

Rubidoux Community Services District

Board of Directors

Hank Trueba Jr., President
Bernard Murphy, Vice-President
John Skerbelis
Armando Muniz
F. Forest Trowbridge

General Manager

Jeffrey D. Sims



Water Resource Management Refuse Collection Street Lights Fire / Emergency Services Weed Abatement

NOTICE AND AGENDA FOR THE RUBIDOUX COMMUNITY SERVICES DISTRICT BOARD MEETING

Thursday, August 4, 2022, at 4:00 PM

Pursuant to Paragraph 3 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020 as a response to mitigating the spread of corona virus known as COVID-19:

During this regular meeting of the Rubidoux Community Services District Board of Directors, members of the public will have the choice to attend and address the Board in person or attend and address the Board via Zoom.

Note the following:

All persons including members of the public, Board Members, and staff attending the Board Meeting in-person are no longer required to wear a face covering while inside District Facilities if they are not vaccinated against COVID-19, although it is highly recommended by the California Department of Public Health. If you do not have a face covering, one will be provided upon request.

Members of the public wanting to attend and/or address the Board may do so by:

- Using the Zoom App or website for free at: <https://zoom.us/>
 - o Once installed ahead of the meeting, you may choose your audio source as either computer speakers/microphone or telephone.
 - o If you wish to make public comments via the Zoom platform, the Board Secretary will identify you at your time to speak.
 - o Meeting ID is **870-2519-9040**.

- Calling into the meeting at any one of the following numbers:

+1 669 900 9128
+1 346 248 7799

+1 301 715 8592
+1 312 626 6799
+1 646 558 8656
+1 253 215 8782

Only one person at a time may speak by telephone and only after being recognized by the Secretary of the Board.

Closed Session: At any time during the regular session, the Board may adjourn to a closed executive session to consider matter of litigation, personnel, negotiations, or to deliberate on decisions as allowed and pursuant with the open meetings laws. Discussion of litigation is within the Attorney/Client privilege and may be held in closed session.

Authority: Government code 11126-(a) (d) (q).

1. Call to Order – Hank Trueba Jr., President
2. Pledge of Allegiance
3. Roll Call
4. Approval of Minutes for the July 21, 2022 Regular Meeting
5. Consideration to Approve August 5, 2022, Salaries, Expenses and Transfers
6. Public Comment

Members of the public are encouraged to address the Board of Directors. Anyone who wishes to speak on an item not on the published agenda must submit a comment request card to the General Manager or designee. Each speaker should begin by identifying themselves for the record and is allowed up to three-minutes.

No one may give their time to a speaker during the public comment period of the meeting. It is requested that all present refrain from any action that might disrupt the orderly course of the meeting. Coarse, crude, profane, or vulgar language, or unsolicited comments from the audience, which disrupts or disturbs the Board meeting, may result in exclusion from the meeting.

The Ralph M. Brown Act, Government Code 54950, et. seq. prohibits members of the Board of Directors from taking formal action or discuss items not on the published agenda. As a result, immediate response to public comment may be limited.

7. Correspondence and Related Information

8. Manager's Report (Second Meeting each Month):
 - a) Operations Report
 - b) Emergency and Incident Report
 - c) Follow up to questions at prior Board Meeting and other updates

ACTION ITEMS:

9. Consideration to Adopt Resolution No. 2022-895, A Resolution Adopting a Debt Management Policy: **DM 2022-71**
10. Consideration to Adopt Resolution No. 2022-896, A Resolution Authorizing an Installment Sale Agreement Providing for the Financing of the District's Acquisition and Renovation Project (Field/Admin. Bldg.): **DM 2022-72**
11. Consider Edited Participation Agreement for Offsite Water System Improvements for Lennar Homes: **DM 2022-73**
12. Consider Memorandum of Understanding With Havana Investment Group, LLC: **DM 2022-74**
13. **CLOSED EXECUTIVE SESSION** – Pursuant to Government Code 54956.8: Real Property Negotiations
Property: 5473 Mission Blvd, Jurupa Valley, CA
Agency Negotiator: Jeff Sims, General Manager
Under Negotiation: Purchase Contract Terms, Financing
14. **CLOSED EXECUTIVE SESSION** – Pursuant to Government Code Section 54956.9: Legal Counsel Status Update on 1,2,3-TCP Litigation Case, Rubidoux CSD v. Dow Chemical Co.
15. **CLOSED EXECUTIVE SESSION** – Pursuant to Government Code Section 54957(b)(1): General Manager Position
16. Directors Comments - Non-action
17. Adjournment

4. APPROVAL OF:
MINUTES FOR JULY 21, 2022, REGULAR MEETING

MINUTES OF REGULAR MEETING
July 21, 2022
RUBIDOUX COMMUNITY SERVICES DISTRICT

DIRECTORS PRESENT: Armando Muniz
Bernard Murphy
John Skerbelis
Hank Trueba, Jr.
F.Forest Trowbridge

DIRECTORS ABSENT:

STAFF PRESENT: Brian Laddusaw, Finance Director
Ted Beckwith, District Engineer
Brian Jennings, Customer Service Manager
Miguel Valdez, Operations Manager

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by President Trueba, at 4:00 P.M., Thursday, July 21, 2022, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for July 7, 2022, Board Meeting.

Director Muniz moved; and Director Murphy seconded to approve the July 7, 2022, Regular Board Minutes as presented.

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 5. Consideration to Approve the July 22, 2022, Salaries, Expenses and Transfers.

Consideration to Approve the July 22, 2022, Salaries, Expenses and Transfers.

Director Murphy moved, and Director Muniz seconded to Approve the July 22, 2022, Salaries, Expenses and Transfers.

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 6. PUBLIC ACKNOWLEDGE OF NON-AGENDA MATTERS

There were no members of the public to address the board.

ITEM 7. CORRESPONDENCE AND RELATED INFORMATION

Staff had no information to offer at this time.

ITEM 8. MANAGER'S REPORT

Operations Report:

Miguel Valdez reported on the water/wastewater report for the month of June, production was an average of 7.8 mgd per day and an average of 1.68 mg/day was the wastewater flow to Riverside. On average 2.71 mg/day of water to JCSD. Well No. 18 produced 23%, No. 1 produced 27% of the water, Well No. 4 produced 9.3% and Well No. 6 produced 16.6% and Well No. 8 produced 24.1 % of the water.

Emergency and Fire Report:

Chief Veik reported the Incidents Reported for the month of June 2022 and Special District Rubidoux CSD. Station 38 had a total of 211 calls. 157 calls, 74.4% were medical aides. Additionally, there was a report for the City of Jurupa Valley. There were 16 traffic collisions, 7.6%, 5 public service calls, 2.4%, and 6 wildland fires, 2.8%.

There was the Union fire that burned 100 acres in the river bottom with some minor injuries and some damage to the Jurupa Hills Golf Course. It was successfully contained.

There were 29 annual business inspections, 198 weed abatements and 3 special events. Jarod Adams is the new fire inspector. He took over for Joe Lewis for at least the next 2 years.

Director Murphy inquired about the plan that Chief Weiser is working on regarding the fuel modification for the river bottom. Response: Yes, it is being addressed and being worked on. It will be an ongoing project.

Ted Beckwith commented that he was in a drought task force meeting with MWD and numerous surrounding agencies. By the end of this year there will need to be some information together for action for the State Water Resources Control Board so they can start looking at how much water

we need to reduce in order to meet their requirements. We will be looking at a budget, if we go over the budget, there will be fines to the district. Within the next few months we'll be working on a plan to hopefully prevent the district from having these fines that the state's going to implement.

ITEM 9. Receive and File Statement of Cash Asset Schedule Report Ending June 2022. DM 2022-66.

BACKGROUND

Attached for the Board of Directors' consideration is the June 2022 Statement of Cash Asset Schedule Report for all District Fund Accounts. Our YTD interest is \$47,164.88 for District controlled accounts. With respect to District "Funds in Trust", we show \$2,132.51 which has been earned and posted. The district has a combined YTD interest earned total of \$49,296.69 as of June 30, 2022.

The District's Operating Funds (Excluding Restricted Funds and Operating Reserves), we show a balance of \$9,010,186.25 ending June 30, 2022. That's **\$892,139.28 MORE** than July 1, 2021, beginning balance of \$8,118,046.97.

Further, the District's Field/Admin Fund current fund balance is \$730,719.68.

Submitted for the Board of Directors consideration is the *June 2022, Statement of Cash Asset Schedule Report* for your review and acceptance this afternoon.

Director Muniz moved, and Director Murphy seconded to Receive and File the Statement of Cash for the Month of June 2022 for the Rubidoux Community Services District.

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 10. Consideration to Approve and Authorize Retirement Payment for CalPERS Annual Unfunded Liability. DM 2022-67.

BACKGROUND

The District has received the Annual Unfunded Liability contribution schedule as of June 30, 2020, from CalPERS for the District's employer's contribution portion (See Attached CalPERS Invoices dated July 1, 2022). This unfunded liability is CalPERS trueing up of the District's annual contributions with investment returns against Actuarial Valuations and Projections for the Districts three (3) specific plans; Miscellaneous, Safety and PEPRA. For planning and budgeting

purposes, Staff has budgeted for this annual unfunded CalPERS cost and is included within the Health and Retirement Expenses among the General, Water and Sewer Fund Budget.

The District is presented with two options to pay CalPERS unfunded liability for FY 2022-2023:

- **Option 1:** Pay over time the \$493,206.00 (Total Amount of the three (3) plans) including interest @ 3.5% in twelve monthly payments of \$41,100.50 per month in addition to our normal CalPERS bi-weekly contributions.
- **Option 2:** Pay annually Lump Sum without interest. The amount would be \$476,800.00 (for all three (3) plans) and due on or before July 31, 2022. Interest savings of \$16,406.00 would be realized as compared to **Option 1**.

The District's average rate of return on its investments portfolio is approximately 0.22%. Returns are expected to increase gradually in FY 2022-2023 as the Federal government increases interest rates to mitigate the effects of economic inflation but rates are expected to remain well under the 3.5% charged by CalPERS on the installment payment option. Staff believes it prudent to pay the unfunded actuarial liability as an annual payment and save 3.50% in accrued interest for FY 2022-2023. This CalPERS expense was anticipated and budgeted as part of the approved District 2022-2023 Budget. Selecting Option 2, making the lump sum payment, is consistent with past District practice.

Director Skerbelis moved, and Director Muniz seconded Option 2, to pay CalPERS annual unfunded actuarial liability as a lump sum payment of \$476,800.00 for 2022-2023.

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 11. Public Hearing: Consideration to Adopt Resolution No. 822-891 a Resolution Approving Weed Abatement Charges on Certain Parcels. DM 2022-68.

BACKGROUND

Attached for the Board of Directors review and consideration is Resolution NO. 2022-891 if adopted this evening, will assess weed abatement charges upon appropriate parcels for property tax collections for weed abatement services provided on properties that create a public safety and fire hazard. However, before adoption of the Resolution, the Board must conduct a public hearing affording the general public, interested parties and/or affected parties the opportunity to comment and/or protest such charges.

Notices of this afternoon's public hearing along with parcel numbers of properties to be assessed were published in the public notice section of the Press-Enterprise and were made available on the District's web site.

As of the writing of this memorandum, staff has not received any written or verbal protests with respect to any of the specific parcels proposed to be assessed and contained within Resolution No. 2022-891.

Director Trueba opened the Public Hearing.

With no written or verbal protests or anyone in person,

Director Trueba closed the Public Hearing.

Director Murphy moved, and Director Muniz seconded adoption of Resolution No. 2022-891.

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 12. Consider Sewer Pipeline Participation and Refund Agreement with Lennar Communities. DM 2022-69.

BACKGROUND

Lennar Homes of California (“Developer”) is developing a project within Rubidoux Community Services District’s (“District”) service area commonly called Shadow Ridge (“Project”). The Project encompasses single-family residences in the area bounded approximately by Canal Street and 20th Street on both sides of Pacific Street. This is depicted on Exhibit A.

To accommodate the Project’s sewage flow to the District, the Developer was required to design and install an offsite 15 – inch diameter sewer main extension with manholes located in Pacific Avenue from the intersection of Humble Street where existing District sewer conveyance facilities terminate (Station 9+94.00) to a new sewer manhole located at Station 23+53.59 where onsite Project sewer improvements begin, hereinafter referred to as the “Sewer Main Extension.” This sewer pipeline is not included in the District’s Wastewater Master Plan but will benefit property owners, either existing or future, whose sewer flows are tributary to the Sewer Main Extension. As such the District has offered to enter into a reimbursement agreement benefiting the Developer whereby the Developer would be entitled to receive reimbursement for this Sewer Main Extension when these other benefiting property owners connect. An area of Benefit Map showing properties benefiting from the Sewer Main Extension is shown as Exhibit “B”.

The Developer spent \$767,839.50 for design and construction of the Sewer Main Extension. There are 1,627 EDU’s in the Area of Benefit. The other property owners in the Area of Benefit will pay a Participation Charge representing their fair share of the costs of the Sewer Main Extension of their EDU’s benefit from by connecting to the Sewer Main Extension. An

Equivalent Dwelling Units (EDU's) is equivalent to one single family resident with ¾" water meter and a sewer lateral connection. The Participation Charge will be \$471.93 per EDU based on the cost of the Sewer Main Extension incurred by the Developer divided by the number of benefiting EDU's within the Area of Benefit (\$767,839.50 / 1,627 EDU's). The Participation Charge will be collected by the District for each new connection benefiting from the Sewer Main Extension. The Developer is exempt from paying this charge since the Developer paid to Build the Sewer Main Extension and would merely be reimbursing themselves.

The District will collect the Participation Charge when new connections are made to the Sewer Main Extension and will reimburse the Developer within 60 days of receipt. Since this is a direct pass through of the Participation Charge no District Funds will be expended besides minor administrative burden. The term of the Reimbursement Agreement is ten (10) years, whereafter the District is no longer obligated to send collected Participation Charges to the Developer.

Staff and District Counsel have coordinated with Lennar Homes of California in the development of the attached agreement and recommend the Board of Directors consider its approval.

Director Murphy moved, and Director Trowbridge seconded the Board of Directors authorize the General Manager to sign the agreement entitled – “SEWER MAIN EXTENSION PARTICIPATION AND REFUND AGREEMENT FOR TRACT NO. 31894 & 37470 (Lennar – Shadow Rock Development)”

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 13. Consider Participation Agreement for Offsite Water System Improvements for Lennar Homes: DM 2022-70.

BACKGROUND

Lennar Homes of California (“Developer”) is developing a project withing Rubidoux Community Services District’s (“District”) service area commonly called Shadow Ridge (“Project”). The Project encompasses single-family residences in the area bounded approximately by Canal Street and 20th Street on both sides of Pacific Street. This Project is shown on attached Exhibit A.

To accommodate the Development’s water supply requirements, the Developer was conditioned to install 2,241 lineal feet of offsite 24 – inch diameter water transmission pipeline located in Pacific Avenue as shown on Exhibit A, hereinafter referred to as the “Pacific Avenue Water Pipeline.” The Pacific Avenue Water Pipeline is included in the District’s 2015 Water Master Plan, which was used as the basis in the determination of the District’s current Water Capacity Fees.

The Developer spent \$1,438,817.38 for design and construction of the Pacific Avenue Water Pipeline. Since the Pacific Avenue Water Pipeline is included in the 2015 Water Master Plan and its cost used in the determination of the District's current Water Capacity Fees, it is the District's responsibility to fund the costs associated with the design and construction of the Pacific Avenue Water Pipeline. Based on costs in the recently approved 2022 Waster Master Plan the Developer's cost to build the Pacific Avenue Water Pipeline is consistent with current construction costs. If the District were to build this District master planned pipeline, it would have to spend a like amount to construct it.

The District considers a ¾" water meter as one Equivalent Dwelling Unit ("EDU"). There are a total of 315 homes in the Project, or 315 EDU. The current District Water Capacity Fee is \$6,800 per EDU. Taking the cost of the construction of the Pacific Avenue Pipeline and dividing it by Water Capacity Fee per EDU, the value of the Pipeline is equivalent to 211.59 EDU's (\$1,438,817.38 divided by \$6,800/EDU). In lieu of collecting Water Capacity Fees for 211.59 EDUs, the District will in lieu of paid Water Capacity Fees, receive the Constructed Pacific Avenue Water Pipeline. The balance of the 315 Water Connections (103.41 EDU's) in the Project will pay the District the current Water Capacity Fee of \$6,800, which is \$703,188.00 (103.41 EDU times \$6,800/EDU).

Staff and District Counsel have coordinated with Lennar Homes of California in the development of the attached Agreement and recommend the Board of Directors consider its approval.

Director Muniz moved, and Director Murphy seconded the Board of Directors authorize the General Manager to sign the agreement entitled – "PARTICIPATION AGREEMENT OFFSITE WATER SYSTEM IMPROVEMENTS FOR TRACT NO. 31894 & 37470 (Lennar – Shadow Rock Development)"

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 14. Directors Comments

Director Trueba adjourned the meeting at 4:36 PM.

5. CONSIDERATION TO:

APPROVE AUGUST 5, 2022, SALARIES, EXPENSES AND TRANSFERS

RUBIDOUX COMMUNITY SERVICES DISTRICT
AUGUST 4, 2022 (BOARD MEETING)
FUND TRANSFER AUTHORIZATION

NET PAYROLL 8/5/22	70,600.00
WIRE TRANSFER: FEDERAL PAYROLL TAXES 8/8/22	30,000.00
WIRE TRANSFER: STATE PAYROLL TAXES 8/8/22	6,200.00
WIRE TRANSFER: TO CREDIT UNION	3,000.00
WIRE TRANSFER: PERS RETIREMENT	18,277.00
WIRE TRANSFER: PERS HEALTH PREMIUMS	38,053.00
WIRE TRANSFER: PERS RETIRED HEALTH PREMIUMS AND FEES	1,520.00
WIRE TRANSFER: SECTION 125	127.00
WIRE TRANSFER: SECTION 457 AND 401(A)	3,857.00

VACATION BUYBACK 8/5/22	10,100.00
WIRE TRANSFER: FEDERAL PAYROLL TAXES 8/8/22	1,000.00

CHECKING ACCOUNT TRANSFERS FOR ACCOUNTS PAYABLE:

8/5/2022 WATER FUND TO GENERAL FUND-Payables	209,716.49
WATER FUND TO GENERAL FUND-Trash	218,788.39
WATER FUND TO SEWER FUND	149,770.94
 SEWER FUND TO GENERAL FUND-Payables	 156,584.56

INTERFUND TRANSFERS:

8/5/2022 SEWER FUND CHECKING TO LAIF SEWER OP	-
SEWER FUND CHECKING TO LAIF SEWER ML	-
SEWER FUND CHECKING TO GENERAL FUND CHECKING	528.00
SEWER FUND CHECKING TO WATER FUND CHECKING	-
LAIF SEWER OP TO SEWER FUND CHECKING	7,000.00
LAIF WASTEWATER REPLACEMENT TO LAIF SEWER OP	-
LAIF SEWER ML TO LAIF SEWER OP	-
GENERAL FUND CHECKING TO SEWER FUND CHECKING	-
GENERAL FUND CHECKING TO WATER FUND CHECKING	75,478.00
GENERAL FUND CHECKING TO LAIF GRANT-TRASH	-
LAIF GENERAL TO GENERAL FUND CHECKING	-
LAIF PROPERTY TAX TO GENERAL FUND CHECKING	190,000.00
LAIF FIRE MITIGATION TO LAIF PROPERTY TAX	5,520.00
WATER FUND CHECKING TO LAIF-COP PAYBACK	35,600.00
WATER FUND CHECKING TO LAIF-W.R.	5,400.00
WATER FUND CHECKING TO GENERAL FUND CHECKING	2,112.00
LAIF WATER ML TO LAIF WATER REPLACEMENT	-
WATER FUND CHECKING TO LAIF WATER OP	103,512.00
WATER FUND CHECKING TO LAIF WATER ML	72,488.00
WATER FUND CHECKING TO WATER FUND BOFA PAYMODE	-

NOTES PAYABLE

<u>DESCRIPTION</u>	<u>BALANCE</u>		<u>PAYMENT</u>	<u>DUE DATE</u>
U.S. Bank Trust (1998 COP's Refunding)	1,970,000	Prin.	625,000	Dec-22
U.S. Bank Trust (1998 COP's Refunding)	154,020	Intr.	50,235	Dec-22
MN Plant-State Revolving Loan	3,606,041	Prin.	135,748	Jan-23
MN Plant-State Revolving Loan	582,212	Intr.	46,350	Jan-23

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Page 1

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Inv Date	Immediate	Check #		Discount Date	Payment Date	Discount
GL Date	Immediate GL Account			Credit Card	CC Reference #			Total Invoice
1	AIRESPRING / AIRESPRING ✓							163006051 ✓
PHN CHGS 7/16-8/15	07/16/2022 ✓	N	N			08/09/2022 ✓	07/16/2022	\$0.00
08/04/2022 ✓				N				\$521.17 ✓
2	AKELA / AKELA PEST CONTROL INC ✓							013129868 ✓
PEST CNTRL	07/14/2022 ✓	N	N			08/13/2022 ✓	07/14/2022	\$0.00
08/04/2022 ✓				N				\$174.00 ✓
3	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG20925-0267 ✓
WTR ANALYSES	07/14/2022 ✓	N	N			08/13/2022 ✓	07/14/2022	\$0.00
08/04/2022 ✓				N				\$75.00 ✓
4	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21048-0267 ✓
WTR ANALYSES	07/15/2022 ✓	N	N			08/14/2022 ✓	07/15/2022	\$0.00
08/04/2022 ✓				N				\$60.00 ✓
5	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21049-0267 ✓
WTR ANALYSES	07/15/2022 ✓	N	N			08/14/2022 ✓	07/15/2022	\$0.00
08/04/2022 ✓				N				\$90.00 ✓
6	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21050-0267 ✓
WTR ANALYSES	07/15/2022 ✓	N	N			08/14/2022 ✓	07/15/2022	\$0.00
08/04/2022 ✓				N				\$30.00 ✓
7	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21051-0267 ✓
WTR ANALYSES	07/15/2022 ✓	N	N			08/14/2022 ✓	07/15/2022	\$0.00
08/04/2022 ✓				N				\$150.00 ✓
8	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21120-0267 ✓
WTR ANALYSES	07/18/2022 ✓	N	N			08/17/2022 ✓	07/18/2022	\$0.00
08/04/2022 ✓				N				\$75.00 ✓
9	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21200-0267 ✓
WTR ANALYSES	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓				N				\$110.00 ✓
10	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21220-0267 ✓
WTR ANALYSES	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓				N				\$758.00 ✓
11	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21235-0267 ✓
WTR ANALYSES	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓				N				\$225.00 ✓
12	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21240-0267 ✓
WTR ANALYSES	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓				N				\$4,050.00 ✓
13	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21241-0267 ✓
WTR ANALYSES	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓				N				\$75.00 ✓
14	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21246-0267 ✓
WTR ANALYSES	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓				N				\$1,500.00 ✓
15	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21272-0267 ✓
WTR ANALYSES	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓				N				\$191.58 ✓
16	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21273-0267 ✓
WTR ANALYSES	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓				N				\$36.00 ✓

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Rubidoux Community Services District (RCSACT)
 Batch: AAAAQZ

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Page 2

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
17	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN	07/20/2022	N	N			08/19/2022	CG21360-0267
08/04/2022	WTR ANALYSES						07/20/2022	\$0.00
								\$2,600.00
18	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN	07/20/2022	N	N			08/19/2022	CG21364-0267
08/04/2022	WTR ANALYSES						07/20/2022	\$0.00
								\$2,250.00
19	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN	07/20/2022	N	N			08/19/2022	CG21366-0267
08/04/2022	WTR ANALYSES						07/20/2022	\$0.00
								\$375.00
20	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN	07/20/2022	N	N			08/19/2022	CG21368-0267
08/04/2022	WTR ANALYSES						07/20/2022	\$0.00
								\$129.00
21	BPS B'S POOL SUPPLIES / B.P.S. B's POOL SUPPLIES	07/14/2022	N	N			08/13/2022	115992
08/04/2022	SODIUM HYPO						07/14/2022	\$0.00
								\$2,238.65
22	CHASE CARD SERVICES / CHASE CARD SERVICES	07/17/2022	N	N			08/11/2022	22G77049795.A
08/04/2022	MONITOR/CASE						07/17/2022	\$0.00
								\$329.96
23	CHASE CARD SERVICES / CHASE CARD SERVICES	07/17/2022	N	N			08/11/2022	22G77049795.B
08/04/2022	WRKG MTGS						07/17/2022	\$0.00
								\$188.15
24	CHASE CARD SERVICES / CHASE CARD SERVICES	07/17/2022	N	N			08/11/2022	22G77049795.C
08/04/2022	SUPPLIES						07/17/2022	\$0.00
								\$194.42
25	CHASE CARD SERVICES / CHASE CARD SERVICES	07/17/2022	N	N			08/11/2022	22G77049795.D
08/04/2022	UNIFORMS						07/17/2022	\$0.00
								\$383.34
26	CHASE CARD SERVICES / CHASE CARD SERVICES	07/17/2022	N	N			08/11/2022	22G77049795.E
08/04/2022	WRKG MTGS						07/17/2022	\$0.00
								\$176.71
27	CLEAN / CLEAN STREET	07/21/2022	N	N			08/20/2022	15110120-13.A
08/04/2022	RFND OVRPYMT						07/21/2022	\$0.00
								\$30.00
28	EAGLE / EAGLE ROAD SVC & TIRE	07/15/2022	N	N			08/14/2022	1-191637
08/04/2022	R&M TRK						07/15/2022	\$0.00
								\$35.35
29	FERGUSON / FERGUSON WTR WRKS #1083	07/12/2022	N	N			08/11/2022	0787287-1
08/04/2022	SUBS PRSRE MONITOR						07/12/2022	\$0.00
								\$339.41
30	GRAINGER / GRAINGER	07/14/2022	N	N			08/13/2022	9376164811
08/04/2022	SUPPLIES						07/14/2022	\$0.00
								\$43.98
31	HOME DEPOT / HOME DEPOT CREDIT SERVICES	07/15/2022	N	N			08/14/2022	015895/1380336
08/04/2022	SUPPLIES						07/15/2022	\$0.00
								\$286.27
32	HOME DEPOT / HOME DEPOT CREDIT SERVICES	07/20/2022	N	N			08/19/2022	020584/6022928
08/04/2022	SUPPLIES						07/20/2022	\$0.00
								\$169.48

41,278.53

AP Enter Bills Edit Report
Rubidoux Community Services District (RCSACT)
 Batch: AAAAQZ

7/28/2022 2:03:48 PM

Page 3

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Inv Date	Immediate GL Account		Check #		Payment Date	Discount
GL Date		Immediate GL Account			Credit Card	CC Reference #		Total Invoice
33	IB CONSULT / IB CONSULTING, LLC ✓	06/01/2022 ✓	N	N		07/01/2022 ✓	06/01/2022	19289 ✓
COSS								\$0.00
08/04/2022 ✓					N			\$14,400.00 ✓
34	IB CONSULT / IB CONSULTING, LLC ✓	07/07/2022 ✓	N	N		08/06/2022 ✓	07/07/2022	19295 ✓
COSS								\$0.00
08/04/2022 ✓					N			\$23,760.00 ✓
35	INFOSEND / INFOSEND, INC ✓	06/30/2022 ✓	N	N		07/30/2022 ✓	06/30/2022	215714.A ✓
JUNE PSTG								\$0.00
08/04/2022 ✓					N			\$2,643.17 ✓
36	INFOSEND / INFOSEND, INC ✓	06/30/2022 ✓	N	N		07/30/2022 ✓	06/30/2022	215714.B ✓
JUNE BILL PRNT/MAIL								\$0.00
08/04/2022 ✓					N			\$1,665.81 ✓
37	LENNAR / LENNAR HOMES CA INC ✓	07/21/2022 ✓	N	N		08/20/2022 ✓	07/21/2022	13700018-0 ✓
RFND OVRPYMT								\$0.00
08/04/2022 ✓					N			\$602.12 ✓
38	MERIT OIL / MERIT OIL COMPANY ✓	07/13/2022 ✓	N	N		07/28/2022 ✓	07/13/2022	721458 ✓
GASOLINE								\$0.00
08/04/2022 ✓					N			\$2,113.27 ✓
39	MUNKSGAARD DBA CENTER ELECT / MUNKSGAARD ✓	06/30/2022 ✓	N	N		07/30/2022 ✓	06/30/2022	10238 ✓
SCADA								\$0.00
08/04/2022 ✓					N			\$1,552.50 ✓
40	MUNKSGAARD DBA CENTER ELECT / MUNKSGAARD ✓	06/30/2022 ✓	N	N		07/30/2022 ✓	06/30/2022	10239 ✓
RGNL LFT STN								\$0.00
08/04/2022 ✓					N			\$675.00 ✓
41	MUNKSGAARD DBA CENTER ELECT / MUNKSGAARD ✓	06/30/2022 ✓	N	N		07/30/2022 ✓	06/30/2022	10240 ✓
CRANE CNTRLS								\$0.00
08/04/2022 ✓					N			\$2,526.31 ✓
42	MUNKSGAARD DBA CENTER ELECT / MUNKSGAARD ✓	06/30/2022 ✓	N	N		07/30/2022 ✓	06/30/2022	10241 ✓
SITE SURVEY								\$0.00
08/04/2022 ✓					N			\$1,210.03 ✓
43	MUNKSGAARD DBA CENTER ELECT / MUNKSGAARD ✓	06/30/2022 ✓	N	N		07/30/2022 ✓	06/30/2022	10242 ✓
RADIO SITE SURVEY								\$0.00
08/04/2022 ✓					N			\$10,026.00 ✓
44	OTTER / OTTER, BRIAN ✓	07/14/2022 ✓	N	N		08/13/2022 ✓	07/14/2022	20220714 ✓
HAZWOPER TRNG								\$0.00
08/04/2022 ✓					N			\$5,500.00 ✓
45	PAYPRO CHECK / PAYPRO ADMINISTRATORS ✓	07/18/2022 ✓	N	N		08/17/2022 ✓	07/18/2022	80777 ✓
S125 MAINT FEE								\$0.00
08/04/2022 ✓					N			\$480.00 ✓
46	ZELDAS / GRISELDA RODRIGUEZ ✓	07/20/2022 ✓	N	N		08/19/2022 ✓	07/20/2022	INVOICE11163 ✓
UNIFORMS								\$0.00
08/04/2022 ✓					N			\$116.37 ✓
47	SCE / SCE ✓	07/19/2022 ✓	N	N		08/08/2022 ✓	07/19/2022	22G700158802582 ✓
WTR PMP ENRGY								\$0.00
08/04/2022 ✓					N			\$23,679.25 ✓
48	SCE / SCE ✓	07/19/2022 ✓	N	N		08/18/2022 ✓	07/19/2022	22G700609292713 ✓
WTR PMP ENRGY								\$0.00
08/04/2022 ✓					N			\$400.94 ✓

44, 303, 96

AP Enter Bills Edit Report
Rubidoux Community Services District (RCSACT)
 Batch: AAAAQZ

7/28/2022 2:03:48 PM

Page 4

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account	Immediate GL Account		Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
49	SCE / SCE ✓							22G700044576190 ✓
SWR PMP ENRGY		07/19/2022 ✓	N	N		08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓					N			\$1,349.00 ✓
50	SITEONE / SITEONE LANDSCAPE SUPPLY, LLC ✓							121158867-001 ✓
SUPPLIES		07/07/2022 ✓	N	N		08/15/2022 ✓	07/07/2022	\$0.00
08/04/2022 ✓					N			\$15.23 ✓
51	SITEONE / SITEONE LANDSCAPE SUPPLY, LLC ✓							121215052-001 ✓
SUPPLIES		07/15/2022 ✓	N	N		08/14/2022 ✓	07/15/2022	\$0.00
08/04/2022 ✓					N			\$119.66 ✓
52	T & B / T & B ENGINEERING, INC ✓							3996 ✓
SECURITY FENCE CNSLT		07/21/2022 ✓	N	N		08/20/2022 ✓	07/21/2022	\$0.00
08/04/2022 ✓					N			\$5,520.00 ✓
53	TLG / TLG PAVING COMPANY, INC ✓							81481 ✓
R&M WTR		07/06/2022 ✓	N	N		08/05/2022 ✓	07/06/2022	\$0.00
08/04/2022 ✓					N			\$6,850.00 ✓
54	AQUA METRIC SALES / AQUA METRIC SALES CO ✓							INV0089579 ✓
3" MTR		07/21/2022 ✓	N	N		08/20/2022 ✓	07/21/2022	\$0.00
08/04/2022 ✓					N			\$1,628.11 ✓
55	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21515-0267 ✓
WTR ANALYSES		07/22/2022 ✓	N	N		08/21/2022 ✓	07/22/2022	\$0.00
08/04/2022 ✓					N			\$30.00 ✓
56	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21516-0267 ✓
WTR ANALYSES		07/22/2022 ✓	N	N		08/21/2022 ✓	07/22/2022	\$0.00
08/04/2022 ✓					N			\$30.00 ✓
57	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21517-0267 ✓
WTR ANALYSES		07/22/2022 ✓	N	N		08/21/2022 ✓	07/22/2022	\$0.00
08/04/2022 ✓					N			\$150.00 ✓
58	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21524-0267 ✓
WTR ANALYSES		07/22/2022 ✓	N	N		08/21/2022 ✓	07/22/2022	\$0.00
08/04/2022 ✓					N			\$90.00 ✓
59	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21594-0267 ✓
WTR ANALYSES		07/25/2022 ✓	N	N		08/24/2022 ✓	07/25/2022	\$0.00
08/04/2022 ✓					N			\$450.00 ✓
60	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21663-0267 ✓
WTR ANALYSES		07/26/2022 ✓	N	N		08/25/2022 ✓	07/26/2022	\$0.00
08/04/2022 ✓					N			\$86.00 ✓
61	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21664-0267 ✓
WTR ANALYSES		07/26/2022 ✓	N	N		08/25/2022 ✓	07/26/2022	\$0.00
08/04/2022 ✓					N			\$75.00 ✓
62	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21645-0267 ✓
WTR ANALYSES		07/26/2022 ✓	N	N		08/25/2022 ✓	07/26/2022	\$0.00
08/04/2022 ✓					N			\$36.00 ✓
63	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21649-0267 ✓
WTR ANALYSES		07/26/2022 ✓	N	N		08/25/2022 ✓	07/26/2022	\$0.00
08/04/2022 ✓					N			\$129.00 ✓
64	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							CG21655-0267 ✓
WTR ANALYSES		07/26/2022 ✓	N	N		08/25/2022 ✓	07/26/2022	\$0.00
08/04/2022 ✓					N			\$110.00 ✓

AP Enter Bills Edit Report
Rubidoux Community Services District (RCSACT)
 Batch: AAAAQZ

