

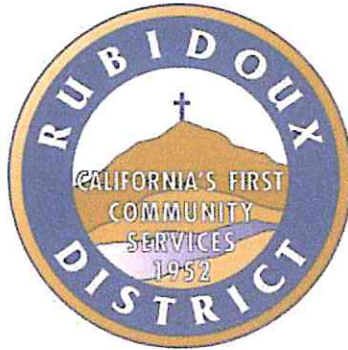
Rubidoux Community Services District

Board of Directors

Hank Trueba Jr.
Armando Muniz
Bernard Murphy
John Skerbelis
F. Forest Trowbridge

General Manager

Steven W. Appel



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

NOTICE AND AGENDA FOR THE RUBIDOUX COMMUNITY SERVICES DISTRICT BOARD MEETING 4:00 PM, October 17, 2019

1. Call to Order - President Trueba
2. Pledge of Allegiance
3. Roll Call
4. Approval of Minutes for October 3, 2019, Regular Meeting.
5. Consideration to Approve October 18, 2019, Salaries, Expenses and Transfers.
6. Acknowledgements - Members of the Public May Address the Board at this Time 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

ACTION ITEMS:

9. Receive and File Statement of Cash Assets Schedule Report Ending September 2019:
DM 2019-53
10. Presentation of the Rubidoux Community Services District Financial Statement Ending June 30, 2019: **DM 2019-54**
11. Consideration to Enter into a Joint Community Facilities Agreement for the Proposed Shadow Rock (Formerly Highland Park) Development (TTM 31894 and TTM 37470):
DM 2019-55
12. Directors Comments - Non-action
13. Adjournment

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).

4. APPROVAL OF MINUTES FOR OCTOBER 3, 2019, REGULAR
MEETING MINUTES

MINUTES OF REGULAR MEETING
October 3, 2019
RUBIDOUX COMMUNITY SERVICES DISTRICT

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

DIRECTORS ABSENT: Armando Muniz

STAFF PRESENT: Steve Appel, General Manager
J. Sims, Assistant General Manager/District Engineer
Brian Laddusaw, Director of Finance
Brian Jennings, Manager Budgeting & Accounting

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, October 3, 2019, at the District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for September 19, 2019, Regular Board Meeting.

Director Skerbelis moved and Director Trueba seconded to approve September 19, 2019 Minutes.

Ayes – 4 (Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

The motion was carried unanimously.

ITEM 5. Consideration to Approve the October 4, 2019 the Salaries, Expenses and Transfers.

Consideration to approve October 4, 2019, Salaries, Expenses and Transfers.

Director Skerbelis moved and Director Trowbridge seconded to Approve the October 4, 2019 Salaries, Expenses and Transfers.

Ayes – 4 (Murphy, Skerbelis, Trowbridge, Trueba,)

Noes – 0

Abstain – 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 at this time.

ITEM 7. CORRESPONDENCE AND RELATED INFORMATION

There was no correspondence to offer at this time.

ITEM 8. MANAGER'S REPORT

Operations Report:

Presented at the second board meeting of the month.

Emergency and Fire Report:

Presented at the second board meeting of the month.

ITEM 9. Presentation for Review and Discussion is the Draft Rubidoux Community Services District Financial Statement Ending FY June 30, 2019. DM 2019-50.

BACKGROUND

Attached for the Board of Directors' review is the draft financial statements report for the fiscal year ending June 30, 2019 for the Rubidoux Community Services District. The report was prepared by the CPA firm of Rogers, Anderson, Malody, and Scott (RAMS). The report includes all revenue funds, physical assets, expenses, debt service and depreciation values.

As has been our practice, Staff is presenting the Board with an advance copy to review at your leisure. A RAMS representative, Mr. Scott Manno will go through the report and answer any questions from the Board at the next Board meeting (October 17, 2019).

If you have any comments, questions, or concerns about anything in the draft report please bring it to my attention anytime between now and the next Board meeting.

No recommendation at this time. Information item only.

ITEM 10. Consideration to Approve Resolution No. 2019-856, a Resolution Approving the Form of and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Special District Risk Management Authority’s Health Benefits Program. DM 2019-51.

BACKGROUND

The Rubidoux Community Services District has participated in the Special District Risk Management Authority (“SDRMA”) Health Benefits Program, more specifically the ancillary dental coverage with Delta Dental, since August 16, 2018 when Resolution No. 2018-845 was adopted by the Rubidoux Community Services District Board of Directors.

Included in the adoption was a Memorandum of Understanding (“MOU”) between the Rubidoux Community Services District and SDRMA. Within the MOU is the following section: Amendment of Memorandum, which states “This Memorandum may be amended by the SDRMA Board of Directors and such amendments are subject to approval of Rubidoux Community Services District’s designated representative, or alternate, who shall have authority to execute this Memorandum. If the Rubidoux Community Services District fails or refuses to execute an amendment to this Memorandum shall be deemed to have withdrawn from the Program on the next annual renewal date.”

At the June 26, 2019 SDRMA Board Meeting, the SDRMA Board of Directors approved amendments to the MOU between Rubidoux Community Services District and SDRMA. The amendments were made to align the MOU with IRS guidelines, the Affordable Care Act and the CSAC-EIA pool guidelines. CSAC-EIA is the organization that provides coverage for the Health Benefits program.

With regards to dental insurance premiums, amounts will continue to fluctuate on a yearly basis consistent with the health care industry. For the 2020 program year, the Rubidoux Community Services District premiums will **DECREASE** by approximately 1.5%.

Attached for the Board of Directors review, consideration and adoption is District Resolution No. 2019-856 which approves the form of and authorizes the execution of a MOU and authorizes participation in the SDRMA health benefits program for the 2020 program year, effective January 1, 2020.

Director Trowbridge moved and Director Skerbelis seconded the Rubidoux Community Services District Board of Directors adopt Resolution No. 2019-856.

Ayes – 4 (Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

The motion was carried unanimously.

