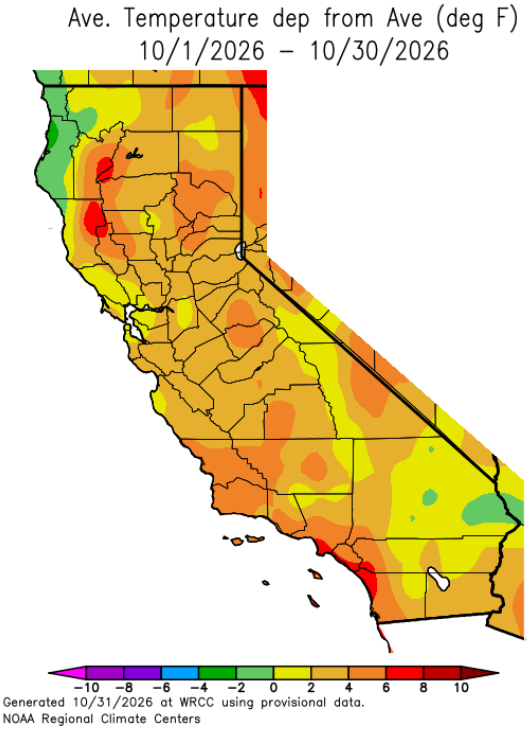


***Fig 1**: Oct 1st - 30th Mean Temperature Departure from Average*

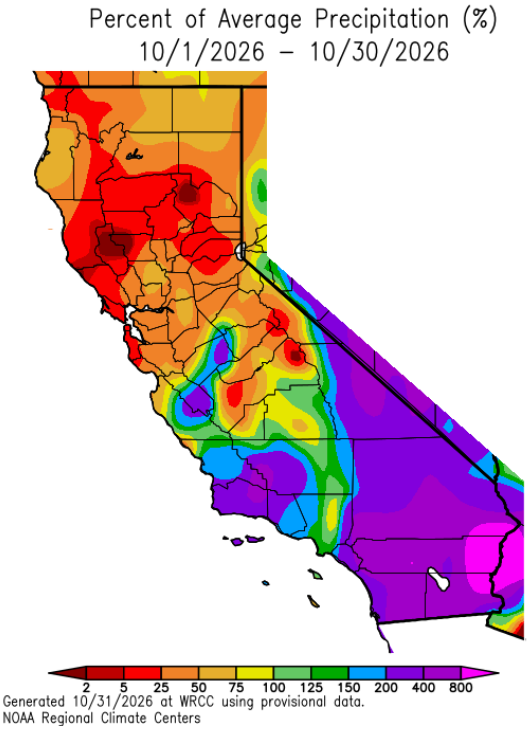


***Fig 2**: Oct 1st – 30th Precipitation % of Average*

Fuels Discussion

Latest USDA Drought Monitor **(Figure 4)** shows little in the way of drought over Central and Southern California, with just some Moderate (D1) drought over the Southern California deserts. Abnormally dry conditions do still exist across much of interior California, but these areas are not in jeopardy of any further degradation as cool season rains have already started to arrive.

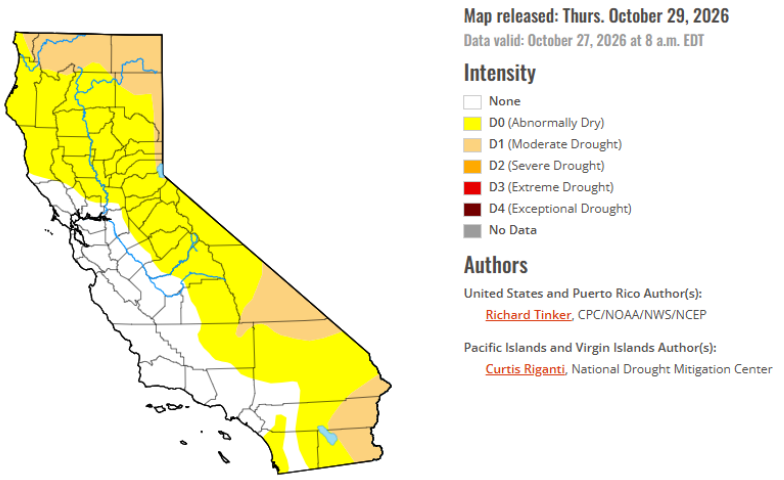


Fig 4: USDA Drought Monitor as of October 29th.

The hot and dry conditions early in the month drove dead fuel moistures to well below average values and produced a considerable spike in ERC **(Figure 5).** However, rainfall and cooler weather over the second half of the month dramatically moderated the fire environment. Rainfall of this significance typically does not arrive until a few weeks later in the season, and so dead fuel moistures are now well above normal across the region, with ERCs well below normal, and these conditions are likely to exist for the foreseeable future.

The rainfall in October is also starting to affect live fuel moistures (LFMs). Quantitative LFM data reflecting the recent moisture is limited, but will likely start to be reflected in upcoming readings. Visual observations also confirm new grass growth is increasingly prevalent across the lower elevations **(Figure 6)**, significantly reducing potential for fire spread.

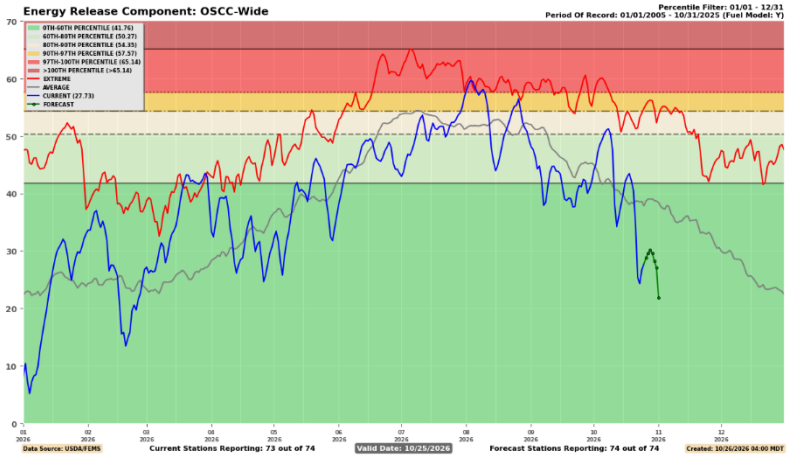


Fig 5: OSCC-Wide Energy Release Component (ERC, Y-model) as of October 25th

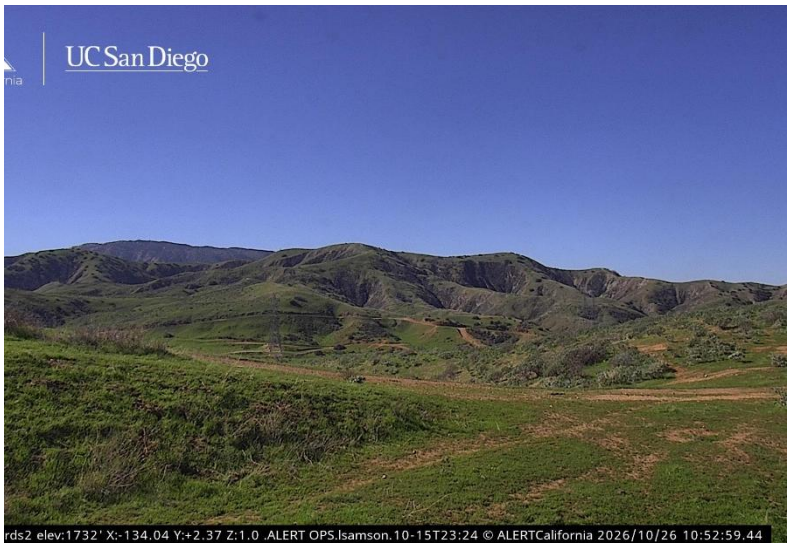


Fig 6: Alert California's San Timoteo camera on October 26 (elev 1732'), with significant new grass growth present.

SOUTH OPS OUTLOOK

A strong to near record strength El Nino event continues across the equatorial Pacific **(Figure 7)**. This event is likely to peak in the next couple of months, and it is certain that very strong El Nino conditions will be in place throughout this winter. Very warm SST anomalies also extend from the California coast and southward, and across broad swaths of the mid and higher latitudes of the Pacific.

There is no change in forecast expectations heading into the deeper cool season months. A balance of climate modeling **(Figure 8)** combined with the very strong El Nino conditions strongly favor above normal precipitation through the remainder of this fall and winter, especially from December onwards. Despite the warmth of early October, the expected pattern should also favor below normal temperatures as frequent troughing influences affect the region, more in line with conditions over the second half of October. The pattern is also expected to favor troughs moving in from the Pacific as opposed to dropping southward over interior North America, likely bringing a below normal total number of Santa Ana wind events.

We may see substantial variation in snow levels this winter. The El Nino pattern will likely favor the occurrence of at least a couple of significant storms featuring high snow levels thanks to lower latitude moisture connections. However these will also likely be interspersed with colder systems, as the SST pattern favors an active storm track from the Gulf of Alaska as well. The potential for severe hydrologic impacts this winter should not be underestimated. Moisture projections in some of the climate modeling far exceed any prior years' projections, even other strong El Nino years. While there are no guarantees, a winter of extreme or even historic storminess over our region is very much on the table.

The potential for significant wildfire activity is expected to remain very low through the forecast period. Flammability across the landscape has already been broadly reduced by the moisture received so far. Near normal significant fire potential is indicated throughout the outlook period across the region, but this time of year that is simply a reflection of expectations for little to no significant fire activity to occur.

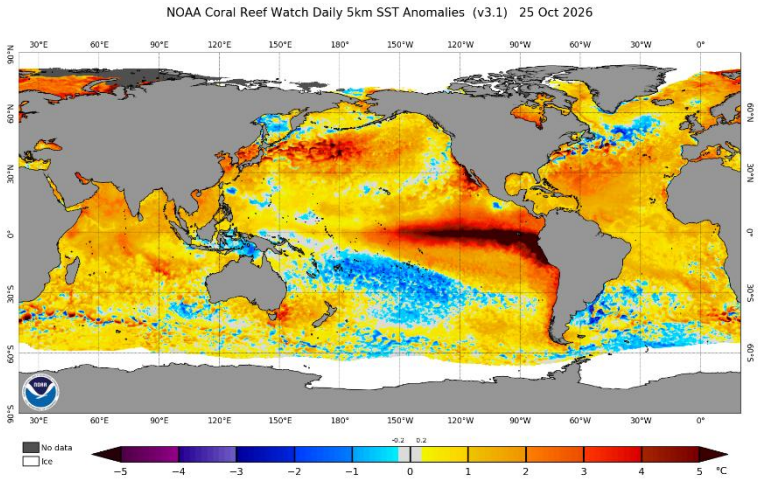


Fig 7: Sea Surface Temperature Anomaly, October 25th.

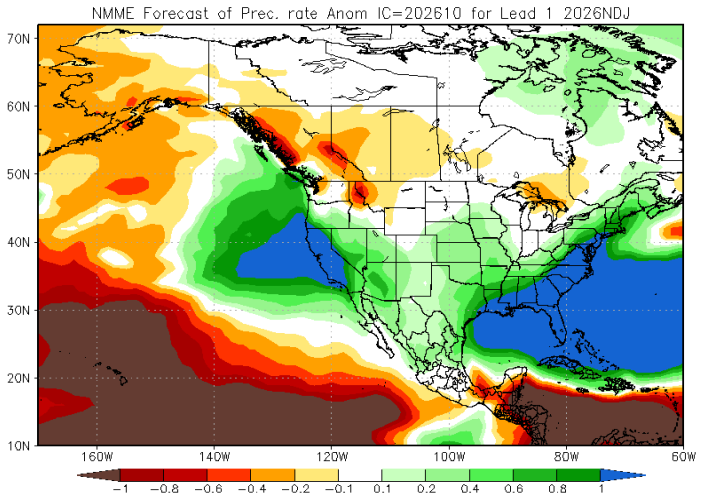
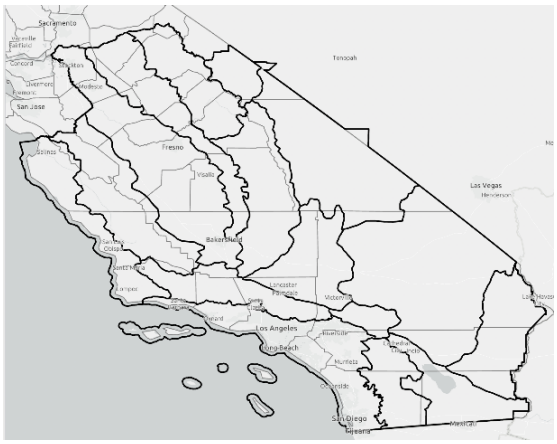
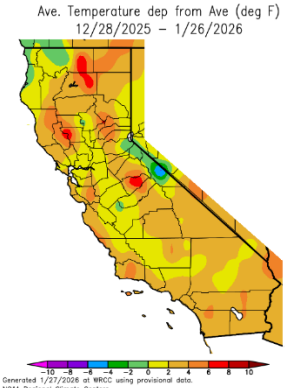


Fig 8: NMME November 2026 – January 2027 3-month Precipitation Anomaly Forecast

Maps with Counties and Select Intel Links used in the forecast

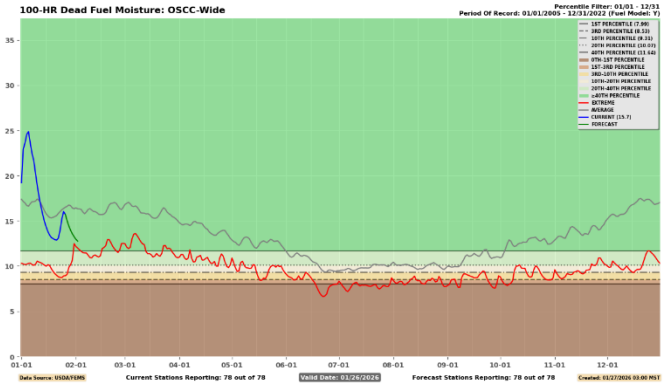


November 2026 – February 2027



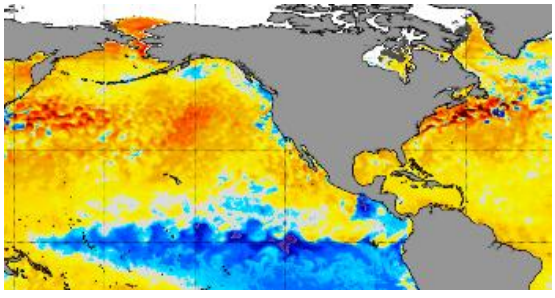
Climate

- https://calclim.dri.edu/pages/anommaps.html
- https://droughtmonitor.unl.edu/
- https://www.cpc.ncep.noaa.gov/products/NMME/



Fuel Moisture and ERCs

- https://gacc.nifc.gov/oscc/fuelsFireDanger.php



Current sea surface temperatures

- https://www.ospo.noaa.gov/Products/ocean/sst/anomaly/
- https://www.tropicaltidbits.com

Vista Fire Protection District

TO: BOARD OF DIRECTORS

FROM: KARLENA RANNALS, ADMINISTRATIVE MANAGER

SUBJECT: MONTHLY ACTIVITY REPORT - ADMINISTRATION

DATE: November 5, 2026

Activity Summary (October 1 – 31, 2026)

The following highlights my work activities for the reporting period:

1. Unpacked office – October 1, 6 and 7
2. Prepared agenda and supporting material for the October 21st Board of Directors meeting.
3. Prepared all accounts payable and payroll.
4. Met October 14 (in person) with Chief Washington
5. Met October 15 (in person) with Larissa Fullmer re: Pathways/CCC Crews
6. Attended October 21 Board of Directors meeting.
7. Met October 22 (in person) with new board member Brendan Farrelly
8. Met October 28 (virtual) with RFP ad-hoc committee (Ploetz & Torre-Bueno)
9. Responded to one Public Record Request
10. Reviewed Draft FY26 Independent Financial Audit

CONTRACTS: Informational

A report to the Board of Directors regarding contracts executed on behalf of the Fire District by the Administrative Manager:

1. None

The highlights do not include emails, phone calls, website updates, or other requests for review/comments on district topics.