7/28/2022 2:03:48 PM

Page 5

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Inv Date	Paid Out	Immediate	Check #	Due Date	Discount Date	Discount
GL Date	Immediate GL Account	Inv Date	Paid Out	Immediate	Credit Card	Due Date	Payment Date	Total Invoice
65	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN	07/26/2022	N	N		08/25/2022	07/26/2022	CG21659-0267
	WTR ANALYSES	07/26/2022	N	N		08/25/2022	07/26/2022	\$0.00
08/04/2022					N			\$24.00
66	BERNELL / BERNELL HYDRAULICS, INC.	07/21/2022	N	N		08/20/2022	07/21/2022	0434869-IN
	PARTS	07/21/2022	N	N		08/20/2022	07/21/2022	\$0.00
08/04/2022					N			\$31.08
67	CARQUEST AUTO PARTS / CARQUEST AUTO PARTS	07/26/2022	N	N		08/25/2022	07/26/2022	7456-499699
	R&M EQUIP	07/26/2022	N	N		08/25/2022	07/26/2022	\$0.00
08/04/2022					N			\$22.51
68	C WELLS / C. WELLS PIPELINE MATLS, INC	07/24/2022	N	N		08/23/2022	07/24/2022	SINV22-2966
	PARTS	07/24/2022	N	N		08/23/2022	07/24/2022	\$0.00
08/04/2022					N			\$400.20
69	DURNEY DON / DURNEY, DON	07/26/2022	N	N		08/25/2022	07/26/2022	20220726
	GRDNG/WEED ABATE	07/26/2022	N	N		08/25/2022	07/26/2022	\$0.00
08/04/2022					N			\$1,207.50
70	GONZALES / GONZALES, MICHAEL	07/26/2022	N	N		08/25/2022	07/26/2022	20220726
	COLLECTION CERT	07/26/2022	N	N		08/25/2022	07/26/2022	\$0.00
08/04/2022					N			\$372.00
71	HACH CO. / HACH COMPANY	07/20/2022	N	N		08/19/2022	07/20/2022	13152589
	CHLORINE PKS	07/20/2022	N	N		08/19/2022	07/20/2022	\$0.00
08/04/2022					N			\$333.63
72	HACH CO. / HACH COMPANY	07/21/2022	N	N		08/20/2022	07/21/2022	13156056
	REAGENT PKS	07/21/2022	N	N		08/20/2022	07/21/2022	\$0.00
08/04/2022					N			\$307.63
73	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI	07/20/2022	N	N		08/19/2022	07/20/2022	012L9177
	THMPSN DSNFCT	07/20/2022	N	N		08/19/2022	07/20/2022	\$0.00
08/04/2022					N			\$11,398.08
74	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI	07/20/2022	N	N		08/19/2022	07/20/2022	012L9179
	THMPSN DSNFCT	07/20/2022	N	N		08/19/2022	07/20/2022	\$0.00
08/04/2022					N			\$704.40
75	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI	07/20/2022	N	N		08/19/2022	07/20/2022	012L9178
	THMPSN DSNFCT	07/20/2022	N	N		08/19/2022	07/20/2022	\$0.00
08/04/2022					N			\$1,140.13
76	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI	07/22/2022	N	N		08/21/2022	07/22/2022	012L9227
	N03 DSNFCT	07/22/2022	N	N		08/21/2022	07/22/2022	\$0.00
08/04/2022					N			\$359.28
77	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI	07/25/2022	N	N		08/24/2022	07/25/2022	012L9243
	PVC PRTS	07/25/2022	N	N		08/24/2022	07/25/2022	\$0.00
08/04/2022					N			\$311.91
78	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI	07/25/2022	N	N		08/24/2022	07/25/2022	012L9244
	CLMPS	07/25/2022	N	N		08/24/2022	07/25/2022	\$0.00
08/04/2022					N			\$28.49
79	HOUSTON HARRIS / HOUSTON & HARRIS PCS, INC.	07/25/2022	N	N		08/24/2022	07/25/2022	22-24639
	HYDROWSH	07/25/2022	N	N		08/24/2022	07/25/2022	\$0.00
08/04/2022					N			\$1,506.25
80	J THAYER / J THAYER COMPANY, INC	07/21/2022	N	N		08/20/2022	07/21/2022	1603751-0
	SUPPLIES	07/21/2022	N	N		08/20/2022	07/21/2022	\$0.00
08/04/2022					N			\$232.09

AP Enter Bills Edit Report

Rubidoux Community Services District (RCSACT)
Batch: AAAAQZ

7/28/2022 2:03:48 PM

Page 6

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number	Immediate GL Account	Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
81	JADTEC SECURITY / JADTEC SECURITY SVCS, INC. ✓	08/01/2022 ✓	N	N				2330366 ✓
MONTRNG SEP-NOV						08/11/2022 ✓	08/01/2022	\$0.00
08/04/2022 ✓					N			\$53.85 ✓
82	KH METALS / KH METALS & SUPPLY ✓	07/21/2022 ✓	N	N				0609026-IN ✓
FSTNRS/TOOLS						08/20/2022 ✓	07/21/2022	\$0.00
08/04/2022 ✓					N			\$32.42 ✓
83	KH METALS / KH METALS & SUPPLY ✓	07/21/2022 ✓	N	N				0609074-IN ✓
PVC PRTS						08/20/2022 ✓	07/21/2022	\$0.00
08/04/2022 ✓					N			\$235.02 ✓
84	KH METALS / KH METALS & SUPPLY ✓	07/22/2022 ✓	N	N				0609197-IN ✓
PVC PRTS						08/21/2022 ✓	07/22/2022	\$0.00
08/04/2022 ✓					N			\$93.00 ✓
85	KH METALS / KH METALS & SUPPLY ✓	07/22/2022 ✓	N	N				0609198-IN ✓
PARTS						08/21/2022 ✓	07/22/2022	\$0.00
08/04/2022 ✓					N			\$122.84 ✓
86	MASTER'S / MASTER'S SERVICES (GLACIER) ✓	07/20/2022 ✓	N	N				000000531786 ✓
BTL WTR						08/19/2022 ✓	07/20/2022	\$0.00
08/04/2022 ✓					N			\$78.00 ✓
87	MCVEIGH, PATRICIA / McVEIGH, PATRICIA C ✓	07/25/2022 ✓	N	N				64 ✓
MINUTES MAY-JULY						08/24/2022 ✓	07/25/2022	\$0.00
08/04/2022 ✓					N			\$1,687.50 ✓
88	MERIT OIL / MERIT OIL COMPANY ✓	07/22/2022 ✓	N	N				723346 ✓
DIESEL FUEL						08/06/2022 ✓	07/22/2022	\$0.00
08/04/2022 ✓					N			\$537.15 ✓
89	PUMP CHECK / PUMP CHECK ✓	07/22/2022 ✓	N	N				9011 ✓
MTR TSTNG						08/21/2022 ✓	07/22/2022	\$0.00
08/04/2022 ✓					N			\$1,350.00 ✓
90	RDO EQUIPMENT / RDO EQUIPMENT CO. ✓	07/27/2022 ✓	N	N				P7838235 ✓
R&M EQUIP						08/26/2022 ✓	07/27/2022	\$0.00
08/04/2022 ✓					N			\$178.11 ✓
91	RIVERSIDE CNTY DEPT ENVIRONMENTAL / RIVERSIC ✓	07/12/2022 ✓	N	N				IN0452680 ✓
PERMIT - 5248 RVRVW						08/11/2022 ✓	07/12/2022	\$0.00
08/04/2022 ✓					N			\$933.00 ✓
92	RIVERSIDE CNTY DEPT ENVIRONMENTAL / RIVERSIC ✓	07/12/2022 ✓	N	N				IN0452690 ✓
PERMIT 5245 34TH						08/11/2022 ✓	07/12/2022	\$0.00
08/04/2022 ✓					N			\$933.00 ✓
93	RIVERSIDE CITY / RIVERSIDE CITY ✓	07/11/2022 ✓	N	N				00266341.A ✓
JUNE '22 TRTMNT						08/11/2022 ✓	07/11/2022	\$0.00
08/04/2022 ✓					N			\$113,878.18 ✓
94	RIVERSIDE CITY / RIVERSIDE CITY ✓	07/11/2022 ✓	N	N				00266341.B ✓
JUNE '22 SRCHG						08/11/2022 ✓	07/11/2022	\$0.00
08/04/2022 ✓					N			\$14,666.45 ✓
95	SO CAL NEWS / SO CAL NEWS GRP DBA: PRESS-ENT ✓	06/30/2022 ✓	N	N				0000545928 ✓
SOLID WSTE						07/30/2022 ✓	06/30/2022	\$0.00
08/04/2022 ✓					N			\$304.32 ✓
96	SCE / SCE ✓	07/20/2022 ✓	N	N				22G700179651118 ✓
SWR PMP ENRGY						08/09/2022 ✓	07/20/2022	\$0.00
08/04/2022 ✓					N			\$521.77 ✓

\$128,544.63

AP Enter Bills Edit Report
Rubidoux Community Services District (RCSACT)
Batch: AAAAQZ

7/28/2022 2:03:48 PM

Page 7

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number	Immediate GL Account	Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
97	SCE / SCE ✓							22G700136714571 ✓
SWR PMP ENRGY	07/20/2022 ✓	N	N			08/11/2022 ✓	07/20/2022	\$0.00
08/04/2022 ✓					N			\$3,647.13 ✓
98	TKE ENGINEERING / TKE ENGINEERING, INC. ✓							2022-89 ✓
ANNEXTN CNSLT	07/20/2022 ✓	N	N			07/20/2022 ✓	07/20/2022	\$0.00
08/04/2022 ✓					N			\$2,640.00 ✓
99	TRUSSELL TECHNOLOGIES / TRUSSELL TECHNOLOGIES ✓							0000008518 ✓
PFAS CNSLT	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓					N			\$2,170.00 ✓
100	TRUSSELL TECHNOLOGIES / TRUSSELL TECHNOLOGIES ✓							0000008526 ✓
GAC EVAL	07/19/2022 ✓	N	N			08/18/2022 ✓	07/19/2022	\$0.00
08/04/2022 ✓					N			\$18,180.00 ✓
101	EAGLE / EAGLE ROAD SVC & TIRE ✓							1-191998 ✓
R&M JEEP	07/27/2022 ✓	N	N			08/26/2022 ✓	07/27/2022	\$0.00
08/04/2022 ✓					N			\$70.71 ✓
102	EVERSOFT / EVERSOFT ✓							R2276412 ✓
SFTNR RNTL	08/01/2022 ✓	N	N			08/31/2022 ✓	08/01/2022	\$0.00
08/04/2022 ✓					N			\$610.00 ✓
103	FERGUSON / FERGUSON WTR WRKS #1083 ✓							0807715 ✓
COUPLINGS	07/25/2022 ✓	N	N			08/24/2022 ✓	07/25/2022	\$0.00
08/04/2022 ✓					N			\$781.98 ✓
104	FERGUSON / FERGUSON WTR WRKS #1083 ✓							0807757 ✓
PARTS	07/25/2022 ✓	N	N			08/24/2022 ✓	07/25/2022	\$0.00
08/04/2022 ✓					N			\$1,071.56 ✓
105	HARPER BURNS LLP / HARPER & BURNS LLP ✓							20220801.A ✓
JULY LGL SVCS	08/01/2022 ✓	N	N			08/31/2022 ✓	08/01/2022	\$0.00
08/04/2022 ✓					N			\$1,667.50 ✓
106	HARPER BURNS LLP / HARPER & BURNS LLP ✓							20220801.B ✓
JULY DOW/3M LGL	08/01/2022 ✓	N	N			08/31/2022 ✓	08/01/2022	\$0.00
08/04/2022 ✓					N			\$797.50 ✓
107	HARPER BURNS LLP / HARPER & BURNS LLP ✓							20220801.C ✓
JULY CITY RVSD APPL	08/01/2022 ✓	N	N			08/31/2022 ✓	08/01/2022	\$0.00
08/04/2022 ✓					N			\$456.50 ✓
108	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRIAL ✓							012L9308 ✓
PVC PARTS	07/27/2022 ✓	N	N			08/26/2022 ✓	07/27/2022	\$0.00
08/04/2022 ✓					N			\$34.54 ✓
109	KH METALS / KH METALS & SUPPLY ✓							0609461-IN ✓
PARTS	07/26/2022 ✓	N	N			08/25/2022 ✓	07/26/2022	\$0.00
08/04/2022 ✓					N			\$760.13 ✓
110	SCELZI / SCELZI ENTERPRISES, INC ✓							246667 ✓
CRANE TRK RPR	07/26/2022 ✓	N	N			08/25/2022 ✓	07/26/2022	\$0.00
08/04/2022 ✓					N			\$5,155.82 ✓
111	MERIT OIL / MERIT OIL COMPANY ✓							722683 ✓
GASOLINE	07/21/2022 ✓	N	N			08/05/2022 ✓	07/21/2022	\$0.00
08/04/2022 ✓					N			\$2,477.20 ✓
112	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓							0714_072722.A ✓
COMM TRSH 7/14-7/22	07/28/2022 ✓	N	N			08/27/2022 ✓	07/28/2022	\$0.00
08/04/2022 ✓					N			\$56,278.97 ✓

42,921.50

AP Enter Bills Edit Report

Rubidoux Community Services District (RCSACT)
Batch: AAAAQZ

7/28/2022 2:03:48 PM

Page 8

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Inv Date	Immediate GL Account	Check #	CC Reference #	Due Date	Discount Date	Discount
GL Date		Immediate GL Account		Credit Card		Due Date	Payment Date	Total Invoice
113	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓	07/28/2022 ✓	N	N		08/27/2022 ✓	07/28/2022	0714_072722.B ✓
RES TRSH 7/14-7/27								\$0.00
08/04/2022 ✓				N				\$162,509.42 ✓
114	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓	07/28/2022 ✓	N	N		08/27/2022 ✓	07/28/2022	0714_072722.C ✓
RCSD SHR COMM								\$0.00
08/04/2022 ✓				N				(\$5,627.90) ✓
115	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓	07/28/2022 ✓	N	N		08/27/2022 ✓	07/28/2022	0714_072722.D ✓
RCSD SHR RES								\$0.00
08/04/2022 ✓				N				(\$1,299.26) ✓
116	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓	07/28/2022 ✓	N	N		08/27/2022 ✓	07/28/2022	0714_072722.E ✓
BILLING FEE								\$0.00
08/04/2022 ✓				N				(\$3,000.00) ✓
117	WESTERN MUNICIPAL WATER / WESTERN MUNICIPA ✓	07/25/2022 ✓	N	N		08/24/2022 ✓	07/25/2022	IN14052 ✓
JUNE '22 BRINE								\$0.00
08/04/2022 ✓				N				\$176.04 ✓
118	SCE / SCE ✓	07/27/2022 ✓	N	N		08/16/2022 ✓	07/27/2022	22G700456862263.A ✓
WTR PMP ENRGY								\$0.00
08/04/2022 ✓				N				\$39,447.32 ✓
119	SCE / SCE ✓	07/27/2022 ✓	N	N		08/16/2022 ✓	07/27/2022	22G700456862263.B ✓
NO3 PLT PMP ENRGY								\$0.00
08/04/2022 ✓				N				\$25,814.97 ✓
120	SCE / SCE ✓	07/27/2022 ✓	N	N		08/26/2022 ✓	07/27/2022	22G700456862263.C ✓
FLD OFC UTLTY								\$0.00
08/04/2022 ✓				N				\$295.11 ✓

Grand Totals

Total Direct Expense: \$604,935.43
Total Direct Expense Adj: (\$9,927.16) [Ⓟ]
Total Non-Electronic Transactions: \$595,008.27 [Ⓟ]

Report Summary

Report Selection Criteria
 Report Type: Condensed
 Start: Start End: End
 Transaction Number: Start End: End

Ⓟ 9,927.16 Ⓟ 595,008.27
9,927.16 Tri-Co 595,008.27 xfer sub
0.00 0.00

6. ACKNOWLEDGEMENTS – THIS IS THE TIME FOR MEMBERS
OF THE PUBLIC TO ADDRESS THE BOARD ON ANY NON-
AGENDA MATTER.

7. CORRESPONDENCE AND RELATED INFORMATION

8. MANAGER'S REPORT (Second Meeting each Month)

- a) Operations Report
- b) Emergency and Incident Report
- c) Follow up to questions at prior Board Meeting and other updates

9. CONSIDERATION TO ADOPT RESOLUTION NO. 2022-895, A
RESOLUTION ADOPTING A DEBT MANAGEMENT POLICY:

DM 2022-71

Rubidoux Community Services District

Board of Directors

Hank Trueba Jr., President
Bernard Murphy, Vice-President
Armando Muniz
F. Forest Trowbridge
John Skerbelis

General Manager

Jeffrey D. Sims



Water Resource Management Refuse Collection Street Lights Fire / Emergency Services Weed Abatement

DIRECTORS MEMORANDUM 2022-71

August 4, 2022

To: Rubidoux Community Services District
Board of Directors

Subject: Consideration to Adopt Resolution No. 2022-895, A Resolution Adopting a Debt Management Policy

BACKGROUND:

On March 17, 2022 the Board of Directors ("Board") of the Rubidoux Community Services District ("District") directed staff to proceed with the purchase of a building currently owned by the County of Riverside at 5473 Mission Blvd., Jurupa Valley, CA (the "Acquisition Project"). In addition to the Acquisition Project, the Board considered and approved a remodel project of the current administrative headquarters at 3590 Rubidoux Blvd (the "Remodel Project," and collectively with the Acquisition Project, the "Project"). After being presented with various financing options the Board determined that it is in the public interest to finance all of the acquisition and constructions costs associated with the Project (the "Financing"). The estimated cost of Financing is \$3,500,000 plus approximately \$85,000 in costs of issuance, for a total financing of \$3,585,000 (the "Financing").

Adoption of a Debt Management Policy

Government Code section 8855(i) requires any issuer of public debt to provide to California Debt and Investment Advisory Commission (CDIAC) prior to the sale of any debt issue a report of the proposed issuance. Issuers are now required to certify on the Report of Proposed Debt Issuance that they have adopted a debt policy concerning the use of debt and that the proposed debt issuance is consistent with the adopted policy. The District's local debt policy, at a minimum, must include (A) through (E), below.

- A) The purposes for which the debt proceeds may be used.
- B) The types of debt that may be issued.

- C) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, as applicable.
- D) Policy goals related to the District's planning goals and objectives.
- E) The internal control procedures that the District has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

In addition to the requirement set forth by Government Code section 8855(i), it is prudent financial management for the District to adopt a debt management policy that sets parameters for issuing debt, managing the District's debt portfolio and provides guidance to decision makers. Adoption of the attached Debt Management Policy will help ensure that District debt is issued and managed prudently to maintain a sound fiscal position and that any future credit rating is protected.

The attached Debt Management Policy has been written to include all elements required by CDIAC as well as best management practices expected by the pertinent credit markets and municipal bond industry.

Other Financial Considerations

Any cost to the District would be related to staff time spent on administrative tasks associated with the implementation of the Debt Management Policy.

RECOMMENDATION:

Staff recommends the Board of Directors adopt Resolution No. 2022-895, A Resolution Adopting a Debt Management Policy.

Respectfully,



JEFFREY D. SIMS, P. E.
General Manager

Attachment: Resolution No. 2022-895
Debt Management Policy (attached as Exhibit A to Resolution No. 2022-895)

RESOLUTION NO. 2022-895

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
RUBIDOUX COMMUNITY SERVICES DISTRICT APPROVING
AND ADOPTING A DEBT MANAGEMENT POLICY**

WHEREAS, the Board of Directors (the “Board”) of Rubidoux Community Services District (the “District”) recognizes that cost-effective access to the capital markets depends on prudent management of the District’s debt program; and

WHEREAS, SB 1029 (amending Government Code section 8855) has been signed into law and imposes a new requirement on California local government agencies who will issue municipal debt; and

WHEREAS, Government Code section 8855(i) requires any issuer of public debt to provide to California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt issue a report of the proposed issuance (the “Report of Proposed Debt Issuance”), and must certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies (the “CDIAC Requirements”); and

WHEREAS, the District expects to be an issuer of new debt in 2022 and thereafter within the meaning of SB 1029 and the CDIAC Requirements; and

WHEREAS, the Board wishes to set parameters for issuing debt, managing the debt portfolio and providing guidance to decision makers; and

WHEREAS, the Board hereby finds and determines that adoption of the attached Debt Management Policy (the “Debt Management Policy”) will help ensure that debt is issued and managed prudently in order to maintain sound fiscal policy, and is intended to also satisfy the requirements of SB 1029 and the CDIAC Requirements; and

NOW, THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE RUBIDOUX COMMUNITY SERVICES DISTRICT THAT:

Section 1. Recitals and Findings. The Board hereby specifically finds and declares that all of the facts in the Recitals of this Resolution are true and correct.

Section 2. Adoption of Debt Management Policy. The Board hereby finds and declares that the proposed Debt Management Policy attached as Exhibit “A” hereto, is hereby approved as the official Rubidoux Community Services District Debt Management Policy to be effective August 4, 2022.

Section 3. Authorized Official Actions. The Board President, General Manager, Director of Finance and Administration, and all other officers of the District are hereby authorized and

directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution and to implement and administer the Debt Management Policy.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Board of Directors of the Rubidoux Community Services District at a meeting thereof on the 4th day of August 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Hank Trueba, Jr., President
Rubidoux Community Services District

(Seal)

ATTEST:

Jeffrey D. Sims, General Manager
Rubidoux Community Services District

EXHIBIT A

DEBT MANAGEMENT POLICY

RUBIDOUX COMMUNITY SERVICES DISTRICT

Adopted by the Board of Directors of the
Rubidoux Community Services District

Pursuant to Resolution No. 2022-895

August 4, 2022

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Section 1: Policy

This Debt Management Policy sets forth debt management objectives for the Rubidoux Community Services District (the “District”), and any other entity for which the Board of Directors of the District (the “Board”) acts as legislative body, and the term “District” shall refer to each of such entities, and the term “Board” shall refer to the governing boards of each such entity.

This Debt Management Policy establishes general parameters for issuing and administering debt. Recognizing that cost-effective access to the capital markets depends on prudent management of debt incurred by the District (or any of its controlled entities), the Board has adopted this Debt Management Policy by resolution.

This Debt Management Policy is intended to comply with California Government Code Section 8855(j).

Section 2: Scope

The guidelines established by this policy will govern the issuance and management of all debt funded for long-term capital financing needs and not for general operating functions. When used in this policy, “debt” refers to all forms of indebtedness, including bonds, notes, loans, certificates of participation, installment sale agreements and lease obligations.

The District recognizes that changes in the capital markets and other unforeseen circumstances may require action that deviates from this Debt Management Policy. In cases that require exceptions to this Debt Management Policy, approval from the Board will be necessary for implementation.

Section 3: Objectives

The purpose of this Debt Management Policy is to assist the District in pursuit of the following equally important objectives, while providing full and complete financial disclosure and ensuring compliance with applicable state and federal laws:

- Minimize debt service and issuance costs
- Maintain access to cost effective borrowing
- Preserve financial flexibility while assuring public transparency
- Achieve the highest practical credit rating
- Ensure full and timely repayment of debt
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with debt covenants
- Ensure compliance with applicable state and federal laws

Budget Integration – The decision to incur new indebtedness should be integrated with the policy decisions embedded in the Board-adopted budget (the “Budget”). Annual debt service payments shall be included in the Budget.

The District will integrate its debt issuances with the goals of its Capital Improvement Program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District’s public purposes. The District will seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Biennial Review – Recognizing that cost-effective access to the capital market depends on prudent management of the District’s debt program, a biennial review of this Debt Management Policy should be performed. This Debt Management Policy will be included as an Appendix in the annual Budget adopted by Board. Any substantive changes to this Debt Management Policy shall be brought to the Board for consideration and approval.

Section 4: Delegation of Authority

This Debt Management Policy grants the General Manager and Director of Finance and Administration the authority to select the Financing Team, coordinate the administration and issuance of debt, communicate with the rating agencies, and fulfill all of the pre-issuance and post-issuance requirements imposed by or related to state law, federal tax law and federal securities law.

Financing Team Definitions and Roles – The financing team is the working group of District staff and outside consultants necessary to complete a debt issuance proposal for presentation to the Rubidoux Community Services District Board, including, but not limited to, bond counsel, disclosure counsel, underwriter, municipal advisor, trustee, pricing consultant and/or arbitrage analyst.

Typically, the General Manager and Director of Finance and Administration forms the District staff portion of the Financing Team. As needed, other staff members or designees (such as a standing committee of the District) may be appointed to the Financing Team.

Consultant Selection –The District will consider the professional qualifications and experience of consultants as it relates to the specific bond issue or other financing under consideration. In certain instances, the District will conduct a request for proposal/qualification process to select such consultants. The General Manager and Director of Finance and Administration may, however, decide to select such consultants without having to undertake a request for proposal/qualification process, on an as-needed basis.

Section 5: Policies

A. Purposes for which Debt may be Issued

1. Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District.

a. Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District and its taxpayers and/or ratepayers, as applicable.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

- b. Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
 - c. The District may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the Board.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The District estimates that sufficient revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with the applicable state and federal law.
2. Short-Term Debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

B. Methods of Financing

The General Manager and/or Director of Finance and Administration will investigate all possible financing alternatives including, but not limited to, bonds, notes, loans, certificates of participation, installment sale agreements, lease obligations, state bond pools, and grants, which may be structured and consummated under any of the below described methods of financing.

1. Cash Funding. The District funds a significant portion of capital improvements from reserves accumulated from one-time revenues, which have been set aside for investment in the District's infrastructure.
2. Bank Loans / Lines of Credit. The District will evaluate lines of credit as a possible method of financing.
3. Other Loans. The District will evaluate other financing programs, including but not limited to federal "loans" from the United States Department of Agriculture.
4. Bond Financing. The District may issue any bonds which are allowed under federal and state law including but not limited to general obligation bonds, certificates of participation, revenue bonds, land-secured (assessment and special tax) bonds, refunding bonds and other obligations (see below for detail).
 - General Obligation Bonds. General Obligation Bonds (GO Bonds) may only be issued with two-thirds approval of the District's registered voters. The California State Constitution (Article XVI, Section 18) limits the use of the proceeds from GO Bonds to "the acquisition or improvement of real property."

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

- *Lease Revenue Bonds, Certificates of Participation (COPs) and Lease-Purchase Transactions.* Lease financings may take a variety of forms, including certificates of participation, lease revenue bonds and direct leases (typically for equipment). When the District finances acquisition or construction of capital improvements or equipment with a lease financing, the District agrees to lease either the financed asset or a different asset and, most commonly, the District's lease payments are securitized in the form of certificates of participation or lease revenue bonds. This type of financing requires approval of Board.
- *Revenue Bonds.* Revenue Bonds are generally issued by the District for enterprise funds that are financially self-sustaining without the use of taxes and therefore rely on the revenues collected by the enterprise fund to repay the debt. This type of financing requires approval of Board.
- *Assessment Bonds.* The Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) and other state laws, subject to Article XIID of the California Constitution, allow the District to issue bonds to finance improvements that provide "specific benefit" to the assessed real property. Installments are collected on the secured property tax roll of the County. This type of financing is secured by the lien upon and assessments paid by the real property owners and does not obligate the District's general fund or other funds. This type of financing requires approval of Board.
- *Special Tax Bonds.* Under the Mello-Roos Community Facilities Act of 1982, the District may issue bonds on behalf of a Community Facilities District (CFD) to finance capital facilities, most commonly in connection with new development. These bonds must be approved by a two-thirds vote of the qualified electors in the CFD, which the Mello-Roos Act defines to mean registered voters if there are 12 or more registered voters in the CFD and, if there are fewer than 12 registered voters, the landowners in the CFD. Bonds issued by the District under the Mello-Roos Act are secured by a special tax on the real property within the CFD. Board will approve any special tax bonds prior to placement on a ballot for voter consideration. The financed facilities do not need to be physically located within the CFD. As this type of financing is secured by the special tax lien upon the real property it does not obligate the District's general fund or other funds.
- *Refunding Obligations.* Pursuant to the Government Code and various other financing statutes applicable in specific situations, the Board is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the District. Absent any significant non-economic factors, a refunding is required to meet the following test: 1) the refunding must produce a minimum net debt service savings (net of reserve fund earnings and other offsets, and taking transaction costs into account) of at least 3% of the par value of the refunded bonds on a net present value basis, using the refunding issue's True Interest Cost (TIC) as the discount rate, unless the General Manager or Director of Finance and Administration determines that a lower savings percentage is acceptable for issues or

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

maturities with short maturity dates, and 2) the final maturity of the original bonds cannot be extended unless expressly determined otherwise by the Board. Additionally, the General Manager and/or Director of Finance and Administration may determine that there are other, compelling “non-economic” reasons (i.e. removal of onerous covenants, terms or conditions).

- *Other Obligations.* There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to: bond anticipation notes, grant anticipation notes, lease revenue bonds, pension obligation bonds, etc.

Section 6: Structure and Term

Term of Debt – Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future users. The standard term of long-term debt borrowing is typically 10-40 years.

Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good condition and maximizing a capital asset’s useful life, the District will make every effort to set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal. Generally, no debt will be issued for a period exceeding the useful life or average useful lives of projects to be financed.

Debt Repayment Structure – In structuring a bond issue, the District will manage the amortization of the debt and, to the extent possible, match its cash flow to the anticipated debt service payments. In addition, the District will seek to structure debt with aggregate level debt service payments over the life of the debt. Structures with unlevel debt service will be considered when one or more of the following exist:

- Such structuring is beneficial to the District’s aggregate overall debt payment schedule.
- Such structuring will allow debt service to more closely match project revenues during the early years of the project’s operation.

Bond Maturity Options – For each issuance, the District will select serial bonds or term bonds, or both.

Interest Rate Structure – The District currently issues securities on a fixed interest rate basis only. Fixed rate securities ensure budget certainty through the life of the issue and avoid the volatility of variable rates. The use of variable rate securities may be issued if authorized by the Board on a case-by-case basis.

Credit Enhancement – Credit enhancement may be used to improve or establish a credit rating on a District debt obligation. Types of credit enhancement include letters of credit, bond insurance and surety policies. The General Manager and/or Director of Finance and Administration will recommend the use of a credit enhancement if it reduces the overall cost of the proposed financing or if the use of such credit enhancement furthers the District’s overall financial objectives.

Debt Service Reserve Fund – Debt service reserve funds are typically held by a Trustee to make principal and interest payments to bondholders in the event the pledged revenues are insufficient to do so. The District will fund debt service reserve funds when it is in the District’s overall best financial interest. The District may decide not to utilize a reserve fund if the General Manager or Director of Finance and Administration, in consultation with Bond Counsel and

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

municipal advisor, determines there would be no adverse impact to the District's relevant existing legal provisions, credit rating and/or interest rates.

Per Internal Revenue Service rules, the maximum size of the reserve fund on tax-exempt bond issuance is the lesser of

- 10% of the initial principal amount of the debt;
- 125% of average annual debt service; or
- 100% of maximum annual debt service.

In lieu of holding a cash funded reserve, the District may substitute a surety bond or other credit instrument in its place. The decision to cash fund a reserve fund rather than to use a credit facility is dependent upon the cost of the credit instrument and the investment opportunities.

Call Options / Redemption Provisions – A call option or optional redemption provision gives the District the right to prepay or retire debt prior to its stated maturity date. This option may permit the District to achieve interest savings in the future through the refunding of the bonds. Often the District will pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. In addition, if a bond is called, the holder may be entitled to a premium payment (call premium). Because the cost of call options can vary depending on market conditions, an evaluation of factors will be conducted in connection with each issuance. The General Manager and Director of Finance and Administration shall evaluate and recommend the use of a call option on a case by case basis.

Section 7: Method of Issuance and Sale; Disclosure

Debt issues are sold to a single underwriter or to an underwriting syndicate, either through a competitive sale or a negotiated sale. A negotiated sale may involve the sale of securities to investors through an underwriter or the private placement of the securities with a financial institution or other sophisticated investor. The selected method of sale will be that which is most beneficial to the District in terms of lowest net interest rate, most favorable terms in financial structure, and market conditions. The General Manager and Director of Finance and Administration will review conditions in conjunction with information and advice presented by the District's Financing Team.

Competitive Sales of Bonds – In a competitive sale, the terms of the debt will be defined by the District and the District's finance team, and the price of the debt will be established through a bidding process amongst impartial underwriters and/or underwriting syndicates. The issue is awarded to the underwriter judged to have submitted the best bid that offers the lowest true interest cost taking into account underwriting spread, interest rates and any discounts or premiums.

Negotiated Sale of Bonds – A method for sale for bonds, notes, or other financing vehicles in which the District selects in advance, based upon proposals received or by other means, one or more underwriters to work with it in structuring, marketing and finally offering an issue to investors. The negotiated sale method is often used when the issue is: a first-time sale by an issuer (a new credit), a complex security structure, such as variable rate transaction, an unusually large issue, or in a highly volatile or congested market where flexibility as to bond sale timing is important.

Private Placement – A private placement is a variation of a negotiated sale in which the District, usually with the help of a placement agent will attempt to place the entire new issue directly with a single investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to purchase the issue. Private placements are generally undertaken because the transaction is complex or unique, requiring direct negotiations with the investor,

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

or because the issue is small or of a shorter duration and a direct offering provides economies of scale, lower interest costs and reduced continuing disclosure.

Derivative Products – Because of their complexity, unless otherwise amended, Derivative Products such as interest rate swaps, interest floaters, and other hybrid securities are prohibited by this Debt Management Policy.

Initial Disclosure Requirements – The District acknowledges its disclosure responsibilities. Under the guidance of Disclosure Counsel, the District will distribute or cause an underwriter to distribute its Preliminary Official Statement and final Official Statement (neither is typically required in a private placement, although in some cases a “private placement memorandum” may be required by the investor).

The Financing Team shall be responsible for soliciting “material” information (as defined in Securities and Exchange Board Rule 10b-5) from District departments and identifying contributors who may have information necessary to prepare portions of the Official Statement or who should review portions of the Official Statement. In doing so, the Financing Team shall confirm that the Official Statement accurately states all “material” information relating to the decision to buy or sell the subject bonds and that all information in the Official Statement has been critically reviewed by an appropriate person.

In connection with an initial offering of securities, the District and other members of the Financing Team will:

- Identify material information that should be disclosed in the Official Statement;
- Identify other persons that may have material information (contributors);
- Review and approve the Official Statement; and
- Ensure the District’s compliance, and that of its related entities, with federal and state security laws, including notification to the California Debt and Investment Advisory Board (“CDIAC”) of the proposed debt issue no later than 30 days prior to the sale of any debt issue, and submission of a final report of the issuance to the CDIAC by any method approved by the CDIAC.

The Financing Team shall critically evaluate the Official Statement for accuracy and compliance with federal and state securities laws. The approval of an Official Statement shall be placed on the Board agenda, and shall not be considered as a Consent Calendar item. The staff report will summarize the Board’s responsibilities with respect to the Official Statement and provide the Board the opportunity to review a substantially final Official Statement. The Board shall undertake such review as deemed necessary by the Board to fulfill the Board’s securities law responsibilities.¹

For any privately placed debt with no Official Statement, the final staff report describing the issue and such other documents will be provided to the Board for approval.

¹ The Securities and Exchange Board (the SEC), the agency with regulatory authority over the District’s compliance with the federal securities laws, has issued guidance as to the duties of the Board with respect to its approval of the POS. In its “Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors” (Release No. 36761 / January 24, 1996) (the “Release”), the SEC stated that, if a member of the Board has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such factors are adequately disclosed in the Official Statement. In the Release, the SEC stated that the steps that a member of the Board would take include becoming familiar with the POS and questioning staff and consultants about the disclosure of such facts.

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Section 8: Creditworthiness Objectives

Ratings are a reflection of the general fiscal soundness of the District and the capabilities of its management. Typically, the higher the credit ratings are, the lower the interest cost is on the District's debt issues. To enhance creditworthiness, the District is committed to prudent financial management, systematic capital planning, and long-term financial planning; however, the District also recognizes that external economic, natural, or other events may, from time to time, affect the creditworthiness of its debt.

The most familiar nationally recognized bond rating agencies are Standard and Poor's, Moody's Investors Service, and Fitch Ratings. When issuing a credit rating, rating agencies consider various factors, including, but not limited to:

- District's fiscal status;
- District's general management capabilities;
- Economic conditions that may impact the stability and reliability of debt repayment sources;
- District's general reserve levels;
- District's debt history and current debt structure;
- Project(s) being financed; and
- Covenants and conditions in the governing legal documents.

Bond Ratings – The Financing Team will assess whether a credit rating should be obtained for an issuance. The District typically seeks a rating from at least one nationally recognized rating agency on new and refunded issues being sold in the public market. The General Manager and Director of Finance and Administration, working with the Financing Team, shall be responsible for determining which of the major rating agencies the District shall request provide a rating. When applying for a rating on an issue, the District and Financing Team shall prepare a presentation for the rating agency when the District determines that a presentation is in the best interests of the District.

Rating Agency Communications – The General Manager and Director of Finance and Administration are responsible for maintaining relationships with the rating agencies that assign ratings to the District's various debt obligations. This effort shall include providing the rating agencies with the District's financial statements, if applicable, as well as any additional information requested.

Section 9: Post Issuance Administration

Notification to the CDIAC – The District shall work with Bond Counsel to submit a report of final sale to the CDIAC by any method approved by the CDIAC. The report shall include the information required by CDIAC.

Investment of Proceeds – The General Manager and/or Director of Finance and Administration shall invest bond proceeds and reserve funds in accordance with each issue's indenture or trust agreement, utilizing competitive bidding when appropriate. All investments will be made in compliance with the District's investment policy objectives of safety, liquidity and then yield. The investment of bond proceeds and reserve funds shall comply with federal tax law requirements specified in the indenture or trust agreement and the tax certificate. Whenever reasonably possible, unexpended bond proceeds and reserve fund monies shall be held by the bank trustee. The trustee will be responsible for recording all investments and transactions relating to the proceeds and providing monthly statements regarding the investments and transactions.

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Use of Bond Proceeds – The General Manager and Director of Finance and Administration are responsible for ensuring debt proceeds are spent for the intended purposes identified in the related legal documents and that the proceeds are spent in the time frames identified in the tax certificate prepared by Bond Counsel. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the General Manager or Director of Finance and Administration. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the General Manager or Director of Finance and Administration shall retain records of all expenditures of proceeds through the final payment date for the debt.