ITEM 12. Acceptance of 28th Street Sewer Infrastructure Improvements Installed by a Private Developer (Jose Manuel Gomez). DM 2019-52.

BACKGROUND

In June 2018, District Staff was contacted by a developer/property owner (Mr. Jose Manuel Gomez) for the purpose of constructing a modular single-family home on a vacant lot. Since the lot was not located adjacent to existing sewer infrastructure, the developer was told that he would have to extend the sewer main approximately 310 feet to his property in order to receive sewer service from the District. The developer agreed and subsequently designed and constructed the sewer main extension to his property. District Staff inspected and approved the sewer improvements and determined that the facilities were installed to District standards and, consequently recommend acceptance to the Board of Directors today.

Attached for the Board's consideration is a "Grant Deed and Bill of Sale" for sewer infrastructure improvements and associated appurtenances installed to serve a modular single-family home development at 5422 28th Street (APN 178-271-001).

Director Skerbelis moved and Director Trowbridge seconded the Rubidoux Community Services District Board of Directors authorize the following:

- 1. Authorize Staff to accept and record the attached "Grant Deed and Bill of Sale" offered by Mr. Jose Manuel Gomez, for the sewer infrastructure improvements for his modular single-family home.**
- 2. Authorize Staff to accept the sewer infrastructure improvements installed by Mr. Jose Manuel Gomez for operation and maintenance into the District's sewer system.**

Ayes – 4 (Murphy, Skerbelis, Trowbridge, Trueba)

Noes – 0

Abstain – 0

The motion was carried unanimously.

ITEM 12. CLOSED EXECUTIVE SESSION – Pursuant to Government Code Section 54956.9: Legal Counsel Status on Litigation Case No. CIVDS 1310520, City of Riverside vs. Rubidoux Community Services District.

No report or action at this time.

ITEM 13. Directors Comments.

Director Trueba adjourned the meeting at 4:39 pm.

5. CONSIDERATION TO APPROVE OCTOBER 18, 2019,
SALARIES, EXPENSES AND TRANSFERS

RUBIDOUX COMMUNITY SERVICES DISTRICT
OCTOBER 17, 2019 (BOARD MEETING)
FUND TRANSFER AUTHORIZATION

NET PAYROLL 10/18/19	62,545.00
WIRE TRANSFER: FEDERAL PAYROLL TAXES 10/21/19	23,721.00
WIRE TRANSFER: STATE PAYROLL TAXES 10/21/19	4,987.00
WIRE TRANSFER: TO CREDIT UNION	600.00
WIRE TRANSFER: PERS RETIREMENT	17,251.00
WIRE TRANSFER: PERS HEALTH PREMIUMS	-
WIRE TRANSFER: PERS RETIRED HEALTH PREMIUMS AND FEES	-
WIRE TRANSFER: SECTION 125	70.00
WIRE TRANSFER: SECTION 457	2,169.00

NET PAYROLL 11/1/19	65,000.00
WIRE TRANSFER: FEDERAL PAYROLL TAXES 11/4/19	24,000.00
WIRE TRANSFER: STATE PAYROLL TAXES 11/4/19	5,200.00
WIRE TRANSFER: TO CREDIT UNION	600.00
WIRE TRANSFER: PERS RETIREMENT	16,700.00
WIRE TRANSFER: PERS HEALTH PREMIUMS	29,627.00
WIRE TRANSFER: PERS RETIRED HEALTH PREMIUMS AND FEES	1,072.00
WIRE TRANSFER: SECTION 125	70.00
WIRE TRANSFER: SECTION 457	2,169.00

CHECKING ACCOUNT TRANSFERS FOR ACCOUNTS PAYABLE:

10/18/2019 WATER FUND TO GENERAL FUND-Payables	70,554.72
WATER FUND TO GENERAL FUND-Trash	160,631.98
WATER FUND TO SEWER FUND	114,675.38
 SEWER FUND TO GENERAL FUND-Payables	 172,864.19
 SALARIES REIMB WATER FUND TO GENERAL FUND FYQ1	 226,244.11
SALARIES REIMB SEWER FUND TO GENERAL FUND FYQ1	12,592.61
 BUDGET ADMIN WATER FUND TO GENERAL FUND	 150,000.00
BUDGET ADMIN SEWER FUND TO GENERAL FUND	125,000.00
BUDGET ADMIN TRASH FUND	25,000.00

INTERFUND TRANSFERS:

10/18/2019 SEWER FUND CHECKING TO LAIF SEWER OP	-
SEWER FUND CHECKING TO LAIF SEWER ML	-
SEWER FUND CHECKING TO WATER FUND CHECKING	-
LAIF SEWER OP TO SEWER FUND CHECKING	195,000.00
LAIF WASTEWATER REPLACEMENT TO LAIF SEWER OP	-
LAIF SEWER ML TO LAIF SEWER OP	-
GENERAL FUND CHECKING TO LAIF SEWER ML	-
GENERAL FUND CHECKING TO LAIF PROP TAX	240,000.00
WATER FUND CHECKING TO LAIF-COP PAYBACK	63,000.00
WATER FUND CHECKING TO LAIF-W.R.	10,000.00
WATER FUND CHECKING TO GENERAL FUND CHECKING	-
LAIF WATER ML TO LAIF WATER REPLACEMENT	-
LAIF WATER ML TO LAIF WATER OPS	-
LAIF WATER OP TO WATER FUND CHECKING	149,000.00
LAIF WATER RESERVE TO LAIF WATER OP	-
WATER FUND CHECKING TO LAIF WATER RESERVE	-

NOTES PAYABLE

<u>DESCRIPTION</u>	<u>BALANCE</u>		<u>PAYMENT</u>	<u>DUE DATE</u>
U.S. Bank Trust (1998 COP's Refunding)	3,660,000	Prin.	535,000	Dec-19
U.S. Bank Trust (1998 COP's Refunding)	587,520	Intr.	93,330	Dec-19
MN Plant-State Revolving Loan	4,385,106	Prin.	125,734	Jan-20
MN Plant-State Revolving Loan	895,735	Intr.	56,364	Jan-20