VISTA FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

For the Fiscal Year Ended
June 30, 2026
(With Comparative Amounts for June 30, 2025)

NIGRO & NIGRO PC

VISTA FIRE PROTECTION DISTRICT
For the Fiscal Year Ended June 30, 2026
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Financial Section

NIGRO & NIGRO PC

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Directors
Vista Fire Protection District
Vista, California

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vista Fire Protection District as of and for the fiscal year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Vista Fire Protection District, as of June 30, 2026, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As described in Note 1 to the financial statements, as of July 1, 2025, the District adopted new accounting guidance, GASB Statement No. 103, Financial Reporting Model Improvements, Statement No. 104, Disclosure of Certain Capital Assets and Statement No. 105, Subsequent Events. Our opinion is not modified with respect to these matters.

Management's Responsibility for the Financial Statements

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

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
Jessica Miller, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA | Oscar Gonzalez, CFE

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2025, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a separate report dated November 12, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California
November 12, 2026

Management's Discussion and Analysis (MD&A) offers readers of Vista Fire Protection District's (the District) financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2026. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to-prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

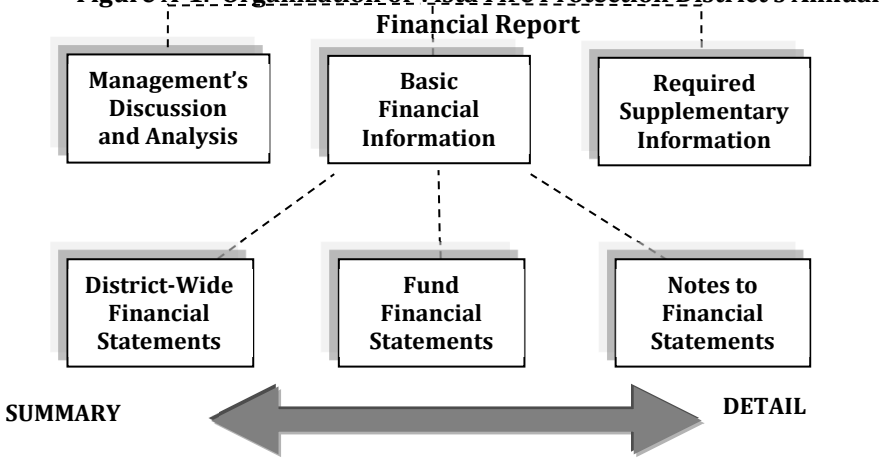
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial* statements provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
  - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Vista Fire Protection District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds
Scope	Entire District	The activities of the District that are not proprietary or fiduciary, such as fire and ambulance services
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Statements
The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of buildings and other facilities.

- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as fire protection, medical transport, and administration. Local property taxes finance most of these activities.

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near- term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

FINANCIAL SUMMARY

- The District's financial position decreased during fiscal year 2026, as total net position decreased by $1,636,346, or 12.26%, from $13,348,768 to $11,712,422. The decrease was primarily attributable to higher expenses associated with fire station reconstruction, fire protection services, and depreciation.

- Total assets decreased by $2,302,465, or 16.18%, from $14,234,349 to $11,931,884. Current assets decreased by $2,180,392, or 15.49%, from $14,080,069 to $11,899,677, representing the primary decrease in the District's assets.

- Total liabilities decreased by $666,119, or 75.22%, from $885,581 to $219,462. At June 30, 2026, the District reported no outstanding long-term financing obligations.

- Total revenues increased by $35,405, or 0.63%, from $5,663,516 to $5,698,921. The increase was primarily attributable to increases in property tax revenues and charges for services, partially offset by decreases in investment earnings and mitigation fee revenues.

- Total expenses increased by $1,290,463, or 21.35%, from $6,044,804 to $7,335,267. The increase was primarily attributable to a $1,004,550, or 70.51%, increase in fire station reconstruction costs, along with increases in fire protection services provided by the City of Vista and depreciation expense.

- The General Fund reported an ending fund balance of $12,940,708, a decrease of $1,611,273 from the beginning fund balance of $14,551,981. General Fund expenditures of $7,236,992 exceeded revenues of $5,625,719, primarily reflecting fire protection services and fire station reconstruction expenditures.

- The Fire Mitigation Fund reported an ending deficit fund balance of $1,228,286, an improvement of $73,202 from the beginning deficit fund balance of $1,301,488. The improvement resulted from current-year revenues of $73,202 and no reported expenditures.

- During fiscal year 2026, the District recognized $98,275 of depreciation associated with access road improvements. The improvements, with an original cost of $368,728 and accumulated depreciation of $368,728, were subsequently removed from the District's capital asset records because the District does not own the underlying roads and access is provided through easements. As a result, the District had no remaining net investment in capital assets at June 30, 2026.

DETAILED ANALYSES

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	June 30, 2026	June 30, 2025	Change
Assets:			
Current assets	$ 11,899,677	$ 14,080,069	$ (2,180,392)
Non-current assets	32,207	56,005	(23,798)
Capital assets, net	-	98,275	(98,275)
Total assets	11,931,884	14,234,349	(2,302,465)
Liabilities:			
Current liabilities	219,462	885,581	(666,119)
Total liabilities	219,462	885,581	(666,119)
Net position :			
Investment in capital assets	-	98,275	(98,275)
Restricted for capital improvements	32,207	56,005	(23,798)
Unrestricted	11,680,215	13,194,488	(1,514,273)
Total net position	$ 11,712,422	$ 13,348,768	$ (1,636,346)

Total assets decreased by $2,302,465, or 16.18%, from $14,234,349 at June 30, 2025 to $11,931,884 at June 30, 2026. The decrease was primarily attributable to a $2,180,392, or 15.49%, decrease in current assets. Total liabilities decreased by $666,119, or 75.22%, from $885,581 to $219,462. Overall, the District's net position decreased by $1,636,346, or 12.26%, from $13,348,768 at June 30, 2025 to $11,712,422 at June 30, 2026. Unrestricted net position decreased by $1,514,273, or 11.48%, to $11,680,215 at June 30, 2026.

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Activities

	2026 Fiscal Year	2025 Fiscal Year	Change
Program revenues	$ 254,847	$ 235,203	$ 19,644
Expenses	(7,335,267)	(6,044,804)	(1,290,463)
Net program expense	(7,080,420)	(5,809,601)	(1,270,819)
General revenues	5,444,074	5,428,313	15,761
Change in net position	(1,636,346)	(381,288)	(1,255,058)
Net position:			
Beginning of year	13,348,768	13,730,056	(381,288)
End of year	$ 11,712,422	$ 13,348,768	$ (1,636,346)

DETAILED ANALYSES (continued)

Analysis of Revenues and Expenses(continued)

Program revenues increased by $19,644, or 8.35%, from $235,203 in fiscal year 2025 to $254,847 in fiscal year 2026, while general revenues increased by $15,761, or 0.29%, from $5,428,313 to $5,444,074. Total expenses increased by $1,290,463, or 21.35%, from $6,044,804 in fiscal year 2025 to $7,335,267 in fiscal year 2026. As a result, the District reported a decrease in net position of $1,636,346 in fiscal year 2026, compared with a decrease of $381,288 in fiscal year 2025. The larger decrease in net position was primarily attributable to the increase in expenses, including higher fire station reconstruction costs and depreciation expense.

Table A-3: Total Revenues

	2026 Fiscal Year	2025 Fiscal Year	Increase (Decrease)
Program revenues:			
Charges for services	$ 184,488	$ 74,926	$ 109,562
Mitigation fees	70,359	160,277	(89,918)
Total program revenues	254,847	235,203	19,644
General revenues:			
Property taxes	4,961,397	4,684,637	276,760
Investment earnings	473,169	734,098	(260,929)
Other revenues	9,508	9,578	(70)
Total general revenues	5,444,074	5,428,313	15,761
Total revenues	$ 5,698,921	$ 5,663,516	$ 35,405

Total revenues increased by $35,405, or 0.63%, from $5,663,516 in fiscal year 2025 to $5,698,921 in fiscal year 2026. The increase was primarily attributable to a $276,760, or 5.91%, increase in property tax revenues and a $109,562, or 146.23%, increase in charges for services. These increases were partially offset by a $260,929, or 35.54%, decrease in investment earnings and an $89,918, or 56.10%, decrease in mitigation fee revenues.

Table A-4: Total Expenses

	2026 Fiscal Year	2025 Fiscal Year	Increase (Decrease)
Expenses:			
Operations	$ 7,236,992	$ 6,028,325	$ 1,208,667
Depreciation expense	98,275	16,479	81,796
Total expenses	$ 7,335,267	$ 6,044,804	$ 1,290,463

Total expenses increased by $1,290,463, or 21.35%, from $6,044,804 in fiscal year 2025 to $7,335,267 in fiscal year 2026. The increase was primarily attributable to a $1,004,550, or 70.51%, increase in fire station reconstruction costs, from $1,424,642 in fiscal year 2025 to $2,429,192 in fiscal year 2026. Fire protection services provided by the City of Vista increased by $164,032, or 3.86%, from $4,252,794 to $4,416,826. Depreciation expense increased by $81,796, or 496.37%, from $16,479 to $98,275.

DETAILED ANALYSES (continued)

Major Fund Discussion:

General Fund
The General Fund reported revenues of $5,625,719 in fiscal year 2026. Property taxes represented the largest revenue source at $4,961,397, while investment earnings totaled $470,326, ambulance fees totaled $160,264, and property assessment revenues totaled $24,224. General Fund expenditures were $7,236,992 in fiscal year 2026, primarily attributable to $4,416,826 for fire protection services provided by the City of Vista and $2,429,192 for fire station reconstruction. Expenditures exceeded revenues by $1,611,273, resulting in a decrease in General Fund balance from $14,551,981 at the beginning of the year to $12,940,708 at June 30, 2026.

Fire Mitigation Fund
The Fire Mitigation Fund reported revenues of $73,202 in fiscal year 2026, consisting primarily of $70,359 in mitigation fees and $2,843 in investment earnings. As no expenditures were reported during fiscal year 2026, the fund reported an increase in fund balance of $73,202, reducing the deficit fund balance from $1,301,488 at the beginning of the year to $1,228,286 at June 30, 2026.

BUDGETARY HIGHLIGHTS

For the year ended June 30, 2026, General Fund actual revenues exceeded the final budget by $235,345, while actual expenditures were $363,219 less than the final budget, resulting in a favorable variance in the change in fund balance of $598,564. The favorable revenue variance was primarily attributable to ambulance fee revenues and investment earnings exceeding budgeted amounts. The favorable expenditure variance was primarily attributable to the District's vegetation management workforce program not commencing during the fiscal year, resulting in approximately $297,638 of budgeted expenditures not being incurred, as well as lower-than-budgeted expenditures for legal and consulting services.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Table A-5: Capital Assets at Year End, Net of Depreciation

	June 30, 2026	June 30, 2025
Capital assets:		
Depreciable assets	$ -	$ 368,728
Accumulated depreciation	-	(270,453)
Total capital assets, net	$ -	$ 98,275

During fiscal year 2026, the District recognized $98,275 of depreciation expense related to access road improvements. The District subsequently removed the improvements, with an original cost of $368,728 and related accumulated depreciation of $368,728, from its capital asset records because the District does not own the underlying roads and access is provided through easements. As a result, the District had no remaining capital assets, net of accumulated depreciation, at June 30, 2026.

The District had no outstanding long-term financing obligations as of June 30, 2026.

CURRENT KNOWN FACTS, DECISIONS, OR CONDITIONS

Management is not aware of any facts, decisions, or conditions currently known as of the date of this report that are expected to have a significant effect on the District's financial position, results of operations, or liquidity in future reporting periods.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the Vista Fire Protection District at 1962 E. Vista Way, Vista, CA 92084 or (760)688-7588.