Continuing Disclosure – When required by Securities Exchange Board Rule 15c2-12(b)(5) (the “Rule”) the General Manager and Director of Finance and Administration or designee will ensure the District’s annual financial statements and associated reports are posted on the District’s web site, and will also comply with the Rule by filing its annual financial statements, other financial and operating data and notices of enumerated events for the benefit of its bondholders on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB). The District shall submit an annual report to the CDIAC in compliance with the requirements of Government Code Section 8855 and related regulations.

Arbitrage Rebate Compliance and Reporting – The use and investment of bond proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. The General Manager or Director of Finance and Administration shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate complete calculations, and if necessary timely rebate payments.

Compliance with Other Bond Covenants – In addition to financial disclosure and arbitrage, the General Manager and Director of Finance and Administration are also responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments;
- Taxes/fees are levied and collected where applicable;
- Timely transfer of debt service payments to the trustee;
- Compliance with insurance requirements;
- Compliance with rate covenants; and
- Post-issuance procedures established in the tax certificate for any tax-exempt debt.

Retention – A copy of all relevant documents and records will be maintained by the District for the term of any bonds issued (including refunding bonds, if any), plus 10 years. Relevant documents and records will include sufficient documentation to support the requirements relating to the tax-exempt status.

Investor Relations – While the District shall post its annual financial report as well as other financial reports on the District’s website, this information is intended for the citizens of the District. Information that the District intends to reach the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community shall be filed on the EMMA system.

RUBIDOUX COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Additional requirements for financial statements – It is the District’s policy to hire an auditing firm that has the technical skills and resources to properly perform an annual audit of the District’s financial statements. More specifically, the firm shall be a recognized expert in the accounting rules applicable to the District and shall have the resources necessary to review the District’s financial statements on a timely basis.

Section 10: Training

To the extent that the District has outstanding debt subject to the Rule, the General Manager and Director of Finance and Administration shall (i) ensure that the members of the District staff involved in the continuing disclosure process and the Board are properly trained to understand and perform their responsibilities, and (ii) arrange for disclosure training sessions conducted by the District’s Disclosure Counsel. Such training sessions shall include education on the applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the District’s staff and members of the Board.

10. CONSIDERATION TO ADOPT RESOLUTION NO. 2022-896, A
RESOLUTION AUTHORIZING AN INSTALLMENT SALE AGREEMENT
PROVIDING FOR THE FINANCING OF THE DISTRICT'S ACQUISITION
AND RENOVATION PROJECT (FIELD/ADMIN. BLDG.):

DM 2022-72

Rubidoux Community Services District

Board of Directors

Hank Trueba Jr., President
Bernard Murphy, Vice-President
Armando Muniz
F. Forest Trowbridge
John Skerbelis

General Manager

Jeffrey D. Sims



Water Resource Management Refuse Collection Street Lights Fire / Emergency Services Weed Abatement

DIRECTORS MEMORANDUM 2022-72

August 4, 2022

To: Rubidoux Community Services District
Board of Directors

Subject: Consideration to Adopt Resolution No. 2022-896, A Resolution Authorizing an Installment Sale Agreement Providing for the Financing of the District's Acquisition and Renovation Project (Field/Admin. Bldg.)

BACKGROUND:

On March 17, 2022 the Board of Directors ("Board") of the Rubidoux Community Services District ("District") directed staff to proceed with the purchase of a building currently owned by the County of Riverside at 5473 Mission Blvd., Jurupa Valley, CA (the "Acquisition Project"). In addition to the Acquisition Project, the Board considered and approved a remodel project of the current administrative headquarters at 3590 Rubidoux Blvd (the "Remodel Project," and collectively with the Acquisition Project, the "Project"). After being presentation with various financing options the Board determined that it is in the public interest to finance all of the acquisition and constructions costs associated with the Project (the "Financing"). The estimated cost of Financing is \$3,500,000 plus approximately \$85,000 in costs of issuance, for a total financing of \$3,585,000 (the "Financing").

Staff, with the assistance of its financing team, distributed a "Solicitation and Summary of Terms and Conditions" to qualified financial institutions to solicit bids for a 10-year and 15-year financing arrangement under a private placement scenario. The team received several bids all of which were presented to the Board on July 7, 2022 whereupon the Board approved a term sheet with Webster Bank ("Webster Bank"). The General Manager has signed the term sheet (the "Term Sheet") informing Webster Bank that they were chosen as the best qualified bidder based upon the terms of their Term Sheet and the 10-year term option.

Attached are the financial calculations associated with the Term Sheet.

All expenses of issuing the 2022 Obligations will be paid from the proceeds of the 2022 Obligations and are contingent on the 2022 Obligations being issued.

The parameters established for the sale of the 2022 Obligations are as follows:

1. Must close by August 15th.
2. The principal amount of the 2022 Obligations will not exceed \$3,585,000.
3. The interest rate on the 2022 Obligations will not exceed 3.05%.
4. The 2022 Obligations will be fully amortized over 10 years.
5. Additional Bonds Test and Parity Debt Coverage Covenant is set at 125% (matching the District's outstanding debt).
6. The 2022 Obligations are prepayable at any time after 2 years (upon 30 days notice) with a 2% penalty declining to zero at year 5.

If the Board desires to move forward with the issuance of the 2022 Obligations and correspondingly adopts the subject Resolutions, staff, with the assistance of Bond Counsel and the Municipal Advisor, will finalize documentation (the forms of which are being approved by the subject resolutions) and close the transaction at first possible opportunity, which is expected to occur on or before August 15, 2022.

The District's Municipal Advisor, Andrew Flynn of California Municipal Advisors LLC, and the District's Bond Counsel, Cameron Weist of Weist Law LLP, will be on the teleconference call and available to present the details of the documents being considered by the Board, discuss the financing features and to answer any questions the Board may have.

SUMMARY OF THE RESOLUTION AND INSTALLMENT SALE AGREEMENT

The subject Resolution being recommended for adoption authorizes the issuance of the 2022 Obligations and approves the form of the Installment Sale Agreement and the associated Promissory Note. The Installment Sale Agreement provides for all of the terms and conditions of the of the 2022 Obligations, including, but not limited to, closing conditions, prepayment provisions, insurance requirements, rate covenants, parity bond provisions, as well as all other legal and financial parameters governing the 2022 Obligations.

The adoption of the Resolution is necessary for the financing team to move forward with issuance of the 2022 Obligations.

The President, Vice President, General Manager, Director of Finance and Administration and Secretary have each been designated an "Authorized Representative" of the District for the purposes of structuring and providing for the execution of the Installment Sale Agreement and the corresponding issuance and delivery of the 2022 Obligations, and pursuant to the Resolution are each authorized, jointly and severally, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the execution and delivery of the 2022 Obligations, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has intended with the adoption of the Resolution.

Please note that the Installment Sale Agreement is being presented to the Board as a form document, as it cannot be fully completed until all closing certificates have been prepared and executed at Closing, which is expected to occur on or before August 15th. This method of approval is the normal method of approving a bond issue in California.

RECOMMENDATION:

Staff recommends the Board of Directors adopt Resolution No. 2022-896, authorizing and directing the execution of an Installment Sale Agreement providing for the Financing of the District's Acquisition and Renovation Project and providing for other matters properly related thereto.

Respectfully,



JEFFREY D. SIMS, P. E.
General Manager

Attachment: Resolution No. 2022-896
 Form of Installment Sale Agreement and Promissory Note
 Financial Analysis

RESOLUTION NO. 2022-896

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
RUBIDOUX COMMUNITY SERVICES DISTRICT APPROVING THE FORM
OF AND AUTHORIZING AND DIRECTING EXECUTION AND DELIVERY OF
AN INSTALLMENT SALE AGREEMENT PROVIDING FOR THE FINANCING
OF THE DISTRICT'S ACQUISITION AND RENOVATION PROJECT AND
PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO**

WHEREAS, the Rubidoux Community Services District (the "District"), among other things, owns and operates facilities for the carriage and distribution of water within the service area of the District (the "Water Enterprise"); and

WHEREAS, after much deliberation the Board of Directors ("Board") of the District has previously directed staff to proceed with the purchase of a building currently owned by the County of Riverside at 5473 Mission Blvd., Jurupa Valley, CA (the "Acquisition Project") as well as a remodel project of the current administrative headquarters at 3590 Rubidoux Blvd (the "Remodel Project," and collectively with the Acquisition Project, the "Project"); and

WHEREAS, after being presented with various financing options the Board has determined that it is in the public interest to finance the acquisition and constructions costs associated with the Project over a period of ten years (the "Financing"); and

WHEREAS, for the purpose of providing for the Financing, the District proposes to execute and deliver not to exceed \$3,585,000 aggregate principal amount of the "Rubidoux Community Services District, Series 2022 Installment Sale Obligations (Acquisition and Renovation Project)" (the "Obligation"), as evidenced by a Promissory Note (the "Promissory Note," and together with the Obligation, the "2022 Obligations"), representing the interest of the registered owner thereof in certain installment payments (the "Installment Payments") to be made by the District to Webster Bank, National Association (the "Bank"), under the pursuant to terms and conditions of an Installment Sale Agreement (the "Agreement"), dated as of August 1, 2022, by and between the District and the Bank; and

WHEREAS, in order to efficiently accomplish the Financing and issuance of 2022 Obligations, the District desires to appoint bond counsel and municipal advisor to provide the necessary professional services in connection therewith; and

WHEREAS, pursuant to the Agreement, the District will make payments from the revenues of its Water Enterprise operations, along with ad valorem property tax revenues, sufficient in amount to pay back the debt service on the 2022 Obligations, as more particularly set forth in the Agreement; and

WHEREAS, the Board, with the aid of its staff, has reviewed the Agreement, the form of which is on file with the Secretary, and the Board wishes at this time to approve the foregoing document as being within the public interests of the District; and

WHEREAS, the Board desires to designate the 2022 Obligations for purposes of Paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986 (the “Code”) as a “Qualified Tax-Exempt Obligation;” and

WHEREAS, Section 5852.1 of the Government Code of the State of California (“Section 5852.1”) provides that the Board obtain from the Bank and disclose, in a meeting open to the public, prior to authorization of the 2022 Obligations, good faith estimates of: (a) the true interest cost of the 2022 Obligations, (b) the finance charge of the 2022 Obligations, meaning the sum of all fees and charges paid to third parties, (c) the amount of proceeds of the 2022 Obligations received less the finance charge described above and any reserves or capitalized interest paid or funded with proceeds of the 2022 Obligations and (d) the sum total of all debt service payments on the 2022 Obligations calculated to the final maturity of the 2022 Obligations plus the fees and charges paid to third parties not paid with the proceeds of the 2022 Obligations; and

WHEREAS, in accordance with Section 5852.1, the Board has obtained such good faith estimates from California Municipal Advisors LLC, as Municipal Advisor, and such estimates are disclosed in Section 7 hereof; and

WHEREAS, the Board wishes at this time to authorize all actions and proceedings relating to the procurement and delivery of the 2022 Obligations, the execution and delivery of the Agreement; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE RUBIDOUX COMMUNITY SERVICES DISTRICT THAT:

Section 1. Recitals and Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above are true and correct and that the Refunding will result in public benefits to the District and its ratepayers.

Section 2. Authorizing the Issuance of 2022 Obligations. The Board hereby authorizes the issuance of the 2022 Obligations pursuant to the Agreement.

Section 3. Authorized Representatives. The President, Vice President, General Manager, Director of Finance and Administration, Secretary and any other person authorized by the General Manager to act on behalf of the District shall each be an “Authorized Representative” of the District for the purposes of structuring and providing for the execution and delivery of the 2022 Obligations, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates that may be required to be executed in

connection with the execution and delivery of the 2022 Obligations, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has intended with the adoption of this Resolution.

Section 4. Approval of Agreement and Promissory Note. The Board hereby authorizes and approves the execution and delivery of the Agreement as well as the Promissory Note. The Board approves the Agreement and Promissory Note in substantially the form on file with the Secretary, together with any additions thereto or changes therein deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Agreement and Promissory Note for and in the name and on behalf of the District, and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Agreement and Promissory Note.

Section 5. 2022 Obligations Designated as a Qualified Tax-Exempt Obligation. The Board hereby designates the 2022 Obligations for purposes of Paragraph (3) of Section 265(b) of the Code as a "Qualified Tax-Exempt Obligation" and covenants that the 2022 Obligations do not constitute a private activity bond as defined in Section 141 of the Code and that the aggregate face amount of all tax-exempt obligations issued by the District (including all subordinate entities of the District and all entities which may issue obligations on behalf of the District) during the calendar year 2022 is not reasonably expected to exceed \$10,000,000, excluding, however, private activity bonds, as defined in Section 141 of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code) and current refunding obligations having a principal amount not in excess of the refunded obligation.

Section 6. Good Faith Estimates. Set forth below are good faith estimates of the Underwriter, as required under Section 5852.1 of the California Government Code (the "Code") for the 2022 Obligations. The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by this resolution.

(a) The true interest cost of the 2022 Obligations is estimated at 3.05%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the 2022 Obligations, including all fees and charges paid to third parties, is estimated at \$85,000.00.

(c) Proceeds of the 2022 Obligations received by the District of \$3,585,000.00 (estimated) less the finance charge set forth in (b) above, is equal to \$3,500,000.00.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$4,135,849.56.

The foregoing are estimates and the final costs will depend on market conditions as well as the timing of draws and can be expected to vary from the estimated amounts set forth above.

Section 7. Professional Services. The Board hereby appoints California Municipal Advisors LLC, as Municipal Advisor, and Weist Law LLP, as Bond Counsel, in connection with the Financing and issuance of 2022 Obligations. The General Manager is authorized and directed to execute agreements with these firms in the respective forms on file with the Secretary.

Section 8. Confirmation and Direction to Proceed with the Financing. The Board hereby finds and determines that it has taken all of the foregoing actions, and made all of the foregoing findings, in full compliance with the law, and that all prior proceedings taken with respect to the Financing and issuance of 2022 Obligations were duly considered, and are hereby considered valid and in conformity with the requirements of law. All actions heretofore taken by the officers and agents of the District with respect to the Financing are hereby approved, confirmed and ratified.

Section 9. Official Actions. The Authorized Representatives and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they or any of them might deem necessary or appropriate in order to consummate any of the actions and transactions contemplated by this Resolution, the Agreement and Promissory Note. Whenever any officer of the District is authorized to execute or countersign any document or take any action contemplated by this Resolution, the Agreement and Promissory Note, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 10. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Rubidoux Community Services District at a meeting thereof on the 4th day of August 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Hank Trueba, Jr., President
Rubidoux Community Services District

(Seal)

ATTEST:

Jeffrey Sims, General Manager
Rubidoux Community Services District

2022 INSTALLMENT SALE AGREEMENT

Dated as of August 1, 2022

By and Between

RUBIDOUX COMMUNITY SERVICES DISTRICT

And

WEBSTER BANK, NATIONAL ASSOCIATION

Providing for the

\$3,585,000
RUBIDOUX COMMUNITY SERVICES DISTRICT
SERIES 2022 INSTALLMENT SALE OBLIGATIONS
(ACQUISITION AND RENOVATION PROJECT)
BANK QUALIFIED

TABLE OF CONTENTS

Page

**ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY**

Section 1.1. Definitions.....	2
Section 1.2. Liability of District Limited to Net Revenues	16
Section 1.3. Benefits of Agreement Limited to Parties	16
Section 1.4. Successor Is Deemed Included in all References to Predecessor	16
Section 1.5. Waiver of Personal Liability	16
Section 1.6. Article and Section Headings, Gender and References	16
Section 1.7. Partial Invalidity.....	17

**ARTICLE II
COVENANTS, REPRESENTATIONS AND WARRANTIES**

Section 2.1. Covenants, Representations and Warranties of the District.....	17
---	----

**ARTICLE III
TERMS OF THE 2022 OBLIGATIONS**

Section 3.1. Authorization and Terms of the 2022 Obligations; 2022 Obligations Proceeds	20
Section 3.2. Deposit and Application of 2022 Obligation Proceeds.....	21
Section 3.3. Reserved.....	21
Section 3.4. Reserved.....	22
Section 3.5. Costs of Issuance Fund	22
Section 3.6. Optional Prepayment	22
Section 3.7. Prepayment Upon Casualty Loss or Governmental Taking	22
Section 3.8. Execution of the Agreement	22
Section 3.9. Assignment by the Bank	23
Section 3.10. Closing Conditions	23
Section 3.11. 2022 Obligations Register.....	25
Section 3.12. No CUSIP Numbers.....	26
Section 3.13. Investments	26
Section 3.14. Valuation and Disposition of Investments.....	26

**ARTICLE IV
SECURITY**

Section 4.1. Pledge of Revenues.....	26
Section 4.2. Repayment of the 2022 Obligations	26
Section 4.3. Revenues; Establishment and Application of Revenue Fund	27
Section 4.4. Rebate Fund	30
Section 4.5. Special Obligation of the District; Obligations Absolute	31
Section 4.6. Reduction upon Partial Prepayment.....	32
Section 4.7. Rate on Overdue 2022 Obligation Payments.....	32

**ARTICLE V
COVENANTS OF THE DISTRICT**

Section 5.1. Operation and Maintenance of the Enterprise	32
--	----

TABLE OF CONTENTS (Cont.)

	<u>Page</u>
Section 5.2. Against Sale or Other Disposition of Property	32
Section 5.3. Rates, Fees, and Charges	32
Section 5.4. Collection of Rates and Charges.....	34
Section 5.5. Competitive Facilities	34
Section 5.6. Insurance	34
Section 5.7. Eminent Domain	35
Section 5.8. Additional Information	36
Section 5.9. Compliance with Law and Contracts	36
Section 5.10. Punctual Payment.....	36
Section 5.11. Reserved.....	36
Section 5.12. Protection of Security and Rights of the Bank.....	36
Section 5.13. Parity Obligations	36
Section 5.14. Reserved.....	38
Section 5.15. Against Encumbrances.....	38
Section 5.16. Further Assurances.....	38
Section 5.17. Financial Reports	38
Section 5.18. Observance of Laws and Regulations.....	38
Section 5.19. Private Activity Bond Limitation.....	38
Section 5.20. Federal Guarantee Prohibition	39
Section 5.21. Maintenance of Tax Exemption.....	39
Section 5.22. Rebate Requirement.....	39
Section 5.23. No Arbitrage	39
Section 5.24. Budget.....	39
Section 5.25. Notices	39

ARTICLE VI
EVENTS OF DEFAULT AND REMEDIES

Section 6.1. Events of Default and Remedies.....	40
Section 6.2. Application of Funds Upon Acceleration	41
Section 6.3. Other Remedies of the Bank.....	42
Section 6.4. Non-Waiver.....	42
Section 6.5. Remedies Not Exclusive	42
Section 6.6. Prosecution and Defense of Suits	42

ARTICLE VI
NOTICES

Section 7.1. Notices	43
----------------------------	----

ARTICLE VIII
AMENDMENTS; DISCHARGE; GENERAL AUTHORIZATION; EFFECTIVE DATE

Section 8.1. Amendments Permitted.....	43
Section 8.2. Discharge of Agreement	43
Section 8.3. General Authorization.....	44
Section 8.4. Cancellation of Bonds.....	44
Section 8.5. Execution of Documents and Proof of Ownership	44
Section 8.6. Binding Effect.....	45

TABLE OF CONTENTS (Cont.)

	<u>Page</u>
Section 8.7. Severability	45
Section 8.8. Further Assurances and Corrective Instruments	45
Section 8.9. Applicable Law	45
Section 8.10. Captions	45
Section 8.11. Expenses	45
Section 8.12. Judicial Reference	45
Section 8.13. Agreement to Pay Attorneys' Fees and Expenses	47
Section 8.14. Net-Net-Net Contract.....	47
Section 8.15. Execution in Counterparts.....	47

APPENDICES

EXHIBIT A	2022 Obligation Payment Schedule.....	A-1
EXHIBIT B	Form of Promissory Note.....	B-1
EXHIBIT C	Form of Requisition for Disbursement of Costs of Issuance.....	C-1
EXHIBIT D	Form of Lender Letter.....	D-1
EXHIBIT E	Form of Requisition for Disbursement of Project Costs.....	E-1

2022 INSTALLMENT SALE AGREEMENT

This 2022 INSTALLMENT SALE AGREEMENT (as amended and supplemented hereafter, this "Agreement"), dated for convenience as of August 1, 2022, is by and between WEBSTER BANK, NATIONAL ASSOCIATION, a national banking association with all right and authority to conduct business in the State of California (including its successors and assigns, the "Bank"), and the RUBIDOUX COMMUNITY SERVICES DISTRICT, a community services district, duly organized and validly existing under the laws of the State of California (the "District");

W I T N E S S E T H:

WHEREAS, the District owns and operates facilities for the diversion, collection, storage, carriage and distribution of water within the service area of the District (interchangeably, the "Enterprise" or "Water Enterprise"); and

WHEREAS, the Board of Directors ("Board") of the District has previously directed staff to proceed with the purchase of a building currently owned by the County of Riverside at 5473 Mission Blvd., Jurupa Valley, CA (the "Acquisition Project") as well as a remodel project of the current administrative headquarters at 3590 Rubidoux Blvd (the "Remodel Project," and collectively with the Acquisition Project, the "Project"); and

WHEREAS, after being presented with various financing options the Board has determined that, pursuant to this Agreement, it is in the public interest to finance all of the acquisition and constructions costs, along with the costs of issuance, associated with the Project (the "Financing"); and

WHEREAS, in order to provide for the Financing, the District has determined that it is in the interests of the District at this time to provide for the execution and delivery of this Agreement providing for the issuance of its Rubidoux Community Services District, Series 2022 Installment Sale Obligations (Acquisition and Renovation Project), Bank Qualified (the "Obligation"), as evidenced by a Promissory Note, dated August __, 2022 (the "Note," and together with the Obligation, the "2022 Obligations"), pursuant to terms and conditions of this Agreement; and

WHEREAS, the principal of and interest and redemption premium (if any) on the 2022 Obligations, and any bonds or other obligations issued on a parity therewith as provided herein, will be payable from and secured by a pledge of and lien on the Net Revenues (as defined herein) derived from the Enterprise, as expressly set forth in this Agreement; and

WHEREAS, in order to provide for the execution and delivery of the Obligations, to establish and declare the terms and conditions upon which they are made and secured, and to secure the payment of the principal thereof, premium (if any) and interest thereon, the District has authorized the execution and delivery of this Agreement and the Note; and

WHEREAS, this Agreement also constitutes a secured promissory note for District's repayment of the 2022 Obligations; and

WHEREAS, all things necessary to make the 2022 Obligations when issued, executed and delivered, the valid and binding obligation of the District, and to constitute this Agreement as a valid pledge of the revenues herein pledged to the payment of the principal of, prepayment premium, if any, and interest on the 2022 Obligations have been done and performed, as required by law, and the District is now fully authorized to enter into this Agreement, subject to the terms hereof; and

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on the 2022 Obligations at any time outstanding under this Agreement, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2022 Obligations are premised, and in consideration of the premises and of the mutual covenants herein contained and of the purchasing of the 2022 Obligations by the Bank, and for other valuable considerations, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Bank from time to time of the 2022 Obligations, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“1998 Installment Sale Agreement” means the Installment Sale Agreement, dated as of June 1, 1998, by and between the Corporation and the District.

“1998 Obligations” means the Series 1998 Refunding Certificates of Participation (Water System Improvement Project) issued by the District pursuant to the 1998 Trust Agreement.

“1998 Trust Agreement” means the Trust Agreement Agreement, dated as of June 1, 1998, by and among the U.S. Bank National Association, as trustee thereunder, the District and the Corporation relating to the issuance of the 1998 Obligations.

“2010 Funding Agreement” means the Funding Agreement No. SRF10CX114, dated as of October 25, 2010, between the State of California Department of Public Health and the District (Project Number 3310044-004).

“2010 Obligations” means the Series 2010 Loan Obligations (Project Number 3310044-004) issued and secured pursuant to the 2010 Funding Agreement.

“2022 Obligation Payment Date or Dates” means the Interest Payment Date or Dates and/or the Principal Payment Date or Dates being referenced; provided that if any 2022 Obligation Payment Date shall fall on a non-Business Day, the 2022 Obligation Payment Date shall be the

next succeeding Business Day and interest on such payment shall accrue to and including such next succeeding Business Day.

“2022 Obligation Payments” means all payments required to be paid by the District, as such is set forth on Exhibit A hereto, as may be amended from time to time, on each 2022 Obligation Payment Date pursuant to Section 4.2, and including any prepayment thereof pursuant to Section 3.4 or 3.5 hereof.

“2022 Obligations” means this Agreement providing for the issuance of Rubidoux Community Services District, Series 2022 Installment Sale Obligations (Acquisition and Renovation Project), as evidenced by a Promissory Note, dated August __, 2022, the form of which is attached hereto as Exhibit B.

“Accreted Value” means, with respect to any capital appreciation obligation, the principal amount thereof plus the interest accrued thereon, compounded at the approximate interest rate thereon on each date specified therein. The Accreted Value of any capital appreciation obligation at any date shall be the amounts set forth in the accreted value table for the capital appreciation obligation as of such date, if such date is a compounding date, and if not, as of the immediately preceding compounding date.

“Acquisition,” “Acquire,” “Construction,” “Construct” or “Acquisition and Construction” means, with respect to any portion of the Project, the design, acquisition, construction, improvement, equipping, furnishing, renovation, remodeling and/or reconstruction thereof.

“Additional Revenues” means, with respect to the issuance of any Parity Obligations, any or all of the following amounts:

(i) An allowance for Net Revenues from any additions or improvements to or extensions of the Enterprise to be made with the proceeds of such Parity Obligations and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of the latest Fiscal Year for which audited financial statements are available or any 12 consecutive calendar month period (selected by the District) during the 18 consecutive calendar month period ending immediately prior to the issuance, incurrence or creation of such additional Parity Obligations, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36 month period in which each addition, improvement or extension is respectively to be in operation, all as shown by the certificate or opinion of an Independent Engineer retained by the District and reasonably satisfactory to the Bank.

(ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such Parity Obligations but which, during all or any part of the latest Fiscal Year or such 12 month period for which audited financial statements are available or any 12 consecutive calendar month period (selected by the District) during the 18 consecutive calendar month period ending immediately prior to the issuance, incurrence or creation of such additional Parity Obligations, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if

such increase in charges had been in effect during the whole of such Fiscal Year or 12 month period, all as shown by the certificate or opinion of an Independent Financial Consultant employed by the District.

“Agreement” means this 2022 Installment Sale Agreement, dated as of August 1, 2022, between the Bank and the District, as amended and supplemented hereafter.

“Authorized Representative” means the District’s President, Vice President, General Manager, Director of Finance and Administration, Secretary, or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by its President, Vice President or General Manager and filed with the Bank.

“Balloon Indebtedness” means, with respect to the 2022 Obligations or Parity Obligations twenty-five percent (25%) or more of the principal or other similar amount of which matures or becomes due on the same date or within a 12-month period (with mandatory sinking fund payments deemed to be payments of matured principal), that portion of the principal or other similar amount of the 2022 Obligations or Parity Obligations which matures or becomes due on such date or within such 12 month period.

“Bank” means (a) initially, Webster Bank, National Association, a national banking association with all right and authority to conduct business in the State of California, or (b) any assignee of Bank’s right, title or interest in this Agreement and other amounts due hereunder.

“Board” means the Board of Directors of the District.

“Bond Counsel” means Weist Law LLP, or any other attorney or firm of attorneys acceptable to the District of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions in the State of California are not closed.

“Certificate,” “Request” and “Requisition” of the District means a written certificate, request or requisition signed in the name of the District by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Closing Date” means the date on which the 2022 Obligations are purchased by the Bank.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury regulations, including temporary and proposed regulations relating to each such section that are applicable to the Parity Obligations or the use of the proceeds thereof.

“Computation Year” means, with respect to the 2022 Obligations, the period beginning on the Closing Date and ending on August __, 2022, and each successive one-year period thereafter through the Term of the 2022 Obligations.

“Corporation” means the Rubidoux Public Facilities Corporation, a corporation created under the laws of the State of California.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the execution and delivery of this 2022 Obligations, including but not limited to District administration costs and expenses, fees and expenses of consultants and professionals, fees and expenses of the municipal advisor and any placement agents, legal fees and charges (including legal fees of the Bank’s counsel), insurance fees and charges, filing costs, settlement costs, printing costs, reproduction and binding costs, regulatory fees, including, but not limited to, fees charged by the California Debt and Investment Advisory Commission, and fees for execution, transportation and safekeeping of this Agreement and the 2022 Obligations, and all other charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.3 hereof.

“County” means the County of Riverside, California.

“Date of Taxability” means the date from and for which interest on the 2022 Obligations is subject to federal income taxation as a result of a Determination of Taxability.

“Debt Service” when used with respect to the 2022 Obligations and Parity Obligations, means, for any period, the sum of (1) the interest payable during such period on the 2022 Obligations and Parity Obligations, (2) the principal or mandatory sinking fund payments to be paid with respect to the 2022 Obligations and Parity Obligations during such period, and (3) any other scheduled payments coming due on the 2022 Obligations and outstanding Parity Obligations in such period and not otherwise included in clauses (1) and (2) of this definition, all of which are to be computed on the assumption that no portion of the 2022 Obligations or Parity Obligations shall cease to be outstanding during such period except by reason of the application of scheduled payments; provided that, for purposes of such computation:

(a) unless a different subsection of this definition applies for purposes of determining maturities or amortization, in determining the amount due in any period, payment shall be assumed to be made in accordance with any amortization schedule established for the 2022 Obligations or Parity Obligations, including any mandatory sinking fund payments or any scheduled redemption or payment of Parity Obligations on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date and any contingencies that may result in a request for earlier payment shall be disregarded;

(b) Balloon Indebtedness may, at the option of the District, be treated as if it were to be amortized with substantially level debt service over a term of up to 25 years (which period shall be designated by the District), from the date of calculation, and the interest rate used for such

computation shall be assumed by the District to be equal to (i) the interest rate in effect for such Balloon Indebtedness on the date of calculation, if the interest rate determination method in effect for such Balloon Indebtedness on the date of calculation provides for interest rates that are fixed for at least 12 months from the date such interest rates are determined or (ii) if the interest rate determination method in effect for such Balloon Indebtedness on the date of calculation provides for interest rates that are not fixed for at least 12 months from the date such interest rates are determined, the rate of interest used to calculate Debt Service shall be determined as described in clause (c);

(c) if any Parity Obligations bear, or if any Parity Obligations proposed to be issued, incurred or created will bear, interest at a variable interest rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of (i) the then current variable interest rate borne by such Parity Obligations plus 1%; and (ii) the highest variable rate borne over the preceding 24 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

(d) if any Parity Obligations feature an option, on the part of the owners or a requirement under the terms of such Parity Obligations, to tender all or a portion of such Parity Obligations to the District, or other fiduciary or agent, and to purchase such Parity Obligations or portion thereof if properly presented, then for purposes of determining the amounts due in any period with respect to such Parity Obligations, the options or obligations of the owners of such Parity Obligations to tender the same for purchase or payment shall be ignored;

(e) payments on the 2022 Obligations and Parity Obligations shall be excluded to the extent such payments are to be paid from amounts on deposit with a trustee or other fiduciary in escrow specifically therefor, and interest payments shall be excluded to the extent that such interest payments are (1) to be paid from the proceeds of the 2022 Obligations or Parity Obligations, including any investment earnings thereon, held by a trustee or other fiduciary as capitalized interest specifically to pay such interest or (2) paid or expected to be paid from Subsidy Payments;

(f) with respect to 2022 Obligations or Parity Obligations for which a reserve fund is in place, the calculation of Debt Service for such 2022 Obligations or Parity Obligations for any period shall be reduced by the amount of investment earnings on amounts on deposit in such reserve fund used or expected to be used to pay Debt Service on such 2022 Obligations or Parity Obligations during such period, as estimated by the District; and

(g) with respect to 2022 Obligations or Parity Obligations for which a reserve fund is in place, the amount on deposit in such reserve fund on any date of calculation of Debt Service shall be deducted from the amount due on the final maturity or due date of such 2022 Obligations or Parity Obligations if such amount on deposit in such reserve fund would be released at such maturity or due date and, to the extent the amount on deposit in such reserve fund is in excess of the amount due on the final maturity or due date of such 2022 Obligations or Parity Obligations, such excess shall be applied to the full amount due on each preceding payment date for such 2022 Obligations or Parity Obligations, in inverse order, until such amount on deposit in such reserve fund is exhausted.

“Default Rate” means the then applicable interest rate on the 2022 Obligations plus _%.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(a) the date on which the District files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) the date on which the Bank receives written notification from the District, supported by a written Opinion of Counsel, to the effect that an Event of Taxability has occurred;

(c) the date on which the District is advised in writing by the Commissioner or any district director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the District (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of the District, or upon any other ground whatsoever, an Event of Taxability has occurred; or

(d) on the date when the District receives notice from the Bank that the Internal Revenue Service (or any other governmental authority exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under clauses (c) or (d) above unless the District has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined.

“District” means the Rubidoux Community Services District, a community services district, duly organized and validly existing under the laws of the State of California.

“Enterprise” or “Water Enterprise” means, for purposes of the Agreement only, collectively, the whole and each and every part of the Water Enterprise of the District, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such Water Enterprise or any part thereof hereafter acquired or constructed; provided, that to the extent the District is not the sole owner of an asset or property or to the extent that an asset or property is used in part for the above-described Water Enterprise purposes, only the District’s ownership interest in such asset or property or only the part of the asset or property so used for Water Enterprise purposes shall be considered to be part of such Enterprise.

“Event of Default” means an event described in Section 6.1 hereof.

“Event of Taxability” means: (i) the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the District, or the failure to take any action by the District, or the making by the District of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest on the 2022 Obligations to become includable, in whole or in part, in the gross

income of the Bank or any assignee thereof for federal income tax purposes; or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing the interest on the 2022 Obligations to become includable, in whole or in part, in the gross income of the Bank or any assignee thereof for federal income tax purposes.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security – State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are fully, unconditionally and directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the District, as applicable, as its official fiscal year period.

“General Manager” means the General Manager of the District.

“Generally Accepted Accounting Principles” means the generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or

functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Independent Certified Public Accountant” means any firm of certified public accountants appointed by the District that is independent according to the Statement of Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Independent Engineer” means any registered engineer or firm of engineers generally recognized to be well-qualified in engineering matters relating to water systems similar to the Enterprise, appointed and paid by the District, and who or each of whom:

- (1) is in fact independent and not under the domination of the District;
- (2) does not have a substantial financial interest, direct or indirect, in the District; and
- (3) is not connected with the District as a board member, officer or employee of the District, but may be regularly retained to make reports to the District.

“Independent Financial Consultant” means a financial consultant qualified in the field of municipal finance, appointed and paid by the District, and who:

- (1) is in fact independent and not under the domination of the District or any member thereof;
- (2) does not have a substantial financial interest, direct or indirect, in the operations of the District; and
- (3) is not connected with the District as an officer or employee of the District or any member thereof, but may be regularly retained to audit the accounting records of and make reports thereon to the District.

“Insurance Consultant” means any nationally recognized independent actuary, insurance company or broker that has actuarial personnel knowledgeable with respect to insurance carried, by, required for and available to special districts operating facilities similar to the Enterprise, including a pooled self-insurance program in which premiums are established on the basis of the recommendation of an actuary of national reputation.

“Interest Account” means the account by that name in the Revenue Fund established pursuant to Section 4.3 hereof.

“Interest Component” means the portion of each 2022 Obligation Payment designated as Interest Component, as such is set forth on Exhibit A hereto.

“Interest Payment Date” means January 1 and July 1 of each year, commencing January 1, 2022, and continuing to and including the date on which the 2022 Obligation Payments have been paid in full.

“Maintenance and Operation Costs” means, for purposes of the Agreement only, the reasonable and necessary costs and expenses paid or incurred by the District, payable from Revenues, for maintaining and operating the Enterprise, determined in accordance with Generally

Accepted Accounting Principles, including but not limited to: (i) all costs of procuring and delivering water, (ii) all utility and standby costs of the Enterprise, (iii) all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Enterprise in good repair and working order, (iv) all administrative costs of the District that are charged directly or apportioned to the operation of the Enterprise, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the Enterprise and insurance premiums, and (v) all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms hereof; but excluding in all cases, the following: (A) debt service payable on obligations (including bonds, notes or other evidences of indebtedness, installment purchase payments under contract, and lease payments under any financing or capital lease, as determined to be such in accordance with Generally Accepted Accounting Principles) incurred by the District with respect to the Enterprise, (B) depreciation, replacement and obsolescence charges or reserves therefor, (C) amortization of intangibles or other bookkeeping entries of a similar nature, and (D) costs of capital projects which under Generally Accepted Accounting Principles are chargeable to a separate capital account or to a reserve for depreciation.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the Enterprise, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Agreement or to meet or perform its obligations under this Agreement on a timely basis, (c) the validity or enforceability of this Agreement, or (d) the exclusion of interest on the 2022 Obligations from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes caused by District action or inaction, as the case may be

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the District has notice or knowledge and which, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated hereby, or (iii) may adversely affect (A) the exclusion of interest with respect to the 2022 Obligation Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the District to perform its obligations under this Agreement.