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PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
1	ALEXANDERS / ALEXANDER'S CONTRACT SVCS, INC ✓	9/25/2019 ✓	N	N				160 ✓
STRAPS						10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N			\$82.00 ✓
2	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/21/2019 ✓	N	N				BI92001-0267 ✓
WTR ANALYSES						10/21/2019 ✓	9/21/2019	\$0.00
10/17/2019 ✓					N			\$420.00 ✓
3	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/24/2019 ✓	N	N				BI92211-0267 ✓
WTR ANALYSES						10/24/2019 ✓	9/24/2019	\$0.00
10/17/2019 ✓					N			\$84.00 ✓
4	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/25/2019 ✓	N	N				BI92263-0267 ✓
LAB FEES						10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N			\$254.00 ✓
5	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/26/2019 ✓	N	N				BI92503-0267 ✓
LAB FEES						10/26/2019 ✓	9/26/2019	\$0.00
10/17/2019 ✓					N			\$244.00 ✓
6	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/27/2019 ✓	N	N				BI92521-0267 ✓
WTR ANALYSES						10/27/2019 ✓	9/27/2019	\$0.00
10/17/2019 ✓					N			\$240.00 ✓
7	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/27/2019 ✓	N	N				BI92524-0267 ✓
WTR ANALYSES						10/27/2019 ✓	9/27/2019	\$0.00
10/17/2019 ✓					N			\$96.00 ✓
8	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/30/2019 ✓	N	N				BI92651-0267 ✓
WTR ANALYSES						10/30/2019 ✓	9/30/2019	\$0.00
10/17/2019 ✓					N			\$51.20 ✓
9	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/30/2019 ✓	N	N				BI92667-0267 ✓
WTR ANALYSES						10/30/2019 ✓	9/30/2019	\$0.00
10/17/2019 ✓					N			\$32.00 ✓
10	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	9/30/2019 ✓	N	N				BI92668-0267 ✓
WTR ANALYSES						10/30/2019 ✓	9/30/2019	\$0.00
10/17/2019 ✓					N			\$32.00 ✓
11	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	10/1/2019 ✓	N	N				BJ90002-0267 ✓
LAB FEES						11/1/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N			\$244.00 ✓
12	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	10/1/2019 ✓	N	N				BJ90006-0267 ✓
WTR ANALYSES						11/1/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N			\$105.00 ✓
13	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	10/1/2019 ✓	N	N				BJ90110-0267 ✓
WTR ANALYSES						11/1/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N			\$96.00 ✓
14	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓	10/2/2019 ✓	N	N				BJ90213-0267 ✓
LAB FEES						11/2/2019 ✓	10/2/2019	\$0.00
10/17/2019 ✓					N			\$254.00 ✓
15	CARQUEST AUTO PARTS / CARQUEST AUTO PARTS ✓	9/25/2019 ✓	N	N				7456-420318 ✓
R&M TRK						10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N			\$4.30 ✓
16	CARQUEST AUTO PARTS / CARQUEST AUTO PARTS ✓	10/1/2019 ✓	N	N				7456-420863 ✓
SUPPLIES						11/1/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N			\$20.46 ✓
17	CROWN ACE HARDWARE / CROWN ACE HARDWARE ✓	10/1/2019 ✓	N	N				078984 ✓
FASTENERS						11/1/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N			\$0.69 ✓

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PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
18	CROWN ACE HARDWARE / CROWN ACE HARDWARE ✓							078986 ✓
CEMENT		10/2/2019 ✓	N	N		11/2/2019 ✓	10/2/2019	\$0.00
10/17/2019 ✓					N			\$71.05 ✓
19	CROWN ACE HARDWARE / CROWN ACE HARDWARE ✓							078990 ✓
CREDIT		10/2/2019 ✓	N	N		11/2/2019 ✓	10/2/2019	\$0.00
10/17/2019 ✓					N			(\$17.06) ✓
20	DIG SAFE / DIG SAFE C/O UNDERGROUND SVC ALEF ✓							18DSBFE5295 ✓
DIG SAFE		10/1/2019 ✓	N	N		11/15/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N			\$49.22 ✓
21	DURNEY DON / DURNEY, DON ✓							20190826 ✓
AUG '19 GRDN SVC		8/26/2019 ✓	N	N		9/26/2019 ✓	8/26/2019	\$0.00
10/17/2019 ✓					N			\$135.00 ✓
22	DURNEY DON / DURNEY, DON ✓							20190923 ✓
SEPT '19 GRDN SVC		9/23/2019 ✓	N	N		10/23/2019 ✓	9/23/2019	\$0.00
10/17/2019 ✓					N			\$135.00 ✓
23	FMB / FMB TRUCK OUTFITTERS, INC. ✓							97910 ✓
R&M TRK -150		9/18/2019 ✓	N	N		10/18/2019 ✓	9/18/2019	\$0.00
10/17/2019 ✓					N			\$1,268.37 ✓
24	GRAINGER / GRAINGER ✓							9297280274 ✓
LIGHT BAR		9/18/2019 ✓	N	N		10/18/2019 ✓	9/18/2019	\$0.00
10/17/2019 ✓					N			\$336.75 ✓
25	GRAINGER / GRAINGER ✓							9298448961 ✓
SUPPLIES		9/19/2019 ✓	N	N		10/19/2019 ✓	9/19/2019	\$0.00
10/17/2019 ✓					N			\$38.63 ✓
26	GRAINGER / GRAINGER ✓							9298812133 ✓
SUPPLIES		9/19/2019 ✓	N	N		10/19/2019 ✓	9/19/2019	\$0.00
10/17/2019 ✓					N			\$2.26 ✓
27	HACH CO. / HACH COMPANY ✓							11652179 ✓
PM ANALYZERS		9/25/2019 ✓	N	N		10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N			\$9,145.46 ✓
28	JADTEC SECURITY / JADTEC SECURITY SVCS, INC. ✓							2098149 ✓
MONITORING		10/1/2019 ✓	N	N		10/11/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N			\$53.85 ✓
29	KH METALS / KH METALS & SUPPLY ✓							0490470-IN ✓
PARTS		9/24/2019 ✓	N	N		10/24/2019 ✓	9/24/2019	\$0.00
10/17/2019 ✓					N			\$68.39 ✓
30	MERIT OIL / MERIT OIL COMPANY ✓							540093 ✓
GASOLINE		9/25/2019 ✓	N	N		10/10/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N			\$1,488.84 ✓
31	NORTH AMERICAN / NORTH AMERICAN STAINLESS ✓							15009500-00.A ✓
RFND 12273 BRWN AVE		9/26/2019 ✓	N	N		10/26/2019 ✓	9/26/2019	\$0.00
10/17/2019 ✓					N			\$290.26 ✓
32	ORANGE COAST / ORANGE COAST PETROLEUM EQI ✓							0243078-IN ✓
SCAQMD DECAL		9/25/2019 ✓	N	N		10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N			\$16.32 ✓
33	QUINN CAT / QUINN CAT / MACHINERY ✓							WOG00005953 ✓
R&M EQUIP		9/19/2019 ✓	N	N		10/19/2019 ✓	9/19/2019	\$0.00
10/17/2019 ✓					N			\$8,798.25 ✓
34	QUINN CAT / QUINN CAT / MACHINERY ✓							WOG00005997 ✓
R&M EQUIP		9/25/2019 ✓	N	N		10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N			\$215.62 ✓