Basic Financial Statements

VISTA FIRE PROTECTION DISTRICT
Statements of Net Position
June 30, 2026 (With Comparative Amounts as of June 30, 2025)

	Governmental Activities	
ASSETS	**2026**	**2025**
Current assets:		
Cash and investments (Note 2)	$ 11,849,962	$ 14,011,752
Accrued interest receivable	15,430	35,388
Property taxes and assessments receivable	14,723	18,559
Other receivables	18,762	8,392
Prepaid items	800	5,978
Total current assets	11,899,677	14,080,069
Non-current assets:		
Restricted:		
Cash and investments (Note 2 and 3)	47	32,172
Accrued interest receivable (Note 3)	1,320	7,112
Other receivables (Note 3)	30,840	16,721
Capital assets – being depreciated, net (Note 4)	-	98,275
Total non-current assets	32,207	154,280
Total assets	11,931,884	14,234,349
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	219,462	885,581
Total current liabilities	219,462	885,581
Total liabilities	219,462	885,581
NET POSITION (Note 8)		
Investment in capital assets	-	98,275
Restricted (Note 3)	32,207	56,005
Unrestricted	11,680,215	13,194,488
Total net position	$ 11,712,422	$ 13,348,768

VISTA FIRE PROTECTION DISTRICT
Statements of Activities
For the Fiscal Year Ended June 30, 2026
(With Comparative Amounts for the Fiscal Year Ended June 30, 2025)

	Governmental Activities	
Expenses:	**2026**	**2025**
Fire related services:		
Salaries and wages	$ 78,800	$ 75,247
Fire protection services −City of Vista	4,416,826	4,252,794
Materials and services	312,174	275,642
Fire station reconstruction −City of Vista (Note 5)	2,429,192	1,424,642
Depreciation expense	98,275	16,479
Total expenses	7,335,267	6,044,804
Program revenues:		
Charges for services:		
Property assessment −weed abatement	24,224	8,763
Ambulance fees	160,264	66,163
Mitigation fees	70,359	160,277
Total program revenues	254,847	235,203
Net program expense	(7,080,420)	(5,809,601)
General revenues:		
Property taxes	4,961,397	4,684,637
Investment earnings	473,169	734,098
Other revenues	9,508	9,578
Total general revenues	5,444,074	5,428,313
Change in net position	(1,636,346)	(381,288)
Net position:		
Beginning of year	13,348,768	13,730,056
End of year	$ 11,712,422	$ 13,348,768

VISTA FIRE PROTECTION DISTRICT
Balance Sheet – Governmental Funds
June 30, 2026

ASSETS	General Fund	Fire Mitigation Fund	Total Governmental Funds
Assets:			
Cash and investments	$ 11,849,962	$ 47	$ 11,850,009
Accrued interest receivable	15,430	1,320	16,750
Property taxes receivable	14,723	-	14,723
Other receivables	18,762	30,840	49,602
Prepaid items	800	-	800
Due from other funds (Note 6)	1,260,493	-	1,260,493
Total assets	$ 13,160,170	$ 32,207	$ 13,192,377
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	$ 219,462	$ -	$ 219,462
Due to other funds (Note 6)	-	1,260,493	1,260,493
Total liabilities	219,462	1,260,493	1,479,955
Fund Balances: (Note 7)			
Non-spendable	800	-	800
Restricted	-	32,207	32,207
Assigned	11,679,415	-	11,679,415
Unassigned	1,260,493	(1,260,493)	-
Total fund balance	12,940,708	(1,228,286)	11,712,422
Total liabilities and fund balance	$ 13,160,170	$ 32,207	$ 13,192,377

VISTA FIRE PROTECTION DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2026

Fund Balances – Governmental Funds	$ 11,712,422
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	-
Total adjustments	-
Net Position of Governmental Activities	$ 11,712,422

VISTA FIRE PROTECTION DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2026

	General Fund	Fire Mitigation Fund	Total Governmental Funds
REVENUES:			
Property taxes	$ 4,961,397	$ -	$ 4,961,397
Property assessment – weed abatement	24,224	-	24,224
Ambulance fees	160,264	-	160,264
Mitigation fees	-	70,359	70,359
Investment earnings	470,326	2,843	473,169
Other revenues	9,508	-	9,508
Total revenues	5,625,719	73,202	5,698,921
EXPENDITURES:			
Fire related services:			
Salaries and wages	78,800	-	78,800
Fire protection services – City of Vista	4,416,826	-	4,416,826
Materials and services	312,174	-	312,174
Fire station reconstruction – City of Vista	2,429,192	-	2,429,192
Total expenditures	7,236,992	-	7,236,992
Excess of revenues over (under) expenditures	(1,611,273)	73,202	(1,538,071)
Change in fund balance	(1,611,273)	73,202	(1,538,071)
FUND BALANCE:			
Beginning of year	14,551,981	(1,301,488)	13,250,493
End of year	$ 12,940,708	$ (1,228,286)	$ 11,712,422

VISTA FIRE PROTECTION DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2026

Net Change in Fund Balances – Governmental Funds	$ (1,538,071)
Amounts reported for governmental activities in the statement of activities is different because:	
Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, those expenses are not reported as expenditures in governmental funds as follows:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(98,275)
Total adjustments	(98,275)
Change in Net Position of Governmental Activities	$ (1,636,346)

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Vista Fire Protection District is adjacent to the City of Vista in San Diego County. The District is organized under the Fire Protection District Law of 1987 (Health and Safety Code Section 13800 et. Seq) to provide fire protection services within the Vista Fire Protection District. An elected board of directors makes all policy decisions.

The District is governed by a five-member elected Board of Directors. The Board is responsible for establishing policies, guidelines and providing direction for Fire District staff. Board meets on the second Wednesday of each month.

Reporting Entity
A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements
The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, other nonexchange transactions, and charges for services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds
The District maintains the following major governmental funds:

General Fund: This fund is used to account for all financial resources of the District, except those required to be accounted for in another fund when necessary.

Fire Mitigation Fund: This fund is used to account for fees collected from builders in the service area that are restricted for the purchase of new capital assets when those assets are needed due to population and infrastructure growth in the service area.

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements
Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

3. Revenues - Exchange and Non-Exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Investments

The District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Prepaids Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

3. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over $7,500. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Buildings	15-25 years
Equipment	5-10 years
Office furniture	5 years
Vehicles	5-10 years

4. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Investment in capital assets - This component of net position consists of capital assets net of accumulated depreciation.

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

Unrestricted - This component of net position consists of net position that does not meet the definition of "investment in capital assets" or "restricted". When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Non-spendable: Fund balance is reported as non-spendable when the resources cannot be spent because they are either in a non-spendable form or legally or contractually required to be maintained intact. Resources in non-spendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

7. Reclassifications

The District has reclassified certain prior year information to conform with current year presentation.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Budgetary Policies

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. By state law, the District may adopt a tentative budget no later than June 30, of each year and adopt a final budget no later than September 30 of each year. Budget revisions are adopted as required in consideration to unanticipated revenues or expenditures.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Property Taxes

The San Diego County Assessor's Office assesses all real and personal property within the County each year. The San Diego County Tax Collector's Office bills and collects the District's share of property taxes and voter-approved taxes. The San Diego County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIIIA of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by San Diego County, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, because of the adoption of the *alternate method of property tax distribution* known as the Teeter Plan, by the District and San Diego County. The Teeter Plan authorizes the San Diego County Auditor-Controller to allocate 100% of the secured property tax billed but not yet received or paid to the District. San Diego County Auditor-Controller remits tax proceeds to the District in installments during the fiscal year.

G. New Pronouncements – Governmental Accounting Standards Board (GASB)

During the fiscal year ended June 30, 2026, the District implemented a new pronouncement as follows:

GASB Statement No. 103 – Financial Reporting Model Improvements
This GASB Statement revises financial statement presentation requirements, including enhancements to Management's Discussion and Analysis (MD&A), proprietary fund reporting, and disclosures for major component units. The District adopted the Statement as of July 1, 2025.

GASB Statement No. 104 – Disclosure of Certain Capital Assets
This GASB Statement establishes new disclosure requirements for certain types of capital assets, including assets held for sale. Implementation of the Statement did not have a material effect on the District's financial statement disclosures. The District adopted the Statement as of July 1, 2025.

GASB Statement No. 105 – Subsequent Events
This GASB Statement clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements for non-recognized events. The District elected to early implement GASB Statement No. 105, Subsequent Events, effective July 1, 2025. Implementation of the Statement did not have a material effect on the District's financial statements or related disclosures.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2026, were categorized on the statement of net position as follows:

Description	Balance
Cash and investments	$ 11,849,962
Restricted – cash and investments	47
Total cash and investments	$ 11,850,009

Cash and investments at June 30, 2026, consisted of the following:

Description	Balance
Demand deposits held with financial institutions	$ 83,516
Local Agency Investment Fund (LAIF)	32,940
San Diego County Pooled Investment Fund (SDCPIF)	906,305
California CLASS	4,712,405
California Asset Management Program (CAMP) Pool	1,012,489
Investments	5,102,354
Total cash and investments	$ 11,850,009

Demand Deposits with Financial Institutions
At June 30, 2026, the carrying amount of the District's demand deposits was $83,516 and the financial institution's balance was $83,422. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

NOTE 2 – CASH AND INVESTMENTS (continued)

Local Agency Investment Fund (LAIF)
The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests its funds to manage the State's cash flow and strengthen the financial security of local public agencies. PMIA's policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and has a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers funds in LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2026, the District held $32,940 in LAIF.

San Diego County Treasury Investment Pool (SDCTIP)
The District is a voluntary participant in the San Diego County Treasury Investment Pool (SDCTIP)pursuant to Government Code Section 53694. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the San Diego County Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of $1 million. Projections are performed no less than semi-annually. In accordance with Government Code Section 27136, all request for withdrawal of funds for the purpose of investing or depositing the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. Pool detail may be obtained from the Treasurer-Tax Collector – San Diego Administration Center – 1600 Pacific Hwy, Room 162 – San Diego, CA 92101 or the Treasurer and Tax Collector's office website at www.sdttc.com. As of June 30, 2026, the District had $906,305 in the SDCTIP.

California Cooperative Liquid Assets Securities System (California CLASS)
The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high- quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds. The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has U.S. Bank as the Custodian.

NOTE 2 – CASH AND INVESTMENTS (continued)

California Cooperative Liquid Assets Securities System (California CLASS) (continued)
The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAm (S&P Global Ratings) and AAAf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2026, the District held $4,712,405 in California CLASS.

California Asset Management Program (CAMP) Pool – External Pool
The District is a voluntary participant in the California Asset Management Program (CAMP), a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value (NAV) per share of $1.00. The CAMP Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions.

The CAMP Pool is a permitted investment for all local agencies under CGC Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced finance directors and treasurers of California public agencies that are members of the JPA. CAMP determines fair value on its investment portfolio based on amortized cost. The Authority measures the value of its CAMP Pool investment at the fair value amount provided by CAMP. For financial reporting purposes, the Agency considers CAMP Pool a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2026, the District held $1,012,489 in the CAMP Pool.

Investments
The District's investments as of June 30, 2026 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	12 Months or Less	13 to 24 Months	25 to 120 Months
Money-market mutual funds	Level 2	N/A	$ 98,240	$ 98,240	$ -	$ -
Government sponsored agency securities	Level 2	A to AAA	1,386,956	99,589	-	1,287,367
Certificates of deposit	Level 2	A to AAA	475,164	475,164	-	-
Commerical paper	Level 2	N/A	249,744	249,744	-	-
Corporate bonds	Level 2	A	1,292,538	860,935	431,603	-
U.S. treasury obligations	Level 2	N/A	1,599,712	452,124	1,147,588	-
			$ 5,102,354	$ 2,235,796	$ 1,579,191	$ 1,287,367

NOTE 3 – RESTRICTED ASSETS AND RESTIRCTED NET POSITION

Restricted assets and restricted net position as of June 30, 2026 were categorized as follows:

Description	Balance
Cash and investments	$ 47
Accrued interest receivable	1,320
Other receivables	30,840
Total restricted net position	$ 32,207

Restricted assets and restricted net position as of June 30, 2026 were received from mitigation fees for capital improvements.

NOTE 4 – CAPITAL ASSETS

Changes in capital assets for the year were as follows:

Description	Balance July 1, 2025	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2026
Depreciable capital assets:				
Access road improvements	$ 368,728	$ -	$ (368,728)	$ -
Total depreciable capital assets	368,728	-	(368,728)	-
Accumulated depreciation:				
Access road improvements	(270,453)	(98,275)	368,728	-
Total accumulated depreciation	(270,453)	(98,275)	368,728	-
Total depreciable capital assets, net	98,275	(98,275)	-	-
Total capital assets, net	$ 98,275	$ (98,275)	$ -	$ -

During fiscal year 2026, the District recognized $98,275 of depreciation on access road improvements and subsequently removed the assets' cost of $368,728 and related accumulated depreciation of $368,728 from the capital asset records. The improvements were removed because the District does not own the underlying roads and holds access through easements. As a result, the District had no remaining capital asset balance as of June 30, 2026.

NOTE 5 – AGREEMENT WITH THE CITY OF VISTA

On July 1, 2022, the District entered into a seventh supplemental agreement with City of Vista (City) for the reconstruction of City Fire Station Three. The expected cost of the project is $9,500,000, for which $4,500,000 will be funded by the District. During the year ended June 30, 2026, the District paid $2,429,192 toward the project. As of June 30, 2026, the District has fully satisfied its $4,500,000 funding obligation under the agreement.

In addition to the District's contribution toward the reconstruction of the fire station, the contract between the District and the City was extended through June 30, 2056.

NOTE 6 – DUE TO/(FROM) OTHER FUNDS

Due To(From) Other Funds

The District's Mitigation Fund owes the General Fund for a reimbursement of expenditures made for the City of Vista fire station reconstruction from future mitigation receipts. At June 30, 2026 the remaining balance owed to the General Fund was $1,260,493.

NOTE 7 – FUND BALANCES

At June 30, 2026, fund balances of the District's governmental funds were classified as follows:

Description	General Fund	Fire Mitigation Fund	Total
Non-spendable:			
Prepaid items	$ 800	$ -	$ 800
Restricted:			
Mitigation fees	-	32,207	32,207
Assigned:			
Fire/EMS Services	4,740,233	-	4,740,233
General Operating Reserve	5,939,182	-	5,939,182
Community Wildfire Protection	1,000,000	-	1,000,000
Total Assigned:	11,679,415	-	11,679,415
Unassigned	1,260,493	(1,260,493)	-
Total fund balances	$ 12,940,708	$ (1,228,286)	$ 11,712,422

NOTE 8 – NET POSITION

At June 30, 2026, the District classified net position as follows:

Description	2026
Investment in capital assets:	
Capital assets	$ -
Restricted:	
Fire mitigation fund	32,207
Unrestricted:	
Non-spendable:	
Prepaid expenses	800
Spendable:	
Designated for Fire/EMS Services	4,740,233
Designated for General Operating Reserve	5,939,182
Designated for Community Wildfire Protection	1,000,000
Total Unrestricted	11,680,215
Total net position	$ 11,712,422

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The District maintains commercial insurance coverage for these risks, including property, crime, general liability, management liability, and excess liability coverage. Insurance coverage is provided principally through AIG Specialty Insurance Company and related insurers.

For the policy period July 1, 2025 through July 1, 2026, the District maintained general liability coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate, management liability coverage of $1,000,000 per wrongful act and $2,000,000 in the aggregate, and commercial excess liability coverage of $4,000,000 per occurrence and $8,000,000 in the aggregate. The District also maintained property and crime coverage, subject to applicable policy limits, deductibles, sublimits, exclusions, and other policy provisions.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases
The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, d*e minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards
Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation
In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 12, 2026, the date which the financial statements were available to be issued.

Required Supplementary Information

VISTA FIRE PROTECTION DISTRICT

Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2026

	Original	Final	Variance Positive (Negative)	Actual Amounts Budgetary (and GAAP)		Variance with Final Budget-over (under) Actual
REVENUES:						
Property taxes	$ 4,937,949	$ 4,937,949	$ -	$ 4,961,397		$ 23,448
Property assessment – weed abatement	24,224	24,224	-	24,224		-
Ambulance fees	68,148	68,148	-	160,264	(a)	92,116
Investment earnings	350,189	350,189	-	470,326	(b)	120,137
Other revenues	9,864	9,864	-	9,508		(356)
Total revenues	5,390,374	5,390,374	-	5,625,719		235,345
EXPENDITURES:						
Fire related services:						
Salaries and wages	82,084	82,084	-	78,800		3,284
Fire protection services – City of Vista	4,399,712	4,399,712	-	4,416,826		(17,114)
Materials and services	684,723	689,223	(4,500)	312,174	(c)	377,049
Fire station reconstruction – City of Vista	2,429,192	2,429,192	-	2,429,192		-
Total expenditures	7,595,711	7,600,211	(4,500)	7,236,992		363,219
NET CHANGES IN FUND BALANCE	$ (2,205,337)	$ (2,209,837)	$ -	(1,611,273)		$ 598,564
FUND BALANCE:						
Beginning of year				14,551,981		
End of year				$ 12,940,708		

NOTE 1 – NOTES TO THE BUDGETARY COMPARISON SCHEDULE

The District adopts an annual operating budget prepared on a modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America (GAAP basis). Each year the District prepares and submits an operating budget to the governing board no later than June of each year. The adopted budget becomes operative on July 1st. The budget can be revised by the District's governing board during the year to consider unanticipated revenues and expenditures.