“Maximum Annual Debt Service” means the greatest amount of Debt Service with respect to the Parity Obligations to which reference is made coming due in any Fiscal Year including the Fiscal Year in which the calculation is made or any subsequent Fiscal Year.

“Net Proceeds” means insurance proceeds or an eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Enterprise, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“Net Revenues” means for any period, all of the Revenues during such period less all of the Maintenance and Operation Costs during such period.

“Note” or “Promissory Note” means the Promissory Note, dated August __, 2022, evidencing the 2022 Obligations, the form of which is attached hereto as Exhibit B.

“Opinion of Counsel” means a written opinion of Weist Law LLP or other attorney or firm of attorneys of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the District.

“Outstanding” means all 2022 Obligations theretofore issued by the District, except:

(1) 2022 Obligations theretofore canceled or surrendered for cancellation in accordance hereof;

(2) 2022 Obligations for the payment or redemption of which moneys shall have been deposited in trust (whether upon or prior to the maturity or the redemption date of such 2022 Obligations), provided that, if such 2022 Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Agreement; and

(3) 2022 Obligations paid or defeased pursuant to Sections 8.2 hereof.

“Owner” means the registered owner of any outstanding 2022 Obligation or 2022 Obligations, it being anticipated that the initial registered owner will be the Bank.

“Parity Obligations” as of the Closing Date, means the Prior Obligations, the 2022 Obligations and all other bonds, notes, loan agreements, installment sale agreements, leases, or other obligations of the District payable from and secured by a pledge of and lien upon any of the Net Revenues incurred on a parity with the Prior Obligations and the 2022 Obligations, issued in accordance with Section 5.13 hereof.

“Parity Obligations Documents” means, collectively, the indenture of trust, trust agreement, installment sale agreement, loan agreement or other document authorizing the issuance of any Parity Obligations or any securities which evidence Parity Obligations, including the Prior Obligation Documents and this Agreement.

“Parity Payments” means all payments scheduled to be paid by the District under Parity Obligations.

“Permitted Investments” means any of the following (*provided*, to the extent that the criteria below an investment require a certain minimum rating, such rating shall be determined at the time of purchase of such investment):

(1) Cash;

(2) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America including:

- A. U.S. Treasury obligations;
- B. All direct or fully guaranteed obligations;

- C. General Services Administration;
- D. Guaranteed Title XI financing;
- E. Government National Mortgage Association (GNMA); and
- F. U.S. Treasury - State and Local Government Series.

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- A. Export-Import Bank;
- B. Farm Credit System Financial Assistance Corporation;
- C. Rural Economic Community Development Administration;
- D. U.S. Maritime Administration;
- E. Small Business Administration;
- F. U.S. Department of Housing & Urban Development (PHAs)
- G. Federal Financing Bank; and
- H. Federal Housing Administration;

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- A. Senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
- B. Obligations of the Resolution Funding Corporation (REFCORP);
- C. Senior debt obligations of the Federal Home Loan Bank System; and
- D. Senior debt obligations of other government sponsored agencies.

(5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than three hundred sixty (360) days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(6) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(8) "Pre-refunded Municipal Obligations," defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and (A) which are rated,

based on an irrevocable escrow account or fund (the “escrow”), in the highest Rating Category of Moody’s or S&P or any successors thereto; or (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (2) of the definition of Permitted Investments, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(9) Any bonds or other obligations of any agency, instrumentality or local governmental unit of any state of the United States of America which are rated “Aaa/AAA” or general obligations of any such state with ratings of “A2” or higher by Moody’s and “A” or higher by S&P;

(10) Investment agreements (supported by appropriate opinions of counsel);

(11) Shares in the California Asset Management Program (established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State) that invests exclusively in investments permitted by Section 53635 of the Government Code of the State, as now existing and as it may be amended from time to time;

(12) The Local Agency Investment Fund of the State or any state administered pool investment fund in which the District is statutorily permitted or required to invest will be deemed a permitted investment; and

(13) Investments that comply with California Government Code Sections 53601.8 or 53635.8.

Unless otherwise provided herein, the value of the above investments shall be determined at Fair Market Value.

“Person” means an individual, corporation, firm, association, partnership, limited liability company, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“President” means the President of the District.

“Principal Account” means the account by that name in the Revenue Fund established pursuant to Section 4.3 hereof.

“Principal Component” means the portion of the 2022 Obligation Payments designated as a Principal Component, as such is set forth on Exhibit A hereto.

“Principal Payment Date” January 1 and July 1 of each year, commencing January 1, 2023, and continuing to and including the date on which the 2022 Obligations have been paid in full.

“Prior Obligation Documents” means the (i) 1998 Installment Sale Agreement and the 1998 Trust Agreement, as well as all other pertinent documents providing for the execution and delivery of the 1998 Obligations, and (ii) 2010 Funding Agreement, as well as all other pertinent documents providing for the execution and delivery of the 2010 Obligations.

“Prior Obligations” means the 1998 Obligations and the 2010 Obligations.

“Project” or “Acquisition and Renovation Project” means the Acquisition and Construction of the Project to be financed by the proceeds of the 2022 Obligations, all as generally described in Exhibit B attached hereto and by this reference incorporated herein, as such description may be amended by the District from time to time pursuant to and in accordance with the terms hereof.

“Project Costs” means the costs associated with the Acquisition and Construction of the Project, or the application of the proceeds of the 2022 Obligations to the costs and expenses which are incidental or related to the Acquisition and Construction of the Project, including Costs of Issuance.

“Project Fund” means the fund by that name established pursuant to Section 3.4 of this Agreement.

“Rate Stabilization Fund” means the fund by that name established and maintained pursuant to Section 5.3(d) hereof.

“Redemption Account” means the account within the Revenue Fund by that name established and maintained pursuant to Section 4.3 hereof.

“Request of the District” or “Written Request” means a request in writing signed by the President, Vice President, General Manager, Director of Finance and Administration, Secretary, or by any other officer of the District duly authorized for that purpose.

“Resolution” means the Resolution No. 2022-896, adopted by the Board of Directors on August 4, 2022, authorizing the execution and delivery of this Agreement, and otherwise providing for the execution and delivery of the 2022 Obligations.

“Revenue Fund” means the fund by that name established and maintained pursuant to Section 4.3 hereof.

“Revenues” means, for purposes of the 2022 Obligations and this Agreement only, all gross income, general property tax revenue of the entire District, and other monies and revenue received or receivable by the District from the ownership and operation of the Enterprise, calculated in accordance with Generally Accepted Accounting Principles, including, without limiting the generality of the foregoing, (1) all taxes, rates, rent, fees, business interruption insurance proceeds, connection fees and charges, insurance proceeds and condemnation awards received by the District and all other income and revenue howsoever derived by the District from the Enterprise, (2) the earnings on and income derived from the investment of amounts described in clause (1) above and

from District reserves held for the Enterprise, including the Rate Stabilization Fund, and (3) the proceeds derived by the District directly or indirectly from the sale, lease or other disposition of a part of the Enterprise; *provided, however*, that (i) any specific charges levied for the express purpose of reimbursing others for all or a portion of the cost of the acquisition or construction of specific Enterprise facilities, (ii) advances or contributions in aid of construction, (iii) grants that are designated by the grantor for a specific Enterprise purpose (and are therefore not available for general operational purposes), (iv) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and (v) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the District for the purpose of paying special assessment bonds or special tax obligations of the District relating to the Enterprise, are not Revenues and are not subject to the lien hereof. Notwithstanding the foregoing, there shall be added to Revenues any amounts transferred out of the Rate Stabilization Fund and into the Revenue Fund, as contemplated by Section 5.3(d) hereof.

“S&P” means S&P Global Ratings, a Standard and Poor’s Financial Services LLC business, and its successors or assigns, but only to the extent that such entity is then rating any Parity Obligations at the request of the District.

“State” means the State of California.

“Subordinate Debt” means the Bureau Repayment Contract and all other indebtedness or other obligations (including but not limited to loans, leases and installment sale agreements) hereafter issued or incurred and secured by a pledge of and lien on Net Revenues subordinate to the pledge and lien securing the 2022 Obligation Payments.

“Subordinate Payments” means all installment, lease or loan payments scheduled to be paid by the District under all respective agreements relating to the issuance of any Subordinate Debt.

“Subsidy Payments” means payments with respect to Parity Obligations made by the United States Treasury to the District or a trustee or fiduciary pursuant to Section 54AA of the Code, Section 6431 of the Code, or Section 1400U-2 of the Code or any successor to or extension or replacement of any of such provisions of the Code, or any provisions of the Code that create similar direct-pay subsidy programs.

“Taxable Rate” means a rate equal to % per annum calculated based on a 360-day year of twelve thirty-day months.

“Tax Certificate” means the Tax Certificate delivered by the District in connection with the issuance and delivery of the 2022 Obligations, as the same may be amended or supplemented in accordance with its terms.

“Tax Regulations” means temporary and permanent regulations promulgated under or with respect to Sections 103, 141, 148 and all related sections of the Code.

“Term” means the time during which this Agreement and/or the 2022 Obligations are in effect, as provided in Section 3.1 hereof.

“Vice President” means the Vice President of the District.

Section 1.2. Liability of District Limited to Net Revenues. Notwithstanding anything to the contrary contained in this Agreement, the District shall not be required to advance any money derived from any source of income other than the Net Revenues, for the payment of the principal of or interest or prepayment premiums, if any, on the 2022 Obligations or for the performance of any covenants herein contained, nor for the maintenance and operation of the Enterprise from any source of income other than the Revenues. The District may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose without incurring any indebtedness. The 2022 Obligations shall be payable exclusively from the Net Revenues as in this Agreement provided. The credit of the District is not pledged for the payment of the 2022 Obligations or its interest. The principal of and interest on the 2022 Obligations and any prepayment premiums upon the prepayment thereof shall not be a debt of the District, nor a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the District or any of its income, receipts, or revenues, except the Net Revenues pledged to the payment thereof as provided in this Agreement.

Section 1.3. Benefits of Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District and the Bank any right, remedy or claim under or pursuant hereto. Any agreement or covenant required herein to be performed by or on behalf of the District shall be for the sole and exclusive benefit of the Bank.

Section 1.4. Successor Is Deemed Included in all References to Predecessor. Whenever the District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, and all agreements and covenants required hereby to be performed by or on behalf of the District shall bind and inure to the benefit of the successors thereof whether so expressed or not.

Section 1.5. Waiver of Personal Liability. No member of the Board of Directors and no officer, agent, or employee of the District, or of any department or agency thereof, shall be individually or personally liable for the payment of the principal of or interest on the 2022 Obligations or any other matter related hereto, but nothing contained herein shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or hereby.

Section 1.6. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 1.7. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof

shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or the 2022 Obligations; but the Bank shall retain all the rights and benefits accorded to it under any applicable provisions of law. The District hereby declares that it would have adopted this Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the District. The District makes the following covenants, representations and warranties to the Bank as of the date of the execution and delivery of this Agreement:

- (a) The District is a community services district, duly organized and validly existing under the laws of the State.
- (b) The District has full legal right, power and authority under the laws of the State to adopt the Resolution and to enter into this Agreement and the transactions contemplated herein, and to carry out its obligations hereunder and thereunder.
- (c) The pledge of the Net Revenues made hereunder is on parity with the pledge of Net Revenues made under the Prior Obligation Documents. There are no other liens against the Net Revenues that are senior to the 2022 Obligation Payments.
- (d) By all necessary official action, the District has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, this Agreement and the consummation by it of all other transactions contemplated by this Agreement. When executed and delivered by the District, this Agreement and the 2022 Obligations will be in full force and effect and will constitute legal, valid and binding agreements or obligations of the District, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.
- (e) The District's comprehensive annual financial report for the period ended June 30, 2021, presents fairly the financial condition of the District and the Enterprise as of the date hereof and the results of operation for the period covered thereby. Except as has been disclosed to the Bank, there has been no change in the financial condition of the District or the Enterprise since June 30, 2021, that will, in the reasonable opinion of the District, materially impair its ability to perform its obligations under this Agreement. All information provided by the District to the Bank with respect to the financial performance of the Enterprise is accurate in

all material respects as of its respective date and does not omit any information necessary to make the information provided not misleading.

- (f) As currently conducted, the District's activities with respect to the Enterprise are in all material respects in compliance with all applicable laws, administrative regulations of the State of California and of the United States and any agency or instrumentality of either, and any judgment or decree to which the District is subject.
- (g) The District is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either or any judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject (including, without limitation, the Resolution and this Agreement), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Resolution, the execution, delivery of the 2022 Obligations and the execution and delivery of this Agreement and compliance with the District's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, agreement, mortgage, lease or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instruments, except as provided by the Resolution and this Agreement.
- (h) No action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, is pending or, to the best of the District's knowledge, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the making, execution or delivery of this Agreement or the application of the 2022 Obligation Proceeds; (iii) in any way contesting or affecting, as to the District, the validity or enforceability of the Resolution or this Agreement; (iv) in any way contesting the powers of the District or its authority with respect to execution or delivery of the 2022 Obligations, the adoption of the Resolution, or the execution and delivery of this Agreement; (v) contesting the exclusion from gross income of interest on the 2022 Obligations for federal income tax purposes; or (vi) in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or that might materially adversely affect the ability of the District to perform and satisfy its obligations under the 2022 Obligations or this Agreement; nor to the best of the District's knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the proceedings authorizing the Resolution, the 2022 Obligations, this Agreement or the Promissory Note or the performance by the District of its obligations thereunder, or the authorization, execution, delivery or performance by the District of the 2022 Obligations, the Resolution, this Agreement or the Promissory Note.

- (i) The District is not in default, and at no time has defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.
- (j) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the execution or delivery of the 2022 Obligations and the execution, delivery of and performance of this Agreement by the District have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the 2022 Obligations, as to which no representation is made).
- (k) The District has the legal authority to apply and will apply, or cause to be applied, the 2022 Obligation Proceeds as provided in and subject to all of the terms and provisions of the Resolution and this Agreement, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2022 Obligations.
- (l) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.
- (m) Any certificate, signed by any official of the District authorized to do so in connection with the transactions described in this Agreement, shall be deemed a representation and warranty by the District to the Bank as to the statements made therein.
- (n) As of the Closing Date:
 - (i) There has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect;
 - (ii) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; and
 - (iii) Relative to the Enterprise, the District has not (A) incurred any material indebtedness, other than the Bureau Obligation, Bureau Repayment Contract, the 2022 Obligations and the Prior Obligations, as well as the trade accounts payable arising in the ordinary course of the Enterprise business and not past due, or (B) guaranteed the indebtedness of any other person.
- (o) This Agreement represents a negotiated transaction, and the District understands, and hereby confirms, that the Bank is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Bank, for its own account. The District acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the District and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without

limitation, a “Municipal Advisor” as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the “Municipal Advisor Rules”), (iii) the Bank and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

- (p) The District has water rights and/or supplies in such amounts and qualities as the District deems necessary to adequately service its customers and connections. The District will continue to control, own or have access to all such water rights and/or supplies free and clear of the interest of any third party, will not suffer or permit any transfer or encumbrance of such water rights and/or supplies, will not abandon such water rights and/or supplies, or any of them, and will not do any act or thing which would impair or cause to the loss of any such water rights and/or supplies during the Term of this Agreement.

ARTICLE III

TERMS OF THE 2022 OBLIGATIONS

Section 3.1. Authorization and Terms of the 2022 Obligations; 2022 Obligations Proceeds.

(a) The 2022 Obligations shall be designated “Rubidoux Community Services District, Series 2022 Installment Sale Obligations (Acquisition and Renovation Project).” Absent circumstances not presently anticipated, the entire issue of the 2022 Obligations shall be purchased by the Bank in the aggregate amount of \$3,585,000 in immediately available funds on the Closing Date (the “2022 Obligation Proceeds”), and shall be evidenced by a single, fully registered 2022 Obligation, initially registered in the name of the Bank, in substantially the form attached hereto as Exhibit B with necessary or appropriate variations, omissions and insertions as permitted or required by this Agreement.

(b) The 2022 Obligations shall be dated the Closing Date and shall bear interest at the Interest Rate of 3.05% per annum (calculated on the basis of a 360-day year of twelve 30-day months). The 2022 Obligations shall bear interest from the Closing Date to each 2022 Obligation Payment Date as such is set forth in Exhibit A hereto, as may be amended from time to time, including any prepayment thereof pursuant to Section 3.4 or 3.5 hereof. From and during the continuance of an Event of Default, the 2022 Obligations shall, at the option of Bank and with written notice to the District, bear interest at the Default Rate.

(c) The 2022 Obligations shall be payable as to principal and interest in legal tender of the United States of America.

(d) The Term of this Agreement and the 2022 Obligations shall commence on the Closing Date and shall end on the date on which the 2022 Obligations shall be paid in full or provision for such payment shall be made as provided herein.

(e) On the Closing Date, the Bank shall transfer the 2022 Obligation Proceeds as set forth in Section 3.2 below.

Section 3.2. Deposit and Application of 2022 Obligation Proceeds. The District hereby instructs the Bank (to which the Bank agrees) to:

(a) wire transfer \$3,500,000 of the 2022 Obligation Proceeds directly to the District for deposit into the Project Fund.

(b) deposit into the Costs of Issuance Fund established below the \$85,000 balance of the 2022 Obligation Proceeds (the "COI Set-Aside") on the District's behalf for payment of Costs of Issuance with respect to the 2022 Obligations, which shall be disbursed by the Bank on behalf of the District upon delivery of a requisition, substantially in the form attached hereto as Exhibit C, executed by an Authorized Representative of the District.

Section 3.3. Reserved.

Section 3.4. Project Fund. The District hereby covenants and agrees to establish, maintain and hold in trust a separate special trust fund to be designated the "Project Fund" (herein referred to as the "Project Fund"), and to deposit therein the amount received by it pursuant to Section 3.2(a). The moneys in the Project Fund shall be held by the District in trust and applied to the payment of the Project Costs incurred by the District in connection with the Acquisition and Construction of the Project. As long as there is any balance remaining on deposit in the Project Fund, the District shall pay for such costs and expenses solely from the Project Fund and not from any other funds of the District, provided that the District may advance any such other funds to pay for such costs and expenses and reimburse itself therefor from the Project Fund.

Before any payment is made from the Project Fund by the General Manager or Director of Finance and Administration shall cause to be filed a Written Requisition of the District in the form set forth in Exhibit E hereto.

Upon filing of each such Written Requisition, the General Manager or Director of Finance and Administration will cause the payment of the amount set forth in such Written Requisition as directed by the terms thereof. The General Manager or Director of Finance and Administration need not make any such payment if he or she has received notice of any lien, right to lien or attachment upon or claim affecting the right to receive payment of any of the moneys to be so paid which has not been released or will not be released simultaneously with such payment.

When the Project shall have been Constructed and Acquired in accordance with this Agreement, the District shall issue a written statement to the Bank setting forth the date of completion and acceptance of the Project. Upon the delivery of such statement, the General Manager or Director of Finance and Administration shall use any remaining balance in the Project

Fund not needed for Project Costs (but less the amount of any reasonable retention) to make 2022 Obligations Payments until fully expended.

Moneys held by the District in the Project Fund may only be invested and reinvested by the District in Permitted Investments which mature not later than the date such moneys are required or estimated by the District to be required to be expended hereunder. Except as otherwise provided in the following sentence, the District covenants that all investments of amounts deposited in any fund or account created by or under this Agreement, or otherwise containing gross proceeds of this Agreement (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of Section 148 of the Code).

For purposes of this Agreement, the term “Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

Section 3.5. Costs of Issuance Fund. The Bank shall establish or cause to be established to the extent needed a fund known as the “Costs of Issuance Fund.” To the extent that not all of the COI Set-Aside is paid by the Bank with 3 Business Days of the Closing Date pursuant to Section 3.2 above, the Bank shall immediately transfer any remaining balance to the District, and the District shall immediately deposit or cause to be deposited such amount into the Revenue Fund and the Bank shall close the Costs of Issuance Fund. The COI Set-Aside and all moneys in the Costs of Issuance Fund shall be used from time to time to pay Costs of Issuance with respect to the 2022 Obligations and shall be disbursed by or on behalf of the District upon delivery of a requisition, substantially in the form attached hereto as Exhibit C, executed by an Authorized Representative of the District.

Section 3.6. Optional Prepayment. Beginning on and after July 1, 2024, at the District’s option, and upon thirty (30) days’ prior written notice to the Bank, the 2022 Obligations shall be subject to prepayment in whole, but not in part, on any Interest Payment Date, at a prepayment price equal to the aggregate amount of Principal Components to be prepaid, together with the

interest required to be paid thereon on the date fixed for prepayment, plus a prepayment premium of the total Principal Components being prepaid as set forth in the table below:

<u>Prepayment Date</u>	<u>Prepayment Premium</u>
July 1, 2024 through January 1, 2026	2%
July 1, 2026 through January 1, 2027	1%
July 1, 2027 and thereafter	0%

Section 3.7. Prepayment upon Casualty Loss or Governmental Taking. At the District's option, and upon thirty (30) days' prior written notice to the Bank, the 2022 Obligations shall be subject to prepayment as a whole or in part on any date, from the Net Proceeds of casualty insurance or a governmental taking of the Enterprise or portions thereof by eminent domain proceedings, under the circumstances and upon the conditions and terms prescribed herein, at a prepayment price equal to the sum of the principal prepaid plus accrued interest thereon to the date fixed for prepayment, without premium.

Section 3.8. Execution of the Agreement. The execution of this Agreement by an Authorized Representative shall constitute conclusive evidence of such officers' and the Board of Director's approval hereof, including any changes, insertions, revisions, corrections, or amendments as may have been made hereto.

Section 3.9. Assignment by the Bank. The Bank's right, title and interest in and to this Agreement and the Note, with prior written notice to the District, may be assigned and reassigned to one or more assignees or sub-assignees by Bank, without the necessity of obtaining the consent of District; provided that such assignment shall not result in more than thirty-five (35) assignees or sub-assignees of the Bank's rights and interests in this Agreement and the Note, or that such assignment shall not result in the creation of any interest in this Agreement and the Note in an aggregate principal amount that is less than one hundred thousand dollars (\$100,000); and further provided that Bank has filed with the District at least five Business Days' prior written notice thereof along with an executed copy of an investor's letter addressed to the District and the Bond Counsel substantially in the form of the Lender Letter delivered by the Bank on the Closing Date attached hereto as Exhibit D. The District shall pay all 2022 Obligation Payments hereunder to the Bank, as provided in Section 4.2 hereof, or under the written direction of the assignee named in the most recent assignment or notice of assignment filed with the District.

Section 3.10. Closing Conditions. The Bank has entered into this Agreement in reliance upon the representations and warranties of the District contained in this Agreement and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of the obligations of the District pursuant to this Agreement at or prior to the Closing Date. Accordingly, the obligation of Bank to execute this Agreement is subject to the fulfillment to the reasonable satisfaction of the Bank of the following conditions:

(a) The representations and warranties of the District contained in this Agreement shall be true, complete and correct on the Closing Date.

(b) On the Closing Date, the Resolution, this Agreement and the 2022 Obligations shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(c) On the Closing Date, the District will have adopted and there will be in full force and effect such resolutions as in the opinion of Bond Counsel shall be necessary in connection with the transactions contemplated by this Agreement, and all necessary action of the District relating to the issuance of the 2022 Obligations will have been taken, will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(d) At or prior to the Closing Date, the Bank will have received the following documents:

(i) the approving opinions, dated the Closing Date and addressed to the Bank, of Bond Counsel in form and content satisfactory to the Bank, to the effect that (I) the interest on the 2022 Obligations is excluded from gross income for State and federal income tax purposes, and (II) the Agreement and 2022 Obligations have been duly authorized, executed and delivered by the District and are legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to customary exceptions for bankruptcy and judicial discretion;

(ii) a certificate or certificates, dated the Closing Date and signed on behalf of the District by an Authorized Representative, to the effect that (I) the representations and warranties contained in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (II) no litigation of any nature is then pending or, to his or her knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the 2022 Obligations or the levy or collection of revenues to pay the principal thereof and interest thereon, questioning the proceedings and authority by which such pledge is made, affecting the validity of the 2022 Obligations or contesting the existence or boundaries of the District or the title of the present officers to their respective offices; (III) no authority or proceedings for the issuance of the 2022 Obligations has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the 2022 Obligations has been filed with or received by the District; and (IV) the District has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing Date;

(iii) a conformed certified copy of the Resolution;

(iv) the items required by the Resolution as conditions for execution and delivery of the 2022 Obligations;

(v) a Tax Certificate of the District, in form and substance satisfactory to Bond Counsel and the Bank;

(vi) the preliminary filings with the California Debt and Investment Advisory Commission;

(vii) the opinion of the general counsel to the District, dated the Closing Date, addressed to the Bank and Bond Counsel, to the effect that:

(A) the District is a community services district, duly organized and validly existing under the laws of the State of California, and has all requisite power and authority thereunder: (a) to adopt the Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Agreement and the Note; (b) to make, execute and deliver the Agreement and the Note; (c) to pledge the Net Revenues as contemplated by the Agreement; and (d) to carry on its activities as currently conducted;

(B) the District has taken all actions required to be taken by it prior to the Closing Date material to the transactions contemplated by the Resolution, the Agreement and the Note, and the District has duly authorized the execution and delivery of, and the due performance of its obligations under, the Agreement and the Note;

(C) the adoption of the Resolution, the execution and delivery by the District of the Agreement and the Note, and the compliance with the provisions of the Agreement and the Note, to the best of such counsel's knowledge after due inquiry, do not and will not conflict with or violate in any material respect any California constitutional, statutory or regulatory provision or any applicable judgment or decree, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the District a material breach of or default under any agreement or instrument to which the District is a party or by which it is bound;

(D) no litigation is pending with service of process completed or, to the best of such counsel's knowledge after due inquiry, threatened against the District in any court in any way affecting the titles of the officials of the District to their respective positions, or seeking to restrain or to enjoin the execution and delivery of the Agreement and the Note, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the 2022 Obligations, or in any way contesting or affecting the validity or enforceability of the Agreement, the Note or the Resolution, or contesting the powers of the District or its authority with respect to the Agreement, the Note or the Resolution;

(E) to the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the District of the Agreement or the Note; and

(F) to the best of such counsel's knowledge after due inquiry, the District is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement,

indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially adversely affect the District's ability to enter into or perform its obligations under the Agreement or the Note, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and

(viii) such additional legal opinions, certificates, instruments and other documents as the Bank or its counsel may reasonably request to evidence the truth and accuracy, as of the date of this Agreement and as of the Closing Date, of the representations, warranties, agreements and covenants of the District contained herein and the due performance or satisfaction by the District at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the District.

Section 3.11. 2022 Obligations Register. The District will keep or cause to be kept, sufficient books for the registration and transfer of the 2022 Obligations which shall be open at all reasonable times with reasonable prior notice during normal business hours of the District; and, upon presentation, the District shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the 2022 Obligations.

Section 3.12. No CUSIP Numbers; No Rating; No DTC; No Offering Document. The 2022 Obligations shall not bear CUSIP numbers, shall not be rated by any rating agency, shall not be held by The Depository Trust Company, and shall not be offered pursuant to any offering document.

Section 3.13. Investments. All money held by the District in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments, which Permitted Investments shall, as nearly as practicable, mature (or be subject to redemption or disposition) on or before the dates on which such money is anticipated to be needed for disbursement hereunder. The District shall not be liable for any loss from any Permitted Investments acquired, held or disposed of in compliance with this Section 3.13. All interest or gain derived from the investment of amounts in other funds or accounts established hereunder shall be deposited in the Revenue Fund.

Section 3.14. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account established hereunder, any investments credited to such fund or account shall be valued at least annually, on or before June 30th. For the purpose of determining the amount in any fund or account, Permitted Investments credited to such fund or account shall be valued at the Fair Market Value thereof (based on accepted industry standards from accepted industry providers); provided that as to certificates of deposit and banker acceptances, the value thereof shall equal the face amount, plus accrued interest thereon. In making such evaluations District may rely upon such valuation services as may be available to the District.

ARTICLE IV

SECURITY

Section 4.1. Pledge of Revenues. The District hereby irrevocably pledges all of the Net Revenues along with amounts on deposit in the Revenue Fund to the punctual payment of the 2022 Obligation Payments. This pledge shall constitute a first lien on the Net Revenues for the payment of the 2022 Obligations in accordance with the terms hereof, which lien is on parity with the lien on Net Revenues that secures the payment of Parity Obligations. The Net Revenues will not be used for any other purpose while any of the 2022 Obligation Payments are unpaid, except as otherwise set forth herein.

Section 4.2. Repayment of the 2022 Obligations. The District hereby agrees to repay the 2022 Obligations from Net Revenues in the aggregate principal amount of \$3,585,000 together with interest (calculated at the rate of 3.05%, on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable in semi-annual 2022 Obligation Payments in the respective amounts and on the respective 2022 Obligation Payment Dates specified in Exhibit A hereto, and by this reference made a part hereof.

Pursuant to Section 5451 of the Government Code of the State of California, the pledge of Net Revenues by the District for the repayment of the principal of, premium, if any, and interest components of the 2022 Obligation Payments constitutes a first lien and security interest which immediately attaches to such Net Revenues, and is effective and binding against the District, its successors, creditors and all others asserting rights therein irrespective of whether those parties have notice of the pledge, irrespective of whether such amounts are or may be deemed to be a fixture and without the need for physical delivery, recordation, filing or further act.

So long as the 2022 Obligations are owned by the Bank, all principal and interest payments with respect to the 2022 Obligations shall be made by wire transfer, or other mutually agreeable form of transfer, in accordance with wire instructions provided by the Bank from time to time.

From and during the continuance of an Event of Default, the 2022 Obligations shall, at the option of Bank and with written notice to the District, bear interest at the Default Rate until such time as the Event of Default is cured or is otherwise no longer applicable. From and after the Date of Taxability following a Determination of Taxability, the interest rate on the 2022 Obligations shall be increased to the Taxable Rate until such time as the Determination of Taxability no longer exists.

Section 4.3. Revenues; Establishment and Application of Revenues. The District hereby covenants and agrees to establish, maintain and hold in trust a separate special trust fund to be designated the "Revenue Fund" (herein referred to as the "Revenue Fund") so long as the 2022 Obligations remains outstanding. Within the Revenue Fund the District shall establish and maintain a separate Interest Account, Principal Account and Redemption Account therein. The Revenue Fund shall be kept separate and apart from all other funds and accounts held by the District and shall be administered as provided herein. The District hereby covenants and agrees that all Revenues, when and as received, will be received and held by the District in trust for the benefit of the Bank and owners of any Parity Obligations, and will be allocated and deposited by

the District in the Revenue Fund. All Revenues shall be disbursed, allocated and applied solely to the following uses and purposes and in the following order of priority:

(a) Maintenance and Operation Costs. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants to pay all Maintenance and Operation Costs of the Enterprise (including amounts reasonably required to be set aside in contingency reserves for the Enterprise, the payment of which is not then immediately required) from the Revenue Fund as they become due and payable. The District shall annually prepare a budget for Maintenance and Operation Costs.

(b) Net Revenues. All Net Revenues on each 2022 Obligation Payment Date, shall be transferred by the District from the Revenue Fund and allocated to the following respective accounts, the following amounts in the following order of priority, the requirements of each such account at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(1) Interest Account. On each Interest Payment Date, the District shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all outstanding Parity Obligations. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all outstanding Parity Obligations on such Interest Payment Date. All moneys in the Interest Account shall be used and withdrawn by the District solely for the purpose of paying interest on the Parity Obligations as it shall become due and payable (including accrued interest on any 2022 Obligations purchased or redeemed prior to maturity pursuant to this Agreement). In the event that the amounts on deposit in the Interest Account on any Interest Payment Date are insufficient for any reason to pay the aggregate amount of interest then coming due and payable on the outstanding Parity Obligations, the District shall apply such amounts to the payment of interest on each of the outstanding Parity Obligations on a pro rata basis.

(2) Principal Account. On each Principal Payment Date on which the principal of Parity Obligations is payable, the District shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Parity Obligations coming due and payable on such Principal Payment Date and the amount of principal becoming due and payable on any mandatory sinking account payment due on all outstanding Parity Obligations, if any. All moneys in the Principal Account shall be used and withdrawn by the District solely for the purpose of paying the principal of the Parity Obligations at the maturity date or upon early redemption, as the case may be. In the event that the amounts on deposit in the Principal Account on any Principal Payment Date are insufficient for any reason to pay the aggregate amount of principal then coming due and payable on the outstanding Parity Obligations, the District shall apply such amounts to the payment of principal on each of the outstanding Parity Obligations on a pro rata basis.

(3) Reserve Accounts. Payments required to replenish any debt service reserve accounts established for Parity Obligations shall be made in accordance with the terms hereof and such Parity Obligations Documents, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(4) Subordinate Debt Repayment. Payments relating to principal and interest on or with respect to Subordinate Debt in accordance with the terms of such Subordinate Debt, without preference or priority, and in the event of any insufficiency of such moneys, ratably based on the respective principal amounts (including any accreted value) without any discrimination or preference.

(5) Subordinate Debt Reserve Accounts. To make payments required with respect to Subordinate Debt to replenish reserve accounts established therefor in accordance with the terms of such Subordinate Debt, without preference or priority, and in the event of any insufficiency of such moneys, ratably based on the respective principal amounts (including any accreted value) without any discrimination or preference.

(6) General Expenditures. For any lawful purpose of the District, including, but not limited to, any costs of capital improvements to the Enterprise and contributions to rate stabilization funds and other such reserves.

Section 4.4. Rebate Fund. The District shall establish the Rebate Fund and shall comply with the requirements below. All money at any time deposited in the Rebate Fund shall be held by the District in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the applicable Tax Certificate, unless the District obtains an opinion of Bond Counsel that the exclusion from gross income of interest on the 2022 Obligations will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

(a) Excess Investment Earnings.

(i) Computation. Within 55 days of the end of each fifth Computation Year with respect to the 2022 Obligations, the District shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g. the temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C) of the Code), for this purpose treating the last day of the applicable Computation Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the "Rebatable Arbitrage"). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Computation Year with respect to the 2022 Obligations, an amount shall be deposited to the Rebate Fund by the

District from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.4(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, the District shall withdraw the excess from the Rebate Fund and then credit the excess to the Revenue Fund.

(iii) Payment to the Treasury. The District shall pay to the United States Treasury, out of amounts in the Rebate Fund.

(X) Not later than 60 days after the end of (A) the fifth Computation Year with respect to the 2022 Obligations, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Computation Year; and

(Y) Not later than 60 days after the payment of all the 2022 Obligations, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Computation Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Subsection 4.4(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the District, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption, if any, and payment of the 2022 Obligations and the payments described in Section 4.4(a)(iii), shall be utilized in any manner by the District.

(c) Survival of Defeasance. Notwithstanding anything in this Section 4.4 or this Agreement to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of this Agreement and any Parity Obligations.

Section 4.5. Special Obligation of the District; Obligations Absolute. The District's obligation to pay the 2022 Obligation Payments shall be a special obligation of the District limited solely to Net Revenues and amounts on deposit in the Revenue Fund. Under no circumstances shall the District be required to advance moneys derived from any source of income other than Net Revenues and other sources specifically identified herein for the payment of the 2022 Obligation Payments, nor shall any other funds or property of the District be liable for the payment of the 2022 Obligation Payments. Notwithstanding the foregoing provisions of this Section, however,

nothing herein is intended to prohibit the District voluntarily from making any payment hereunder from any source of available funds of the District.

The obligations of the District to pay the 2022 Obligation Payments from Net Revenues, and to perform and observe the other agreements contained herein, shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the District, the Bank of any obligation to the District or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Bank.

Until such time as all of the 2022 Obligation Payments shall have been fully paid or prepaid, the District (a) will not suspend or discontinue payment of any 2022 Obligation Payments, (b) will perform and observe all other agreements contained in this Agreement, and (c) will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, sale of the Enterprise, the taking by eminent domain of title to or temporary use of any component of the Enterprise, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State or any political subdivision of either thereof or any failure of the Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

ARTICLE V

COVENANTS OF THE DISTRICT

Section 5.1. Operation and Maintenance of the Enterprise. The District will maintain and preserve the Enterprise in good repair and working order at all times and will operate the Enterprise in an efficient and economical manner and will pay all Maintenance and Operation Costs of the Enterprise as they become due and payable.