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GL Date					Credit Card	CC Reference #		Total Invoice
35	QUINN CAT / QUINN CAT / MACHINERY ✓							WOG00005998 ✓
R&M EQUIP		9/25/2019 ✓	N	N			10/25/2019 ✓ 9/25/2019	\$0.00
10/17/2019 ✓					N			\$215.62 ✓
36	READY REFRESH / READY REFRESH by NESTLE ✓							1917701128196 ✓
BTL WTR		9/25/2019 ✓	N	N			10/25/2019 ✓ 9/25/2019	\$0.00
10/17/2019 ✓					N			\$395.94 ✓
37	RIVCOMM / RIVCOMM, INC. ✓							19058 ✓
R&M TRK		9/26/2019 ✓	N	N			10/26/2019 ✓ 9/26/2019	\$0.00
10/17/2019 ✓					N			\$130.00 ✓
38	RIVCOMM / RIVCOMM, INC. ✓							19060 ✓
R&M TRK		9/26/2019 ✓	N	N			10/26/2019 ✓ 9/26/2019	\$0.00
10/17/2019 ✓					N			\$561.23 ✓
39	SCE CLAIMS / SCE CLAIMS DEPT ✓							201902984 ✓
ALLWOOD CLAIM		9/30/2019 ✓	N	N			10/30/2019 ✓ 9/30/2019	\$0.00
10/17/2019 ✓					N			\$6,325.31 ✓
40	SCAQMD / SCAQMD ✓							3530601 ✓
5248 RVRVW - FLAT		9/17/2019 ✓	N	N			11/16/2019 ✓ 9/17/2019	\$0.00
10/17/2019 ✓					N			\$136.40 ✓
41	SCAQMD / SCAQMD ✓							3526963 ✓
5248 RVRVW - ICE GEN		9/17/2019 ✓	N	N			11/16/2019 ✓ 9/17/2019	\$0.00
10/17/2019 ✓					N			\$1,928.97 ✓
42	SOCAL TRUCK / SOCAL TRUCKWORKS ✓							8546 ✓
R&M JEEP		9/16/2019 ✓	N	N			10/16/2019 ✓ 9/16/2019	\$0.00
10/17/2019 ✓					N			\$194.75 ✓
43	SOCAL TRUCK / SOCAL TRUCKWORKS ✓							8604 ✓
R&M TRK		9/26/2019 ✓	N	N			10/26/2019 ✓ 9/26/2019	\$0.00
10/17/2019 ✓					N			\$71.28 ✓
44	SOCAL TRUCK / SOCAL TRUCKWORKS ✓							8611 ✓
R&M TRK		9/27/2019 ✓	N	N			10/27/2019 ✓ 9/27/2019	\$0.00
10/17/2019 ✓					N			\$64.78 ✓
45	SOCAL TRUCK / SOCAL TRUCKWORKS ✓							8612 ✓
R&M TRK		10/1/2019 ✓	N	N			11/1/2019 ✓ 10/1/2019	\$0.00
10/17/2019 ✓					N			\$821.34 ✓
46	SUNRISE FORD / SUNRISE FORD ✓							PO9181-7882 ✓
FORD F250 TRK		9/25/2019 ✓	N	N			10/25/2019 ✓ 9/25/2019	\$0.00
10/17/2019 ✓					N			\$23,730.20 ✓
47	UNDERGROUND SERVICE ALERT / UNDERGROUND ✓							920190563 ✓
DIG ALERTS		10/1/2019 ✓	N	N			11/1/2019 ✓ 10/1/2019	\$0.00
10/17/2019 ✓					N			\$104.05 ✓
48	UPS / UNITED PARCEL SERVICE ✓							0000F908W2389 ✓
POSTAGE		9/21/2019 ✓	N	N			10/21/2019 ✓ 9/21/2019	\$0.00
10/17/2019 ✓					N			\$3.66 ✓
49	WEST COAST SAFETY SUPPLY / WEST COAST SAFE ✓							3660115 ✓
CONFINED SPACE KIT		10/1/2019 ✓	N	N			10/17/2019 10/1/2019	\$0.00
10/17/2019 ✓					N			\$1,797.84 ✓
50	CITY OF JURUPA VALLEY / CITY OF JURUPA VALLEY ✓							789 ✓
PERMIT		9/26/2019 ✓	N	N			10/26/2019 ✓ 9/26/2019	\$0.00
10/17/2019 ✓					N			\$424.26 ✓
51	ACORN / ACORN TECHNOLOGY SERVICE ✓							52451.A ✓
OCT '19 SUPT/OFC 365		10/1/2019 ✓	N	N			10/20/2019 ✓ 10/1/2019	\$0.00
10/17/2019 ✓					N			\$3,010.00 ✓