NOTE 2 – ACTUAL BUDGET RESULTS

BUDGETARY REVENUES

Differences – final budget to actual:

- (a) Ambulance fee revenues exceeded budget primarily due to higher-than-anticipated collections during the year.

- (b) Investment earnings exceeded budget primarily due to higher-than-anticipated earnings on District investments.

BUDGETARY EXPENDITURES

Differences – final budget to actual:

- (c) Materials and services expenditures were below budget primarily because the District's vegetation management workforce program had not commenced as of year-end, resulting in approximately $297,638 of budgeted expenditures not being incurred, along with lower-than-anticipated legal and consulting costs.

Other Independent Auditors' Report

NIGRO & NIGRO PC
A Professional Accountancy Corporation

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

Board of Directors
Vista Fire Protection District
Vista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vista Fire Protection District (District) as of and for the fiscal year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated November 12, 2026.

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

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

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
Jessica Miller, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA | Oscar Gonzalez, CFE

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
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Compliance and Other Matters

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

Purpose of this Report

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

Murrieta, California
November 12, 2026

VISTA FIRE PROTECTION DISTRICT

Report to the Board of Directors

For the Fiscal Year Ended June 30, 2026

NIGRO & NIGRO PC

VISTA FIRE PROTECTION DISTRICT
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For the Fiscal Year Ended June 30, 2026

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NIGRO & NIGRO PC

A Professional Accountancy Corporation

Board of Directors
Vista Fire Protection District
Vista, California

We are pleased to present this report related to our audit of the financial statements of the Vista Fire Protection District (District) as of and for the year ended June 30, 2026. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Nigro & Nigro, PC

Murrieta, California
November 12, 2026

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
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Required Communications

VISTA FIRE PROTECTION DISTRICT
Required Communications
For the Fiscal Year Ended June 30, 2026

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area		Comments
Our Responsibilities with Regard to the Financial Statement Audit		Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2026. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit		An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices		**Accounting Policies and Practices** Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted. **Adoption of, or Change in, Significant Accounting Polies or Their Application** Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. **Significant or Unusual Transactions** We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. **Management's Judgments and Accounting Estimates** Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.
Audit Adjustments		Audit adjustments are summarized in the attached **Summary of Adjusting Journal Entries**.
Uncorrected Misstatements		We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Area		Comments
Discussions With Management		We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management		We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants		We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management		No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit		No significant difficulties were encountered in performing our audit.
Required Supplementary Information		We applied certain limited procedures to the: 1. Management's Discussion and Analysis 2. Budget to Actual Comparison Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Our Audit Methodology

As part of our firm's standard audit methodology, once our Audit Team has uploaded management's trial balance into our audit software, we are required to report to the Governance Board and Management all adjustments made to the trial balance during the audit process. This includes any proposed audit adjustments identified by our auditors as well as any adjustments provided by management. Our policy is designed to ensure full transparency and to give the Governance Board and Management a clear understanding of the nature and extent of changes considered during the audit, thereby reinforcing the integrity and depth of the audit procedures performed.

Disclosure of Audit Adjustments and Reclassifications

As part of our external audit engagement, we operate under the presumption that the District's books and records are materially accurate and appropriately closed prior to the commencement of audit fieldwork. Nonetheless, audit adjustments and reclassifications are often proposed during the course of the audit to ensure the District's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and to enhance comparability with prior-year financial data. In the interest of transparency and governance, we have included, as an attachment to this letter, a summary of audit adjustments and reclassification journal entries identified during the audit.

The existence or absence of such adjustments does not inherently indicate deficiencies, but rather reflects the auditor's role in enhancing the fair presentation of the financial statements. Disclosure of these items provides the Governance Board and Management with insight into the scope and depth of the audit procedures performed.

To promote timely and accurate financial reporting, we recommend that management strengthen internal controls and oversight over the year-end financial close process. Enhancing these procedures can reduce the volume of post-closing audit adjustments and reclassifications, improve the quality of interim and year-end financial reporting, and support the District's efforts in maintaining compliance with financial reporting requirements and best practices in fiscal governance.

Management Override of Controls

Professional auditing standards require auditors to consider the risk that management may override established internal controls, regardless of the perceived effectiveness of those controls. During our audit, we identified management override of controls as a significant risk due to the inherent ability of management to initiate, authorize, record, or adjust transactions and financial records. Such override could occur through inappropriate journal entries, management bias in accounting estimates, or the circumvention of established approval and review processes, potentially resulting in material misstatement of the financial statements, whether due to error or fraud.

While our audit procedures did not identify any instances of inappropriate management override, the presence of this risk is inherent in all organizations and warrants continued attention. We recommend that the District continue to strengthen governance and oversight practices, including active involvement by the Governance Board, consistent monitoring of journal entries and significant estimates, segregation of duties where feasible, and periodic independent reviews of key financial processes. These measures help mitigate the risk of management override and support the integrity and reliability of the District's financial reporting.

Summary of Adjusting Journal Entries

VISTA FIRE PROTECTION DISTRICT
Summary of Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2026

None Noted.

STAFF REPORT 26-22

TO: BOARD OF DIRECTORS

FROM: KARLENA RANNALS, ADMINISTRATIVE MANAGER

CHRIS CARDINALE, LEGAL COUNSEL

SUBJECT: BOARD POLICIES - ADOPTION

DATE: NOVEMBER 5, 2026

RECOMMENDATION

Review, discuss and provide comment on or approval of a Policies and Procedures Manual for Board of Directors for the Vista Fire Protection District.

BACKGROUND

The Vista Fire Protection District is a local form of government that is created, funded, and overseen by the community's residents to provide enhanced levels of fire service to the community. Like all special districts in California, the District is governed by a board of directors that is elected by the community or appointed to fixed terms by one or more other locally elected governing bodies. Special districts and their board members are subject to a number of laws established to ensure special districts remain transparent and accountable to their communities, and effective governing boards operate in an organizational environment of trust, honesty, accountability, and openness.

Board members are responsible for setting policies that ensure the special district continues to function and serve the community. A board's adoption of formal policies and procedures that govern day-to-day operations is an important mechanism for establishing organizational culture, direction, and maintaining compliance with legal mandates.

In mid-2024, the Board directed staff to prepare draft policies and procedures for consideration, and a subcommittee was formed to work with General Counsel on preparing a document for review by the entire Board. Significant progress was made on these efforts but due to other urgent business and transitions in membership on the Board, the item has not been returned to the Board. The President and several other members of the Board have expressed their desire to reconsider the item, and over the past few weeks staff has "picked up" the project and is prepared to present draft polices and procedures to the Board.

DISCUSSION

The purpose of these policies ("Policies") is to assist the Board of Directors in setting policy and conducting to day-to-day business of the District. These draft Policies are intended to supplement state law and to provide more specific guidelines for the actions, responsibilities, and expectations of the Board of Directors and individual Board Members. The Policies are also intended to serve as a reference guide for employees by providing a point of reference for performing specific tasks, adhering to organizational expectations, and ensuring compliance with legal and regulatory requirements.

According to guidance issued by the California Special District's Association, the specific responsibilities of the board are clustered into five areas: (1) Setting the direction for the district; (2) Establishing and

supporting the policies and structure of the district; (3) Overseeing the financial resources necessary to fund the district; (4) Guiding employee relations policy, including the hiring and supervising of the general manager who, in turn, operates the district and hires/manages staff; and (5) Serving as community leaders who communicate effectively on behalf of the district. In performing these important responsibilities, CSDA believes that effective governing boards exhibit, as a team, the following characteristics:

- Recognize all board members as equally legitimate—no matter how different or difficult an individual may be.
- Strive to maintain a "no secrets, no surprises" operating norm.
- Acknowledge that conflicts and differences are inevitable, not necessarily bad, and must be faced and analyzed.
- Immediately turn to solutions rather than playing the "gotcha" game.
- Treat all staff with dignity and respect.
- Treat all community members with dignity and respect, even in the face of criticism and opposition.
- Exhibit creative thinking, know how to handle failure as well as success, encourage risk taking, and create a climate of support for excellence.
- Accept collective responsibility for the conduct, behavior, and effectiveness of the board.

The draft Polices and Procedures presented for the Board's consideration attempt to incorporate these recommended concepts, as well as past feedback provided by the subcommittee, President, and detailed comments / notes provided by Vice President Elliot. The draft was prepared by General Counsel in collaboration with the Administrative Manager, and included the following general topics and issues:

- Statement of Purpose: to facilitate the orderly and transparent business of the Board consistent with applicable law.
- Board of Directors: outlines duties and powers of the Board, President, and Vice President; includes procedures for filling of vacancies and appointment of President / Vice President.
- Responsibilities of Fire Chief, Administrative Manager, and General Counsel
- Meetings of the Board: outlines laws and standards governing Director's participation in public meetings, includes rules of order, order of business, agenda preparation, meeting behavior / conduct, etc.
- Board Committees and Liaisons: outlines process and purposes of ad hoc committees or board liaison to outside organizations.
- District Property
- Code of Conduct and Ethics

Staff thanks the Board's interest and attention to this important item and will be prepared to discuss the draft policies in detail at the upcoming meeting and implement the desired direction of the Board.

Attachments:

- Draft Policies and Procedures Manual
- CSDA Handbook: Special District Board of Directors 2026

ARTICLE I. PURPOSE

Section 1.01 Authority and Purpose.

The Vista Fire Protection District ("District") is organized and exists under the Fire Protection District Law of 1987 (California Health and Safety Code 13800 *et seq*.). These Policies and Procedures of the Vista Fire Protection District ("Policies") are intended to facilitate the orderly and transparent business of the Board of Directors ("Board") and are intended to be consistent with applicable California and federal laws and regulations bit are subordinate to any conflicting provisions thereof.

Section 1.02 Limitations.

Except as these Policies restate requirements of law (such as the Brown Act, Political Reform Act, etc.), the Board may, by majority vote of the quorum, waive, modify, or suspend any part of these Policies. These Policies do not replace or supersede any of the following preexisting policies of the Board which shall remain in force and unaffected hereby:

ARTICLE II. BOARD OFFICERS AND DIRECTORS

Section 2.01 Nature and Powers of the Board.

The Board is the governing body of the District. Directors are elected or appointed to the Board as provided by law. The District is divided into five Divisions, designated as Divisions "A" through "E." A map of the District's and its Division boundaries is available on the District website or upon request to the Board Clerk.

The legal responsibilities of the Board are established by applicable local, state, and federal laws, rules and regulations, and any policies the Board that may be adopted from time to time. The primary role of the Board is to function as a legislative, policy-making, and quasi-judicial body. The members of the Board have the ultimate authority to insure the lawful and efficient operation of the District with the authority to approve all annual budgets and expenditures, approve and enter into contracts on behalf of the District, make policy, direct and monitor the implementation of that policy by staff and contractors of the District, and evaluate the outcome of Board policy.

Section 2.02 Seating of Directors and Administration of the Oath.

Consistent with Elections Code section 15372, elected Directors are qualified to take office upon certification of the applicable election results by the County elections officer. Prior to taking office, each elected or appointed Director must take and sign the oath of office, which will remain on file with the Board Clerk.

Section 2.03 Board Vacancies.

Any vacancy on the Board will be filled pursuant to Government Code section 1780. A vacancy on the Board exists upon the happening of any of the circumstances described in Government Code section 1770 prior to expiration of a Director's term of office. In the event of any vacancy the District shall notify the county elections official of the vacancy no later than 15 days after the latter of: the date the Board is notified of the vacancy; or the effective date of the vacancy. The Board will act within 60 days of a vacancy to fill it by making an appointment or calling an election. If the Board does not act within said 60-day

period, the District will defer the matter of filling the vacancy to the Board of Supervisors for the County of San Deigo.

If the Board desires to fill the vacancy by appointment, at least 15 days before making an appointment, the Board will publish notice of the vacancy pursuant to Board Resolution No. 2026-01 to request and solicit applications from persons qualified to fill the position. The Board may conduct interviews of interested persons and will make any appointment by majority vote of the Board at a public meeting occurring not later than 60 days after the date of the vacancy. The Board may establish additional procedures as may be deemed necessary from time to time to solicit and evaluate persons interested in filling a vacancy, and any appointment will avoid all forms of discrimination and ensure all persons are treated with respect and consideration.

Section 2.04 Board Officers.

Pursuant to Health and Safety Code 13853, the officers of the Board of Directors are the President, Vice President, and Board Clerk.

Section 2.05 Appointment of President and Vice President.

At the first regular meeting that is held in December of each general election year, or at the first regular of special meeting of the Board that is held thereafter, the Directors will appoint from among them by majority vote a President and Vice President, who will assume their duties upon adjournment of the meeting at which they are elected. At the time and place for the making of appointments, the Board Clerk will ask for nominations from the floor by Directors. After closing the nomination period, the Board Clerk will solicit votes from Directors on each nomination in order received and the first nomination to receive a majority vote is deemed appointed to the position. The Board may appoint the Administrative Manager to serve as the Board Clerk.

Section 2.06 Duties of the President.

The President serves as the presiding officer of the Board and preserves order and decorum at all meetings of the Board. The President has the same rights as the other Directors with regard to voting, introducing motions, and participating in any discussion during meetings of the Board; but has the following duties and responsibilities:

- The President, or his/her authorized designee, shall be the principal point of contact between the Board and the Administrative Manager, General Counsel, and Fire Chief.
- The President is authorized to function as the official Board or District representative for ceremonial or official functions.
- The President has such other powers and duties as are outlined in these Policies or as may be delegated by the Board from time to time.

Section 2.07 Duties of the Vice President.

The Vice President shall serve as the Acting President in the temporary absence or unavailability of the President. When serving as Acting President, the Vice President shall have the same rights, duties, and responsibilities as the President. In the absence of both the President and the Vice-President, the Board may select a Director to serve as the Acting President my majority vote.

ARTICLE III. FIRE CHIEF

Section 3.01 Responsibilities of Fire Chief.

The Fire Chief of the City Of Vista serves as fire chief of the District pursuant to the contract between the District and the City of Vista for fire suppression, fire prevention, technical rescue, emergency medical, hazardous materials, administrative services, and disaster preparedness services (the "Contract"), as said Contract may be amended from time to time. Pursuant to the Contract, the Fire Chief is authorized and directed to serve all roles and functions of the Fire Chief of the District subject to and in accordance with applicable provisions of federal, state, and local laws and regulations, and the terms and conditions of the Contract. The Fire Chief reports to the Board and is responsible for implementing the Contract within the jurisdictional boundaries of the District subject to the policy decisions and directives of the Board.

ARTICLE IV. ADMINISTRATIVE MANAGER

Section4.01 Responsibilities of Administrative Manager.