Section 5.2. Against Sale or Other Disposition of Property. The District will not sell, lease, or otherwise dispose of the Enterprise or any part thereof essential to the proper operation of the Enterprise or to the maintenance of the Net Revenues. The District will not enter into any agreement or lease that impairs the operation of the Enterprise or any part thereof necessary to secure adequate Net Revenues for the payment of the 2022 Obligations or that would otherwise impair the rights of the District with respect to the Net Revenues or the operation of the Enterprise. Any real or personal property that has become nonoperative or that is not needed for the efficient and proper operation of the Enterprise, or any material or equipment that has become worn out, may be sold at not less than the Fair Market Value thereof. The District shall deposit the proceeds of such sale in the Revenue Fund. Nothing herein shall restrict the ability of the District to sell any portion of the Enterprise if such portion is immediately repurchased by the District (or other entity required as part of a financing structure) and if such arrangement cannot by its terms result in the purchaser of such portion of the Enterprise exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Enterprise or interfere with its right to collect the Revenues therefrom.

Section 5.3. Rates, Fees, and Charges. (a) The District will, at all times while the 2022 Obligations remains outstanding, fix, prescribe and collect rates, fees, property taxes and charges in connection with the Enterprise so as to yield Revenues at least sufficient, after making reasonable allowances for contingencies and errors in the estimates, to pay the following amounts in the order set forth below:

- (1) All Maintenance and Operation Costs of the Enterprise;
- (2) All payments of Debt Service and all other payments (including payments under reimbursement agreements) with respect to all Parity Obligations as they become due and payable;
- (3) All amounts, if any, required to restore the balance in any reserve accounts established for Parity Obligations in accordance with the terms of such Parity Obligations Documents, without preference or priority;
- (4) All Subordinate Debt Payments (but only to the extent not projected to be payable from reserves set aside and available therefor) and all other payments with respect to all Subordinate Debt as they become due and payable; and
- (5) All other payments required to meet any other obligations of the District that are charges, liens, encumbrances upon, or which are otherwise payable from the Revenues during such Fiscal Year;

(b) Furthermore, the District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are sufficient to yield estimated Net Revenues which are at least equal to one hundred twenty-five percent (125%) of the aggregate amount of Debt Service on all Parity Obligations payable from Net Revenues coming due and payable during such Fiscal Year. The District may make adjustments, from time to time, in its rates, fees and charges as it deems necessary, but shall not reduce its rates, fees and charges below those in effect unless the Net Revenues resulting from such reduced rates, fees and charges shall at all times be sufficient to meet the requirements set forth in this paragraph.

(c) If the District violates the covenants set forth in subsections (a) or (b) hereof, such violation shall not, in and of itself, be a default under this Agreement and shall not give rise to a declaration of an Event of Default so long as (i) Net Revenues (calculated without taking into account any amounts transferred into the Revenue Fund from the Rate Stabilization Fund pursuant to subsection (d) below), are at least equal to the Maximum Annual Debt Service, and (ii) within 120 days after the date such violation is discovered, the District either (x) transfers enough moneys from the Rate Stabilization Fund sufficient to yield estimated Net Revenues which are at least equal to one hundred twenty-five percent (125%) of the aggregate amount of Debt Service on all Parity Obligations payable from Net Revenues coming due and payable during such Fiscal Year in compliance with subsection (b) hereof, (y) hires an Independent Financial Consultant to review the revenues and expenses of the Enterprise, and abides by such consultant's recommendations to revise the schedule of rates, fees, expenses and charges, and to revise any Maintenance and

Operation Costs insofar as practicable, and to take such other actions as are necessary so as to produce Net Revenues to cure such violation for future compliance, or (z) receives a written waiver from the Bank; *provided, however*, that, if the District does not, or cannot, transfer from the Rate Stabilization Fund the amount necessary to comply with subsection (b) hereof, or otherwise cure such violation within two years after the date such violation is discovered, an Event of Default shall be deemed to have occurred under Section 6.1(a)(2) hereof, unless the Bank provides otherwise in writing at its sole option.

(d) There is hereby created a separate fund to be known as the “Rate Stabilization Fund,” to be held and maintained by the District. The Rate Stabilization Fund is not pledged to secure payment of the 2022 Obligations. Amounts in the Rate Stabilization Fund shall be applied solely for the uses and purposes set forth in this subsection (d). The District shall have the right to deposit into the Rate Stabilization Fund from time to time any amount of funds which are legally available therefor; provided that deposits for each Fiscal Year may be made until (but not after) one hundred eighty (180) days following the end of such Fiscal Year (unless otherwise agreed by the Bank).

For the purpose of computing the amount of Revenues for any Fiscal Year for purposes of the preceding subsection (a), or the amount of Net Revenues for any Fiscal Year for purposes of the preceding subsection (b), the District shall be permitted to transfer amounts on deposit in the Rate Stabilization Fund to the Revenue Fund, such transfers to be made until (but not after) one hundred eighty (180) days after the end of such Fiscal Year (unless otherwise agreed by the Bank). In addition, the District shall be permitted to withdraw amounts on deposit in the Rate Stabilization Fund for any other lawful purpose. The Rate Stabilization Fund is not pledged to secure payment of the 2022 Obligations.

Section 5.4. Collection of Rates and Charges. The District will have in effect at all times rules and regulations requiring each consumer or customer utilizing the Enterprise facilities to pay the rates, fees and charges applicable to such use or benefit received. Except in connection with the receipt of federal or State funding, the District will not permit any part of the Enterprise or any facility thereof to be used or taken advantage of free of charge by any corporation, firm or person, or by any public agency (including the United States of America, the State and any city, county, district, political subdivision, public corporation or agency of any thereof).

Section 5.5. Competitive Facilities. Except for any Enterprise facilities existing as of the date hereof, the District will not, to the extent permitted by law, acquire, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, authority, city, special district, or political subdivision or any person whomsoever to acquire, maintain or operate within the sphere of influence of the District any water system competitive with the Enterprise; *provided, however*, that the District may, with the written consent of the Bank first had and obtained, assign all or a portion of the Enterprise to another entity upon delivery to the Bank of an opinion of counsel experienced in the field of law relating to municipal bonds that such assignment will not adversely affect the tax-exempt status of the interest with respect to the 2022 Obligations, and provided such entity assumes the obligations of the District hereunder.

Section 5.6. Insurance. (a) The District will procure and maintain insurance on the Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises.

In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Enterprise shall be free and clear of all liens and claims. If the proceeds received by reason of any such loss shall exceed the costs of such repair, reconstruction or replacement, the excess shall be applied to prepay the 2022 Obligations and any other Parity Obligations, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such Parity Obligations.

Alternatively, if the proceeds of such insurance are sufficient to enable the District to retire all outstanding Parity Obligations and all other amounts due hereunder, the District may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Enterprise, and thereupon such proceeds shall be applied to the prepayment of such Parity Obligations and to the payment of all other amounts due hereunder, and as otherwise required by the documents pursuant to which other Parity Obligations were issued.

(b) The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason of the ownership or operation of the Enterprise, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar enterprises.

(c) The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of California, or any act hereafter enacted as an amendment or supplement or in lieu thereof; such insurance to cover all persons employed in connection with the Enterprise.

(d) All policies of insurance required to be maintained herein shall provide that the Bank shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

(e) In lieu of obtaining insurance coverage as required by this Section, such coverage may, with the prior written consent of the Bank, be maintained by the District in the form of self-insurance. The District shall certify to the Bank that (i) the District has segregated amounts in a special insurance reserve meeting the requirements of this Section; (ii) an Insurance Consultant certifies annually, on or before August 1 of each year in which self-insurance is maintained, in writing to the Bank that the District's general insurance reserves are actuarially sound and are adequate to provide the necessary coverage; and (iii) such reserves are held in a separate trust fund by an independent trustee. Any statements of self-insurance shall be delivered to the Bank. The

District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

The District shall cause the Bank to be named as an additional insured with respect to the District's liability insurance, and as a loss payee with respect to any property damage insurance. The District shall not allow any insurance to expire without thirty (30) days prior written notice to the Bank.

Section 5.7. Eminent Domain. If all or any part of the Enterprise shall be taken by eminent domain proceedings, the resulting Net Proceeds thereof shall be applied as follows:

(a) If (1) the District delivers to the Bank a Certificate of the District showing (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Enterprise proposed to be acquired by the District from any Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) on the basis of such certificate, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive); then the District shall promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such Certificate of the District and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not required by the District for such purpose shall be applied to prepay the Principal Components and the principal amount of any other Parity Obligations, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such other Parity Obligations.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Principal Components of the 2022 Obligations and the principal amounts of any other Parity Obligations, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such other Parity Obligations.

Section 5.8. Additional Information. The District agrees to furnish to the Bank, promptly, from time to time, such information regarding the operations, financial condition and property of the District and the Enterprise as the Bank may reasonably request.

Section 5.9. Compliance with Law and Contracts. The District will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on its operation of the Enterprise by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control.

Section 5.10. Punctual Payment. The District will punctually pay the principal and interest to become due in respect of the 2022 Obligations, in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms

contained herein required to be observed and performed by it, and will not rescind this Agreement for any cause.

Section 5.11. Reserved.

Section 5.12. Protection of Security and Rights of the Bank. The District will preserve and protect the security of the 2022 Obligations and the rights of the Bank and will defend the Bank's rights against all claims and demands of all persons. From and after the Closing Date, the 2022 Obligations shall be incontestable by the District.

Section 5.13. Parity Obligations.

(a) So long as the 2022 Obligations are outstanding, the District shall not issue or incur any obligations payable from Revenues or Net Revenues senior or superior to the payment of Debt Service on the 2022 Obligations. The District may at any time issue Parity Obligations payable from Net Revenues on parity with Debt Service on the 2022 Obligations to provide financing or refinancing for the Enterprise in such principal amount as shall be determined by the District. The District may issue or incur any such Parity Obligations subject to the following specific conditions, which are hereby made conditions precedent to the issuance and delivery of such Parity Obligations:

(1) No Event of Default shall have occurred and be continuing;

(2) The Net Revenues (calculated without taking into account any amounts transferred into the Revenue Fund from the Rate Stabilization Fund pursuant to Section 5.3(d) hereof), calculated in accordance with Generally Accepted Accounting Principles, either (i) as shown by the books of the District for the latest Fiscal Year, as verified by a certificate of an Authorized Representative of the District, or (ii) as shown by the books of the District for any more recent twelve (12) month period within the preceding eighteen (18) months selected by the District, as verified by a certificate or opinion of an Independent Certified Public Accountant employed by the District, plus in either case (at the option of the District) the Additional Revenues, shall be at least equal to one hundred twenty-five percent (125%) of the amount of Maximum Annual Debt Service on all outstanding Parity Obligations and the Parity Obligations to be issued; and

(3) At the District's sole discretion, there may be established from the proceeds of such Parity Obligations a reserve fund for the security of such Parity Obligations, in an amount not to exceed the lesser of (i) the maximum amount of debt service required to be paid by the District with respect to such Parity Obligations during any Fiscal Year and (ii) the maximum amount then permitted under the Code, in either event as certified in writing by the District.

The provisions of subsection (2) of this Section shall not apply to any Parity Obligations if, and to the extent that (i) all of the proceeds of such Parity Obligations (other than proceeds applied to pay costs of issuing such Parity Obligations and to make the reserve fund deposit required pursuant to subsection (3) of this Section) shall be deposited in an irrevocable escrow held in cash or invested in Federal Securities for the purpose of paying the principal of and interest and premium (if any) on such outstanding Parity Obligations, and (ii) at the time of the incurring

of such Parity Obligations, the District certifies in writing that maximum annual debt service on such Parity Obligations will not exceed Maximum Annual Debt Service on the outstanding Parity Obligations being refunded, and (iii) the final maturity of such Parity Obligations is not later than the final maturity of the Parity Obligations being refunded.

(b) In order to maintain the parity relationship of debt service payments on all Parity Obligations permitted hereunder, the District covenants that all payments in the nature of principal and interest or reserve account replenishment with respect to any Parity Obligations, will be structured to occur semi-annually on January 1 and July 1, in each year as such payments are due with respect to the Debt Service payments, and reserve account replenishment with respect to any Parity Obligations will be structured to occur within one year, and to otherwise structure the terms of such Parity Obligations to ensure that they are in all respects payable on a parity with the Debt Service payments on the 2022 Obligations and all Parity Obligations, and not prior thereto.

(c) The District may at any time execute contracts or issue bonds or other indebtedness payable from Net Revenues or the Revenue Fund payable on a subordinated basis to the payment of the Debt Service payments on Parity Obligations.

Section 5.14. Reserved.

Section 5.15. Against Encumbrances. The District hereby covenants and agrees that it shall not incur any obligations that are secured by a pledge and lien on the Net Revenues that is senior to the pledge and lien on the Net Revenues contained herein. The District will not make any pledge of or place any lien on the Net Revenues except as provided herein. The District may pledge Net Revenues to secure Parity Obligations issued in accordance with Section 5.13 hereof. The District may at any time, or from time to time, issue evidences of indebtedness for any lawful purpose that are payable from and secured by a pledge of and lien on Net Revenues that is subordinate in all respects to the pledge of and lien on the Net Revenues provided herein.

Section 5.16. Further Assurances. The District will adopt, make, execute and deliver any and all further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Bank of the rights and benefits provided to it herein.

Section 5.17. Financial Reports. Promptly upon receipt by the District and in no event later than two hundred seventy (270) days after the close of each Fiscal Year (unless otherwise agreed in writing by the Bank), the District will furnish, or cause to be furnished, to the Bank an audit report of an Independent Certified Public Accountant with respect to such Fiscal Year, covering the operations of the Enterprise for said Fiscal Year. Such audit report shall include statements of the status of each account pertaining to the Enterprise, showing the amount and source of all deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of said Fiscal Year. In addition, the District shall deliver to the Bank, immediately after the approval thereof, a copy of the District's adopted budget for the then current Fiscal Year. The District shall also deliver to the Bank a copy of any update to the District's budget adopted for a Fiscal Year with thirty (30) days of the adoption of such updated budget.

Section 5.18. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District's right to exist and carry on business as a community services district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 5.19. Private Activity Bond Limitation. The District shall assure that monies deposited pursuant to this Agreement are not so used as to cause this Agreement to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(d) of the Code.

Section 5.20. Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause this Agreement or the Interest Components of the 2022 Obligation Payments to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.21. Maintenance of Tax Exemption. The District shall take all reasonable actions necessary to assure the exclusion of the Interest Components of the 2022 Obligation Payments from the gross income under the Code.

Section 5.22. Rebate Requirement. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government.

Section 5.23. No Arbitrage. The District shall not take any action with respect to the proceeds of the 2022 Obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date this Agreement was entered into would have caused the 2022 Obligations to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 5.24. Budget. The District hereby covenants to take such action as may be necessary to include all 2022 Obligation Payments and all other amounts due hereunder in its annual budget and to make the necessary annual appropriations for all such 2022 Obligation Payments and all other amount due hereunder.

Section 5.25. Notices. The District shall provide to the Bank:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Agreement, together with a detailed statement by an Authorized Representative of the steps being taken by the District to cure the effect of such Event of Default.

(b) Prompt written notice (i) of any action, suit or proceeding or any investigation, inquiry or similar proceeding by or before any court or other governmental authority,

domestic or foreign, against the District or the Enterprise or the Revenues which involve claims equal to or in excess of \$500,000 or that seeks injunctive relief, or (ii) of any loss or destruction of or damage to any portion of the Enterprise in excess of \$500,000.

(c) Prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could impact any Revenues.

(d) Prompt written notice of any Event of Taxability.

(e) Promptly upon notice thereof, any termination or cancellation of any insurance policy which the District is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the District property in excess of an aggregate of \$500,000.

(f) With reasonable promptness, such other information respecting the District, Enterprise, and the operations, affairs and financial condition of the District as the Bank may from time to time reasonably request.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1. Events of Default and Remedies.

(a) Events of Default. The following shall be Events of Default hereunder:

(1) Failure by the District to pay any Principal Component or Interest Component on the 2022 Obligations when due.

(2) Failure by the District to observe and perform any covenant, condition or agreement on its part contained herein pertaining to the Enterprise, other than in clause (1) of this subsection, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Bank; *provided, however,* if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such thirty (30) day period, the Bank shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within such thirty (30) day period and diligently pursued until the default is corrected.

(3) Default by the District under any Parity Obligation (or Subordinate Debt which requires or permits the immediate acceleration thereof).

(4) Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the District or of all or substantially all of its assets, by or with the consent of the District, or institution of any

such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the District with the District's creditors to effect a composition or extension of time to pay the District's debts, or request by the District for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or a general or any assignment by the District for the benefit of the District's creditors.

(5) Any statement, representation or warranty made by the District in or pursuant to this Agreement or its execution, delivery or performance proves to have been false, incorrect, misleading, or breached in any material respect on the date made, and is continuing for a period of thirty (30) days after written notice specifying such misrepresentation or breach and requesting that it be remedied has been given to the District by the Bank; *provided, however*, that the Bank and the District may agree that action by the District to cure such failure may be extended beyond such thirty-day period.

(6) This Agreement or any material provision of this Agreement shall at any time for any reason cease to be the legal, valid and binding obligation of the District or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the District, or the District shall renounce the same or deny that it has any further liability hereunder.

(7) Dissolution, termination of existence or insolvency of the District.

(8) Any court of competent jurisdiction with jurisdiction to rule on the validity of any provision of this Agreement shall find or rule that this Agreement is not valid or not binding on the District.

(b) Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Bank shall have the right, at its option upon notice to the District, to declare the unpaid aggregate Principal Components of the 2022 Obligations, and the interest accrued thereon, to be immediately due and payable, whereupon the same shall immediately become due and payable.

The Bank shall also have the right, at its option upon notice to the District, to (i) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the District to charge and collect rates for services provided by the District and the Enterprise sufficient to meet all requirements of this Agreement, and (ii) take whatever action at law or in equity as may appear necessary or desirable to collect the 2022 Obligation Payments then due or thereafter to become due during the Term of this Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Agreement, subject to the following paragraph.

Notwithstanding any provision of this Agreement, the District's liability to pay the 2022 Obligation Payments and other amounts hereunder shall be limited solely to Net Revenues as provided in Article IV hereof. In the event that Net Revenues shall be insufficient at any time to pay a Principal Component and/or Interest Component in full, the District shall not be liable to pay or prepay such delinquent 2022 Obligation Payment other than from Net Revenues.

Section 6.2. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 6.1, all Net Revenues thereafter received by the District shall be applied in the following order:

First, to the payment of the fees, costs and expenses incurred and necessary to protect the interests of the Bank and the holders of Parity Obligations, including the fees, costs and expenses of the Bank and any trustee, paying agent or holder of Parity Obligations in connection with such declaration, including reasonable compensation to their respective accountants and counsel; and

Second, to the payment of the entire unpaid aggregate Principal Components of the 2022 Obligations and the accrued interest thereon and any unpaid Parity Obligations, with interest on the overdue payments at the rate or rates of interest applicable to the 2022 Obligations and any such Parity Obligations if paid in accordance with their respective terms, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority, according to the amounts due respectively, to the Persons entitled thereto without any discrimination or preference.

Section 6.3. Other Remedies of the Bank. The Bank shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Bank; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its Board of Directors, officers and employees to account as the trustee of an express trust.

Section 6.4. Non-Waiver. Nothing in this article or in any other provision hereof, or in the 2022 Obligations, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the 2022 Obligations to the Bank when due, as herein provided, out of the Net Revenues herein pledged for such payment, or shall affect or impair the right of the Bank, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied in this Agreement.

A waiver of any default or breach of duty or contract by the Bank shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Bank to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bank by law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bank.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Bank, the District and the Bank shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 6.5. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bank is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 6.6. Prosecution and Defense of Suits. The District shall promptly, upon request of the Bank or its assignee, from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Enterprise whether now existing or hereafter arising and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose.

ARTICLE VII

NOTICES

Section 7.1. Notices. All written notices under this Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice is effective either (a) upon transmission by facsimile transmission, (b) upon actual receipt after deposit in the United States mail, postage prepaid, or (c) in any other case, upon actual receipt. The District or the Bank may, by written notice to the other parties, from time to time modify the address or number to which communications are given hereunder.

If to the District: Rubidoux Community Services District
3590 Rubidoux Blvd,
Jurupa Valley, CA 92509
Attention: General Manager

If to the Bank: Webster Bank, National Association
500 Seventh Avenue, 3rd Floor
New York, NY 10018
Attention: Public Sector Finance

ARTICLE VIII

AMENDMENTS; DISCHARGE; GENERAL AUTHORIZATION; EFFECTIVE DATE

Section 8.1. Amendments Permitted. (a) This Agreement and the rights and obligations of the District and of the Bank may be modified or amended at any time by a written supplemental agreement entered into by the District and the Bank.

(b) From and after the time any supplemental agreement becomes effective pursuant to this Article, this Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Agreement and the Bank shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.2. Discharge of Agreement. (a) If the District shall pay or cause to be paid or there shall otherwise be paid to the Bank the principal of and the interest and the prepayment premium, if any, on the 2022 Obligations at the times and in the manner stipulated herein, then all agreements, covenants and other obligations of the District to the Bank hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) This Agreement shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this section if (1) in case the 2022 Obligations are to be prepaid on any date prior to its final Principal Payment Date, the District shall have mailed a notice of prepayment to the Bank, (2) there shall have been irrevocably deposited with the Bank (and pledged to the payment of the outstanding balance of 2022 Obligations), or an escrow agent reasonably acceptable to the Bank, either money in an amount that shall be sufficient or direct obligations of the United States of America that are not subject to redemption except by the holder thereof prior to maturity (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money that, together with the money, if any, deposited with the Bank or such escrow agent at the same time, shall be sufficient (in the opinion of an Independent Certified Public Accountant) to pay when due the interest to become due on the 2022 Obligations on and prior to the final Principal Payment Date or prepayment date thereof, as the case may be, and the principal of and prepayment premiums, if any, on the 2022 Obligations on and prior to the final Principal Payment Date or the prepayment date thereof, as the case may be, and (3) if the 2022 Obligations are not subject to prepayment within the next succeeding sixty (60) days, the District shall have mailed a notice to the Bank that the deposit required by clause (2) above has been made with the Bank or such escrow agent and that the 2022 Obligations are deemed to have been paid in accordance with this section and stating the principal payment dates or prepayment date, as the case may be, upon which money is to be available for the payment of the principal of and prepayment premiums, if any, on the 2022 Obligations; *provided, however*, that the District shall have provided an opinion of Bond Counsel that such deposit will not adversely affect the exclusion of interest on the 2022 Obligations from gross income of the Bank for federal income tax purposes.

Section 8.3. General Authorization. The Authorized Representatives of the District, and each of them individually, are hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver any and all documents (including specifically this Agreement and the 2022 Obligations), to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to consummate the financing and to effect the purposes of this Agreement and the 2022 Obligations. All actions heretofore taken by officers, employees, and agents of the District that are in conformity with the purposes and intent of this Agreement are hereby approved, confirmed, and ratified.

Section 8.4. Cancellation of Bonds. All 2022 Obligations surrendered to the District for payment upon maturity or for redemption shall upon payment therefor be cancelled forthwith and shall not be reissued.

Section 8.5. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Agreement to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor, may be signed or executed by such Owner in person or by their attorneys appointed by an instrument in writing for that purpose, or by the commercial bank, trust company or other depository for such 2022 Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of 2022 Obligations shall be sufficient for the purposes of this Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any commercial bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any 2022 Obligation, the person in whose name the same shall be registered in the 2022 Obligations Register shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of any such the 2022 Obligation, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such the 2022 Obligations and the interest thereon to the extent of the sum or sums to be paid. Nothing contained in this Agreement shall be construed as limiting the to such proof, it being intended that the District may accept other evidence of the matters herein stated which the District may deem sufficient. Any request or consent of the Owner of any 2022 Obligation shall bind every future Owner of the same 2022 Obligation in respect of anything done or suffered to be done by the District in pursuance of such request or consent.

Section 8.6. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Bank and the District and their respective successors and assigns.

Section 8.7. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.8. Further Assurances and Corrective Instruments. The Bank and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

Section 8.9. Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of any legal action to

enforce or interpret this Agreement, including any challenge to or review of arbitration, the sole and exclusive venue shall be a court of competent jurisdiction located in Riverside County, California, or the Northern District of California if moved to federal venue, and the parties hereto agree to and do hereby submit to such jurisdiction, notwithstanding Code of Civil Procedure section 394.

Section 8.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Agreement.

Section 8.11. Expenses. The fees and disbursements of Bond Counsel, the cost of preparing the documentation, CDIAC fees, fees of Bank's Counsel and other miscellaneous expenses of the District incurred in connection with the execution and delivery of the 2022 Obligations shall all be the obligation of the District. The Bank shall have no responsibility for any expenses associated with the issuance of the 2022 Obligations, including, but not limited to, the expenses identified above as the obligation of the District.

Section 8.12. Judicial Reference.

(a) The Bank and the District hereby agree: (i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Agreement or any document related thereto, any dealings between the District and the Bank related to the subject matter of this Agreement or any related transactions, and/or the relationship that is being established between the District and the Bank (hereinafter, a "Claim") shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Bank or the District, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Bank and the District agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Bank and the District shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 8.10; (iv) either the Bank or the District, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the District and the District, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure; and (vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(b) The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters.

The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by a Judge of the Riverside County Superior Court, or of the U.S. District Court for the Southern District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 8.12.

(c) No provision of this Section 8.12 shall limit the right of either the Bank or the District, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Bank or the District to the Reference pursuant to this Section 8.12(c).

(d) Promptly following the selection of the Referee, the District shall advance the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

Section 8.13. Agreement to Pay Attorneys' Fees and Expenses. The District will pay the Bank its reasonable attorney fees incurred and necessary to protect the Bank's interest subsequent to an Event of Default.

Section 8.14. Net-Net-Net Contract. This Agreement is a "net-net-net contract" and the District hereby agrees that the 2022 Obligation Payments are an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever.

Section 8.15. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page to Follow on Next Page]

IN WITNESS WHEREOF, the Bank has caused this Agreement to be executed in its corporate name by its duly authorized officer; and the District has caused this Agreement to be executed in its name by its Authorized Representative, as of the date first above written.

WEBSTER BANK, NATIONAL ASSOCIATION,
a national banking association with all right and
authority to conduct business in the State of California

By: _____

Name: _____

Title: _____

RUBIDOUX COMMUNITY SERVICES DISTRICT

By: _____

EXHIBIT A

2022 OBLIGATIONS PAYMENT SCHEDULE

2022 Obligation Payment Date	Principal Component	Interest Component	2022 Obligation Payment
01/01/2023	-	\$41,307.17	\$41,307.17
07/01/2023	323,841.87	54,671.25	378,513.12
01/01/2024	-	49,732.66	49,732.66
07/01/2024	320,354.97	49,732.66	370,087.63
01/01/2025	-	44,847.25	44,847.25
07/01/2025	330,125.78	44,847.25	374,973.03
01/01/2026	-	39,812.83	39,812.83
07/01/2026	340,194.62	39,812.83	380,007.45
01/01/2027	-	34,624.86	34,624.86
07/01/2027	350,570.56	34,624.86	385,195.42
01/01/2028	-	29,278.66	29,278.66
07/01/2028	361,262.96	29,278.66	390,541.62
01/01/2029	-	23,769.40	23,769.40
07/01/2029	372,281.48	23,769.40	396,050.88
01/01/2030	-	18,092.11	18,092.11
07/01/2030	383,636.06	18,092.11	401,728.17
01/01/2031	-	12,241.66	12,241.66
07/01/2031	395,336.96	12,241.66	407,578.62
01/01/2032	-	6,212.77	6,212.77
07/01/2032	407,394.74	6,212.77	413,607.51
Totals	\$3,585,000.00	\$613,202.82	\$4,156,895.65

EXHIBIT B

FORM OF PROMISSORY NOTE

**THIS PROMISSORY NOTE IS SUBJECT TO THE TRANSFER RESTRICTIONS
SET FORTH IN SECTION 3.9 OF THE HEREINAFTER DEFINED AGREEMENT**

No. R-1

\$3,585,000.00

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

\$3,585,000

**RUBIDOUX COMMUNITY SERVICES DISTRICT
SERIES 2022 INSTALLMENT SALE OBLIGATIONS
(ACQUISITION AND RENOVATION PROJECT)
BANK QUALIFIED**

PROMISSORY NOTE

INTEREST RATE: 3.05%

CLOSING DATE: August 15, 2022

MATURITY DATE: July 1, 2032

**REGISTERED OWNER: WEBSTER BANK, NATIONAL ASSOCIATION, a national
banking association, and its successors and assigns**

**PRINCIPAL AMOUNT: THREE MILLION FIVE HUNDRED AND EIGHTY-FIVE
THOUSAND DOLLARS**

This Promissory Note (the "Note") evidences the obligations (the "2022 Obligations") of the Rubidoux Community Services District (the "District") under the 2022 Installment Sale Agreement, dated as of August 1, 2022 (the "Agreement"), by and between the District and Webster Bank, National Association, a national banking association with all right and authority to conduct business in the State of California (the "Bank"), which is being executed and delivered by the District. The District for value received, hereby promises to pay to the registered owner named above, or registered assigns (the "Owner"), on the Maturity Date set forth above, unless prepaid prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Closing Date set forth above, or from the most recent 2022 Obligation Payment Date (as hereinafter defined) to which interest has been paid or duly provided for. 2022 Obligation Payments (as defined in the Agreement) shall be payable semiannually on each 2022 Obligation Payment Date (as defined in the Agreement), calculated using the interest rate set forth above (unless payable at the Default Rate or Taxable Rate, as defined and set forth in the Agreement), until the principal amount hereof is paid in full or made provision for such payment has been made.

The District is authorized to enter into the Agreement and to issue this Note in the aggregate principal amount of \$3,585,000 pursuant to Resolution No. 2022-896 (the "Resolution"), adopted by the Board of Directors of the District on August 4, 2022.

Reference is made to the Agreement for the complete provisions thereof, and by acceptance hereof the registered owner of this Note assents to said terms and conditions as if fully set forth herein. The Agreement is authorized under, and this Note is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Resolution and the Agreement, the principal of and interest on this Note are payable from Net Revenues (as defined in the Agreement), and funds held under the Agreement. The District has agreed in the Agreement to collect Net Revenues sufficient to pay the payments on the 2022 Obligations and this Note when due.

This Note is subject to optional prepayment as set forth in the Agreement. This Note is also subject to extraordinary prepayment in accordance with the Agreement.

This Note shall be registered in the name of the Registered Owner hereof, as to both principal and interest. Each registration and transfer of registration of this Note shall be entered by the District in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

The Agreement and the rights and obligations of the District thereunder may be modified or amended as set forth therein. The principal of this Note is subject to acceleration upon a default as prescribed in the Agreement.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the District that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the District has caused this Note to be dated the Closing Date shown first above, to be signed by the manual signature of its President, General Manager or Director of Finance and Administration, and attested to by the manual signature of its District Secretary, and has caused this Note to be dated as of the dated date set forth above.

RUBIDOUX COMMUNITY SERVICES DISTRICT

By: _____

ATTEST:

By: _____

EXHIBIT C

\$3,585,000

**RUBIDOUX COMMUNITY SERVICES DISTRICT
SERIES 2022 INSTALLMENT SALE OBLIGATIONS
(ACQUISITION AND RENOVATION PROJECT)
BANK QUALIFIED**

**FORM OF REQUISITION
FOR DISBURSEMENT OF COSTS OF ISSUANCE**

The undersigned, as an Authorized Representative (as defined below) of the Rubidoux Community Services District (the "District"), in connection with the above-captioned \$3,585,000 aggregate principal amount of the Rubidoux Community Services District, Series 2022 Installment Sale Obligations (Acquisition and Renovation Project) (the "2022 Obligations"). The 2022 Obligations were approved by the District pursuant to Resolution No. 2022-896 (the "Resolution"), adopted by the Board of Directors of the District on August 4, 2022, and was executed and delivered pursuant to a 2022 Installment Sale Agreement, dated as of August 1, 2022, by and between Webster Bank, National Association, a national banking association with all right and authority to conduct business in the State of California (the "Bank") and the District (the "Agreement"), does hereby certify on behalf of the District that:

(i) the undersigned is a duly Authorized Representative (as defined in the Agreement) with authority to act on behalf of the District as necessary in connection with execution and delivery of the 2022 Obligations, and as such, is authorized to disburse money for the payment of Costs of Issuance (the "Costs of Issuance"), which moneys have been set aside by Bank for the purpose of paying the Costs of Issuance provided for in Section 3.2 and 3.3 of the Agreement (the "Costs of Issuance Funds");

(ii) an obligation in the not-to-exceed amount stated for each of the payees set forth on Attachment I, attached hereto and by this reference incorporated herein, has been properly incurred under and pursuant to the Agreement, and each such obligation is a proper charge against the Costs of Issuance Funds, and has not been the basis of any previous disbursement;

(iii) that pursuant to the Agreement, the Bank is hereby instructed to pay to the parties listed on Attachment I hereto the sum listed opposite such parties names as a payment for the items listed and the expenses incidental thereto from the Costs of Issuance Funds (but no more than the amount set forth opposite each such payee). These costs have been properly incurred, are each a proper charge under the Agreement and have not been the basis of any previous disbursements; and

(iv) all payments shall be made by check or wire transfer in accordance with payment instructions contained in Attachment I attached hereto, or in the invoice submitted in accordance herewith, and the Bank may rely on such payment instructions as though given by the District with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.

Dated: _____, 2022

RUBIDOUX COMMUNITY SERVICES DISTRICT

By: _____

ATTACHMENT I

Payee Name and Address

Purpose of Obligation

Amount

EXHIBIT D

\$3,585,000

**RUBIDOUX COMMUNITY SERVICES DISTRICT
SERIES 2022 INSTALLMENT SALE OBLIGATIONS
(ACQUISITION AND RENOVATION PROJECT)
BANK QUALIFIED**

FORM OF LENDER LETTER

Rubidoux Community Services District
Hollister, California

Weist Law LLP
Los Gatos, California

This letter (this "Lender Letter") is to provide you with certain representations and agreements with respect to the above-referenced \$3,585,000 aggregate principal amount of the Rubidoux Community Services District, Series 2022 Installment Sale Obligations (Acquisition and Renovation Project) (the "2022 Obligations"). The 2022 Obligations were approved by the District pursuant to Resolution No. 2022-896 (the "Resolution"), adopted by the Board of Directors of the Rubidoux Community Services District (the "District") on August 4, 2022, and was executed and delivered pursuant to a 2022 Installment Sale Agreement, dated as of August 1, 2022, by and between Webster Bank, National Association, a national banking association with all right and authority to conduct business in the State of California (the "Lender") and the District (the "Agreement"). Capitalized terms not otherwise defined herein will have the meanings set forth in the Agreement.