54,264.02

\$3,010.00 ✓

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PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
52	ACORN / ACORN TECHNOLOGY SERVICE✓							52451.B ✓
LICENSES ADOBE/MIPR		10/1/2019 ✓	N	N		10/20/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N			\$1,254.02 ✓
53	AIRGAS / AIRGAS USA, LLC ✓							9965489143 ✓
TNK RNTL		9/30/2019 ✓	N	N		10/30/2019 ✓	9/30/2019	\$0.00
10/17/2019 ✓					N			\$147.10 ✓
54	AQUA METRIC SALES / AQUA METRIC SALES CO ✓							INV0075233 ✓
SENSORS		10/2/2019 ✓	N	N		11/2/2019 ✓	10/2/2019	\$0.00
10/17/2019 ✓					N			\$805.84 ✓
55	AMERICAN SAFETY PRODUCTS / AMERICAN SAFETY ✓							2238 ✓
UNIFORMS		10/2/2019 ✓	N	N		11/2/2019 ✓	10/2/2019	\$0.00
10/17/2019 ✓					N			\$1,382.57 ✓
56	AT&T / AT&T ✓							000013719597 ✓
PHN CHGS		10/7/2019 ✓	N	N		11/13/2019 ✓	10/7/2019	\$0.00
10/17/2019 ✓					N			\$502.91 ✓
57	BPS B'S POOL SUPPLIES / B.P.S. B's POOL SUPPLIES ✓							100746 ✓
SODIUM HYPO		10/2/2019 ✓	N	N		11/2/2019 ✓	10/2/2019	\$0.00
10/17/2019 ✓					N			\$1,290.32 ✓
58	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BI92494-0267 ✓
WTR ANALYSES		9/26/2019 ✓	N	N		10/26/2019 ✓	9/26/2019	\$0.00
10/17/2019 ✓					N			\$420.00 ✓
59	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BI92628-0267 ✓
WTR ANALYSES		9/30/2019 ✓	N	N		10/30/2019 ✓	9/30/2019	\$0.00
10/17/2019 ✓					N			\$84.00 ✓
60	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90229-0267 ✓
WTR ANALYSES		10/2/2019 ✓	N	N		11/2/2019 ✓	10/2/2019	\$0.00
10/17/2019 ✓					N			\$820.00 ✓
61	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90324-0267 ✓
WTR ANALYSES		10/3/2019 ✓	N	N		11/3/2019 ✓	10/3/2019	\$0.00
10/17/2019 ✓					N			\$116.00 ✓
62	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90325-0267 ✓
WTR ANALYSES		10/3/2019 ✓	N	N		11/3/2019 ✓	10/3/2019	\$0.00
10/17/2019 ✓					N			\$32.00 ✓
63	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90644-0267 ✓
WTR ANALYSES		10/7/2019 ✓	N	N		11/7/2019 ✓	10/7/2019	\$0.00
10/17/2019 ✓					N			\$105.00 ✓
64	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90568-0267 ✓
WTR ANALYSES		10/7/2019 ✓	N	N		11/7/2019 ✓	10/7/2019	\$0.00
10/17/2019 ✓					N			\$96.00 ✓
65	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90595-0267 ✓
WTR ANALYSES		10/7/2019 ✓	N	N		11/7/2019 ✓	10/7/2019	\$0.00
10/17/2019 ✓					N			\$105.00 ✓
66	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90653-0267 ✓
WTR ANALYSES		10/7/2019 ✓	N	N		11/7/2019 ✓	10/7/2019	\$0.00
10/17/2019 ✓					N			\$170.00 ✓
67	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90664-0267 ✓
WTR ANALYSES		10/7/2019 ✓	N	N		11/7/2019 ✓	10/7/2019	\$0.00
10/17/2019 ✓					N			\$420.00 ✓
68	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN ✓							BJ90703-0267 ✓
LAB FEES		10/8/2019 ✓	N	N		11/8/2019 ✓	10/8/2019	\$0.00
10/17/2019 ✓					N			\$244.00 ✓