The Administrative Manager is a contracted employee that is appointed by and serves at the pleasure of the Board and under the general supervision of the President. The Administrative Manager performs such administrative, managerial, budgetary, financial, office support, and/or supervisory duties for the District as are outlined in the employment contract between the District and Administrative Manager, together which such other or different duties as may be directed by the Board from time to time. The duties of the Administrative Manager shall include the role of Board Clerk and Finance Manager.

ARTICLE V. GENERAL COUNSEL

Section 5.01 Appointment and Responsibilities of the General Counsel.

The District Board may appoint or employ General Counsel to serve as the chief legal officer of the District. The General Counsel's client is the District, as represented by the Board as a whole and not any single Director, staff member, or contractor. The General Counsel gives legal guidance and reports to the Board and, at the direction or approval of the President or Board, may provide legal counsel to the Administrative Manager and other Directors in carrying out the business of the District. General Counsel will attend District Board meetings when requested by the Board President. General Counsel is appointed by and serves at the pleasure of the Board.

ARTICLE VI. MEETINGS OF THE BOARD

Section 6.01 Meetings Generally.

The Board will conduct its meetings and business of the Board in compliance with the requirements of the Ralph M. Brown Act (Gov. Code § 54950 *et seq*., the "Brown Act"). The Board will establish the date, time, and location of regular meetings of the Board in the manner required by law. At the request of a Director, the Administrative Manager, or Fire Chief, the President may alter the date or time of a regular meeting, as needed and subject to required legal notices. The President may call a special meeting at any time if deemed necessary, and to the extent practical will coordinate the date and time of any special meetings with Directors' availability.

Section 6.02 Attendance at Board Meetings.

Directors are expected to attend all regular and special meetings of the Board, unless excused by the Board. Minutes for every meeting should reflect the attendance, absence, or excused absence of each member of the Board. Consistent with Government Code section 1770(g), a Director's unexcused absence for a period of three consecutive months will result in a vacancy in office, except if attendance is prevented by sickness, or when absent from the state with the permission required by law. Remote or teleconference participation by Directors as permitted by the Brown Act qualifies as meeting attendance.

Section 6.03 Quorum and Voting.

A majority of the Board (i.e., three) constitutes a quorum for the holding of any meeting and the transacting of District business. Except as otherwise required by law, the approval of a majority of the quorum present is required for any Board action.

Section 6.04 Rules of Order and Decorum .

The Board prefers a flexible format for meetings and does not insist that its meetings be conducted strictly in accordance with formal rules of procedures. The conduct of the Board's meetings will be informed by Rosenberg's Rules of Order. Failure to comply with Rosenberg's Rules will not invalidate any action taken by the Board.

The President serves as the presiding officer of the Board with the authority and responsibility to preserve order and decorum at all meetings to ensure the District's business is conducted timely in a fair and transparent manner. The President's decisions on questions of procedure are final subject to overriding vote by a majority of the quorum present. Members of the Board, District staff, and public are expected to conduct themselves in a professional and courteous manner with respect for the President's authority to conduct the meeting.

Section 6.05 Preparation of Agendas; Agenda Items.

The President and Administrative Manager, with input from the Fire Chief, will determine the items to be placed for consideration on the agenda for each regular and special meeting. The Vice President may participate in the agenda setting process with consent of the President. Any Director, with the consent of the President or concurring request from at least one other Director, may request the President place an item on a future agenda for consideration by the Board. Absent unusual circumstances or urgency, Director requests for future agenda items should be made during the "Director Comments and Reports" portion of an agenda.

Section 6.06 Order of Business.

The Order of Business at Board regular meetings will generally be as follows, subject to :

- Call to Order
- Roll Call
- Pledge of Allegiance
- Public Comment on items not on the agenda.
- Presentations (if any)
- Consent Calendar
- Regular Agenda
- Public Hearings (if any)
- Director Proposals for Future Agenda Items

- Director Comments and Reports
- Adjournment

Any item on the agenda may be taken out of order at the discretion of the President.

Section 6.07 Consent Calendar.

Items placed on the "consent calendar" portion of a meeting agenda are considered routine and non-controversial. The Board will act on the entire consent calendar without discussion of individual items except as an item may be removed by a Director, or a member of the public for public comment. Any Director may request that an item be removed from the consent calendar ("pulled") for separate discussion and action by the Board. The President may allow brief comment or questions from Directors about a consent calendar item for purposes of determining whether it should be pulled and separately considered. Items pulled from the consent calendar will typically be discussed and considered after the Board acts on the remaining consent calendar items.

Section 6.08 Regular Agenda Items.

The Board will typically use the following format below for discussing items on the regular business portion of the agenda:

(a) The President announces the item.
(b) The President invites appropriate staff to present a brief staff report.
(c) The President invites brief clarifying questions from other Directors.
(d) The President invites public comment on the item.
(e) The President invites discussion or a motion/second from Directors. Once a motion has received a second, discussion will be limited to the motion under consideration.
(i) The President asks for a vote on the item.
(ii) The President announces the result of the vote.

Section 6.09 Public Comment.

Public comment is encouraged at all Board meetings. The Board Clerk will advise members of the public that filling out a speaker request card is requested but not required. Public comment is limited to three minutes per speaker which may be waived or modified by the President. During the general public comment portion of any regular meeting the Board will take public comment on any matter within the jurisdiction of the District. The Board's response to public comments on non-agenda items will be limited in compliance with the Brown Act The public shall have the right to comment on specific agenda items prior to their consideration by the Board.

Section 6.10 Disruptive Behavior During Meetings.

The President, or their designee, may remove, or cause the removal of, an individual for disrupting a public meeting of the Board. Prior to removing an individual, the President shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. President may then remove the individual if they do not promptly cease their disruptive behavior.

"Disrupting behavior" means engaging in behavior during a meeting of the Board that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following: a failure to comply with rules governing public comment and participation; or engaging in behavior that constitutes use of force or a true threat of force (i.e. a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to

use force by the person making the threat), in which case the individual may be immediately removed without warning.

Section 6.11 Director Reports.

Directors will report on meetings they attended for which they are seeking reimbursement from the District and matters of interest or importance within the general subject matter and geographical jurisdiction of the District.

Section 6.12 Limitations on Director Debate.

Directors generally should not speak more than once on each agenda item until every other Director choosing to speak has spoken at least once. Directors should tailor the duration and substance of their comments to the matter under consideration, abide by the President's directives, and avoid repetitious or redundant remarks.

Section 6.13 Action of the Board.

The Board will ordinarily act by motion but may act by resolution or ordinance; and will act by resolution or ordinance when required by law. Ordinarily, staff will prepare agenda reports, resolutions, or ordinance in advance of the meeting at which the action will be considered.

Section 6.14 Adoption of Ordinances.

The Board adopts ordinances pursuant to Government Code section 25120 et seq.

Section 6.15 Minutes.

The official action of the Board is represented by written minutes as supplemented by the video of the meeting if a video exists. The Board Clerk will prepare the written minutes of each Board meeting. The written minutes of Board meetings are in an action format and include at a minimum the date and location of the meeting, identification of public speakers and a general summary of their comments as in favor of or against each agenda item, and the Board directions or actions taken on each agenda item, if any. The written minutes of the Board and meetings will be maintained in the Administration Offices of the District.

ARTICLE VII. BOARD COMMITTEES AND LIAISONS

Section 7.01 Ad Hoc Committees.

The President may propose ad hoc committees for Board approval as deemed necessary for the proper conduct of District business. Ad hoc committees will meet as necessary in accordance with their specific mission and purpose. The maximum number of directors that may be on an ad hoc committee is two. No minutes are required from an ad hoc committee. Any ad hoc committees will be considered dissolved upon completion of their specific purpose unless the President extends their standing.

Section 7.02 Board Liaisons.

The President may appoint Directors as liaisons/representatives to outside organizations subject to confirmation by a majority of the Board. The Board Clerk will maintain a list of the Directors appointed as liaisons/representatives. The President may adjust the list to change the number of liaison/representative organizations, either temporarily or permanently, and to adjust the roster of Directors serving in the role of liaison/representative, all subject to confirmation by a majority of the Board.

ARTICLE IX. DIRECTORS' COMPENSATION.

Section 9.01 Compensation

Pursuant to Health and Safety Code section 13857, Directors may be compensated in an amount not-to-exceed $100.00 per meeting for all regularly scheduled Board Meetings and Special Meetings up to a maximum of $400.00 (i.e., four meetings) per month. Directors may notify the Board Clerk that they are declining compensation for attendance at Board meetings.

ARTICLE X. DIRECTORS' APPAREL AND EQUIPMENT

Section 10.01 Director Apparel.

Directors may propose, subject to Board approval, the issuance of caps and jackets with the District logo identifying them as Directors. All items must be labeled with the title "Director," or the name tag must be used. Directors will not be issued, or wear safety equipment unless required or requested to do so by the Fire Chief.

Section 10.02 Director Equipment.

Directors currently receive a Vista Fire Protection District photo identification with their photo name and position "Director" below. All of the above items should be displayed only while conducting official District business).

Directors and Staff shall maintain all District information, including digital data in any format, logically segregated from all other personal and business files in such a manner as to be readily transferred for disclosure upon a lawful demand approved by General Counsel. If requested by any Director, the Board will consider approving issuance of a District owned laptop computer, notebook tablet, cell phone, or similar device, including extended warranties, for conducting District business. Directors may request emergency radio frequencies to be programmed into their own one-way radio (scanner) for listening to various incidents. Directors will not be issued pagers, radios or any device that is capable of two-way communication on local, county, state or federal emergency frequencies or channels. For safety reasons, Directors may not use two-way communications devices on emergency frequencies or channels without proper license, training, and authorization from the Fire Chief.

Directors using any District equipment will comply with all laws concerning the use of public resources, as applicable.

Section 10.03 Return of Equipment and Risk of Loss.

Directors will return all District equipment and property in their possession, including but not limited to the items described in Section 10.02, immediately upon termination or expiration of their term. Care of equipment and apparel is the responsibility of the Director.

ARTICLE XI. CODE OF CONDUCT AND ETHICS

Section 11.01 Code of Conduct and Ethics.

1. Declaration of Policy. The proper operation of democratic government requires that public officials be independent, impartial, responsible, and accountable to the people; that governmental decisions and policy be made in the proper channels of the governmental structure; that public office not be used for personal gain; and that the citizens and businesses of the District have confidence in the integrity of their government. The purpose of this section is to establish ethical standards of conduct for Directors by setting forth those acts or actions that are incompatible, inconsistent, or in conflict with the foregoing principles and the best interests of the District.

2. Guiding Principles. The following principles are intended to encourage the highest standard of conduct to serve as guidelines for ethical behavior:

a. *Public interest.* Public office is a position of trust to be used to advance public interest, and not to be used for personal gain.

b. *Integrity.* Decisions are to be made on the merits, free of partiality or prejudice, and unimpeded by conflicts of interest.

c. *Accountability.* Government is to be conducted openly, efficiently, and equitably so the public can make informed judgments and hold public officials accountable.

d. *Public trust.* Directors will safeguard public confidence in the integrity of government by upholding the highest standards of personal and professional conduct.

e. *Professional conduct.* Directors will support the maintenance of a positive and constructive workplace environment and demonstrate a high degree of professionalism when dealing with colleagues, employees, or citizens. Directors are encouraged to conduct themselves in a manner that is responsive, respectful, and befitting their public position.

3. No preferential treatment. Directors will not accept more favorable treatment than other residents of the District. Any transactions should be obtained on terms consistent with those available to the general public. All citizens and businesses in the District are entitled to fair and equal treatment. Directors will not give preferential consideration or special advantages to any person or organization beyond those that are available to any other person or organization.

4. Disclosure of confidential information. Directors will respect and maintain confidentiality of information concerning the property, personnel, or affairs of the District to the extent provided by law. Directors will neither disclose confidential information or records without proper and legally required authorization or use such information or records to advance their personal, financial, or other private interests, or the private gain or advantage of others. Public records may be requested through the Administrative Manager consistent with the rights of citizens under the California Public Records Act.

5. Use of District Resources. Directors will not use District-owned equipment, automobiles, trucks, instruments, tools, supplies, machines, including computers and related computer systems, or any other item that is the property of the District for other than District business, nor will Directors allow any unauthorized person or organization to rent, borrow or use any such District resources.

6. No nepotism. All hiring decisions shall be made on the basis of merit and in accordance with the District's Personnel Rules and Procedures that establish limits and guidelines on the employment

of relatives. Directors shall not influence or attempt to influence the awarding of a District contract to or execution of a District agreement with a relative.

7. Board's Legislative Function. The primary function of the Board is as a "policymaking" or "legislative" body that directs and oversees staff's administrative implementation of the Board's decisions and directives. Directors should confine their actions to this role and defer administrative implementation to the Administrative Manager, Fire Chief, General Counsel, or other District personnel as applicable to their respective administrative role or employment function.

8. Limited Authority of Directors. Individual Directors will not take action, positions or make decisions on behalf of the District without approval from the Board. No individual Director has the authority to act or take positions on behalf of the District outside of official meetings except when specifically authorized by the Board.

9. Public Meetings. All meetings of the Board shall be conducted in compliance with the Brown Act. During public meetings of the Board, Directors will respect the rights of the public to be heard within the established parameters and guidelines for public comment. Directors will adhere to the principle of "majority rule" in Board decisions and defer to procedural rulings of the President.

10. Personnel Matters. Directors will present any criticisms, complaints or concerns about personnel or administrative matters to the President, who may either: confer with and/or give appropriate remedial direction to the Administrative Manager or District Board; or schedule an appropriate item for discussion at a future meeting of the Board.

11. Conflicts of Interest. Directors will protectively identify and decline to participate in any matter in which a Director has a conflict of interest and declare any such conflicts of interest into the public record before the Board takes up the item for discussion or action.

Section 11.02 Prevention of Harassment, Discrimination and Retaliation.

The District has policy and procedures governing the prevention of harassment, discrimination, and retaliation in the workplace. It is the policy of the District to establish and maintain a work environment free of all forms of harassment, discrimination, and retaliation. Such behaviors are unacceptable and will not be condoned or tolerated on the part of any employee, including Directors. All Directors and employees must be familiar with and comply with the District's policy prohibiting such behavior. All new Directors must participate in harassment, discrimination, and retaliation prevention training within six months of joining the Board. All Directors must take harassment, discrimination, and retaliation prevention training at least once every two years. The Clerk of the Board will maintain records of such. The Board Clerk, in consultation with General Counsel, is responsible for maintaining and updating the harassment prevention policy as necessary to reflect current legal requirements. The Board Clerk will provide Directors with a copy of the policy whenever it is revised.

Section 11.03 Media Communications.

The President or designee, when appropriate is responsible for speaking on behalf of the District when communicating, or engaging, with the media about day-to-day District business; provided that the Fire Chief, when appropriate, is responsible for speaking to the media with respect to fire safety, fire

suppression, and related matters within the course and scope of the Fire Chief's responsibilities. All media inquiries should be referred to the President or Fire Chief, as appropriate.