We (the "undersigned," "us" or "we," as applicable) hereby represent and warrant to you and agree with you as follows:

(i) the Lender is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and has the full legal right, power and authority to sign this Lender Letter;

(ii) the undersigned is a duly authorized, qualified, and acting officer of the Lender and is authorized to cause the Lender to make the representations and warranties contained herein on behalf of the Lender, and this Lender Letter has been duly authorized, executed, and delivered by the Lender;

(iii) the Lender has sufficient knowledge and experience in financial and business matters, including municipal and other tax-exempt obligations similar to the 2022 Obligations, to be able to evaluate the risks and merits of the obligation represented by the 2022 Obligations and is able to bear the economic risks of such obligation;

(iv) the Lender understands that the neither the 2022 Obligations nor the Agreement have been registered with any federal or state securities agency or commission; and further understands that the 2022 Obligations and the Agreement (a) are not being registered or otherwise qualified for sale under the "Blue

Sky” laws and regulations of any state; (b) will not be listed in any stock or other securities exchange; and (c) will not carry a rating from any rating service;

(v) as a lender, we have made our own credit inquiry and analysis with respect to the District, the District’s Water Enterprise (the “Enterprise”) and the 2022 Obligations, and the Lender acknowledges that it has either been supplied with or has been given access to information to which it as a reasonable lender has attached significance in making lending decisions, and the Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the legal, physical and fiscal condition of the District and the Enterprise, as well as the insurance, security and prepayment arrangements set forth in the Agreement and the 2022 Obligations, so that, as a reasonable lender, the Lender has been able to make an informed decision to purchase the 2022 Obligations;

(vi) the Lender understands and acknowledges that no official statement, offering memorandum or any disclosure document has been prepared, nor is any contemplated to be prepared, and that there is no reserve fund required for the 2022 Obligations;

(vii) the Lender understands and acknowledges it is purchasing the 2022 Obligations on a private placement basis, and it is not intended that the transaction be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and therefore the District has not undertaken, other than as provided in the Agreement, to provide to or for the benefit of holders of the 2022 Obligations financial or operating data or any other information with respect to the District, the Enterprise or the 2022 Obligations on an ongoing basis, other than as specifically set forth in the Agreement;

(viii) the Lender has made its own inquiry and analysis with respect to the 2022 Obligations and the security therefore, and other material factors affecting the security and payment of the 2022 Obligations;

(ix) the Lender is either:

(a) an “accredited investor” as such term is defined in Section 2(15) of the Securities Act of 1933, as amended (the “Securities Act”); or

(b) a “qualified institutional buyer” as such term is defined in Rule 144A promulgated under the Securities Act;

(x) the Lender is purchasing the 2022 Obligations for its own account and not with present view toward resale or distribution, and we have not offered, offered to sell, offered for sale or sold any of the 2022 Obligations by means of any form of general solicitation or general advertising, and we are not an underwriter of the 2022 Obligations within the meaning of Section 2(11) of the Securities Act; *provided, however*, that the Lender reserves the right to sell, transfer, assign or redistribute the 2022 Obligations without the consent of the District in accordance with the Agreement and all applicable securities laws, but agrees that any such sale, transfer or redistribution by the Lender shall be:

(a) to any subsidiary of the Lender, any affiliate of the Lender, any entity arising out of any merger or consolidation of the Lender, or a trustee in bankruptcy of the Lender, as certified to the District by an officer of such transferee, but only to the extent allowable under the Securities Act;

(b) to any “accredited investor” (within the meaning of Section 2(15) of the 1933 Securities Act) or any “qualified institutional buyer” (within the meaning of Rule 144A promulgated under the Securities Act);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” as defined in clause (x), above, “qualified institutional buyer” as defined in clause (x), above, or on its own behalf as a “qualified institutional buyer” as defined in clause (x), above or an “accredited investor” as defined in clause (x), above), as certified to the District by an officer of such transferee; or

(d) to any trust or custodial arrangement each of the beneficial owners of which is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (x), above);

(xi) the Lender recognizes that the 2022 Obligations involves significant risks, there is no established market for the 2022 Obligations and that none is likely to develop and, accordingly, the Lender is able and willing to bear the economic risk of the 2022 Obligations for an indefinite period of time;

(xii) the Lender further acknowledges that it is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws it may have with respect to subsequent assignments or assignees of the 2022 Obligations if and when any such future disposition of the 2022 Obligations may occur;

(xiii) No person has made any direct or indirect representation or warranty of any kind to us with respect to the economic return which may accrue to us. We have consulted with our own tax counsel and other advisors with respect to the 2022 Obligations;

(xiv) the Lender acknowledges that Weist Law LLP (“Bond Counsel”) is acting as bond counsel to the District, that Bond Counsel has no attorney-client relationship with the Lender, and that the Lender has sought legal advice from its own counsel to the extent it concluded legal advice was necessary, and further that the Lender has not sought or relied upon financial advice from Bond counsel relating to its decision to purchase the 2022 Obligations; and

(xv) The Lender is not relying upon the District, Bond Counsel or any of their affiliates or employees for advice as to the merits and risks pertaining to the 2022 Obligations. The Lender has sought such accounting, legal and tax advice as it has considered necessary to make an informed lending decision.

IN WITNESS WHEREOF, the undersigned has executed this Lender Letter as of the ___th day of _____, 20__.

EXHIBIT E

\$3,585,000

**RUBIDOUX COMMUNITY SERVICES DISTRICT
SERIES 2022 INSTALLMENT SALE OBLIGATIONS
(ACQUISITION AND RENOVATION PROJECT)
BANK QUALIFIED**

**FORM OF REQUISITION
FOR DISBURSEMENT OF PROJECT COSTS**

The undersigned, as an Authorized Representative of the Rubidoux Community Services District (the "District"), in connection with the execution and delivery of the above-captioned \$3,585,000 aggregate principal amount of the Rubidoux Community Services District, Series 2022 Installment Sale Obligations (Acquisition and Renovation Project), Bank Qualified (the "Obligation"), as evidenced by a Promissory Note, dated August __, 2022 (the "Note," and together with the Obligation, the "2022 Obligations"), approved pursuant to Resolution No. 2022-896 (the "Resolution"), adopted by the Board of Directors of the District on August 4, 2022, and secured and consummated pursuant to a 2022 Installment Sale Agreement, dated as of August 1, 2022, by and between Webster Bank, National Association, a national banking association with all right and authority to conduct business in the State of California (the "Bank") and the District (the "Agreement"), do hereby certify that:

(i) the undersigned is a duly Authorized Representative (as defined in the Resolution and Agreement) with authority to act on behalf of the District as necessary in connection with execution and delivery of the 2022 Obligations, and as such, is authorized to disburse money for the payment of Project Costs (the "Project Costs"), which moneys have been set aside for the purpose of paying the Project Costs from the Project Fund, as provided for in Section 3.4 of the Agreement (the "Project Fund");

(ii) Project Costs in the not-to-exceed amount stated for each of the payees set forth on Attachment A, attached hereto and by this reference incorporated herein, has been properly incurred under and pursuant to the Agreement, and each such Project Costs is a proper charge against the Project Fund, and has not been the basis of any previous disbursement;

(iii) all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in Attachment A hereto or in invoices submitted in accordance herewith, and the Bank may rely on such payment instructions as though given by the District with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.

Dated: _____, 20__

RUBIDOUX COMMUNITY SERVICES DISTRICT

By: _____

ATTACHMENT I

Payee Name and Address

Purpose of Obligation

Amount

11. CONSIDER EDITED PARTICIPATION AGREEMENT FOR OFFSITE
WATER SYSTEM IMPROVEMENTS FOR LENNAR HOMES:

DM 2022-73

Rubidoux Community Services District

Board of Directors

Hank Trueba Jr., President
Bernard Murphy, Vice-President
Armando Muniz
F. Forest Trowbridge
John Skerbelis

General Manager
Jeffrey D. Sims



Water Resource Management Refuse Collection Street Lights Fire / Emergency Services Weed Abatement

DIRECTORS MEMORANDUM 2022-73

August 4, 2022

To: Rubidoux Community Services District
 Board of Directors

Subject: Consider Editorial Changes to Participation Agreement with Lennar Homes of California

BACKGROUND:

At the July 21, 2022 Board of Directors Meeting, the Board of Directors approved Director's Memorandum 2022-70, attached, relating to a reimbursement agreement with Lennar Homes of California, LLC ("Developer") for the District to reimburse the Developer for their costs to construct a District Master-Planned Water Transmission Pipeline in Pacific Avenue.

Staff noticed after the Board Meeting the Agreement included in the July 21, 2022 Board Packet was an older version. The purpose of this action is to ask the Board to consider reapproving the correct and final version of the Agreement. The differences include the following:

1. The Developer's address was inadvertently left out, which has now been included.
2. The reimbursement amount was in error in the Recitals, specifically Recital "G". The amount was from an earlier draft version of the agreement and did not correspond with the amount shown in section 6d of the Agreement. The correct reimbursement amount of \$1,438,817.38 was reflected in DM 2022-70 and in section 6d of the Agreement. This amount is the actual cost spent by the Developer to build the transmission pipeline. The erroneous amount of \$1,289,437 is from an earlier draft of the Agreement which did not include documented change orders the Developer paid to complete the transmission pipeline.

For clarity as noted during the July 21, 2022 Board Meeting, the \$1,289,437 is the amount that was carried in the District's 2015 Water Master Plan. Recently though the Board adopted its 2022 Water Master Plan which

has updated costs and closely matches current construction costs consistent with the same time as the construction of the pipeline.

The cost of constructing a 24” diameter pipeline in the 2022 Master Plan is \$625 per lineal foot and the pipeline constructed by the Developer is 2,241 lineal feet. This equates to \$1,400,625 which very closely matches the amount the Developer paid to construct the pipeline. If the District would have constructed this pipeline, the District would expect to pay a very similar amount. With the noted update of the Agreement, the Agreement is correct and matches the language included in DM 2022-70.

The updated Agreement has no substantive changes than what was included in the Agreement presented and approved on July 21, 2022.

RECOMMENDATION:

Staff recommends the Board of Directors consider authorizing the General Manager to sign the updated agreement entitled – “PARTICIPATION AGREEMENT OFFSITE WATER SYSTEM IMPROVEMENTS FOR TRACT NO. 31894 & 37470 (Lennar – Shadow Rock Development)”

Respectfully,

JEFFREY D. SIMS, P. E.
General Manager

Attach:

Director’s Memorandum 2022-70

PARTICIPATION AGREEMENT OFFSITE WATER SYSTEM IMPROVEMENTS FOR TRACT NO. 31894 & 37470 (Lennar – Shadow Rock Development)”

Exhibit “A” Project Location Map

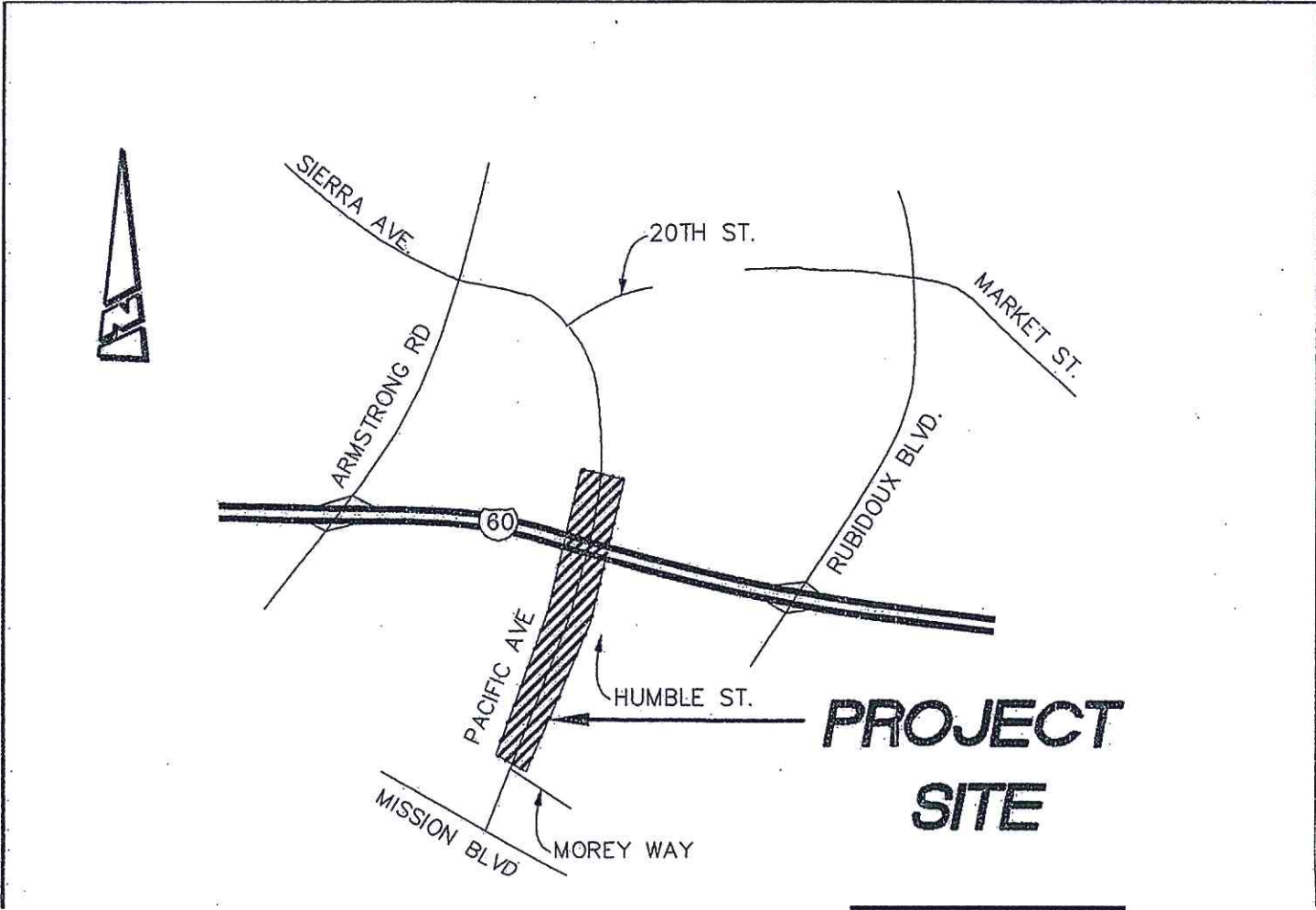


Exhibit A

**PARTICIPATION AGREEMENT
OFFSITE WATER SYSTEM IMPROVEMENTS
FOR
TRACT NO. 31894 & 37470 (Lennar - Shadow Rock Development)**

This Agreement is made by and between the Rubidoux Community Services District, a public agency ("District") and Lennar Homes of California, LLC, ("Developer"). District and Developer may be collectively referred to herein as "Parties" and individually as "Party."

RECITALS

A. **WHEREAS**, Developer proposes the construction of Tract No. 31894 and Tract No. 37470, the Lennar Shadow Rock Development consisting of a 315 lot single-family residential development ("Project") located in the District's service area northerly of the current terminus of Pacific Avenue at Canal Street; and

B. **WHEREAS**, the Developer is seeking entitlement approvals through the City of Jurupa Valley, California and as part of satisfying conditions of approval set by the City of Jurupa Valley, the Developer must construct water and sewer facilities for ownership acceptance, maintenance and operation by the District for the District to provide water and sewer service to each of the proposed lots within the Project; and

C. **WHEREAS**, the District requires the Developer at the Developers sole expense to design, bid, and install to District standards all onsite water facilities within the proposed Project; and

D. **WHEREAS**, District water supply facilities in Pacific Avenue are undersized for ultimate water demands for the Project and other future development in the District's service area. The District's 2015 Water Master includes the installation of a 24-inch diameter water pipeline in Pacific Avenue. The Project's water demand necessitates the need for design, and construction of the master planned 24-inch diameter water pipeline in Pacific Avenue from Morey Way to Canal Street; and

E. **WHEREAS**, the District establishes Water System Capacity Fees ("Connection Fee") using its current Master Plans as the nexus

report. Connection Fees charged to new customers seeking water service from the District are generally determined by dividing the total cost of proposed master planned water facilities needed in the District's Service Area by the estimated number of future dwelling units in the District's Service Area; and

F. **WHEREAS**, when a development is proposed that is conditioned to design and install to District standards Master Planned Facilities, the cost of design and installation of the Master Planned Facility can be reimbursed by the District to the developer building the improvement up to the amount included within the District Master Plan for the Master Plan facility installed; and

G. **WHEREAS**, the Developer is conditioned as a part of the Project to build 2,241 lineal feet of 24" diameter water pipeline included in the District's 2015 Master Plan and the value of this facility included in the calculation of the District's Water System Capacity Fee is \$1,438,817.38. The Developer is eligible to receive reimbursement from the District up to the actual costs incurred but not to exceed \$1,438,817.38 for the construction of the 2,241 LF of offsite 24" diameter water pipeline in Pacific Avenue ("Offsite Water Improvements"); and

H. **WHEREAS**, reimbursement for the Offsite Water Improvements can be in the form of payment from the District or by credits against Water System Capacity Fees due from the Developer to the District for the Project; and

I. **WHEREAS**, the purpose of this Participation Agreement is to describe the terms and conditions regarding the Parties efforts related to reimbursement for Offsite Water Improvements installed by the Developer.

TERMS

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained the Parties agree to as follows:

1. Scope of Offsite Water Improvements.

The Parties agree the Offsite Water Improvements pursuant to this Agreement include: 2,241 lineal feet of 24" diameter water pipeline pursuant to the approved plans included herein and attached hereto as Exhibit A.

2. Design of Offsite Water Improvements.

Developer shall be responsible, at its sole cost and expense, for the design of the Offsite Water Improvements. Prior to initiation of construction and installation, Developer shall submit plans for the Offsite Water Improvements for review and approval by District. Developer shall be solely responsible for obtaining all required federal, state and local permits and approvals including, for example and not by way of limitation, the California Department of Public Health ("CDPH") and CalTrans. Notwithstanding the foregoing, District shall assist Developer in procuring any such permits and will execute applicable and appropriate documentation necessary for the procurement of the same. The plans for the Offsite Water Improvements shall be approved by District in its reasonable discretion, and as based on then current standards and specifications for new water systems within the District's service area. Said activities by both Parties shall also be subject to the rights and obligations of the Parties under the Rules and Regulations of the District as the same may be revised from time to time.

3. Construction and Installation of the Offsite Water Improvements

a. Construction and Installation. Developer shall be responsible, at its sole cost and expense, for all activities and all costs of construction and installation of the Offsite Water Improvements in compliance with applicable federal, state, and local laws, rules and regulations including, but not limited to CEQA and NEPA clearances, as necessary. Said activities by both Parties shall also be subject to the rights and obligations of the Parties under the Rules and Regulations as the same may be revised from time to time.

b. Control and Payment of Subordinates and Independent Contractor. All work shall be performed by Developer or under its supervision. Developer and its consultants and contractors will determine the means, methods and details of performing the work, subject to the requirements of this Agreement and applicable District Rules and Regulations. All wages, salaries and other amounts due such personnel in connection with their performance of work under this Agreement and as required by law shall be paid by Developer or its consultants and contractors according to a process that will result in all consultants, contractors and materialmen delivering unconditional releases of lien no later than the date of full

payment for their services or materials. Such entities shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

c. Prevailing Wages. Developer is aware of the requirements of Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this work involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Developer shall fully comply with such Prevailing Wage Laws. Developer shall obtain a copy of the prevailing rates of per diem wages at the commencement of this Agreement from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations located at www.dir.ca.gov/dIsr/. In the alternative, Developer may view a copy of the prevailing rates of per diem wages at the District Office. Developer shall defend, indemnify and hold District, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

4. Billings and Records.

Developer shall maintain complete and accurate records with respect to all costs and expenses associated with the design, construction and installation of the Offsite Water Improvements. Developer shall be responsible for obtaining billings from the design professionals and contractor(s) performing construction and installation of the Offsite Water Improvements and for determining the accuracy thereof.

5. Inspection and Transfer of Offsite Water Improvements

a. Without modifying or limiting Developer's obligations under this Agreement, District will inspect and test the Offsite Water Improvements. The District shall have access to the work site at all times to conduct any tests or inspections. Any deficiencies in the work shall be corrected by Developer at its sole cost and expense. Upon completion of the Offsite Water Improvements, to the satisfaction of District, the

Offsite Water Improvements shall be presented to District for acceptance.

b. Acceptance of the Offsite Water Improvements by District shall be conditioned upon performance of the obligations set forth in this Agreement in regard to: (i) approval by District of the construction and installation of the Offsite Water Improvements; (ii) lien free completion of construction of the Offsite Water Improvements; and (iii) acceptance of title to the Offsite Water Improvements by District by way of the recordation of the applicable conveyance document in substantially the form set forth in Exhibit "B" attached hereto and incorporated herein by reference. District shall assist Developer in procuring the property rights necessary to construct, maintain and operate the Offsite Water Improvements in the public right-of-way including without limitation obtaining appropriate licenses, easement deeds or other conveyances necessary. Developer is responsible for all costs, including any District administrative costs (staff, legal review, etc.), associated with procuring property rights discussed in this section. Said activities by both Parties shall also be subject to the rights and obligations of the Parties under District Rules and Regulations as the same may be revised from time to time.

c. Within thirty (30) days after completion of construction and final inspection by District, District shall accept the Offsite Water Improvements, subject to the provisions of this Agreement and District Rules and Regulations, provided that the Offsite Water Improvements are constructed in accordance with approved plans, specifications and contract documents, and that they operate satisfactorily. Upon acceptance of the Offsite Water Improvements, Developer shall assign to District all of Developer's rights and remedies, including warranties, as set forth in the approved contract documents. Developer shall be responsible for any accident, loss, or damage to said Offsite Water Improvements prior to acceptance by District. Developer shall require its contractors to guarantee all work and materials for the Offsite Water Improvements to be free from all defects due to faulty materials or workmanship for a period of one (1) year from the date of acceptance by District. Upon acceptance of the Offsite Water Improvements by District, District shall assume all liability and responsibility for the operation, maintenance, use and ownership of the Offsite Water Improvements.

6. Reimbursement.

a. Within thirty (30) days after completion of the Offsite Water Improvements and acceptance by District, Developer shall provide District with an itemized accounting showing all direct and indirect costs and expenses incurred by Developer for the permitting, design, construction and installation of the Offsite Water Improvements. District shall have thirty (30) days from its receipt of such cost and expenses to notify Developer of any items District contends are not reasonable and/or not eligible for reimbursement. All items for which Developer does not receive such notification shall be deemed reasonable and eligible for reimbursement as Eligible Costs and Expenses.

b. In the event District disputes the eligibility for reimbursement of any items contained in the itemized accounting, District shall provide written notification to Developer identifying the items disputed and explaining the basis for why District disputes such items. The Parties agree to cooperate with one another in efforts to resolve any disputes over any costs or expenses claimed for reimbursement by Developer in the itemized accounting.

c. Within thirty (30) days after a cost and/or expense submitted by Developer for reimbursement has been deemed reasonable and eligible for reimbursement as Eligible Costs and Expenses, District shall make reimbursement payments to Developer. The Developer can elect to have the reimbursement in a lump sum payment from the District using District Water System Capacity Fees held in District reserves, or as credit against current Water System Capacity Fees due the District from the Developer for the Project.

d. The District will pay for the sum of actual costs and/or expenses for the Offsite Water Improvements, but, in no event shall District be obligated to make any payment to Developer Agreement in an amount which exceeds one-million four-hundred thirty-eight thousand eight-hundred seventeen dollars and thirty-eight cents (\$1,438,817.38) as shown on Exhibit C attached hereto and incorporated herein by reference.

e. Nothing in this Agreement shall relieve Developer, its subsidiaries, partnerships, or any other entity from the requirement to pay all rates and fees which shall apply to the Project pursuant to the Rules and Regulations as the same may be revised from time to time.

7. General Provisions

a. Standard of Care and Safety. Developer shall ensure that all work is performed in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals and contractors in the same discipline in the State of California. Developer shall procure the services of professionals and contractors skilled in the professional calling necessary to perform the work. All employees, contractors and subcontractors shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform such work and all such licenses and approvals shall be maintained throughout the term of their work. Developer shall ensure that it and its consultants and contractors execute and maintain their work so as to avoid injury or damage to any person or property. In carrying out their work, they shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed.

b. Indemnification. Each Party hereby agrees to indemnify, defend, save and hold harmless the other Party and their respective officers, agents, servants and employees, of and from any liabilities, claims, demands, suits, action and cause of action arising out of or in any manner connected with any act or omission of such indemnifying Party, performed in connection with such Party's duties and obligations hereunder.

c. Successors and Assigns. This Agreement shall inure to the benefit of and be binding on each of the Parties and their successors and assigns. This Agreement shall not be assigned by Developer without the prior written consent of District, which consent shall be granted or denied in District's reasonable discretion. In the event of such an assignment, the assignees shall agree to be bound by all terms and conditions of this Agreement and may be required by District to enter into an assignment or other contractual arrangement to document said obligations.

d. Effective Date of Agreement. The Effective Date of this Agreement is the date last signed by the Parties.

e. Term and Termination. This Agreement shall expire upon completion of performance of this Agreement by both Parties. In the event either Party defaults in the performance of any of its

obligations under this Agreement, the other Party shall have all rights and remedies available to them under the law, including without limitation, the right to terminate this Agreement upon written notice to the defaulting Party.

f. Notices. All notices permitted or required under this Agreement shall be deemed made when delivered to the applicable Party's representative as provided in this Agreement. Such notices shall be mailed or otherwise delivered to the addresses set forth below, or at such other addresses as the respective Parties may provide in writing for this purpose:

Rubidoux Community Services District
Attn: General Manager
3590 Rubidoux Blvd.
Jurupa Valley, CA 92509

Lennar Homes of California, LLC
Attn: Project Management
California Division - Inland Empire
980 Montecito Drive, Suite 206
Corona, CA 92879

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, certified mail, return receipt requested, to the party at its applicable address.

g. Attorneys' Fees. In the event any action is commenced to enforce or interpret any term or condition of this Agreement, in addition to costs and any other relief, the prevailing Party shall be entitled to its reasonable attorneys' fees, expert fees and other reasonable costs of defense.

h. Entire Agreement; Amendment. This Agreement contains the entire agreement of the Parties hereto with respect to the matters contained herein, and supersedes all negotiations, prior discussions and preliminary agreements or understandings, written or oral. No waiver or modification of this Agreement shall be binding unless consented to by both Parties in writing.

i. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or

service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

j. Invalidity and Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

k. Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

l. Labor Certification. By its signature hereunder, Developer certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code. Developer agrees to comply with such provisions and to require its consultants and contractors to comply with such provisions before commencing any work.

m. Incorporation of Recitals. The Recitals are incorporated herein and made an operative part of this Phase II Reimbursement Agreement,

n. Authority to Enter into Agreement. The Parties warrant they have all requisite power and authority to execute and perform this Agreement. Each person executing this Agreement on behalf of their Party warrants they have the legal power, right, and authority to make this Agreement and bind their respective party.

o. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

p. Insurance. For the period during which Developer or its contractor(s) controls the job site, Developer will require that the contractor provide, for the entire period of construction, a policy of Workers' Compensation Insurance and Commercial General Liability Insurance with coverage broad enough to include the contractual obligation it may have under the construction contract and having a combined single limit of liability in the amount of \$2,000,000 covering District's officers, employees and agents as additional insureds.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the last date indicated below.

RUBIDOUX COMMUNITY SERVICES DISTRICT

_____ Date:
Jeffrey D. Sims
Its: General Manager

ATTEST:

_____ Date:
Brian Laddusaw
Its: Director of Finance and Administration

DEVELOPER:

By: _____ Date:
Name
It's:

EXHIBIT A

APPROVED OFFSITE WATER IMPROVEMENT PLANS

GENERAL NOTES

- ALL WORK SHALL CONFORM TO THE DESIGN AND CONSTRUCTION STANDARDS OF RCSD FOR WATER AND SANITARY SEWER FACILITIES.
- WATER SYSTEM SHALL BE CONSTRUCTED BY THE DEVELOPER FOR DEDICATION TO THE RUBIDOUX COMMUNITY SERVICES DISTRICT. CONSTRUCTION, MATERIALS, TESTING AND INSPECTION SHALL COMPLY WITH RUBIDOUX COMMUNITY SERVICES DISTRICT STANDARDS. THE INSTALLATION SHALL MEET OR EXCEED THE REQUIREMENTS OF ALL PUBLIC AGENCIES HAVING JURISDICTION AND THE AMERICAN WATER WORKS ASSOCIATION (AWWA) STANDARDS. FAILURE TO MEET THESE REQUIREMENTS WILL BE CAUSE FOR REJECTION.
- CONSTRUCTION OF THE WATER SYSTEM SHALL NOT COMMENCE UNTIL A FINAL MAP HAS BEEN RECEIVED BY RIVERSIDE COUNTY AND THE DEVELOPER'S ENGINEER HAS CERTIFIED THAT ALL STREET ARE CONSTRUCTED TO FINAL GRADE. WATERLINES SHALL BE INSTALLED AFTER CONSTRUCTION OF CURB AND GUTTER, SEWER, STORM DRAIN, AND PRIOR TO THE PLACEMENT OF CROSS-CUTTERS, SPANDRELS, AND PAVING.
- PIPE, FITTINGS, VALVES AND APPURTENANCES SHALL BE OF THE PIPE PRESSURE CLASS (NOT # W.P. CLASS) SHOWN ON THE PROFILE OF THESE PLANS. (NOTE: CAST IRON FITTINGS SHALL NOT BE ALLOWED.)
- MINIMUM COVER OVER PIPE SHALL BE 42 INCHES. WHEN THE WATERLINE ENCOUNTERS AN OBSTRUCTION AND CROSSING OVER THE OBSTRUCTION WILL RESULT IN LESS THAN 42 INCHES OF COVER OVER THE WATERLINE, THE WATERLINE SHALL CROSS UNDER THE OBSTRUCTION WITH 12 INCHES CLEARANCE.
- CONTRACTOR SHALL PROVIDE TRENCH PROTECTION AND CONDUCT ALL CONSTRUCTION IN ACCORDANCE WITH CAL-OSHA REQUIREMENTS AND SHALL DETERMINE DEPTH AND LOCATION OF EXISTING UNDERGROUND FACILITIES PRIOR TO TRENCHING. OPEN TRENCH AT ANY ONE TIME SHALL BE LIMITED TO 500 FEET ALONG ROAD RIGHT OF WAY AND SHALL BE BACKFILLED AND COMPACTED AT THE CONCLUSION OF EACH DAY.
- BACKFILL SHALL BE COMPACTED TO THE GREATER OF 90% RELATIVE DENSITY, EQUIVALENT TO THE SURROUNDING GROUND, OR TO THE REQUIREMENTS OF THE AGENCY HAVING JURISDICTION, WHICHEVER IS MORE STRINGENT. CONTACT UNDERGROUND SERVICE ALERT (800) 227-2600 PRIOR TO ANY EXCAVATION.
- DEPTH AND LOCATION OF EXISTING UNDERGROUND FACILITIES SHALL BE DETERMINED BY THE CONTRACTOR BY POT-HOLING PRIOR TO TRENCHING. THE CONTRACTOR SHALL ALSO CONTACT UNDERGROUND SERVICE ALERT (800) 227-2600 PRIOR TO ANY EXCAVATION.
- WHERE THE WATER MAIN CROSSES STORM DRAINS, OTHER PIPELINES, TELEPHONE AND ELECTRIC DUCTS, OR OTHER OBSTRUCTIONS, A MINIMUM OF 12 INCHES OF CLEARANCE SHALL BE PROVIDED BETWEEN THE MAIN AND OTHER INSTALLATIONS. SEPARATION OF THE WATER AND SEWER LINES MUST COMPLY WITH THE RIVERSIDE COUNTY HEALTH DEPARTMENT STANDARDS AS SHOWN ON RIVERSIDE COUNTY STANDARD R609 AND RCSD STANDARD DRAWING #1010 AND SHALL MEET OR EXCEED THE REQUIREMENTS OF THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH.
- CONNECTIONS TO EXISTING RCSD WATERLINES SHALL BE IN ACCORDANCE WITH STANDARD RCSD PROCEDURES AND SHALL NOT BE ACCOMPLISHED UNLESS AN RCSD INSPECTOR IS PRESENT. NO CONNECTIONS TO EXISTING WATERLINES WILL BE ALLOWED ON PRIVATE.
- IT SHALL BE THE RESPONSIBILITY OF THE DEVELOPER OR CONTRACTOR TO APPLY TO THE RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT, PERMIT SECTION, FOR AN ENCROACHMENT PERMIT, FOR ALL WORK ON EXISTING COUNTY MAINTAINED ROADS.
- ALL SERVICE LATERALS SHALL LOCATED AT RIGHT ANGLES TO THE MAIN UNLESS OTHERWISE INDICATED ON THE PLANS AND APPROVED BY THE RCSD.
- PIPE SHALL BE HANDLED AS TO PROTECT THE PIPE AT ALL TIMES AND SHALL BE CAREFULLY BEDED TO PROVIDE CONTINUOUS BEARING TO PREVENT UNEVEN SETTLEMENT. PIPE SHALL BE PROTECTED AGAINST FLOATION AT ALL TIME. OPEN ENDS SHALL BE SEALED AT ALL TIMES WHEN CONSTRUCTION IS NOT IN PROGRESS.
- PIPE JOINTS SHALL NOT BE DEFLECTED AT ANY ANGLE GREATER THAN THE MAXIMUM ANGLE RECOMMENDED BY THE PIPE MANUFACTURER. ALL WELDED JOINTS SHALL BE MINIMUM DOUBLE PASS.
- TAPS ON PIPELINE SHALL BE INSTALLED PER DISTRICT STANDARDS AND AS APPROVED IN THE FIELD BY THE RCSD INSPECTOR. CONNECTIONS TO EXISTING RCSD PIPELINES SHALL NOT BE ACCOMPLISHED UNLESS AN RCSD INSPECTOR IS PRESENT. RCSD MAY ELECT TO MAKE THE CONNECTIONS AT THE DEVELOPER'S EXPENSE. CONTRACTOR TO FIELD VERIFY BOTH HORIZONTAL AND VERTICAL LOCATIONS OF EXISTING WATERLINES PRIOR TO CONSTRUCTION.
- TEST PRESSURE SHALL BE 150# OF PIPE CLASS RATING (I.E., 150x225 PSI TEST). SHALL BE UNDER CONTINUOUS INSPECTION, AND SHALL BE IN ACCORDANCE WITH DISTRICT STANDARD PROCEDURES.
- SURFACE IMPROVEMENTS DAMAGED AS A RESULT OF THE CONTRACTOR'S OPERATIONS SHALL BE RECONSTRUCTED BY THE CONTRACTOR TO THE REQUIREMENTS OF THE AGENCY HAVING JURISDICTION.
- FIRE HYDRANTS AND AIR VALVES TO BE LOCATED PER THE AGENCY HAVING JURISDICTION.
- WATER METERS TO BE LOCATED PER PLAN, ANY RELOCATION SHALL BE APPROVED BY THE RCSD. A "M" SHALL BE IMPRINTED ON THE CURB FACE AT EACH SERVICE LATERAL (METER) LOCATION.
- CONTRACTOR SHALL PLACE INSULATED 14 GA SOLID COPPER LOCATOR WIRE WITH ALL C-900 PVC PIPE TO ASSIST WITH FUTURE LOCATION.
- THE DEVELOPER SHALL PROVIDE ONE SET OF PRINTS SHOWING ALL "AS-BUILT" CONDITIONS INCLUDING THE STATIONING OF SEWER LATERAL CONNECTIONS AND PAD ELEVATIONS AS A CONDITION OF FINAL APPROVAL.
- ANY REVISION TO THESE DRAWINGS MUST BE APPROVED IN WRITING BY THE RUBIDOUX COMMUNITY SERVICES DISTRICT.
- THE CONTRACTOR IS ADVISED THAT THE WORK ON THIS PROJECT MAY INVOLVE WORKING IN A CONFINED AIR SPACE. CONTRACTOR SHALL BE RESPONSIBLE FOR COMPLIANCE WITH "CONFINED AIR SPACE" ARTICLE 100, TITLE 8 CALIFORNIA ADMINISTRATIVE CODE.
- ALL PIPE LARGER THAN 12" IN DIAMETER SHALL BE INSPECTED BY VIDEO CAMERA PRIOR TO BACTERIOLOGICAL TESTING.
- CONTRACTOR SHALL WARRANTY ALL WORK FOR 12 MONTHS AFTER THE DATE OF FINAL INSPECTION.

NOTICE TO CONTRACTORS

CONSTRUCTION CONTRACTOR AGREES THAT IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES, CONSTRUCTION CONTRACTOR WILL BE REQUIRED TO ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THE WATER SYSTEM. THE ENGINEER ASSURES NO LIABILITY AS TO THE EXACT LOCATION OF SAID LINES NOR FOR UTILITIES OR IRRIGATION LINES WHOSE LOCATIONS ARE NOT SHOWN. THE CONTRACTOR SHALL BE RESPONSIBLE FOR NOTIFYING ALL UTILITY AND IRRIGATION COMPANIES PRIOR TO BEGIN ON EXCAVATION TO DETERMINE EXACT LOCATION OF ALL LINES AFFECTING THIS WORK, WHETHER OR NOT SHOWN HEREON, AND FOR ANY DAMAGE OR PROTECTION OF THESE LINES.

THE CONTRACTOR SHALL CALL IN A LOCATION REQUEST TO UNDERGROUND SERVICE ALERT (U.S.A.) PHONE 811 TWO (2) WORKING DAYS PRIOR TO DIGGING. NO CONSTRUCTION PERMIT ISSUED BY PUBLIC WORKS DEPARTMENT SHALL BE VALID INVOLVING UNDERGROUND FACILITIES UNLESS THE APPLICANT HAS AN INQUIRY IDENTIFICATION NUMBER ISSUED BY U.S.A.