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PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
86	R&D MECHANICAL / R&D MECHANICAL SUPPLY, INC ✓	9/19/2019 ✓	N	N			10/19/2019 ✓ 9/19/2019	11002959 ✓
TOOLS								\$0.00
10/17/2019 ✓					N			\$1,004.85 ✓
87	R&D MECHANICAL / R&D MECHANICAL SUPPLY, INC ✓	9/24/2019 ✓	N	N			10/24/2019 ✓ 9/24/2019	11002960 ✓
PARTS								\$0.00
10/17/2019 ✓					N			\$163.13 ✓
88	R&D MECHANICAL / R&D MECHANICAL SUPPLY, INC ✓	10/1/2019 ✓	N	N			11/1/2019 ✓ 10/1/2019	11002981 ✓
PAINT								\$0.00
10/17/2019 ✓					N			\$123.98 ✓
89	RIVERSIDE CLEANING SYSTEMS / RIVERSIDE CLEAN ✓	10/1/2019 ✓	N	N			11/1/2019 ✓ 10/1/2019	419 ✓
CLNG SVC								\$0.00
10/17/2019 ✓					N			\$545.00 ✓
90	SCE / SCE ✓	10/5/2019 ✓	N	N			10/24/2019 ✓ 10/5/2019	19O2283710317 ✓
FIRE STN UTLTY								\$0.00
10/17/2019 ✓					N			\$2,127.68 ✓
91	SCE / SCE ✓	10/5/2019 ✓	N	N			10/24/2019 ✓ 10/5/2019	19O2011970662 ✓
STREETLIGHTS								\$0.00
10/17/2019 ✓					N			\$10,223.80 ✓
92	SCE / SCE ✓	10/5/2019 ✓	N	N			10/24/2019 ✓ 10/5/2019	19O2036525640 ✓
MAIN OFC UTLTY								\$0.00
10/17/2019 ✓					N			\$1,524.56 ✓
93	SCG / SCG ✓	10/1/2019 ✓	N	N			10/23/2019 ✓ 10/1/2019	19O01302181001 ✓
FLD OFC UTLTY								\$0.00
10/17/2019 ✓					N			\$15.78 ✓
94	SCG / SCG ✓	10/1/2019 ✓	N	N			10/23/2019 ✓ 10/1/2019	19O05925730565 ✓
FIRE STN UTLTY								\$0.00
10/17/2019 ✓					N			\$82.85 ✓
95	SCG / SCG ✓	10/1/2019 ✓	N	N			10/23/2019 ✓ 10/1/2019	19O17882256005 ✓
MAIN OFC UTLTY								\$0.00
10/17/2019 ✓					N			\$29.99 ✓
96	SHRED-IT / SHRED-IT USA ✓	9/30/2019 ✓	N	N			10/30/2019 ✓ 9/30/2019	8128226288 ✓
SHREDDING								\$0.00
10/17/2019 ✓					N			\$83.67 ✓
97	SOCAL TRUCK / SOCAL TRUCKWORKS ✓	10/3/2019 ✓	N	N			11/3/2019 ✓ 10/3/2019	8632 ✓
R&M TRK								\$0.00
10/17/2019 ✓					N			\$81.27 ✓
98	SPECTRUM / SPECTRUM BUSINESS ✓	10/6/2019 ✓	N	N			10/23/2019 ✓ 10/6/2019	0914404100619 ✓
INTRNT SVC 10/6-11/5								\$0.00
10/17/2019 ✓					N			\$258.81 ✓
99	VULCAN MATERIALS / CALMAT Dba VULCAN MATERI ✓	9/30/2019 ✓	N	N			10/15/2019 ✓ 9/30/2019	72357739 ✓
ASPHALT								\$0.00
10/17/2019 ✓					N			\$2,612.18 ✓
100	WESTERN MUNICIPAL WATER / WESTERN MUNICIPA ✓	10/1/2019 ✓	N	N			10/31/2019 ✓ 10/1/2019	R13344 ✓
OCT '19 BRINE								\$0.00
10/17/2019 ✓					N			\$749.94 ✓
101	ADVANCED DISCOVERY / ADVANCED DISCOVERY IN ✓	10/1/2019 ✓	N	N			10/17/2019 ✓ 10/1/2019	B226678 ✓
CITY RVSD LITGN								\$0.00
10/17/2019 ✓					N			\$4,081.75 ✓
102	BUGBEE LELAND / BUGBEE, LELAND S II ✓	10/9/2019 ✓	N	N			11/9/2019 ✓ 10/9/2019	20191009 ✓
DOT & CERT RNWL								\$0.00
10/17/2019 ✓					N			\$205.00 ✓

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GL Date	Immediate GL Account	Immediate GL Account			Credit Card	CC Reference #		Payment Date	Total Invoice
103	CORELOGIC / CORELOGIC, INC. ✓								81987358 ✓
ON-LINE SVC		9/30/2019 ✓	N	N			10/30/2019 ✓	9/30/2019	\$0.00
10/17/2019 ✓					N				\$178.75 ✓
104	DELL MARKETING LP / DELL MARKETING L.P. C/O DE ✓								10345249634 ✓
LAPTOP		10/8/2019 ✓	N	N			11/7/2019 ✓	10/8/2019	\$0.00
10/17/2019 ✓					N				\$2,792.32 ✓
105	HARPER BURNS LLP / HARPER & BURNS LLP ✓								20191001.A
SEPT '19 LGL SVC		10/1/2019 ✓	N	N			11/1/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N				\$1,087.50
106	HARPER BURNS LLP / HARPER & BURNS LLP ✓								2019101.B
CITY RVSD LITGN		10/1/2019 ✓	N	N			11/1/2019 ✓	10/1/2019	\$0.00
10/17/2019 ✓					N				\$1,413.75
107	KRIEGER & STEWART / KRIEGER & STEWART, INC. ✓								43633 ✓
WSTEWTR CNSLT		9/25/2019 ✓	N	N			10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N				\$175.00 ✓
108	KRIEGER & STEWART / KRIEGER & STEWART, INC. ✓								43634 ✓
PRETREATMENT		9/25/2019 ✓	N	N			10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N				\$4,721.45 ✓
109	KRIEGER & STEWART / KRIEGER & STEWART, INC. ✓								43635 ✓
WSTEWTR CNSLT		9/25/2019 ✓	N	N			10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N				\$6,052.75 ✓
110	KRIEGER & STEWART / KRIEGER & STEWART, INC. ✓								43636 ✓
WTR CNSLT		9/25/2019 ✓	N	N			10/25/2019 ✓	9/25/2019	\$0.00
10/17/2019 ✓					N				\$4,025.00 ✓
111	O'BRIEN / O'BRIEN, JAMES ✓								20191008 ✓
CRSS CONCTN COURSE		10/8/2019 ✓	N	N			11/8/2019 ✓	10/8/2019	\$0.00
10/17/2019 ✓					N				\$462.50 ✓
112	RING BENDER / RING BENDER LLP ✓								08488 ✓
CITY RVSD LITGN		9/23/2019 ✓	N	N			10/23/2019 ✓	9/23/2019	\$0.00
10/17/2019 ✓					N				\$4,219.26 ✓
113	RIVERSIDE CITY / RIVERSIDE CITY ✓								00251278.A
JULY '19 TRTMNT		9/18/2019 ✓	N	N			10/17/2019 ✓	9/18/2019	\$0.00
10/17/2019 ✓					N				\$108,933.15
114	RIVERSIDE CITY / RIVERSIDE CITY ✓								00251278.B
JULY '19 SRCHG		9/18/2019 ✓	N	N			10/17/2019 ✓	9/18/2019	\$0.00
10/17/2019 ✓					N				\$30,629.51
115	RICHARDS, WATSON, GERSHON / RICHARDS, WATSON ✓								223490 ✓
CITY RVSD LITGN		9/16/2019 ✓	N	N			10/16/2019 ✓	9/16/2019	\$0.00
10/17/2019 ✓					N				\$2,920.62 ✓
116	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓								0925_100819.A ✓
COMM TRSH 9/25-10/8		10/9/2019 ✓	N	N			11/9/2019 ✓	10/9/2019	\$0.00
10/17/2019 ✓					N				\$43,262.39 ✓
117	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓								0925_100819.B ✓
RES TRSH 9/25-10/8		10/9/2019 ✓	N	N			11/9/2019 ✓	10/9/2019	\$0.00
10/17/2019 ✓					N				\$117,369.59 ✓
118	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓								0925_100819.C ✓
RCSD SHR COMM		10/9/2019 ✓	N	N			11/9/2019 ✓	10/9/2019	\$0.00
10/17/2019 ✓					N				(\$4,327.71) ✓
119	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC ✓								0925_100819.D ✓
RCSD SHR RES		10/9/2019 ✓	N	N			11/9/2019 ✓	10/9/2019	\$0.00
10/17/2019 ✓					N				(\$1,045.76) ✓