Directors have all the rights and privileges of any private citizen to speak with the media. Directors speaking to the media regarding the District should state that they speak as an individual and not as a spokesperson for the Board.

Section 11.04 Conflicts of Interest.

Directors will comply with the requirements of California Government Code Section 1090, the Political Reform Act (Gov. Code Section 81000 *et seq*.), or other applicable federal, state, or local laws which prohibit actual and apparent conflicts of interest in government contracting and in government decision making. A Director may not make, participate in making, or in any way use or attempt to use their official position to influence a decision of the Board if the Director has a prohibited conflict of interest.

A Director may not accept gifts that exceed the limitations specified in California law. Directors must report on all gifts, campaign contributions, income, and financial information as required under the District's Conflict of Interest Code and the provisions of the California Political Reform Act and related regulations.

ARTICLE XII. COMPLIANCE

Section 12.01 Investigation and Determination.

Suspected or alleged violations of applicable policy by a Director should be raised first with the Director in question privately and given a reasonable opportunity to respond or remedy such violation, if any. In the event of a failure to remedy, the matter may then be reported to the President or Vice President who shall determine whether the matter should be taken up by the Board for such lawful action as they deem appropriate. In the event of a suspected or alleged violation of applicable law, a Director may raise the issue with the President, or Vice President if the matter involves the President, and the President or Vice President, as applicable, may consult with General Counsel.

SPECIAL DISTRICT

Board Member Handbook



A California Special Districts Association Publication ©2026

CSDA

You have been elected or appointed to a special district board by your community. This is a tremendous honor that comes with much responsibility.

Printing made possible by the California Special Districts Alliance, a partnership between CSDA, the CSDA Finance Corporation, and the Special District Risk Management Authority (SDRMA).

What do You Need to Know as a Special District Board Member?

You have been elected or appointed to a special district board by your community. This is a tremendous honor that comes with much responsibility. The mission of the California Special Districts Association (CSDA) is to provide you and your district with the resources necessary to best meet this responsibility. This handbook will serve as a fundamental guide in this endeavor.

Your special district may refer to its board members as trustees, directors, commissioners, or another similar term. For simplicity and readability, this handbook will use the term "board member" as a universal term for all special districts. The handbook will focus on the commitments, responsibilities, and resources that are relevant to all board members of every type of special district.As a board member for a special district, you have committed to represent the best interests of your community, ensure the delivery of essential local services and infrastructure, and faithfully serve the public good while upholding the law. This is a high calling that depends upon mutual trust, support, and collaboration with your fellow board members, your district's professional staff, and the network of special district leaders you will develop through CSDA.







QUICK TIPS

First steps board members should take after election or appointment include:

- Meet with the district's general manager and legal counsel
- Ask the general manager and/or finance officer for an overview of the most recently approved budget and audit
- Take a tour of the district facilities
- Review the Brown Act (California's open meetings laws) and read your district's enabling act found in California's statutory codes
- Review your district's most recent municipal services review (MSR) published by the local agency formation commission (LAFCO)
- Visit the CSDA Board Member Resources webpage, and register for board member training at csda.net

About Special Districts

As a special district board member, you will often be asked, "What is a special district?" People sometimes do not realize how many of their essential services are provided by special districts, and they often do not understand what a special district is, how it functions, or even why it exists. Here are few answers to some frequently asked questions you'll encounter as a board member.

What is a special district?

An independent special district is a local form of government that is created, funded, and overseen by a community's residents to provide a new or enhanced level of service and infrastructure to a community. Like counties and cities, special districts are an independent form of local government. Special districts are not school districts, community college districts, joint powers authorities, assessment districts, community facilities districts, "Mello-Roos" districts, or improvement districts.

Why are special districts formed?

Special districts are formed when a community decides a specific type of service is needed and the community wants the service to be maintained with local control. The first special district in California, the Turlock Irrigation District, was established in 1887. Local farmers needed a way to access the local water supply and the Wright Act was passed by the Legislature to provide the legal foundation for water districts, and many other special districts.

The Legislature continued to develop new types of special districts as tools to help local residents come together to solve community problems and needs. Ultimately, special districts are formed by the community for the community. Special districts empower residents to find local solutions to fit the unique needs of their community.

What types of special districts exist?

There are many types of special districts that can be established to fit the specific needs of a community. Some district types include:

- Airport
- Cemetery
- Community Services
- Fire Protection
- Harbor and Port
- Healthcare
- Irrigation
- Library
- Mosquito and Pest Abatement
- Recreation and Park
- Resource Conservation
- Sanitation
- Transit
- Utility
- Veterans Memorial
- Water

How many special districts are there?

There are just over 2,000 independent special districts throughout California. They vary in size and some may serve a community of hundreds of thousands while others serve only a few hundred. Special districts are created to fit the size of the community they serve.

How are special districts governed?

Independent special districts are governed by a board of directors that is elected by the community or appointed to fixed terms by one or more other locally elected governing bodies. Board members are responsible for setting the policies that ensure special districts continue to function and serve the community. It is also important to distinguish independent special districts from dependent special districts. Unlike independent special districts, dependent districts are indirectly governed by other government entities, such as city councils or county boards of supervisors. This is because dependent special district board members include ex-officio members from another legislative body or board members who are appointed to non-fixed terms. Ex-officio board members serve on the special district board only by virtue of their participation on another board. Board members appointed to non-fixed terms serve at the pleasure of another governing body. In other words, they may be replaced at any time and are not entitled to a full four-year term.

Special districts and their board members are subject to a number of laws established to ensure special districts remain transparent and accountable to their communities. These laws are discussed in greater detail later in this handbook under the chapter, *Accountability and Transparency*.



To expand your knowledge further, visit csda.net to find the *About Special Districts Guide* and the *Special District Laws Reference Guide* to learn more about special districts and how they are formed.



How are special districts funded?

Special districts utilize many different funding sources to establish and maintain their services and overall infrastructure. Some districts receive enterprise revenues that are collected as fees for services such as water, sewer, or electricity. Special districts can also receive non-enterprise revenues that include one percent ad valorem property tax, parcel taxes, or benefit assessments that are approved by the community. Frequently, special districts will receive a combination of enterprise and non-enterprise revenues in order to best meet the needs of their community.

What makes special districts so special?

As a board member who dedicates time and effort to your local special district, you understand and know from firsthand experience what makes special districts so special. It's the connection to the community, the focused specialized service, and the commitment of local residents such as yourself that distinguishes special districts from other forms of government.

To raise awareness and understanding of special districts, CSDA established the Districts Make the Difference public outreach campaign which is now supported nationwide by the National Special Districts Association.

DISTRICTS MAKE THE DIFFERENCE



Good Governance

Special district boards are the voice of the community. Every elected or appointed public official needs to care about governance—it is the essence of what boards do. Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.

The success of your district, and special districts as a form of government, depends largely upon how well you do your job as a board member. If the board does not respond to the needs of the community and govern its district effectively, it will erode the public trust, jeopardize public support of district services, and may even threaten the existence of the district itself.

Effective Governance Model

The good news is that a lot of work has been done on effective governance. There are three critical dimensions that interact to determine how a board operates and its effectiveness as an organization:

1. The board as an organizational entity;
2. Individuals who together make up the board; and
3. Specific jobs the board must perform.

These are the core components of effective special district governance: a competency-based group of individual citizens coming together as an effective team to accomplish the specific responsibilities that only governing boards can do on behalf of their community.

The Board as an Organizational Entity

Any board, public or private, nonprofit or corporate, exists as an organizational entity, with its own unique organizational culture, norms, values, and operating style. There are attributes or characteristics that are consistently present in boards that operate in a highly effective way.

Effective boards operate in an organizational environment of trust, honesty, and openness. These boards exhibit, as a team, the following characteristics:

- Recognize all board members as equally legitimate—no matter how different or difficult an individual may be.
- Strive to maintain a "no secrets, no surprises" operating norm.
- Acknowledge that conflicts and differences are inevitable, not necessarily bad, and must be faced and analyzed.
- Immediately turn to solutions rather than playing the "gotcha" game.
- Treat all staff with dignity and respect.
- Treat all community members with dignity and respect, even in the face of criticism and opposition.
- Exhibit creative thinking, know how to handle failure as well as success, encourage risk taking, and create a climate of support for excellence.
- Accept collective responsibility for the conduct, behavior, and effectiveness of the board.

Individuals Who Together Make up the Board

While boards develop unique organizational cultures, they are, after all, composed of individuals. These individuals and their values, skills, and knowledge shape how boards operate at any given time. Individuals also determine whether the board will sustain effective behavior as a group expectation.

Not everyone who serves on a special district board becomes an effective board member or leader. Those who do become effective board members also become highly valued community leaders. When an entire board is composed of truly effective board members, rather than individuals, the board becomes highly effective.

So, how are highly valued community leaders different than individuals who just serve on boards? They think about governance differently by understanding the fundamental role of effective governance and the citizen leader. Effective board members exhibit the following characteristics:

Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.

QUICK TIP

The most effective board members maintain the following priorities:

- Serve the public
- Support the staff as they carry out direction
- Respect fellow board members
- Seek consensus



- Recognize that the board, not the individual board member, governs the special district—the authority of any one board member rests only with the board as a whole.
- Heed caution when someone attempts to impose their own agenda on the district rather than working to build support for an institutional agenda.
- Appreciate that "how" a board member governs is as important as "what" a board member does—that manners make a huge difference.
- Establish trust and treat everyone with the same respect with which the board member expects others to treat them.
- Respect the diversity of perspectives and styles.
- Operate in a transparent fashion, while always keeping confidential information confidential.

Specific Jobs the Board Must Perform

We know that effective boards have strong competency-based cultures and that individual effective board members have strong governance skills, but the next question is: "To do what?" The third dimension of a board addresses the governing body's specific responsibilities. Special district boards have certain duties that no one else in the organization or the community can perform.

In the next section, *Primary Roles and Responsibilities*, we will explore these duties, but first we must acknowledge one of the biggest challenges to special districts—how board members can learn and demonstrate competency.

Training and Development

We all have room to learn the governance skills required to be an effective special district leader. To do so, we must establish a culture of participation in our special district community. Just as we expect our staff to be involved in their profession, to learn and develop new skills, so too must we as effective board members learn to hone our governance skills.

We must lead by example and encourage our colleagues to branch out and learn the skills of governance. We must establish a culture of continuing education in the special district community. This includes both required trainings and recommended trainings.

Required Trainings

Every special district board member is required by law to complete ethics training, fiscal and financial training, and sexual harassment prevention training at least once every two years.

Ethics training is mandated by Government Code Section 53235 et. seq., which is popularly referred to by its enacting legislation, AB 1234 (Salinas) of 2005. Special district board members must receive the required training within six months of their first day of service, and then every two years thereafter. A board member who serves more than one agency shall satisfy the requirements once every two years, regardless of how many boards they serve on.

All ethics trainings must cover laws related to conflicts of interest, gifts, reimbursements, government transparency, and fair processes, including but not limited to incompatible offices and competitive bidding practices.

Beginning January 1, 2026, SB 827 requires local agency officials to complete fiscal and financial training no later than six months from the first day of service, for officials whose service commenced prior to January 1, training must be completed before January 1, 2028.

Fiscal and financial training includes laws and principles relating to financial administration and short- and long-term fiscal management, including policies, budgets, reporting and auditing, capital financing and debt management, pensions and other post-employment benefits, cash management and investments, and more.

Sexual harassment prevention training is mandated by Government Code 53237 et. seq., which was enacted by AB 1661 (McCarty) of 2016. Special district board members must receive the required two-hour training within the first six months of taking office, and then at least once every two years thereafter.

All sexual harassment prevention trainings must include practical guidance regarding the federal and state statutory provisions concerning the prohibition against, and the prevention and correction of, sexual harassment and the remedies available to victims. The training includes practical examples aimed at instructing the board member in the prevention of sexual harassment, discrimination, and retaliation.

CSDA offers various training opportunities related to ethics, harassment prevention, and fiscal management both in-person and online. You can register online at csda.net.

Recommended Trainings

It is recommended that every newly elected or appointed special district board member attend CSDA's workshops that provide education on the topic of governance. CSDA strives to offer these opportunities online and in various locations throughout the state annually.

As a longer-term goal, during your first term in office it is also recommended you obtain the Certificate in Special District Governance certificate from the Special District Leadership Foundation (SDLF). This recognition was designed to honor special district board members and is comprised of two distinct parts: the completion of the Special District Leadership Academy and 10 hours of continuing education.

The Special District Leadership Academy consists of four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources, and Board's Role in Finance and Fiscal Accountability. The four courses are unique from any other courses on special district governance in that they are curriculum that has been created by special districts and agreed upon as what governing officials of special districts should know. SDLF has endorsed the Academy as the core special district governance training in California.

SDLF is a 501(c)(3) organization formed to provide recognition and certification opportunities to special district officials and employees to enhance service to the public. It is dedicated to excellence in local government. You can learn more about SDLF at sdlf.org.



Board Member Resources

SCAN ME

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Learn more about CSDA's professional development offerings at csda.net

VISIT SDLA.CSDA.NET

FOR DATES AND LOCATIONS

SDLA

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A Comprehensive Governance Leadership Conference for Elected and Appointed Directors/Trustees

ACHIEVING DISTRICT GOALS... TOGETHER.

Presented by CSDA and co-sponsored by SDRMA

California Special Districts Association
Districts Stronger Together

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Primary Roles and Responsibilities

One of the first and most important distinctions to make in your work as a board member is the difference between your responsibilities and those of the general manager and staff. Clearly understanding and respecting these roles, and how they interact, is critical to the long-term success and sustainability of your special district.

Role of a Board Member

One of the most significant responsibilities as a board member is to understand that the board is a team and you need to work together as such. Understanding the dynamics of the group, as well as the individual perspectives and opinions of your fellow board members, is crucial to the success of the team, the district, and community you represent. This united approach will help strengthen the district and provide the grounds for maintaining a clear vision of the future, a unity of purpose, and a cohesive board.

The specific responsibilities of the board are clustered into five areas:

1. Setting the direction for the district;
2. Establishing and supporting the policies and structure of the district;
3. Overseeing the financial resources necessary to fund the district;
4. Guiding employee relations policy, including the hiring and supervising of the general manager who, in turn, operates the district and hires/manages staff; and
5. Serving as community leaders who communicate effectively on behalf of the district.

Setting Direction

The board establishes the special district's mission and vision. In building a mission statement, the board must clearly understand the purpose of the district and answer the question of "why?" Why does the district exist? It will also be helpful for the board to identify core values that guide the district in its mission.

When developing a vision statement, the board must answer the question of "what?" What would the district look like should it accomplish its mission to the fullest extent? Doing so requires agreement on the board as to what the future of the district should look like.

With a mission and vision as its foundation, the board sets direction through the district's strategic plan, which may guide the development of more specific objectives for implementation by the general manager and staff. In developing a strategic plan, the board will evaluate the present, anticipate the future, and prioritize goals that must be accomplished to achieve the vision. Strategic plans should be reviewed periodically and adjusted appropriately.