<p>Call Before You Dig</p> <p>811</p> <p>1-800-227-2600</p>		<p>BENCHMARK:</p> <p>RIVERSIDE COUNTY DESIGNATION: 008-002</p> <p>DESCRIPTION: A 3 X 3" ALUMINUM OSK STAMPED "RIVERSIDE COUNTY VW 2 2008" AT THE CORNER OF THE EASTERY CORNER OF ARNSTRONG ROAD AND 24TH STREET.</p> <p>ELEVATION (FEET): 913.63 (IND029)</p> <p>ADJUSTED: 11/3/2008</p>															
<table border="1"> <tr><th>DATE</th><th>BY</th><th>REVISIONS</th></tr> <tr><td>11/27/21</td><td>AK</td><td>AS-BUILT DRAWING</td></tr> <tr><td>02/27/20</td><td>AK</td><td>REVISE SHEETS 1-3</td></tr> <tr><td>02/26/20</td><td>AK</td><td>REVISE SHEETS 1-3</td></tr> <tr><td>02/26/20</td><td>AK</td><td>REVISE SHEET 4</td></tr> </table>	DATE	BY	REVISIONS	11/27/21	AK	AS-BUILT DRAWING	02/27/20	AK	REVISE SHEETS 1-3	02/26/20	AK	REVISE SHEETS 1-3	02/26/20	AK	REVISE SHEET 4	<p>RUBIDOUX COMMUNITY SERVICES DISTRICT</p> <p>APPROVED BY: DIRECTOR OF ENGINEERING, RCE 48798</p> <p>DATE: _____ 20____</p> <p>VOID AFTER ONE YEAR FROM THIS DATE</p>	<p>SEAL ENGINEER</p> <p>SCOTT P. GILBERT</p> <p>NO. 85194</p> <p>PROACTIVE ENGINEERING CONSULTANTS</p> <p>02/03/2021</p>
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11/27/21	AK	AS-BUILT DRAWING															
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02/26/20	AK	REVISE SHEETS 1-3															
02/26/20	AK	REVISE SHEET 4															

RUBIDOUX COMMUNITY SERVICES DISTRICT

COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

CONSTRUCTION DRAWINGS

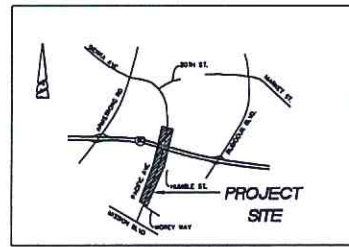
FOR

24" PACIFIC AVENUE WATER PIPELINE

(MOREY WAY TO LA CANADA DRIVE)

ABBREVIATIONS

- E - CENTER LINE
- EL. - ELEVATION
- DIA - DIAMETER
- INV - INVERT
- WM - MANHOLE
- PROP. - PROPOSED
- PVC - POLYMERIZING VINYL CHLORIDE
- RCP - REINFORCED CONCRETE PIPE
- R/W - RIGHT-OF-WAY
- S - SENOR
- SD - STORM DRAIN
- SPPEC - STANDARD PLANS FOR PUBLIC WORKS CONSTRUCTION
- Typ. - TYPICAL
- W - WATER



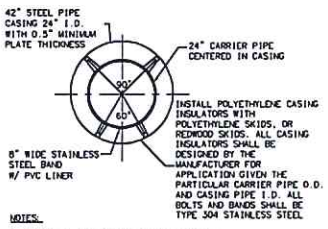
VICINITY MAP

CONSTRUCTION NOTES

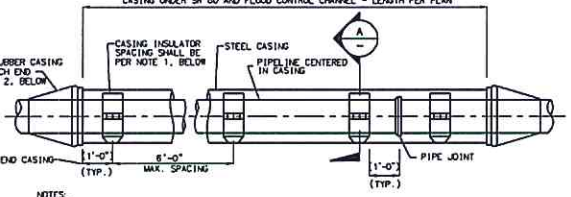
- INSTALL 24" DIP PIPELINE.
- INSTALL 24" ELBOW (ANGLE PER PLAN)
- INSTALL 24" BUTTERFLY VALVE PER RCSD STD DRG #1030.
- INSTALL 24" FLANGED CROSS.
- CONTRACTOR TO CONSTRUCT WATER SERVICE PER WATER SERVICE DETAIL A ON SHEET 5.
- CONTRACTOR TO CONSTRUCT WATER SERVICE PER WATER SERVICE DETAIL B ON SHEET 5.
- CONTRACTOR TO CONSTRUCT FIRE HYDRANT SERVICE PER WATER SERVICE DETAIL C ON SHEET 5.
- INSTALL 8" FLANGED OUTLET, 8" FLANGED GATE VALVE AND CONNECTION TO EXISTING 8" WATERLINE PER DETAIL C ON SHEET 5.
- INSTALL 4" AIR VALVE PER RCSD STD DRG #1000.
- INSTALL COMMERCIAL FIRE HYDRANT PER RCSD STD DRG #1060.
- INSTALL 24"x24"x12" TEE FOR FUTURE CONNECTION TO TR. 37211
- INSTALL 12" PVC WATER LINE
- INSTALL TEMPORARY END OF LINE BLOWOFF AND AIR RELEASE PER RCSD STD DRG #1030
- INSTALL 12" GATE VALVE
- CONTRACTOR TO PROVIDE GROUND SURFACE MOVEMENT MONITORING PER CALTRANS STD. TR-0151
- INSTALL 8" PVC WATER LINE
- INSTALL 24"x24"x12" TEE FOR FUTURE EXTENSION
- INSTALL 8" GATE VALVE
- INSTALL 24" DIP TO STEEL ADAPTER
- INSTALL 24" TO 18" REDUCER
- INSTALL 24" OLBK PIPELINE
- INSTALL DUCTILE IRON FLANGE

ESTIMATED QUANTITIES

2,147	LF
5	EA
219	LF
8	EA
1	EA
13	EA
17	EA
3	EA
1	EA
1	EA
1	EA
1	EA
35	LF
1	EA
1	EA
1	EA
85	LF
1	EA
1	EA
2	EA
1	EA
94	LF
1	EA



PIPELINE CASING SECTION A-A



PIPELINE CASING DETAIL 3

- NOTES:**
- SPACING BETWEEN THE CASING INSULATORS SHALL BE PER THE MANUFACTURERS RECOMMENDATIONS EXCEPT THAT THERE SHALL BE AT LEAST 4 CASING INSULATORS PER PIPE SECTION, ONE 12" FROM EACH JOINT AND ONE CENTERED. ADDITIONALLY, ONE INSULATOR SHALL BE INSTALLED 12" FROM EACH END OF THE CASING. SPACING BETWEEN CASING INSULATORS ON ANY SINGLE PIPE REACH SHALL NOT EXCEED 6'-0". REFER TO AWWA STANDARDS/RECS FOR ADDITIONAL INFO RELATED TO CASING INSULATORS.
 - BOTH ENDS OF THE CASING BETWEEN THE CASING AND THE CARRIER PIPE MUST BE SEALED WATER TIGHT USING CALPICO MODEL, J-W-H-REV OR FCB 8" WIDE BANDS, OR APPROVED EQUAL. MATERIAL USED SHALL BE SUITABLE IN RECYCLED AND DOMESTIC WATER CONDITIONS.
 - STEEL CASING SHALL BE JACKED AND CARRIER PIPE SHALL BE INSTALLED PER THE PROJECT SPECIFICATIONS.

WATER CERTIFICATION BLOCK

I CERTIFY THAT THE DESIGN OF THE WATER SYSTEM IN PACIFIC AVENUE IS IN ACCORDANCE WITH THE WATER SYSTEM MASTER PLANS OF THE RUBIDOUX COMMUNITY SERVICES DISTRICT, AND THAT THE WATER SERVICE, STORAGE AND DISTRIBUTION SYSTEM WILL BE ACCURATE TO SUPPLY WATER SERVICE TO SAID IMPROVEMENT. THIS CERTIFICATION DOES NOT CONSTITUTE A GUARANTEE THAT IT WILL SUPPLY WATER TO SAID IMPROVEMENTS AT ANY SPECIFIC QUANTITIES, FLOWS, OR PRESSURES FOR FIRE PROTECTION OR ANY OTHER PURPOSE.

DIRECTOR OF ENGINEERING, RCE 48798 DATE _____

PRIVATE ENGINEER'S NOTICE TO CONTRACTORS

THE EXISTENCE AND APPROXIMATE LOCATION OF ANY UNDERGROUND UTILITIES OR STRUCTURES SHOWN ON THESE PLANS ARE OBTAINED BY A SEARCH OF AVAILABLE RECORDS. TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO EXISTING UTILITIES OR STRUCTURES EXCEPT AS SHOWN ON THESE PLANS. THE ENGINEER ASSURES NO LIABILITY AS TO THE EXACT LOCATION OF SAID LINES NOR FOR UTILITIES OR IRRIGATION LINES WHOSE LOCATIONS ARE NOT SHOWN. THE CONTRACTOR SHALL BE RESPONSIBLE FOR NOTIFYING ALL UTILITY AND IRRIGATION COMPANIES PRIOR TO BEGIN ON EXCAVATION TO DETERMINE EXACT LOCATION OF ALL LINES AFFECTING THIS WORK, WHETHER OR NOT SHOWN HEREON, AND FOR ANY DAMAGE OR PROTECTION OF THESE LINES.

THE CONTRACTOR SHALL CALL IN A LOCATION REQUEST TO UNDERGROUND SERVICE ALERT (U.S.A.) PHONE 811 TWO (2) WORKING DAYS PRIOR TO DIGGING. NO CONSTRUCTION PERMIT ISSUED BY PUBLIC WORKS DEPARTMENT SHALL BE VALID INVOLVING UNDERGROUND FACILITIES UNLESS THE APPLICANT HAS AN INQUIRY IDENTIFICATION NUMBER ISSUED BY U.S.A.

OWNER
 PARKVIEW RUBIDOUX, LLC
 4400 NEWPORT PLACE, SUITE 800
 NEWPORT BEACH, CA 92660
 PHONE: (949) 261-7010

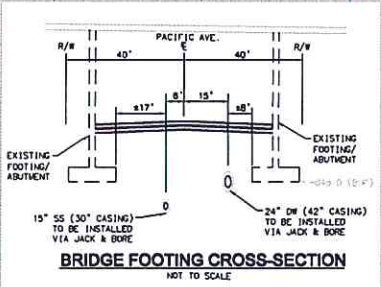
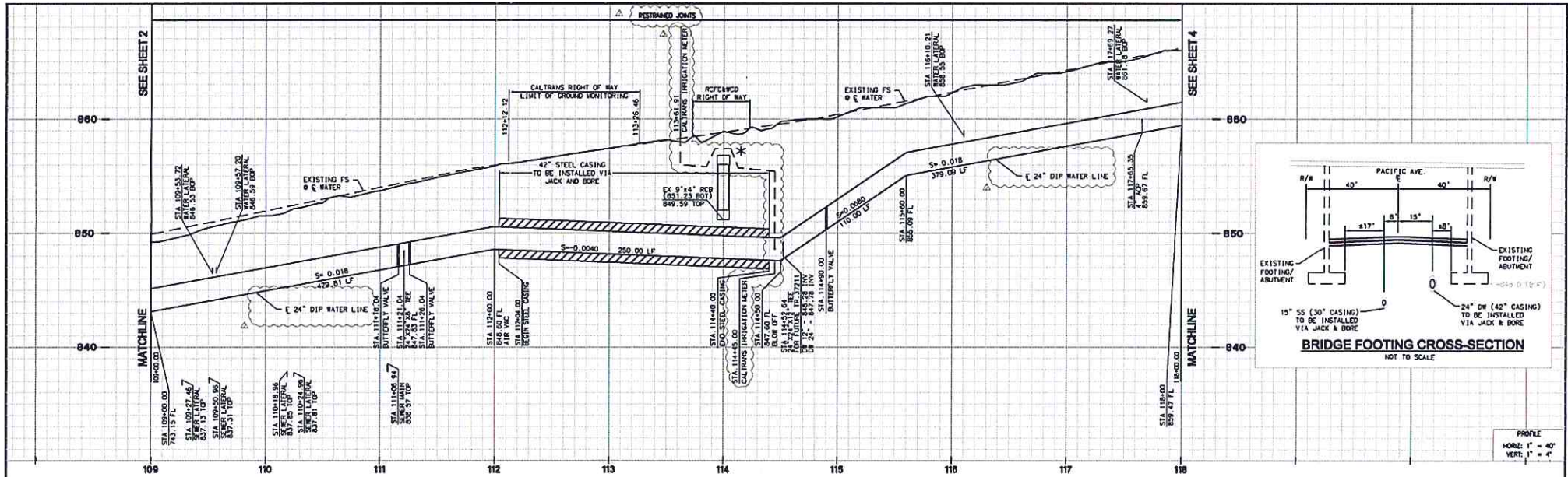
APPLICANT
 LEDAH HONES OF CALIFORNIA
 980 MONTECITO DRIVE, SUITE 302
 CORONA, CA 92879
 PHONE: (951) 811-3508
 CONTACT: BRIAN KING

ENGINEER
 PROACTIVE ENGINEERING CONSULTANTS
 200 SOUTH MAIN STREET, SUITE 300
 CORONA, CA 92882
 ATTN: SCOTT GILBERT, P.E.
 (951) 280-3500

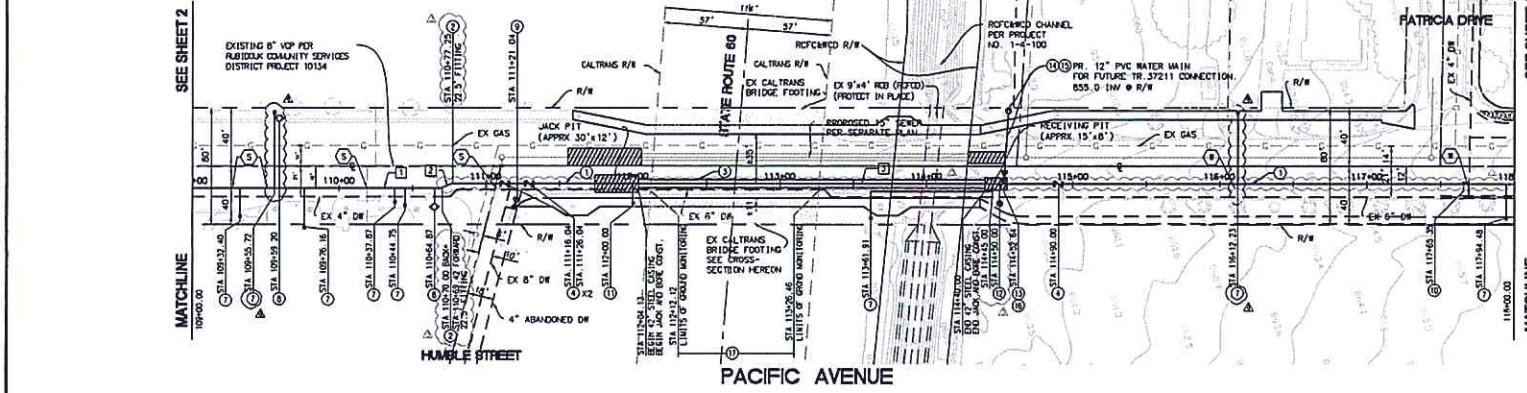
SHEET INDEX

- SHT. 1 - TITLE SHEET
- SHT. 2 - PLAN & PROFILE
- SHT. 3 - PLAN & PROFILE
- SHT. 4 - PLAN & PROFILE
- SHT. 5 - DETAILS

<p>Call Before You Dig</p> <p>811</p> <p>1-800-227-2600</p>	<p>BENCHMARK:</p> <p>RIVERSIDE COUNTY DESIGNATION: 008-002</p> <p>DESCRIPTION: A 3 X 3" ALUMINUM OSK STAMPED "RIVERSIDE COUNTY VW 2 2008" AT THE CORNER OF THE EASTERY CORNER OF ARNSTRONG ROAD AND 24TH STREET.</p> <p>ELEVATION (FEET): 913.63 (IND029)</p> <p>ADJUSTED: 11/3/2008</p>	<p>RUBIDOUX COMMUNITY SERVICES DISTRICT</p> <p>APPROVED BY: DIRECTOR OF ENGINEERING, RCE 48798</p> <p>DATE: _____ 20____</p> <p>VOID AFTER ONE YEAR FROM THIS DATE</p>	<p>SEAL ENGINEER</p> <p>SCOTT P. GILBERT</p> <p>NO. 85194</p> <p>PROACTIVE ENGINEERING CONSULTANTS</p> <p>02/03/2021</p>	<p>DESIGN BY: _____</p> <p>DRAWN BY: _____</p> <p>CHECKED BY: _____</p> <p>SCALE: _____</p> <p>AS NOTED</p> <p>DATE: 02/03/21</p> <p>FOR: _____</p>	<p>RUBIDOUX COMMUNITY SERVICE DISTRICT</p> <p>24" PACIFIC AVENUE PIPELINE WATER IMPROVEMENT PLAN</p> <p>TITLE SHEET</p> <p>SHEET No. 1</p> <p>OF 5 SHEETS</p>
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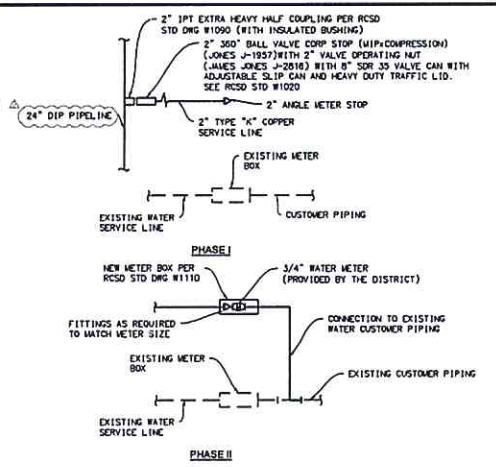
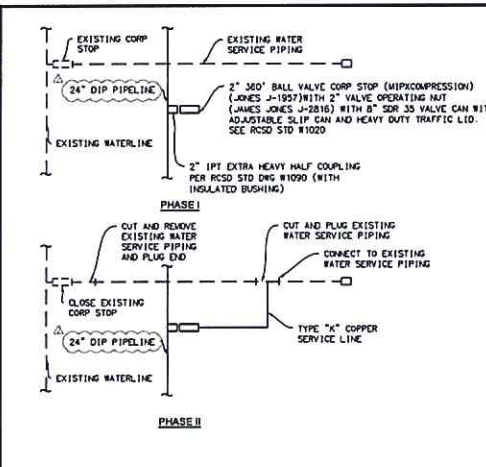
PROFILE
HORIZ: 1" = 40'
VERT: 1" = 4'



- CONSTRUCTION NOTES**
- INSTALL 24" DIP PIPELINE
 - INSTALL 24" LEDON (ANGLE PER PLAN).
 - INSTALL STEEL CASING AND PIPE PER DETAIL ON SHEET 1.
 - INSTALL 24" BUTTERFLY VALVE PER RCSD STD DWG #1030
 - CONTRACTOR TO CONSTRUCT WATER SERVICE PER WATER SERVICE DETAIL A ON SHEET 5
 - CONTRACTOR TO CONSTRUCT WATER SERVICE PER WATER SERVICE DETAIL B ON SHEET 5
 - CONTRACTOR TO CONSTRUCT FIRE HYDRANT SERVICE PER WATER SERVICE DETAIL C ON SHEET 5
 - INSTALL 8" FLANGED OUTLET, 8" FLANGED GATE VALVE AND CONNECTION TO EXISTING 8" WATERLINE PER DETAIL C ON SHEET 5
 - INSTALL 4" FLANGED OUTLET, 4" FLANGED GATE VALVE AND CONNECTION TO EXISTING 4" WATERLINE PER DETAIL D ON SHEET 5
 - INSTALL 4" AIR VALVE PER RCSD STD DWG #1080
 - INSTALL BLOWOFF PER RCSD STD DWG #1060
 - INSTALL 24"x24"x12" TEE FOR FUT CONNECTION TO TRACT 37211
 - INSTALL 12" PVC WATER LINE
 - INSTALL TEMPORARY END OF LINE BLOWOFF AND AIR RELEASE PER RCSD STD DWG #1150
 - INSTALL 12" GATE VALVE
 - CONTRACTOR TO PROVIDE GROUND SURFACE MOVEMENT MONITORING PER CALTRANS DET. TR-0151
- | LINE/CURVE DATA TABLE | | | | |
|-----------------------|---------------|--------|---------|---------|
| PI | BEARING/Delta | RADIUS | LENGTH | TANGENT |
| 1 | N18°48'00"E | --- | 370.03 | --- |
| 2 | S65°32'48"W | --- | 7.83 | --- |
| 3 | N18°48'00"E | --- | 1163.92 | --- |
| TOTAL | | | | |
- NOTE TO CONTRACTOR**
CONTRACTOR TO COMPLY WITH ALL REFERENCES, CALTRANS, AND UNION PACIFIC RAILROAD REQUIREMENTS
- * DUE TO LIMITED COVER, CONTRACTOR TO EXCAVE LATERAL WITH 2-SACK SLURRY



<p>Call before you Dig 1-800-227-2200</p>	<p>BENCHMARK: RIVERSIDE COUNTY DESIGNATION: 008-002 DESCRIPTION: A 3 3/4" ALUMINUM DISK STAMPED "RIVERSIDE COUNTY VW 2 2008" AT THE CORNER OF THE EASTERN CORNER OF ARNOLD ROAD AND 34TH STREET. ELEVATION (FEET): 913.63 (NVD029) ADJUSTED: 11/3/2008</p>	<p>RUBIDOUX COMMUNITY SERVICES DISTRICT</p> <p>APPROVED BY: _____ DIRECTOR OF ENGINEERING, RC 48798</p> <p>DATE: _____ 20____</p> <p>VOID AFTER ONE YEAR FROM THIS DATE.</p>	<p>SEAL ENGINEER</p>	<p>PREPARED BY:</p> <p>PROACTIVE ENGINEERING CONSULTANTS 1000 S. 10TH STREET, SUITE 200 SAN JOSE, CA 95128 408.262.1212</p> <p>DATE: 02/03/2021</p>	<p>DESIGN BY: _____ CHECKED BY: _____ SCALE: AS NOTED DATE: 02/01/21</p>	<p>RUBIDOUX COMMUNITY SERVICE DISTRICT</p> <p>24" PACIFIC AVENUE PIPELINE WATER IMPROVEMENT PLAN</p> <p>24" CMLC WATER LINE STA 109+00.00 TO STA 118+00.00</p> <p>FOR: _____ W.O. _____ DWG. NO. _____</p>	<p>SHEET No. 3 OF 5 SHEETS</p>					
	<table border="1"> <thead> <tr> <th>ENGINEER</th> <th>REVISIONS</th> <th>COUNTY</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	ENGINEER	REVISIONS	COUNTY				<p>DATE: 11/27/20 BY: [Signature] DESCRIPTION: AS-BUILT DRAWING</p> <p>DATE: 07/27/20 BY: [Signature] DESCRIPTION: REQUEST FOR ALIGNMENT TO AVOID EX. 6" LINE</p> <p>DATE: 07/24/20 BY: [Signature] DESCRIPTION: RELOC. PIPE MATERIALS</p>	<p>DATE: _____ 20____</p>	<p>DATE: 02/03/2021</p>	<p>DATE: 02/01/21</p>	<p>DATE: _____</p>
ENGINEER	REVISIONS	COUNTY										



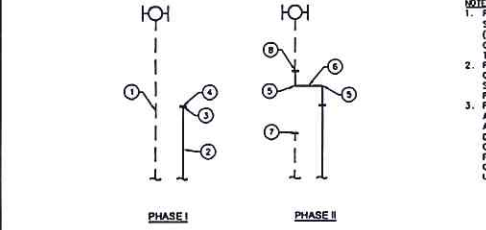
- NOTES:**
- PRIOR TO ORDERING MATERIALS, CONTRACTOR SHALL EXCAVATE AND EXPOSE EXISTING WATER SERVICE PIPING AT THE CONNECTION POINT TO DETERMINE EXACT LOCATION (HORIZONTAL AND VERTICAL), OUTSIDE DIAMETER, AND TYPE OF PIPING. IN ADDITION, CONTRACTOR SHALL EXPOSE EACH UTILITY THAT CROSSES THE PROPOSED WATER SERVICE PIPING AND DETERMINE THE EXACT LOCATION OF EACH UTILITY.
 - PHASE I WORK:**
CONTRACTOR SHALL INSTALL 2" BALL VALVE CORP STOP.
 - PHASE II WORK:**
AFTER 24" PIPELINE AND APPURTENANCES HAVE BEEN TESTED AND DISINFECTED BY CONTRACTOR AND ACCEPTED BY THE DISTRICT, CONTRACTOR SHALL INSTALL CONNECTION TO EXISTING WATER SERVICE PIPING. THE CONNECTION PIPING AND FITTINGS SHALL BE SABBED WITH A CHLORINE SOLUTION PRIOR TO INSTALLATION. THEREAFTER, CONTRACTOR SHALL ABANDON EXISTING WATER SERVICE PIPING AND CLOSE EXISTING CORP STOP.
 - CONTRACTOR SHALL FURNISH AND INSTALL ALL PIPING AND FITTINGS AS REQUIRED FOR FIELD INSTALLATION NECESSARY TO CLEAR (6" CLEARANCE MINIMUM) ALL EXISTING UTILITIES OR INTERFERENCES AND CONNECT TO EXISTING CUSTOMER SERVICE PIPING. ALL BASED ON CONTRACTOR'S FIELD MEASUREMENTS.
 - CONTRACTOR SHALL FURNISH ALL SURVEYING AND MEASUREMENTS REQUIRED TO DETERMINE EXACT LOCATION AND DIAMETER OF EXISTING PIPING AND ALL EXISTING UTILITIES.

- NOTES:**
- PRIOR TO ORDERING MATERIALS, CONTRACTOR SHALL EXCAVATE AND EXPOSE EXISTING WATER SERVICE PIPING AT THE CONNECTION POINT TO DETERMINE EXACT LOCATION (HORIZONTAL AND VERTICAL), OUTSIDE DIAMETER, AND TYPE OF PIPING. IN ADDITION, CONTRACTOR SHALL EXPOSE EACH UTILITY THAT CROSSES THE PROPOSED WATER SERVICE PIPING AND DETERMINE THE EXACT LOCATION OF EACH UTILITY.
 - PHASE I WORK:**
CONTRACTOR SHALL INSTALL WATER SERVICE PIPING, AND SHALL DO SAID PIPING WITH A 2" ANGLE METER STOP. CONTRACTOR SHALL INSTALL NEW PIPING SO CENTERLINE OF NEW ANGLE METER STOP MATCHES CENTERLINE OF EXISTING WATER SERVICE PIPING.
 - PHASE II WORK:**
AFTER 24" PIPELINE AND APPURTENANCES HAVE BEEN TESTED AND DISINFECTED BY CONTRACTOR AND ACCEPTED BY THE DISTRICT, CONTRACTOR SHALL INSTALL DISTRICT FURNISHED METER, REMOVE AND DISPOSE OF PORTION OF EXISTING PIPING AS REQUIRED FOR CONSTRUCTION, AND INSTALL CONNECTION TO EXISTING WATER SERVICE PIPING. THE METER, CONNECTION PIPING, AND FITTINGS SHALL BE SABBED WITH A CHLORINE SOLUTION PRIOR TO INSTALLATION. THEREAFTER, CONTRACTOR SHALL REMOVE EXISTING METER BOX AND ABANDON EXISTING WATER SERVICE PIPING.
 - CONTRACTOR SHALL FURNISH AND INSTALL ALL PIPING AND FITTINGS AS REQUIRED FOR FIELD INSTALLATION NECESSARY TO CLEAR (6" CLEARANCE MINIMUM) ALL EXISTING UTILITIES OR INTERFERENCES AND CONNECT TO EXISTING CUSTOMER SERVICE PIPING. ALL BASED ON CONTRACTOR'S FIELD MEASUREMENTS.
 - CONTRACTOR SHALL FURNISH ALL SURVEYING AND MEASUREMENTS REQUIRED TO DETERMINE EXACT LOCATION AND DIAMETER OF EXISTING PIPING AND ALL EXISTING UTILITIES.

A WATER SERVICE DETAIL
"LONG SIDE"
NTS

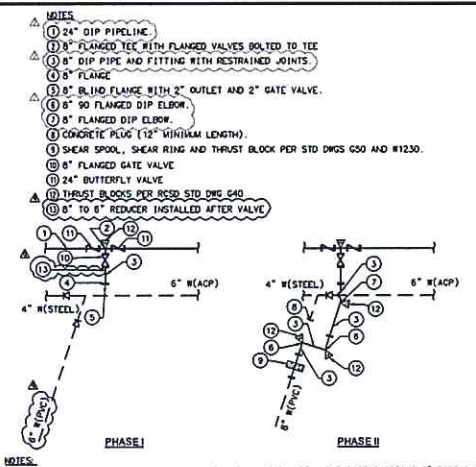
B WATER SERVICE DETAIL
"SHORT SIDE"
NTS

- NOTES:**
- EXISTING FIRE SERVICE OR FIRE HYDRANT PIPING.
 - DIP PIPE AND FITTINGS WITH RESTRAINED JOINTS (SIZE AS NOTED ON CONSTRUCTION DRAWINGS).
 - FLANGE.
 - BLIND FLANGE WITH 2" OUTLET AND 2" GATE VALVE.
 - 90 FLANGED DIP ELBOW.
 - DIP FLANGED SPOOL WITH 2" CUT-TO-FIT.
 - CONCRETE PLUG (12" MINIMUM LENGTH).
 - FLANGE OR FLANGE ADAPTER (DEPENDING ON THE TYPE OF EXISTING PIPE).



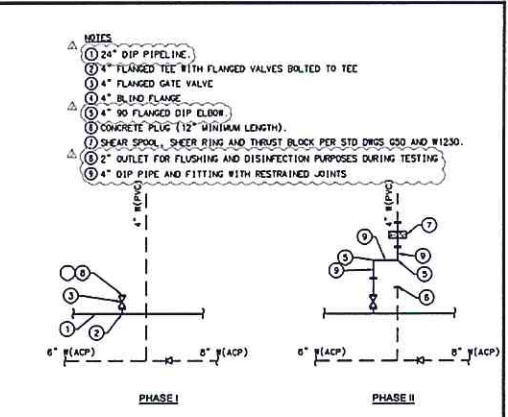
- NOTES:**
- PRIOR TO ORDERING MATERIALS, CONTRACTOR SHALL EXCAVATE AND EXPOSE EXISTING FIRE SERVICE/FIRE HYDRANT PIPING AT THE CONNECTION POINT TO DETERMINE EXACT LOCATION (HORIZONTAL AND VERTICAL), OUTSIDE DIAMETER, AND TYPE OF PIPE. IN ADDITION, CONTRACTOR SHALL EXPOSE EACH UTILITY THAT CROSSES THE PROPOSED PIPING AND DETERMINE THE EXACT LOCATION OF EACH UTILITY.
 - PHASE I WORK:**
CONTRACTOR SHALL INSTALL FIRE SERVICE OR FIRE HYDRANT PIPING, AND SHALL DO SAID PIPING WITH A FLANGE AND BLIND FLANGE. CONTRACTOR SHALL INSTALL NEW PIPE SO CENTERLINE OF NEW PIPE MATCHES CENTERLINE OF EXISTING PIPELINE.
 - PHASE II WORK:**
AFTER 24" PIPELINE AND APPURTENANCES HAVE BEEN TESTED AND DISINFECTED BY CONTRACTOR AND ACCEPTED BY THE DISTRICT, CONTRACTOR SHALL REMOVE BLIND FLANGE, REMOVE AND DISPOSE OF PORTION OF EXISTING PIPING AS REQUIRED FOR CONSTRUCTION, AND INSTALL CONNECTION PIPING AND FITTINGS INCLUDING THRUST BLOCK. THE CONNECTION PIPING AND FITTINGS SHALL BE SABBED WITH A CHLORINE SOLUTION PRIOR TO INSTALLATION. THEREAFTER, CONTRACTOR SHALL INSTALL THE CONCRETE PLUG IN THE END OF THE ABANDONED PIPELINE.

FIRE SERVICE OR FIRE HYDRANT PIPING CONNECTION DETAIL
NTS



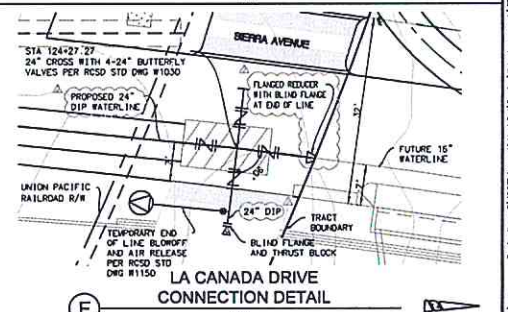
- NOTES:**
- PRIOR TO ORDERING MATERIALS, CONTRACTOR SHALL EXCAVATE AND EXPOSE EXISTING 8" PIPELINE IN WHATEVER WAY AT THE CONNECTION POINT TO DETERMINE EXACT LOCATION (HORIZONTAL AND VERTICAL), OUTSIDE DIAMETER, AND TYPE OF PIPE. IN ADDITION, CONTRACTOR SHALL EXPOSE EACH UTILITY THAT CROSSES THE PROPOSED PIPING AND DETERMINE THE EXACT LOCATION OF EACH UTILITY.
 - PHASE I WORK:**
CONTRACTOR SHALL INSTALL APPROXIMATELY 32 LF OF 8" CALIC PIPE AND FITTINGS AND SHALL DO SAID PIPING WITH A 6" FLANGE AND 6" BLIND FLANGE. CONTRACTOR SHALL INSTALL 6" PIPE SO CENTERLINE OF 8" PIPE MATCHES CENTERLINE OF EXISTING 8" PIPELINE.
 - PHASE II WORK:**
AFTER 24" PIPELINE AND APPURTENANCES HAVE BEEN TESTED AND DISINFECTED BY CONTRACTOR AND ACCEPTED BY THE DISTRICT, CONTRACTOR SHALL REMOVE 6" BLIND FLANGE, REMOVE AND DISPOSE OF PORTION OF EXISTING 4" PVC AND 6" PVC PIPELINE AS REQUIRED FOR CONSTRUCTION, AND INSTALL 8" CONNECTION PIPING AND FITTINGS. THE CONNECTION PIPING AND FITTINGS SHALL BE SABBED WITH CHLORINE SOLUTION PRIOR TO INSTALLATION.
 - CONTRACTOR SHALL FURNISH AND INSTALL ALL PIPING AND FITTINGS AS REQUIRED FOR FIELD INSTALLATION NECESSARY TO CLEAR (6" CLEARANCE MINIMUM) ALL EXISTING UTILITIES OR INTERFERENCES AND CONNECT TO EXISTING FACILITY. ALL BASED ON CONTRACTOR'S FIELD MEASUREMENTS.
 - CONTRACTOR SHALL FURNISH ALL SURVEYING AND MEASUREMENTS REQUIRED TO DETERMINE EXACT LOCATION OF EXISTING 8" AND 4" PIPELINES AND LOCATION OF ALL EXISTING UTILITIES.

C HUMBLE STREET CONNECTION DETAIL
8" WATER LINE
NTS



- NOTES:**
- PRIOR TO ORDERING MATERIALS, CONTRACTOR SHALL EXCAVATE AND EXPOSE EXISTING 4" PIPELINE AT THE CONNECTION POINT TO DETERMINE EXACT LOCATION (HORIZONTAL AND VERTICAL), OUTSIDE DIAMETER, AND TYPE OF PIPE. IN ADDITION, CONTRACTOR SHALL EXPOSE EACH UTILITY THAT CROSSES THE PROPOSED PIPING AND DETERMINE THE EXACT LOCATION OF EACH UTILITY.
 - PHASE I WORK:**
CONTRACTOR SHALL INSTALL 4" GATE VALVE AND 4" BLIND FLANGE. IN ADDITION, CONTRACTOR SHALL REMOVE SECTION OF EXISTING PIPE AS REQUIRED AND FURNISH AND INSTALL A 10 FOOT SECTION OF CALIC WELDED STEEL PIPE WITH A SHEAR RING AND THRUST BLOCK AND ALL REQUIRED FITTINGS AND RECONNECT TO EXISTING PIPELINE. THE PIPE AND FITTINGS SHALL BE SABBED WITH CHLORINE SOLUTION PRIOR TO INSTALLATION. THE INSTALLATION OF THE PIPE, SHEAR RING, AND THRUST BLOCK AND ALL FITTINGS SHALL BE COMPLETED WITHIN AN EIGHT HOUR PERIOD AND SHALL BE COMPLETED AT LEAST 7 DAYS PRIOR TO THE CONNECTION WORK.
 - PHASE II WORK:**
AFTER 24" PIPELINE AND APPURTENANCES HAVE BEEN TESTED AND DISINFECTED BY CONTRACTOR AND ACCEPTED BY THE DISTRICT, CONTRACTOR SHALL REMOVE 4" BLIND FLANGE, REMOVE AND DISPOSE OF PORTION OF 4" STEEL PIPELINE AS REQUIRED FOR CONSTRUCTION, AND INSTALL 4" CONNECTION PIPING AND FITTINGS. THE CONNECTION PIPING AND FITTINGS SHALL BE SABBED WITH CHLORINE SOLUTION PRIOR TO INSTALLATION. THEREAFTER, CONTRACTOR SHALL INSTALL THE CONCRETE PLUG IN THE END OF THE ABANDONED PIPELINE.
 - CONTRACTOR SHALL FURNISH AND INSTALL ALL PIPING AND FITTINGS AS REQUIRED FOR FIELD INSTALLATION NECESSARY TO CLEAR (6" CLEARANCE MINIMUM) ALL EXISTING UTILITIES OR INTERFERENCES AND CONNECT TO EXISTING FACILITY. ALL BASED ON CONTRACTOR'S FIELD MEASUREMENTS.
 - CONTRACTOR SHALL FURNISH ALL SURVEYING AND MEASUREMENTS REQUIRED TO DETERMINE EXACT LOCATION OF EXISTING 4" PIPELINE AND LOCATION OF ALL EXISTING UTILITIES.