\$2,501.25

\$139,568.66

\$155,258.51

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GL Date				Credit Card				Total Invoice
120	VALDEZ, MIGUEL / VALDEZ, MIGUEL ✓	10/9/2019 ✓	N	N		11/9/2019 ✓	10/9/2019	20191009 ✓
R&M TRK								\$0.00
10/17/2019 ✓				N				\$100.00 ✓

Grand Totals

Total Direct Expense: \$443,935.08
 Total Direct Expense Adj: (\$19,900.85) ①
 Total Non-Electronic Transactions: \$424,034.23 ②

Report Summary

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

① 19,900.85

TR.19	17.06	Crown Ace
TR.46	14,500.00	Sunrise Ford (Trade-in/lease)
TR.74	10.32	Crown Ace
TR.118	4,327.71	Tri-Co
TR.119	1,045.76	Tri-Co
	<u>19,900.85</u>	
	<u>0.00</u>	

⑧ 10-15-19

② 424,034.23

424,358.03 Per xfer sch.
323.80 PR Related Payables
 (Union, sec.125)

6. ACKNOWLEDGEMENTS – MEMBERS OF THE PUBLIC MAY
ADDRESS THE BOARD AT THIS TIME ON ANY NON-AGENDA
MATTER

7. CORRESPONDENCE AND RELATED INFORMATION

Public Safety Power Shutoff (PSPS) is a practice where we may proactively shut off power in high fire risk areas to reduce the chances of fire during extreme and potentially dangerous fire conditions. Extreme fire conditions are conditions in which a fire (if ignited) would grow rapidly, burn intensely, and/or erratically. These conditions would include critical weather conditions such as low relative humidity, strong winds, and hot temperatures in combination with dry fuels.

To be sure, turning off the power to our customers is not something we take lightly. Our commitment to deliver reliable electric service is something we take seriously. A PSPS event is the option of last resort in a line of things we do to mitigate fire risk. This practice is aimed at keeping the public, our customers and our employees safe. **Nothing is more important.**

We consider many things before deciding to turn off power. These include, but are not limited to the following:

- **National Weather Service Red Flag Warnings*** for counties that contain SCE circuits in high fire risk areas
- **Ongoing monitoring** from our in-house meteorologists; using our weather stations and forecasts, they will take into account conditions such as wind speed, humidity and temperature
- **Real-time information** about what's happening in and around high fire risk areas
- **Input from our Fire Management experts** in close coordination with fire agencies
- **Awareness** of mandatory or voluntary evacuation orders in place
- **Expected impact** of de-energizing circuits on essential services such as public safety agencies, water agencies, and traffic control
- **Other** considerations

If we decide it is necessary to shut off power, we will try to inform customers approximately 48 hours in advance. Roughly 24 hours before power is shut off, we will try to inform customers again. Additional notifications will follow when power has been shut off, and again when it has been restored.

We recommend that customers update their contact information so they can receive these notifications. They can do so by logging onto their [sce.com](https://www.sce.com) account and clicking on **My Account > Profile > Outage Alert Preferences**.

When planning a PSPS, our intent is to communicate and coordinate with local government agencies, first responders, and emergency management officials. However, there may be times when giving advance notice isn't possible – for instance, the rapid onset of extreme fire conditions and other circumstances beyond our control.

Once power is shut off, it will remain off as long as potentially dangerous fire conditions exist, and until we have had time to inspect and/or repair our equipment. While getting the power back on is always a priority, doing it safely outweighs all else.

Customers can find tips on handling all types of outages on [sce.com](https://www.sce.com).