Establishing Policies

Policies are written statements specifying the manner in which the district's business is conducted. The board's job is to develop, maintain, revise, and enforce the district's policies. These policies provide needed direction for the general manager and staff, and for the constituents of the district.

One may view a special district's enabling act in California statute as the framework or "constitution" the district must operate under as a "subdivision of the state." However, independent special districts are not state entities, nor are they entities of a city or county. They are independent local governments, which are separate legal entities similar to other municipalities. Board-approved policies, resolutions, and ordinances are the tools by which boards direct the district in achieving its mission and securing its vision within the boundaries of its enabling act.

In consultation with relevant laws, board policies should guide district governance, such as board meetings, agendas, and minutes, board conduct, and rules of order. Policies should also be adopted concerning district finances, personnel, communications, and other key functions.

While policies are approved by the board and may be requested by the board, they are typically drafted and recommended by staff. Sometimes this is done with review and direction of a board subcommittee.

Overseeing Finances

Boards ensure sound fiscal policies exist and that practices and controls are in place so that the district, board, general manager, and staff have direct accountability to their constituents. Furthermore, the board will approve an annual budget and request and approve periodic reports on the fiscal status of the district.

Commensurate with the board's role in financial oversight and fiduciary responsibilities, it should establish a financial reserve policy and capital improvement plan (CIP). It will also approve contracts of certain size and scope according to State law and board policy. To ensure adequate funding to provide quality services and infrastructure to its community, the board must impose sufficient rates, fees, and taxes.

Guiding Employee Relations

The board's charge is to support and assess the performance of the general manager, approve personnel policies, establish salary structure and benefits packages, approve memorandums of understanding (MOUs) negotiated with labor, approve job descriptions and organizational structure, and establish a strong communications link between the board and general manager.

One of the most important decisions a board will ever make is the hiring of a general manager. Other than a district's general counsel and some rare additional exceptions for large special districts, the general manager is the only individual the board hires and supervises.

The general manager is responsible for hiring and supervising all other staff, sometimes through senior or mid-level managers in larger districts. Empowering the general manager to successfully carry out this key duty is critical to the success of the district. This should include a fair and constructive annual general manager evaluation process.

Serving as Community Leaders

A district and its board are linked in the eyes of the public and often seen as one and the same. Therefore, the conduct of board members reflects upon the district and the community it serves. This holds true during board meetings and formal district events, as well as during other interactions with community, the media, businesses, and other levels of government. Even the personal lives and behaviors of a board member can impact the perception and effectiveness of the district.

In your role as a board member, your board may designate you to formally represent your board to other organizations or participate in ceremonial events. Boards will often establish policies to guide such



To expand your knowledge further, visit csda.net to find CSDA's *Sample Policy Handbook*, *Special District Reserve Guidelines*, and CSDA's *California Public Records Act Compliance Manual* to learn more.

situations. It is important to distinguish when you are speaking on behalf of the board and when you are speaking as an individual, especially when interacting with the public and making statements or expressing opinions online. As a public official, you should recognize that people will often construe your speech and actions as representative of your district, its staff, and your fellow board members regardless of the manner, time, and place in which they occur. This reality should lead board members to be thoughtful, intentional, and unified, not to be silent or absent.

It is a mistake for a special district to attempt to "fly under the radar." Transparency is essential to democracy, and scrutiny is inevitable in government. This will be covered more in the next section, *Accountability and Transparency*, but here it is important to note that board members play a key role in a special district's public outreach and engagement efforts. If a special district and its leaders are not telling the story of the district, somebody else will.

Role of the General Manager and Staff

The general manager is the executive staff officer of the district and for the board. This individual administers the district, providing day-to-day leadership, and maintains exclusive management and control of the operations and works of the district within State law and the policies of the board. In some districts, this position may be referred to as the district administrator, chief executive officer, executive director, district director, or another title. For the purposes of this handbook, it will be referred to as general manager.

Overarching best practices for a general manager include:

1. Developing and delivering reports to keep the board of directors and public well-informed of district operations and the status of district goals;
2. Providing recommendations on actions requiring board approval, including policies, resolutions, ordinances, and other matters;
3. Maintaining and advancing the operations of the district and implementing those policies, strategies, and directives approved by the board; and
4. Playing an active role in moving the district forward in serving its mission, carrying out its strategic plan, and attaining its vision.

As noted previously, the general manager has authority over and directs all employees, including hiring, supervision, evaluations, promotions, disciplinary actions, and terminations. All directives for staff should be given by the general manager or designated supervisor within the district. Authority may be delegated to other staff or consultants at the general manager's discretion.

The general manager should dutifully and faithfully carry into effect the lawfully expressed policies of the board, including planning the short, medium, and long-term work program for the district, facilitating constructive and harmonious board relations, preparing and managing the district budget, conducting studies, and delivering written and oral presentations.

https://qrco.de/bgTWXq

Visit sdlf.org to download the *SDLF High Performing District Checklist* to provide special districts with best practices related to the areas of finance and human resources.

QUICK TIP

Best practices that make the best board members:

- Do your homework: Read all board packets and materials in advance of meetings.
- Don't play "gotcha": Share questions with the general manager in advance of the board meeting.
- Listen first, speak second: Prioritize understanding the perspectives of others.
- Build expertise: Find an important issue that other board members are not already invested in and become a leader, such as on LAFCO, environmental sustainability, etc.
- Stick to principles, not positions: Develop strong and well-considered principles, rather than digging heels into one position of a false dichotomy.
- Oppose the action, not the implementation: When necessary, vote "No" on a board agenda item, but don't undermine or obstruct the successful implementation of board-approved decisions. Support and respect the actions of the board as a whole.



Accountability and Transparency

The residents of the district, as voters, owners, constituents, and customers of the district, possess the ultimate responsibility for its oversight and direction. The board is elected or appointed to serve as the voice of these residents. There are a host of legal requirements designed to ensure special districts remain accountable and transparent to its residents.

While special district boards must meet all mandated State laws, they should strive to exceed these requirements and set an example to other governments and organizations.

Legal Requirements

Significant mandates have been placed upon special districts by the State Legislature, which often exceed the standards for the State and some other local agencies. These legal requirements include, but are not limited to:

- Website Maintenance
- Open and Public Meetings under the Ralph M. Brown Act
- Public Records under the California Public Records Act
- Regular Financial Audits
- Finances and Compensation Posted Online
- Ethics Training for Board Members
- Conflict of Interest Compliance under the Political Reform Act

Websites

Every special district must maintain a website, per Government Code Section 53087.8. All special district websites must display district contact information, agendas, state-mandated financial transaction and compensation reports, and a report of the district's enterprise systems. An exemption is available for special districts that pass an annual resolution detailing evidence of a hardship.

Open and Public Meetings

Per the Ralph M. Brown Act (Brown Act), special district meetings must be open and accessible to the public. In certain circumstances, including a state of emergency or where just cause exists, members of the board may join a meeting remotely (e.g., via Zoom or Teams) without convening in a single public location.

Generally, to facilitate access and participation, special districts must post their regular meeting agendas at least 72 hours in advance in a publicly accessible location and on their website. The board may only act on issues included in the agenda and the public must be permitted to address the board. The Brown Act includes myriad provisions and exceptions and has been the subject of significant litigation. It is recommended that board members read the Brown Act, found at Government Code Section 54950 et. seq., in its entirety and consult district legal counsel as necessary.

Public Records

As required by the California Public Records Act (CPRA), found in Government Code 6250 et. seq., special district records are subject to public review and scrutiny. The public may request copies of records in the possession of a special district, including records on a board member's personal device or account that are related to district business. Districts may charge a reasonable fee for the cost of printing and paper, but the district may not charge for staff time in producing such copies. As with the Brown Act, the CPRA includes numerous provisions and exceptions and is shaped by countless lawsuits. It is recommended special districts consult legal counsel as necessary in response to specific public records act requests.

Financial Audits

Government Code Section 26909 mandates regular audits of special districts by the county auditor-controller or a certified public accountant. The audit must be filed with the state controller and county auditor-controller.

Online Financial and Compensation Reports

Since 1949, special districts have been required to submit a financial transaction report to the state controller. In 2014, legislation additionally required completion of a compensation report and required that both the compensation report and financial



Visit our Brown Act Revamp (SB 707) Resources page!

https://qrco.de/bdcaQQ

transaction reports be posted or linked to a conspicuous place on each special district's website. The state controller now provides all of this information in an open data format at https://bythenumbers.sco.ca.gov/ and www.publicpay.ca.gov.

Ethics Training

In 2005, the State enacted AB 1234 (Salinas) mandating special district board members complete at least two hours of training in general ethics principles and ethics laws every two years. Board members have an obligation to conduct business in an ethical manner and make decisions that are in the best interests of their constituents. Building and maintaining the public's trust requires you to avoid any situation where your self-interest may come first.

Conflict of Interest Compliance

Passed by voters via Proposition 9 in 1974, the Political Reform Act (PRA) is designed to ensure elections are fair and government officials serve all citizens equally. The PRA generally governs political campaign spending and contributions, as well as a variety of ethics rules, including conflicts of interest. It prohibits a special district official from making, participating in making, or influencing a decision in which the official knows or has reason to know the decision will have a material financial effect on the official's economic interests, with limited exceptions. An official may also be prohibited from making, participating in making, or influencing a decision where the official has received campaign contributions from a party or interested person.

Notably, Board members are subject to various regulations promulgated by the Fair Political Practices Commission (FPPC), including the requirement complete a Statement of Economic Interests (Form 700), and have a responsibility to stay informed on changes that could impact their reporting to the FPPC.

Third Party Oversight, Review, and Regulation

In addition to the legal requirements adhered to by special districts, there are a number of entities and programs, which provide varying levels of oversight, review, or regulation:

- Local Agency Formation Commission
- County Auditor-Controller
- County Civil Grand Jury
- County District Attorney and State Attorney General
- State Controller
- State Auditor
- State Treasurer
- Fair Political Practices Commission
- Other State Regulators

Best Practices

Many special districts go beyond State mandated legal requirements to promote accountability and transparency. To facilitate and recognize best practices among special districts, the Special District Leadership Foundation (SDLF) has established a District Transparency Certificate of Excellence as well as other programs and scholarships. Visit sdlf.org to review the programs and download an application.





Legislative Advocacy, Media Outreach, and Public Engagement

The decisions you make and the actions you take as a board member directly impact your community and the services they receive. It is equally true that districts are affected when board members do not make crucial decisions or fail to take action.

As a board member, you are an advocate for your district and your community. You will have to balance a number of responsibilities throughout your term. However, there are several simple yet influential ways you can take action as a board member.

Engage with the Capitol

Extensive travel to Sacramento is not necessary to effectively engage with the Capitol. Likely the most important way board members can partake in advocacy efforts is to submit letters of support or opposition when CSDA sends out a "Call-to-Action."

Throughout the legislative session, CSDA closely analyzes and tracks any bill that may impact special districts. When an especially important bill arises, CSDA will issue a "Call-to-Action" and request letters so the Capitol hears the voice of special districts. Make sure your district's voice is heard and work with others at your district to write support and opposition letters on behalf of your district. You can support these efforts by encouraging your district to adopt a policy related to legislative advocacy.

Meeting with your legislators is another valuable way of advocating for your district and engaging with the Capitol. There are times throughout the year when legislators leave the Capitol and return to their legislative districts. During these legislative recesses, do your best to schedule a meeting with your legislator and their staff. Just as you represent your community as a special district board member, your legislator represents you, your special district, and your community. Make sure your legislator knows what issues are important to your district and how your district is impacted by legislation. The more legislators know about the special districts they represent, the more educated they will be when creating legislation that affects all special districts.

Once you've met with your legislators, let CSDA know which legislators you have a relationship with so that CSDA can coordinate grassroots activities on key votes in the State Legislature. Do this by completing the Grassroots Mobilization Survey at csda.net/take-action.

Engage with the Media

During your term as a special district board member, you will likely have to interact with the media. Do not be intimated by the idea of communicating with the press. It is vital that you help inform the media's narrative regarding your district. You do not want the only media mentions for your district to be one-sided or unfairly skewed against your district. The only way to ensure your district has a voice in what the media covers is for your district to be proactive. Be sure that any media outreach you undertake is in line with your board policies and/or protocols. Every special district should have a media protocol that determines who should serve as a spokesperson for the district under different circumstances. It is important to work as a team and support a clear and consistent message from your district.

Press releases should be utilized as a way to inform the press of particularly significant events. A few opportunities to send out press releases include:

- When your district receives an award
- After new board members are elected
- After a major project is successfully completed

Encourage your district to send out timely press releases in accordance with your board policy. You should also be looking for the best opportunities for your district to interact with the media. Not everything will be compelling to the media, but the media cannot acknowledge your district's positive achievements if they are not informed.

Media advisories are another way to engage with the media. If your district is hosting an event, encourage the general manager or district staff to send out an invitation to local reporters. Sometimes allowing the media to see for themselves helps garner positive press for your district. Also, inviting the media to your district allows you and other district representatives to build a working relationship with the reporters in your community. You want to serve as a resource to the media so when reporters have questions, they reach out for your district's perspective.

You may also want to suggest your district's media policy and/or protocol includes standard talking points for district representatives to reference when working with the media. Maintaining consistent messaging with the media will lend a level of credibility and reliability that the media will remember when writing about your district. As the media's understanding of your district grows, you should notice more accurate and informed press attention for your district.



Throughout the year, CSDA maintains multiple resources to ensure you can stay up to date on the latest issues impacting special districts. Explore the following resources:

- Advocacy News: Provides real-time notifications or daily summaries of legislative updates directly to your inbox. Join Advocacy News at csda.net/advocate/advocacy-blog.
- Take Action Page: Lists the most pressing legislative issues and provides background information and next steps for your district. Visit the Take Action page at csda.net/advocate/take-action.
- Legal Advocacy Page: Lists the actions CSDA has taken in important legal cases affecting special districts. You can find these cases and copies of CSDA filings at csda.net/advocate/legal-advocacy.

Engage with Your Community

Special districts provide essential services to millions of Californians. Yet, many people have not heard of special districts or do not understand what a special district truly is. Polling shows that as soon as people understand the services provided and maintained by special districts, their perceived value of special districts rises exponentially. As a board member, you can help the public understand your district and its important role in your community.

Social Media

There are numerous ways to interact and connect with the community you serve. In today's world, most community members are on some form of social media. A district policy or protocol should guide who is responsible for posting on behalf of the district. Typically, this is assigned to a member of the staff and board members may engage by liking and/or sharing district posts from their personal accounts.

Social media can provide an instant connection with your community. Instead of forcing local residents to go looking for information, you can make important information immediately available on social media.

Engaging on social media does not require continuous posts to all platforms throughout the day. Instead, post to social media when you have something you need and want to share with the public. Post about any community events where your district will be represented. Share a quick fact or update about your district that may interest your community.