D PATRICIA DRIVE CONNECTION DETAIL
4" WATER LINE
NTS



E LA CANADA DRIVE CONNECTION DETAIL
NTS

Call before you Dig
811
1-800-257-2800

BOUNDARY:
RIVERDUE COUNTY DESIGNATION 005-002
DESCRIPTION: A 3 X 1/2" ALUMINUM DISK STAMPED "RIVERDUE COUNTY VW 2 2008" AT THE CORNER OF THE EASTERLY CORNER OF ALBION ROAD AND 34TH STREET.
ELEVATION (FEET): 913.83 (NOV2025)
ADJUSTED: 11/3/2008

NO.	DATE	BY	DESCRIPTION	APP. DATE
1/29/21	1/29/21	AS-BUILT DRAWING		
2/24/21	2/24/21	REVISE WATER SERVICE DETAIL		
3/24/21	3/24/21	REVISE PIPE MATERIAL		

RUBIDOUX COMMUNITY SERVICES DISTRICT

APPROVED BY: _____
DIRECTOR OF ENGINEERING, RCE 48798

DATE: _____ 20____

VOID AFTER ONE YEAR FROM THIS DATE

SEAL ENGINEER
PROACTIVE ENGINEERING CONSULTANTS
NO. 01914
SCOTT P. GIBERT
RCE 6194

PREPARED BY: _____
DATE: 02/03/2021

DESIGN BY: _____
DRAWN BY: _____
CHECKED BY: _____
SCALE: AS NOTED
DATE: 02/03/21
JOB NUMBER: _____

RUBIDOUX COMMUNITY SERVICE DISTRICT

24" PACIFIC AVENUE PIPELINE WATER IMPROVEMENT PLAN

DETAILS

SHEET No. **5**
of 5 SHEETS

FOR: _____ W.O. _____ DWG. NO. _____

EXHIBIT B

BILL OF SALE AND GRANT DEED
(ACCEPTANCE DOCUMENTS FOR OFFSITE WATER IMPROVEMENTS)

**RUBIDOUX COMMUNITY SERVICES DISTRICT
WATER AND/OR SEWER SYSTEM GRANT DEED**

FOR VALUABLE CONSIDERATION paid and received,

_____ hereby grant(s) to RUBIDOUX COMMUNITY SERVICES DISTRICT all right, title and interest in the water system improvements for the entire water distribution and/or sewer collection system facilities for the development referenced with records of the County of Riverside, State of California as _____ and agrees to indemnify the District for any and all claims, liens, causes of action or any type of liability arising from or in any way related to the construction of said facilities.

Said water and/or sewer system improvements are shown in detail on the construction drawings (Sheets thru) for said development. This Grant Deed is in accordance with Section 11 of the Water and/or Sewer System Construction Agreement between the RUBIDOUX COMMUNITY SERVICES SDISTRICT and _____, dated _____ and is effective upon Developer providing the Unconditional Lien Waiver and Release and upon filing of the Notice of Completion by the District for the aforementioned water and/or sewer system improvements.

SELLERS for his heirs, executors and administrators, covenants and agrees to warrant and defend this sale of property, goods and chattels, against all and every persons claiming the same.

DATE: _____

By: _____

SEAL AND NOTARIAL ACKNOWLEDGMENT

EXHIBIT C

REIMBURSEMENT CALCULATION

Original Contract - 26176	\$	1,290,111.00	
CO01 - 26556	\$	4,140.00	
CO03 - 27093	\$	10,225.00	
CO04 - 27815	\$	40,841.38	
CO06 - 27944	\$	48,112.00	
CO07 - 24639	\$	26,375.00	
CO08 - 26082	\$	4,200.00	
CO09 - 27749	\$	2,070.00	
EPO - 26910	\$	12,743.00	
Total Cost :	\$	1,438,817.38	
2015 Master Plan Allocation:	\$	1,235,036.02	181.62 Homesites at \$6,800 per HS
Variance:	\$	203,781.36	29.97 Homesites at \$6,800 per HS
			211.59 Total Homesites (EDU's)

The District considers a 3/4" water meter as one Equivalent Dwelling Unit ("EDU"). There are a total of 315 homes in the Project, or 315 EDU. The current District Water Capacity Fee is \$6,800 per EDU. Taking the cost of the construction of the Pacific Avenue Pipeline and dividing it by Water Capacity Fee per EDU, the value of the Pipeline is equivalent to 211.59 EDU's (\$1,438,817.38 divided by \$6,800/EDU). In lieu of collecting Water Capacity Fees for 211.59 EDUs, the District will in lieu of paid Water Capacity Fees, receive the constructed Pacific Avenue Water Pipeline. The balance of the 315 Water Connections (103.41 EDU's) in the Project will pay the District the current Water Capacity Fee of \$6,800, which is \$703,188.00 (103.41 EDU times \$6,800/EDU).

Exhibit C

12. CONSIDER MEMORANDUM OF UNDERSTANDING WITH HAVANA
INVESTMENT GROUP, LLC:

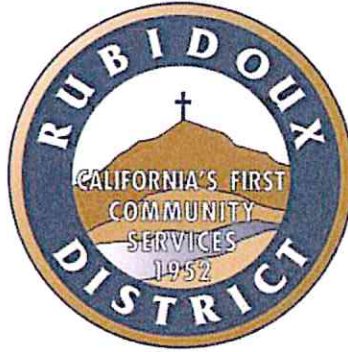
DM 2022-74

Rubidoux Community Services District

Board of Directors

Hank Trueba Jr., President
Bernard Murphy, Vice-President
Armando Muniz
F. Forest Trowbridge
John Skerbelis

General Manager
Jeffrey D. Sims



Water Resource Management Refuse Collection Street Lights Fire / Emergency Services Weed Abatement

DIRECTORS MEMORANDUM 2022-74

August 4, 2022

To: Rubidoux Community Services District
 Board of Directors

Subject: Consider Memorandum of Understanding With Havana Investment Group, LLC

BACKGROUND:

Havana Investment Group, LLC (“Developer”) proposes the construction of a 72,288 square feet commercial/industrial building at 2780 Rubidoux Blvd. (east side), just north of 28th Street (“Project”). A location map is attached as Attachment A. The building will have 5,000 square feet of office space with the remainder warehouse space. A site plan of the Project is attached as Attachment B.

The Project is within Rubidoux Community Services District (“District”) service area and eligible for District services, including water, sewer, fire protection, and trash.

The Project’s access is off Rubidoux Blvd. and the District has existing water and sewer pipelines in Rubidoux Blvd. available for the Project. While designing the Project the Developer’s design team determined connection to the existing District sewer pipeline in Rubidoux Blvd. was not feasible. Due to the elevation of the existing sewer in Rubidoux relative to the elevation of the Project there is insufficient cover for a sewer pipeline to be extended to the Project. This led the Developer to propose two alternatives – 1) a private lift station and a small force main, or 2) install a private septic system.

Neither of these alternatives are desirable to the District.

The private lift station and small force main would be limited for use by only the Developer with the lift station owned and maintained by the Developer. Since the small force main would be in Rubidoux Blvd. the District would be required to maintain it and be responsible for its’ eventual replacement for only one

customer. This would create a fiscal burden other rate payers would have to subsidize, which is not acceptable.

The private septic system for a commercial/industrial use option is not acceptable. The District is 100% reliant on groundwater to meet potable water supply demand and has concerns about contaminants going into the groundwater. Septic systems leach untreated waste liquid into the ground which over time has the potential to reach the groundwater basin. Although no private septic systems are desired, private septic systems for limited amounts of residential land uses are allowed since residential land uses have reduced risk of discharging untreated hazardous wastes into the ground. Commercial/industrial land uses though do pose risk as business use changes on commercial/industrial property may result in the potential of untreated hazardous wastes being discharged into the ground.

The District owns a 50-foot-wide lot that fronts 28th Street and backs to the most easterly end of the Developers Project. This lot is the location of District Well No. 3, a defunct non-potable well. Well No. 3 was historically used by customers who would truck haul water to their property for construction water. As the Board may recall in 2019 the Board adopted a new policy regarding construction water allowing customers to check out a fire hydrant meter to obtain water from fire hydrants connected to the District potable water system to use for construction purposes. Since the change in policy there has been little use of non-potable water for construction purposes. Combining this with recent estimates of \$25,000 to \$30,000 to repair Well No. 3, staff does not believe Well No. 3 is an asset the District should continue to spend money on.

The Developer's team has evaluated and determined the Project's sewer could flow towards and through this District Lot and then connect to existing District sewer facilities at the intersection of 28th Street and Demeter Place. Since the District no longer needs Well No. 3 located on the lot, staff has no objection providing the Developer a 20-foot easement across the District Lot so the Developer can install a private sewer lateral to allow the Project to be connected to the District's sewer system.

The State of California Water Quality Resources Control Board Division of Drinking Water ("DDW") disallows any sewer pipelines to be located within 50-feet of any permitted well, whether potable or non-potable. To allow placement of a private sewer lateral across the District Lot in a 20-foot easement, Well No. 3 would need to be destroyed and capped consistent with DDW requirements.

District staff and the Developer have discussed this issue. The Developer indicates a willingness to pay all costs associated with destroying and capping Well No. 3 in exchange for the District providing a 20-foot easement across the District Lot to the Developer so the Developer can install a private sewer lateral. To move this forward the attached Memorandum of Understanding ("MOU") between the Developer and the District has been prepared, Attachment C. This MOU was prepared by staff and has been reviewed by Counsel Harper, and the Developer. Basic understandings include:

1. District provides a 20-foot easement in favor of the Developer across the District Lot – APN 178-222-001. District will pay for preparation of the Grant of Easement and its recordation.
2. Developer will at its sole expense pay for the destruction and capping of Well No. 3 consistent with all DDW requirements. This includes expenses for any administrative, permitting, and inspections necessary to accomplish the work.

3. Developer will prepare plans and specifications for sewer facilities across the District Lot and in public right-of-way for District review. The Developer will provide funds to pay for District expenses associated with plan check, administrative, and construction of sewer facilities proposed for the Project.
4. Developer will be required to obtain and comply with a City of Jurupa Valley street opening permit. The Developer is aware this includes addressing existing street art at the intersection of 28th Street and Demeter Place.
5. Developer will be required to pay all water and sewer capacity fees due the District upon request for setting of water meters for the Project.
6. Given the public sewer facilities being built by the Developer in 28th Street and Demeter Place may benefit other nearby properties, the District is willing to work with the Developer on a future agreement whereby the Developer may seek reimbursement from future beneficiaries of the sewer facilities it built for the Project.

This proposal allows the District to avoid costs to destroy and cap Well No. 3 and provides a solution to allow a new development to move forward.

RECOMMENDATION:

Staff recommends the Board of Directors consider authorizing the General Manager sign the attached Memorandum of Understanding.

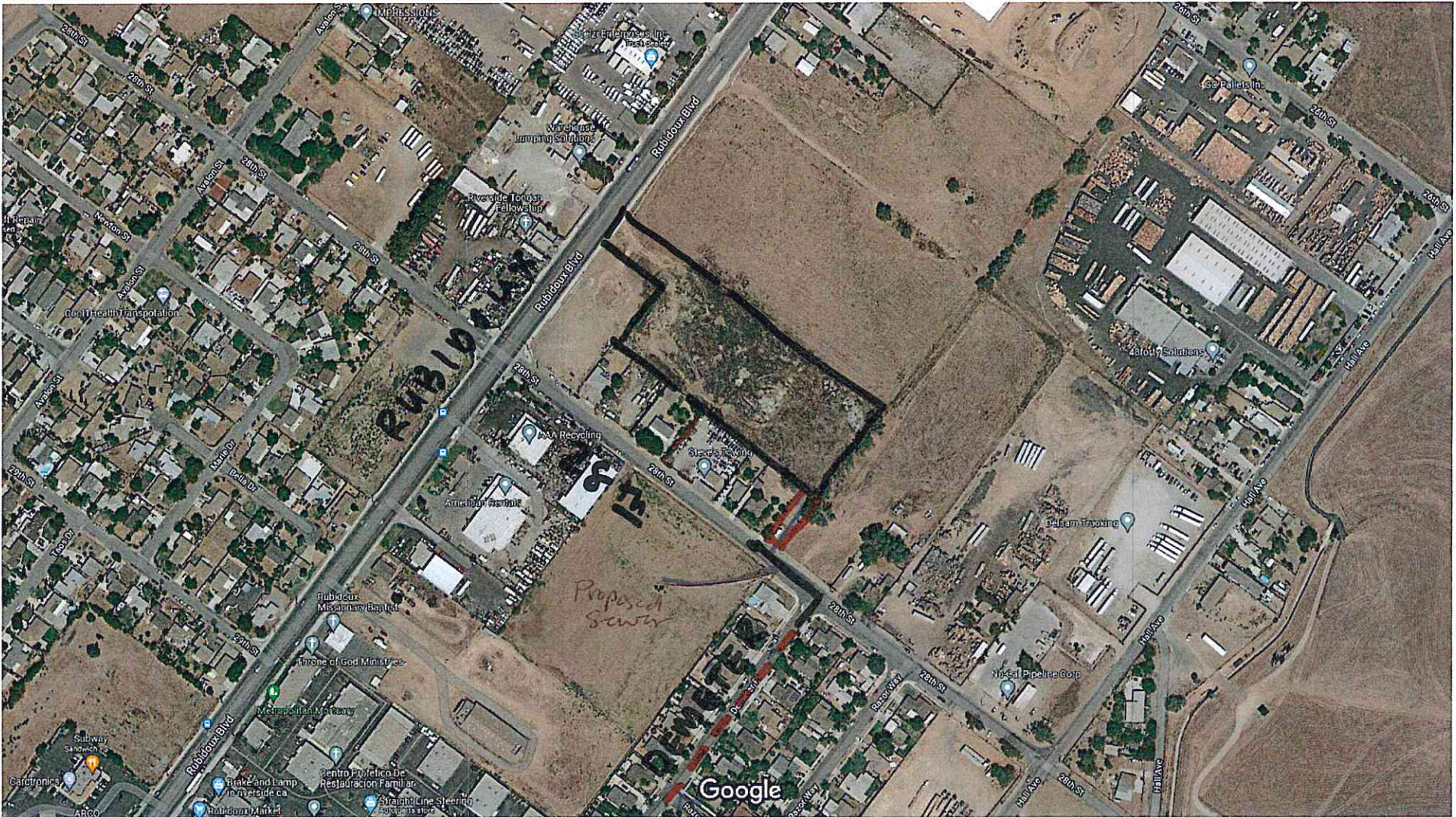
Respectfully,



JEFFREY D. SIMS, P. E.
General Manager

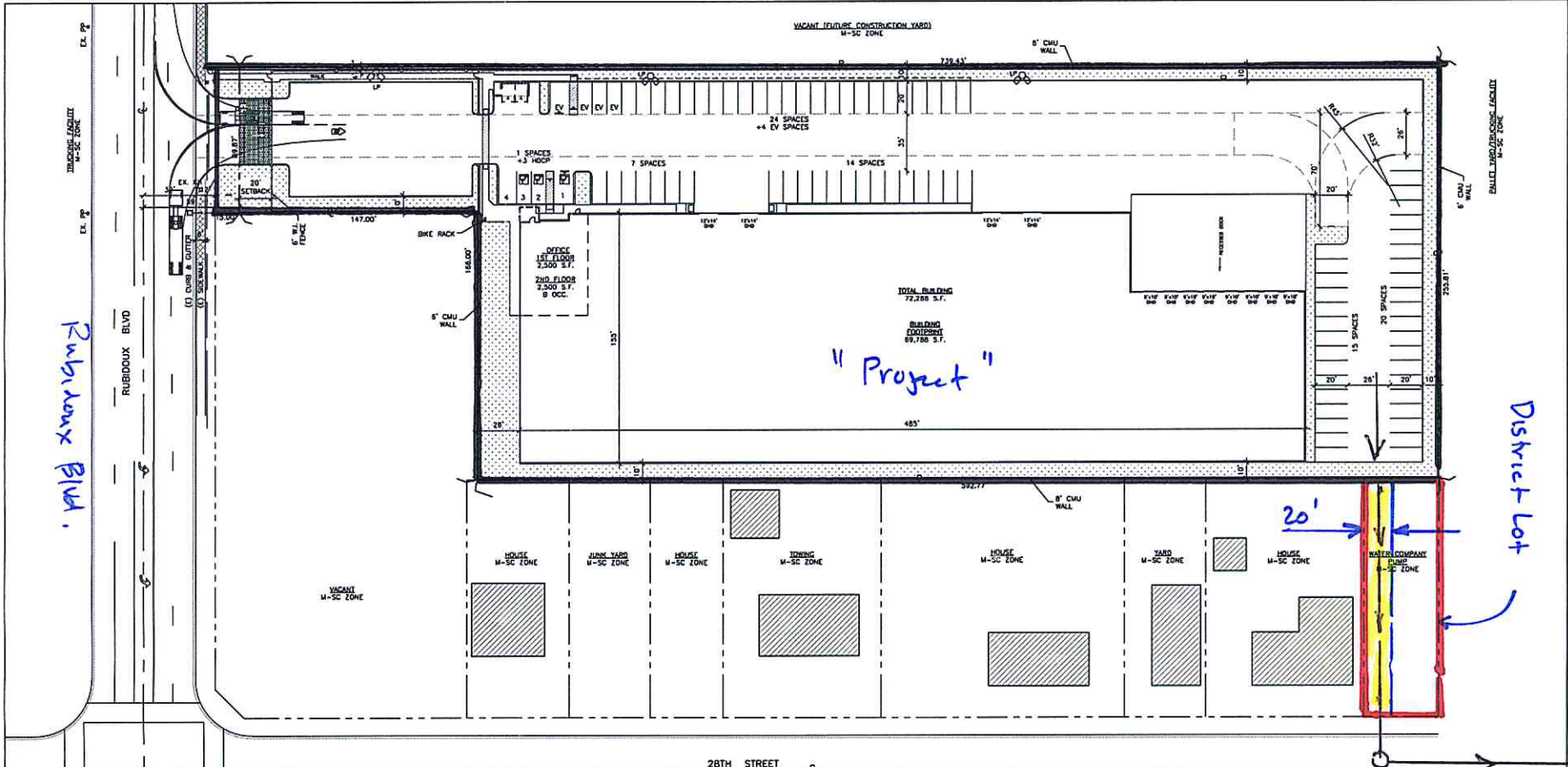
Attach:

- A. Location Map
- B. Project Site Map
- C. MOU



Imagery ©2022 County of San Bernardino, Maxar Technologies, U.S. Geological Survey, USDA/FPAC/GEO, Map data ©2022 100 ft

Existing Sewer



- LEGEND**
- PH PROPOSED FIRE HYDRANT
 - EH EXISTING FIRE HYDRANT
 - PP EXISTING POWER POLES
 - LP LIGHT POLES
 - WP WALL PACK
 - PL PROPERTY LINE
 - CL CENTER LINE
 - C.L. CHAIN LINK
 - W.I. WROUGHT IRON
 - HP HIGH POINT
 - S— SEWER LINE
 - W— WATER LINE
 - P— PARCEL LINE
 - S— EXISTING SIDEWALK
 - L— LANDSCAPE
 - C— CONCRETE PAVING

SITE PLAN
SCALE: 1" = 30'

- NOTE:**
1. NO HAZARDOUS / HIGH PILE / COMBUSTIBLE MATERIALS STORED
 2. KHOR BOX WILL BE INSTALLED AT ALL GATES
 3. NO ROOF TOP EQUIPMENT PROPOSED
 4. PROVIDE CLASS ONE OR CLASS 2 BOYCLE FACILITY.
 5. STALLS FACING LANDSCAPED PLANTER AREA WITH NO WHEEL STOPS SHALL BE MINIMUM 20 FEET IN LENGTH.
 6. NO SCALE, FUELING OR WASH AREA FACILITIES IN THE SCOPE OF WORK.

WATER	JURUPA COMMUNITY SERVICES DISTRICT 11201 HANDEL STREET JURUPA VALLEY, CA 91752 951-855-7424	TELEPHONE	PACIFIC TELEPHONE CO. 2838 E. CORONADO ANIMEN, CA 92807 (714) 668-3309
ELECTRIC	SOUTHWEST CALIFORNIA EDISON P.O. BOX 100 PALMDALE, CA 91378 (909) 875-8420	CABLE T.V.	NO SERVICE
GAS	SO. CAL GAS 18231 VALLEY BLVD FONTANA, CA 92433 909) 426-9407	SCHOOL DISTRICT	JURUPA UNIFIED SCHOOL DISTRICT 4850 PIDLEY ROAD RIVERSIDE, CA 92509 PHONE: 951-350-4100
		SEWER	1500 GAL SEPTIC TANK 8"x12" SEEPAGE PIT

28th Street

Easement
District Lot Bdry
Project Bdry

OWNER/APPLICANT HAVANA INVESTMENT GROUP, LLC
17130 VAN BUREN BLVD. #419
RIVERSIDE, CA 92504
ATTN: DAVEN RODRIGUEZ

REPRESENTATIVE LORD CONSTRUCTORS, INC.
1920 W. ELEVENTH STREET
UPLAND, CA 91786
PHONE: 909-948-9729
FAX: 909-948-3678

APH 178-222-010
ZONE M-SC

PROJECT DESCRIPTION:
NEW CONSTRUCTION OF A CONCRETE TILT-UP BUILDING
CONTAINING 3,000 SQUARE FEET OF OFFICE AND
87,288 SQUARE FEET OF WAREHOUSE SPACE.

SUMMARY LOT COVERAGE (APPROXIMATE)

LAND AREA GROSS	(3.80 acres)	188,234 S.F.
LAND AREA NET	(3.77 acres)	164,808 S.F.
BUILDING FOOTPRINT		69,788 S.F.
F.A.R. (Based on Footprints)		13%
PAVING		127,098 S.F. 77%
LANDSCAPE AREA		22,460 S.F. 14%
LANDSCAPE AREA OFF-SITE		840 S.F.
BUILDING HEIGHT		27'-0"

BUILDING CODE DATA (PROPOSED BUILDING)

OCCUPANCY	(0 OFFICE)	B, S-1
NO. OF STORES	(0 SERVICE AREA)	2

TYPE OF CONSTRUCTION

SPRINKLERS	NO	88
SHOP AREA	YES	87,288 SF
1st FLOOR OFFICE AREA	YES	2,500 SF
2nd FLOOR OFFICE AREA	YES	2,500 SF

PARKING REQUIRED:

OFFICE (5000/250)	20.0 SPACES
WAREHOUSE (67288/1000)	87.2 SPACES
TOTAL	(87.2) 88 SPACES

PARKING PROVIDED:

HANDICAP	3 SPACES
CLEAN VEHICLE STANDARDS	4 SPACES
TOTAL	81 SPACES

REVISIONS

NO.	DATE	DESCRIPTION

LORD CONSTRUCTORS, INC.
1920 West Eleventh Street
Upland, California 91786
909-948-9729
FAX: 909-948-3678

Van Dam Engineering
P.O. BOX 1769
Upland, California 91785
909-948-9729
FAX: 909-948-3678

DESIGN PLANS FOR:
HAVANA INVESTMENT GROUP
2780 RUBIDOUX BLVD
JURUPA VALLEY, CA

DRAWING TITLE:
SITE PLAN
SCALE: 1" = 30'-0"

Date: 4/8/21
Drawing No.:
Job: DAVEN RODRIGUEZ
Job No.: L-888-AN-
Sheet:

A0.1
of Sheets

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is hereby made and between Rubidoux Community Services District, a California Community Services District (hereinafter “District”) and Havana Investment Group, LLC, a California Limited Liability Company (hereinafter “Havana”) as follows:

RECITALS

1. Havana Investment Group, LLC is developing a commercial property on Assessor Parcel Number 178-222-010 located at 2780 Rubidoux Blvd., Jurupa Valley, CA hereinafter referred to as the “Project”; and
2. Havana seeks entitlements for development of the Project through the City of Jurupa Valley. The City of Jurupa Valley coordinates with the District for water and sewer services needed by new developments located within the service boundaries of the District; and
3. The Project proposed by Havana is within the service boundaries of the District and eligible for water and sewer services from the District upon District review and approval of plans, and payment of associated fees and costs including, but not limited to water and sewer capacity fees; and
4. The District is currently 100% reliant on local groundwater supplies to produce, treat, and distribute potable water to customers within its service area; and
5. A major expense of the District is treatment of produced groundwater to remove various contaminants found in the groundwater including nitrates. Nitrate contamination of groundwater basins are generally a by-product of fertilizers used in farming activities, and leach fields used for private septic systems; and
6. The District requires all new commercial/industrial development within its service area to connect to the District’s sewage collection system to minimize the potential

of hazardous discharges of contaminants into the Riverside South Basin the District pumps water from for potable purposes; and

7. Havana has evaluated options to connect its Project to the District's sewer collection system in Rubidoux Blvd. Due to elevation grade differences, Havana would be required to build a private lift station and small force main to connect to the District's sewer collection system in Rubidoux Blvd. Neither the District or Havana prefer this option; and
8. The District owns Assessor Parcel Number (APN) 178-222-001 located at 28th Street, Jurupa Valley, CA ("District Parcel"). On the District Parcel, District Well No. 3 is located. Well No. 3 is a non-potable well and no longer used due to motor failure of the pump and lack of customers justifying the expense to repair the motor, and electrical control equipment; and
9. Havana has evaluated as an option for connecting to the District's sewer collection system constructing a sewer pipeline through the District Parcel to existing District sewer collection piping located near the intersection of Demeter Place and 28th Street as shown on Exhibit A attached hereto and made a part hereof; and
10. The State of California Water Quality Resources Control Board Division of Drinking Water ("DDW") disallows any sewer piping within fifty feet of a water well; and
11. Due to the narrow width of the District Parcel installing a sewer pipeline on the District Parcel while maintaining DDW's fifty-foot clearance of Well No. 3 is not possible; and
12. The District acknowledges it has no plans to rehabilitate and use Well No. 3 on the District Parcel and is willing to allow Well No. 3 to be properly destroyed so DDW will not object to Havana installing a sewer pipeline across the District Parcel as shown on Exhibit A; and

13. To enable having sewer service for the Project, Havana seeks acquisition of an easement from the District across the District Parcel to install a sewer pipeline; and
14. The purpose of this Memorandum of Understanding is to memorialize the terms and conditions related to the District providing an easement across the District Parcel in favor of Havana for installation of a sewer pipeline for use by the Project.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE TO THE FOLLOWING UNDERSTANDINGS:

SECTION A: Recital Incorporation

The foregoing Recitals are true, correct, and included as if set forth hereat.

SECTION B: Havana Obligations

1. Havana will provide the District an initial \$5,000 deposit which the District will place in an account specific to the Project for District's expenses related to the Project. Costs may include in part staff time for meetings, research, legal expenses, engineering, and other ancillary efforts associated with granting of an easement across the District Parcel and review and approval of Project plans. Havana further agrees to augment the initial deposit as necessary at the request of the District.
2. Havana will provide the District with sewer plans and specifications for District review and approval for:
 - a. Private sewer plans across the District Parcel. Havana agrees it will own, operate, and maintain the sewer lateral from a manhole in 28th Street west of Demeter Place to a manhole near the south property line of the Property.

This sewer lateral will be within a 20-foot-wide easement along the west side of the District Parcel.

- b. District owned sewer in 28th Street from the manhole where the private sewer lateral across the District Parcel connects to the existing terminus manhole in Demeter Place.
3. Havana acknowledges and accepts it will be required at its sole cost to comply with all City of Jurupa Valley requirements to obtain a street opening permit for the installation of sewer improvements required for this Project. This includes in part any special requirements pertaining to preserving, repairing, and/or replacing the existing street art located at the intersection of 28th Street and Demeter Place.
4. Havana will pay for all costs at its sole expense associated with proper destruction of District Well No. 3 located on the District Parcel. These costs include but are not limited to permit processing for approvals by the State Department of Drinking Water, actual construction costs, site clean-up resulting from well destruction activities, District inspection and oversight, and state filing fees.

SECTION C: District Obligations

1. District agrees at its sole cost to prepare a legal description and easement documents to grant a 20-foot-wide easement in favor of Havana for the installation of a private sewer lateral across the west side of the District Parcel.
2. Upon completion of the Havana Obligations enumerated above in Section B, the District will record said easement with the County of Riverside.
3. Timely review of all plans and documents associated with the Project.
4. Pursuant to terms and conditions as may be agreed upon by the District, the District may consider a separate Reimbursement Agreement providing for potential reimbursement of costs by other property owners connecting to the District's sewer system who directly benefit from the public sewer in 28th Street and Demeter Place constructed at the sole expense of Havana.

SECTION D: Successors and Assigns

This Agreement shall inure to the benefit of and be binding on each of the Parties and their successors and assigns. This Agreement shall not be assigned by Havana without the prior written consent of District, which consent shall be granted or denied in District's reasonable discretion. In the event of such an assignment, the assignees shall agree to be bound by all terms and conditions of this Agreement and may be required by District to enter into an assignment or other contractual arrangement to document said obligations.

SECTION E: Notices

All notices permitted or required under this Agreement shall be deemed made when delivered to the applicable Party's representative as provided in this Agreement. Such notices shall be mailed or otherwise delivered to the addresses set forth below, or at such other addresses as the respective Parties may provide in writing for this purpose:

Rubidoux Community Services District

Attn: General Manager

3590 Rubidoux Blvd.

Jurupa Valley, CA 92509

Havana Investment Group, LLC

Attn.: Daver Rodriguez, Managing Member

17130 Van Buren Blvd., #419

Riverside, CA 92504

(909) 203-7809

email: mapleridgeinvestmentgroup@yahoo.com

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, certified mail, return receipt requested, to the party at its applicable address.

SECTION F: Entire Agreement

This Agreement contains the entire agreement of the Parties hereto with respect to the matters contained herein, and supersedes all negotiations, prior discussions and preliminary agreements or understandings, written or oral. No waiver or modification of this Agreement shall be binding unless consented to by both Parties in writing.

SECTION G: Governing Law

This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

SECTION H: Authority to Enter into Agreement

The Parties warrant they have all requisite power and authority to execute and perform this Agreement. Each person executing this Agreement on behalf of their Party warrants they have the legal power, right, and authority to make this Agreement and bind their respective party.

SECTION I: Counterparts

This Agreement may be signed in counterparts, each of which shall constitute an original.

<signatures following page>

Dated: August _____, 2022.

“RUBIDOUX COMMUNITY SERVICES DISTRICT”

By: _____

Jeffrey D. Sims

Its: General Manager

“HAVANA INVESTMENT GROUP, LLC”

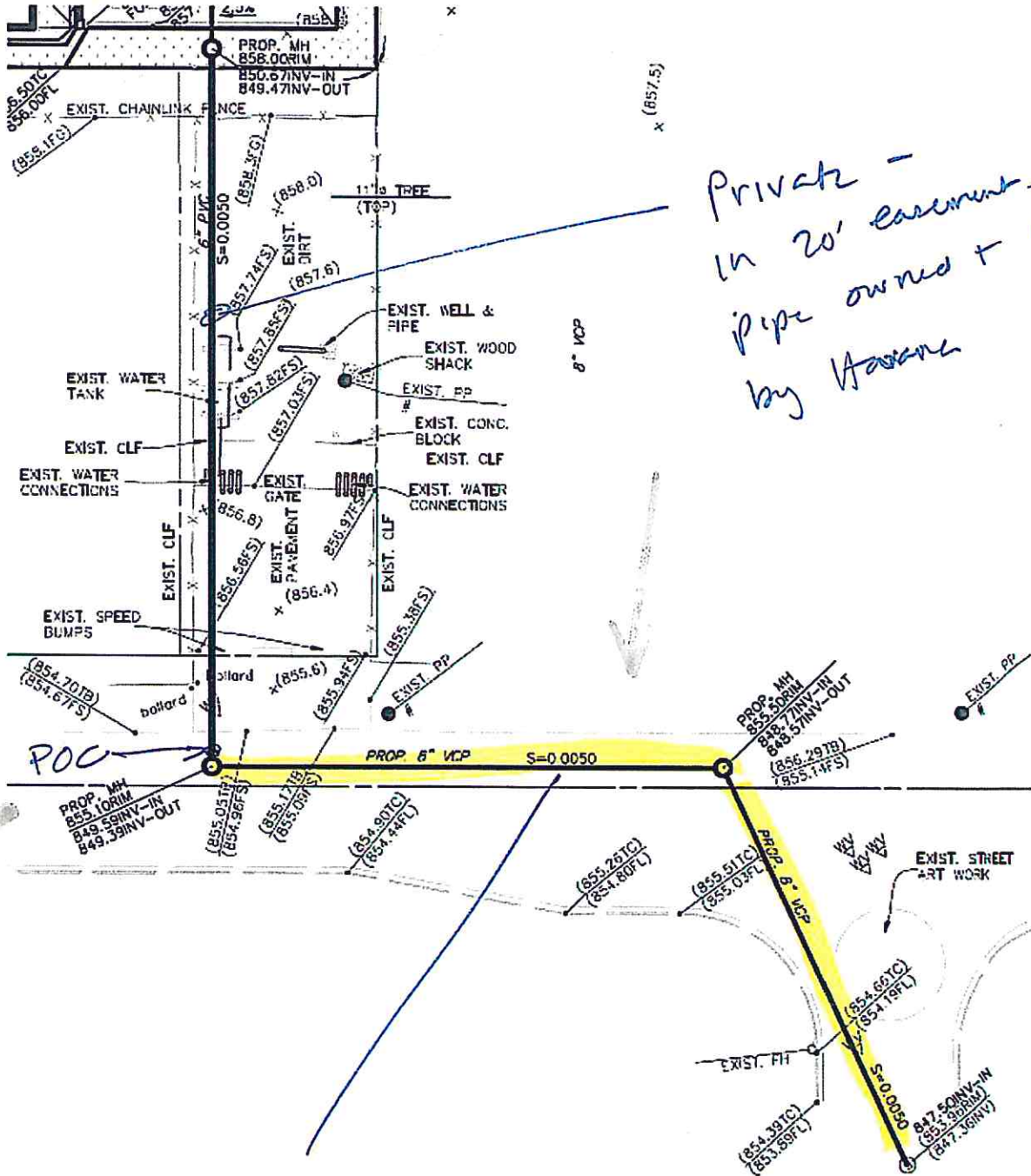
By: _____

Daver Rodriquez

Its: Managing Member

Havana Property

EXHIBIT "A"



Private -
in 20' easement -
pipe owned + maintained
by Havana

Public

13. **CLOSED EXECUTIVE SESSION** – PURSUANT TO GOVERNMENT
CODE 54956.8: REAL PROPERTY NEGOTIATIONS
PROPERTY: 5473 MISSION BLVD, JURUPA VALLEY, CA
AGENCY NEGOTIATOR: JEFF SIMS, GENERAL MANAGER
UNDER NEGOTIATION: PURCHASE CONTRACT TERMS, FINANCING

14. **CLOSED EXECUTIVE SESSION** – PURSUANT TO GOVERNMENT CODE SECTION 54956.9: LEGAL COUNSEL STATUS UPDATE ON 1,2,3-TCP LITIGATION CASE, RUBIDOUX CSD V. DOW CHEMICAL CO.

15. **CLOSED EXECUTIVE SESSION** – PURSUANT TO GOVERNMENT CODE
SECTION 54957(B)(1): GENERAL MANAGER POSITION

16. DIRECTORS COMMENTS - NON-ACTION

17. ADJOURNMENT