Even if you do not frequently post to social media, monitor your accounts to see if people make comments, have questions, or provide suggestions. You may choose not to respond to comments on social media but at least you are aware of what your community is saying. People may voice something on social media that they would not ordinarily say in person or in a more formal setting. At times, people may post negative comments but with social media, engagement is ultimately the goal. Social media starts an ongoing conversation with your community.

Community Events

Another effective way to engage with your community is with community events. As a board member, you can encourage your district to host an event where the public is invited to your district. Holding tours during the summer to demonstrate how your district functions or hosting a holiday party as a way for the community to celebrate together are just a few event ideas.

If you are a board member at a smaller district or a district type that does not easily lend itself to visits, collaborate with other districts and businesses in your community. Reach out to other special districts in your area to discuss a possible "district day" where representatives from multiple districts gather together and answer questions about their respective districts. Hosting a booth at the local career fairs or sponsoring a local event are other valuable ways of building a connection with the community you serve.

Join the Public Outreach Campaign

CSDA launched the Districts Make The Difference public outreach campaign to raise awareness and understanding for special districts. It has expanded nationally and is now supported by the National Special Districts Association. Encourage your district to participate in the campaign by adding a link to DistrictsMakeTheDifference.org on your district's website so people can learn about special districts. Raising awareness for special districts helps local residents understand their value and the significant role they play in the community.



Follow CSDA on social media!
Search CSDA on LinkedIn, @CSDAWeb on YouTube, or @CSDAdistricts on Facebook, Instagram, and X.



Responses to Tough Questions

As with all forms of government, special districts sometimes face tough questions. Special district board members should be aware of these questions and be prepared to respond to them.

Why are some special districts funded by property taxes, while others are funded by fees or a combination of fees and taxes?

Special district funding is primarily determined by the residents who receive district services and pay for those services. Special districts may receive two types of revenue: enterprise revenue and non-enterprise revenue. Some districts rely exclusively on one type, but most receive a combination of the two.

Enterprise revenue is derived by fees for service. Common forms of enterprise revenue include property-related fees, governed under Proposition 218, such as water, sewer, or trash rates. However, enterprise revenue may also include smaller charges like registration fees for a soccer league or yoga class. Facility rentals, cemetery interment fees, and medical billing are also forms of enterprise revenues.

Non-enterprise revenue is derived from taxes and assessments paid as a condition of owning property that benefits from the services and infrastructure provided by a special district. The most common form of non-enterprise revenue is the one percent ad valorem local property tax, which is distributed through the county auditor-controller's office. This is dictated by Proposition 13 and is usually what someone is referring to when they mention the "property tax." Non-enterprise revenue may also include special taxes, benefit assessment districts, community facilities districts (also known as CFDs or Mello-Roos districts), and similar funding mechanisms.

It is important to note that most residents have approved at least some level of both enterprise and non-enterprise revenue for their special district. This provides the district with a diverse and sustainable revenue portfolio that can better withstand economic shifts and secure the highest credit ratings for infrastructure



investment. It also ensures that everyone who benefits from a district contributes to the cost of the district. For example, water and sewer services benefit a property's value regardless of whether that property's owner currently uses those services.

Can special districts tax residents without their consent?

No. Proposition 13 limited ad valorem property taxes to one percent of property value for every homeowner. Many special districts, along with cities, counties, and schools, receive a share of this revenue. If a district requires additional revenue it must obtain the approval of its voters or property owners as appropriate.

While cities and counties may impose general taxes with

majority voter approval, all special district taxes imposed by the district are considered "special taxes" and require a two-thirds vote. However, a special tax benefiting a special district imposed by a voter initiative requires a majority vote to pass. A general obligation bond that raises property taxes temporarily to pay-off the bond must also receive two-thirds voter approval. Certain assessments may be approved with a majority of those who benefit from the service and property related fees must go through what's known as a majority protest proceeding in accordance with Proposition 218.

Why do we have community facilities districts, Mello-Roos districts, and special districts all funding our services?

Community facilities districts (CFDs) and Mello-Roos districts are just two names for the same thing, but neither are a special district with a board that provides a service. CFDs or Mello Roos districts are funding mechanisms that may be established by a special district, city, county, or school district to help fund services and public works for that area. CFDs or Mello-Roos districts are typically approved by property owners in developing areas where there are fewer than 12 residents. In cases where there are 12 or more residents, they must be approved by voters.

Why do some special districts have such large reserves?

Special districts need adequate reserves to ensure they can respond to their community's needs in the event of emergencies or disasters, like flooding, earthquakes, wildfires, or even droughts. Prudent reserves are often needed to accumulate the capital to pay for large infrastructure projects, or to secure financing. In addition, reserves provide a safety cushion to stabilize rates and maintain adequate services during economic downturns.

It should be noted that some reports of special district reserve levels have misinterpreted data within the state controller's Financial Transaction Report in a manner that confused districts' fixed assets with cash on hand. CSDA has worked with the State Controller's Office to ensure this report is presented in the most clear and consistent manner possible to avoid such errors in the future.

CSDA has also developed the Special District Reserve Guidelines, a comprehensive guide for accumulation and management of special district reserves. The report lays out policy procedures and high standards for special districts to follow in handling their fiduciary responsibilities.

Don't special districts have board members who are compensated?

Board member compensation is set in statute by the State Legislature. Some special districts have statutory authority to adjust compensation, within strict limits, via a vote of the board during a properly noticed open and public meeting. Unlike city council members and county supervisors, special district board members are not eligible for the California Public Employees' Retirement System (SB 53 of 1993).

While every type of special district must comply with its own statutory parameters, most special district board members receive about $100 per meeting. It is important to note that the work of a board member does not begin when a meeting commences and end when it adjourns. Board members typically review lengthy meeting packets, study issues thoroughly, and may be in communication with constituents or district staff throughout the month.

Every special district is unique and the demands and qualifications necessary to well-serve different special districts will vary.

Aren't special districts fragmented government?

Special districts provide real-world solutions to meet the needs of residents that otherwise would not be met. In fact, their name and their strength is derived from the way they specialize in a service.

Special districts are passionate about providing a service people need. They are not easily distracted from their mission, and they develop an expertise at providing a service in the most efficient, effective, and sustainable manner possible.

While special districts may dot many local landscapes, each one is unique to the needs of its community. Special districts arguably offer the closest, or "most local," level of service to their community. Residents will likely notice a difference in access and responsiveness when attending a recreation and park district meeting to discuss a playground as opposed to what they may receive on such a specific topic at a general-purpose government meeting. The same could be said in relation to library districts, harbor districts, mosquito abatement districts, water districts, and so on.

Similarly, special districts offer residents a meaningful opportunity to engage with their government and serve their community. The barriers associated with running for Congress, the State Legislature, and even county or city governing bodies are often staggering, with campaigns sometimes costing hundreds of thousands or millions of dollars. And the politics are sometimes highly partisan. Raising that level of campaign money and investing that number of hours away from family and paid employment is out of the reach of most Californians. While serving on a special district board is a significant undertaking, it is far more accessible to the average person.

Do special district services overlap with cities and counties?

No. Local agency formation commissions (LAFCOs) oversee the formation, dissolution, and boundaries of special districts and cities. There are 58 LAFCOs, one per county. They ensure that special districts and cities don't overlap in a way that provides redundant services. LAFCOs also conduct regular municipal services reviews (MSR) on special districts to help ensure they are providing efficient and effective services.

There are just over 2,000 independent special districts compared to 1,015 school districts, 482 cities and 58 counties. Why so many and why can't they be consolidated to save taxpayers money?

What really matters is the quality of services and how well a special district responds to the residents it serves. Consolidation may work in some cases, but it doesn't work in all cases. Bigger bureaucracies that are further removed from voters are not always more efficient. Even where consolidation may make sense in concept, it may not be economically feasible due to lack of proximity to neighboring infrastructure, such as water or sewer pipes.



An inherent bias for or against consolidation doesn't improve services. Rather, a thoughtful, case-by-case approach, that includes stakeholders and an objective analysis, will promote the best local government options for each community. Ultimately, the residents who receive and pay for the services should have the final say.

It is also important to keep in mind that there are not 2,000 special districts providing the same service throughout the state. For instance, there are about 346 fire protection districts, 47 mosquito abatement and vector control districts, 95 recreation and park districts, 10 airport districts, and so on.

To whom are special districts accountable?

Special districts are accountable to the residents who elect their boards, approve their funding sources, and use their services. This offers a community local control.

If residents need something or want to see something changed, they may go to their special district and petition their board. When authority is pulled away from local government bodies and centralized further from residents, the community's ability to influence its government and hold it accountable may become more challenging.

Numerous state laws help residents hold special districts accountable, such as the Ralph M. Brown Act, the California Public Records Act, the Political Reform Act, and more. Additionally, a number of other bodies facilitate oversight and reporting requirements, including the LAFCO, county auditor-controller, county district attorney, state attorney general, and state controller's office.



Quick Reference for Laws Affecting Special Districts

As subdivisions of the State of California, special districts are governed by state law. Every fall, after the legislative session concludes, CSDA runs a "New Laws" series. At the beginning of each year, CSDA provides its members with a New Laws report, which includes hundreds of enacted bills and court rulings.

CSDA's publication, *Special District Laws Reference Guide*, is a member resource that provides a thorough overview of the most significant long-standing laws affecting the governance of all types of special districts. This resource includes a spreadsheet outlining the enabling act for each type of special district.



See what's included in the *CSDA Special District Laws Reference Guide* at csda.net.

Resources for You and Your Special District

Since 1969, CSDA has been providing special districts with representation at the Capitol, professional development opportunities, and a host of programs and resources designed to help them better serve their communities.

Advocacy and Public Affairs

CSDA is the only association representing the interests of California's independent special districts of all types and sizes and from all corners of the state. Our legislative staff reviews and monitors every bill introduced for its potential impact on special districts. Bills requiring action are quickly brought to the attention of the Legislative Committee and Board of Directors to adopt a position on each issue and lobby accordingly.

Our District Networks program helps special districts connect and take action on issues of concern, locally or statewide. A CSDA Public Affairs Field Coordinator works with leaders in each Network, providing valuable legislative updates, facilitating communications, and coordinating regional events. Local chapters of CSDA provide more opportunities for collaboration and information sharing.

Professional Development

CSDA offers many unique educational opportunities for special district board members and staff. These range from extensive governance training to specialized conferences and regional workshops.

- Special District Leadership Academy (SDLA)
- Special District Board Secretary/Clerk Conference
- General Manager Leadership Summit
- Annual Conference and Exhibitor Showcase
- Workshops in Ethics, Harassment Prevention, Financial Management, and more
- FREE webinars for CSDA members

In addition, CSDA webinars, offered live and on-demand, provide affordable and convenient access to education in a wide variety of topics. Find a complete list of trainings at csda.net.

Visit csda.net for online resources available for members, including tools and information crucial to any special district's operational effectiveness.

CSDA is committed to providing solutions to special district needs. That includes discounts and programs especially designed to save districts time and money. A complete listing of Value Added Benefits is available at csda.net.

Online Resources

At csda.net, members have access to tools and information crucial to any special district's operational effectiveness. Below are a few highlights of what you can find once you've logged in.

CSDA Communities

Our online forum gives CSDA members a fast and easy way to share relevant information and get answers to questions from those most qualified to answer – your peers. Search for and connect with other members through the Member Directory, or find service and product providers through the Buyers Guide.

Knowledge Base

The Knowledge Base is your online go-to for answers to many questions about local governance and policies related to special districts. The Frequently Asked Questions section contains answers to the inquiries we hear most often from special districts. The Sample Document Library is a collection of useful examples contributed by other special districts.

Also included in the Knowledge Base is an array of downloadable publications and reference materials on topics such as:

- Ballot Measure Guidelines
- Brown Act Compliance
- California Public Records Act
- Parliamentary Procedure
- Reserve Guidelines
- And many more

California Special Districts Alliance

CSDA | SDRMA | CSDAFC

California Special Districts Alliance is a collaborative partnership between CSDA, the CSDA Finance Corporation and the Special District Risk Management Authority (SDRMA). Our three organizations work together to provide the best in resources and education for your special district.

Visit our Board Member Resources page...

SCAN ME

https://qrco.de/beSmrS



California Special Districts Association
1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
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STAFF REPORT 26-23

TO: BOARD OF DIRECTORS

FROM: KARLENA RANNALS, ADMINISTRATIVE MANAGER

SUBJECT: CY2027 BOARD MEETING CALENDAR

DATE: NOVEMBER 5, 2026

RECOMMENDATION

Review schedule and approve any changes to the meeting schedule that may be necessary.

BACKGROUND

The Board of Directors adopted Resolution No. 2026-10 establishing the second Wednesday of each month as the regular meeting date to conduct business of the District. On occasion, it is necessary to adjust the date to accommodate holidays and scheduling conflicts.

CURRENT SITUATION

The following table lists meeting dates for 2027, if ratified; and I have included the annual (or routine) agenda topics that the Board must act upon: See Page 2

Calendar Year 2027

Meeting Dates	Annual Agenda Topic(s)
December 9, 2026	Accept: FY26 Financial Statements (if not completed in November); final audit reports must be provided to the State Controller's office not later than 1/31/2027 Resolution: Required Inspection of Certain Occupancies *(must be done annually)* Complete Ethics Training (in person training); required *(every two years – 2026)* Oath of Office *(every election year – 2026)* Election of Officers *(every election year – 2026)*
January 13, 2027	State Controller's Report Financial Statements (confirm filing by January 31, 2027)
February 10	Complete Harassment Training (in person training) *Due in 2027*
March 10	Fiscal and Financial Training *(new requirement due every two years – March 2027)* Engage Audit Firm – FY27
April 14	State Controller's Report Compensation Report (confirm filing by April 1)
May 12	Select criteria to determine annual appropriations limit (Department of Finance) Resolution: Appropriations Limit Public Hearing: Capital Improvement Plan for Use of FMF Revenue Resolution: Participation and Capital Improvement Plan *(must be adopted by June 30)* Resolution: **CPI Adjustment for Ambulance Fees**
June 9	Public Hearing: Implementing (AB) 2561 – Notice of Job Vacancies Resolution: Implementing (AB2561) Resolution: Fixed Charge Special Assessment Adopt: FY28 Preliminary Budget *(must be adopted by June 30)*
July 14	
August 11	Biennial Review Conflict of Interest Code *(Every two years – 2028) Due to County by September 1st.* FMF Financial Reporting to the County of San Diego
September 8	Public Hearing: Final Budget Resolution: Establishing Constrained or Committed Fund Balances Adopt: Final Budget *(must be adopted by September 30)*
October 13	Annual Investment Policy review
November 10	Accept: FY27 Financial Statements (if complete); final audit reports must be provided to the State Controller's office not later than 1/31/2028 Board of Directors Meeting Calendar Review (next year 2028)
December 8	Resolution: Required Inspection of Certain Occupancies *(must be done annually)* Accept: FY27 Financial Statements (if not completed in November); final audit reports must be provided to the State Controller's office not later than 1/31/2028 Complete Ethics Training (in person training); required *(every two years – 2028)* Oath of Office *(every election year – 2028)* Election of Officers *(every election year – 2028)* Harassment Training (*every two years – 2029)*