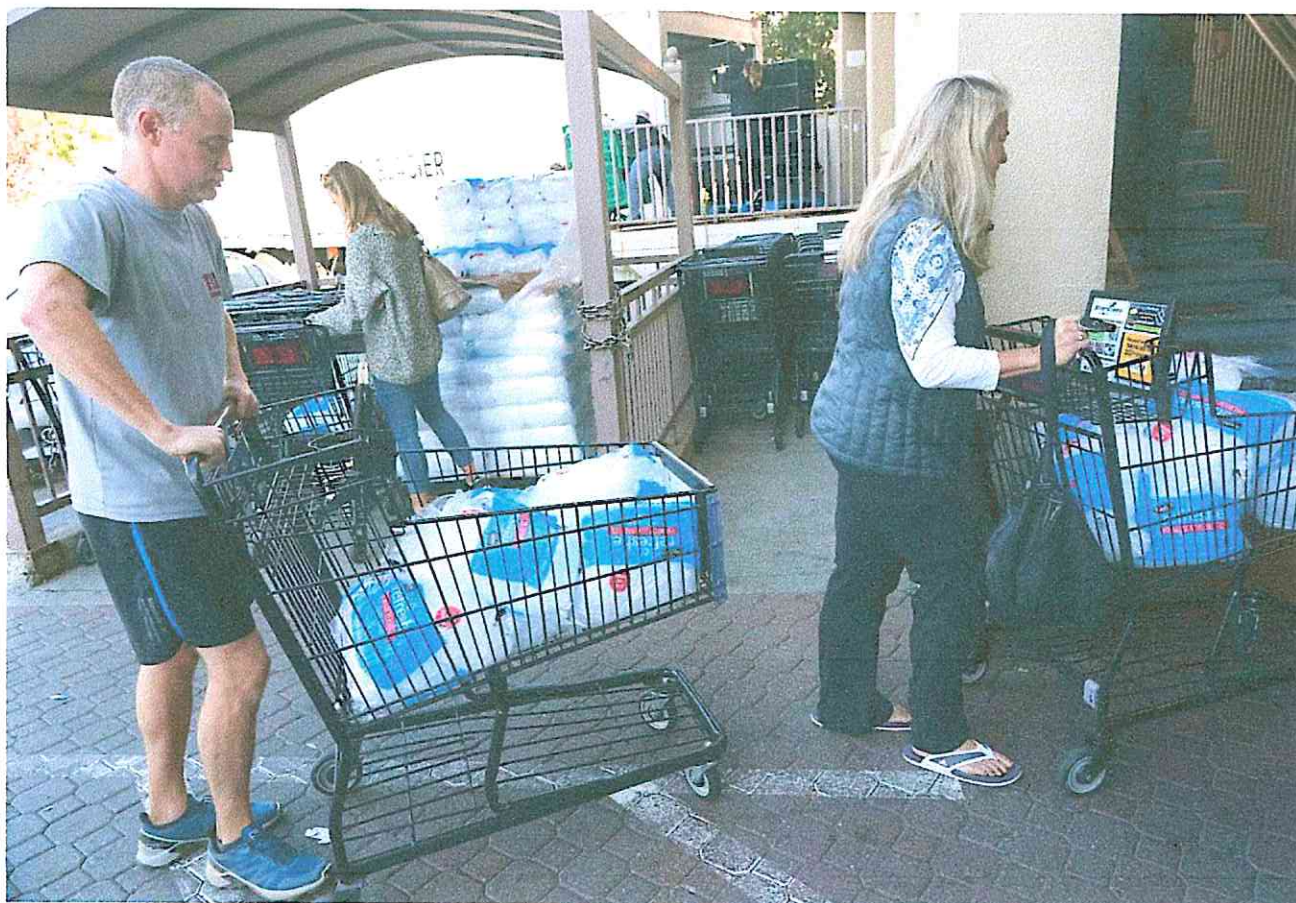
*A Red Flag Warning is a forecast warning issued by the United States National Weather Service to inform area firefighting and land management agencies that conditions are ideal for wildland fire combustion and rapid spread.

LOCAL // BAY AREA & STATE

When the power goes out, so does the water in some places

Kurtis Alexander

Oct. 9, 2019 | Updated: Oct. 9, 2019 8:28 p.m.



Sam Hopkin and Cindy Krystoff pick up ice from a pallet just delivered to a grocery store in Montclair Village in Oakland.

Photo: Paul Kuroda / Special to The Chronicle

Not only did the lights go out for tens of thousands of Californians on Wednesday, but some of them were bracing for the loss of their taps and toilets, too.

Utilities across the state were warning residents that PG&E's planned power outages could limit their ability to deliver water and carry off sewage, especially if the shut-off were to continue for days.

While most urban areas have enough backup power to cover the huge energy demands of water and sanitation service, some rural communities do not. Many utilities were scrambling to get generators in place as well as stockpile fuel to run their backup power equipment.

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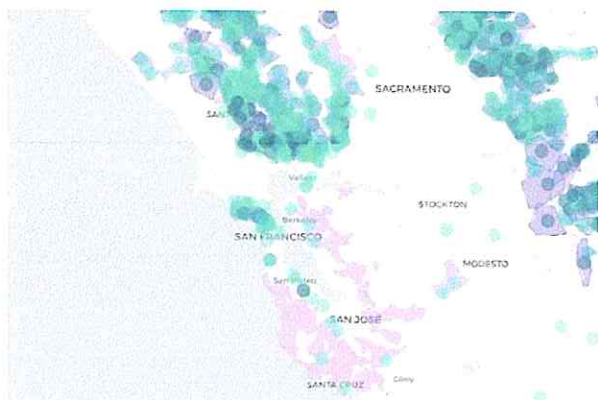
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"We have so many small systems, there probably will be a few (areas) that will run out of water," said Edwin Pattison, general manager of the Tuolumne Utilities District, which serves about 40,000 people across a sprawling stretch of Sierra foothills. "It's a hard message (but) we're doing what we can."

Pacific Gas and Electric Co.'s power outages began early Wednesday in the northernmost parts of the state and continued across at least 20 counties. The shut-off was the largest to be initiated by the power company in its bid to keep electrical equipment from igniting wildfires as it has done repeatedly over the past two years.

PG&E Power Shut-offs



Map: Will the PG&E power shut-offs affect you?



BY PETER FIMRITE, JILL TUCKER AND EVAN SERNOFFSKY

Bay Area braces for second wave

Water and sanitation agencies, like the Sonora-based Tuolumne Utilities District, have taken steps to prepare for the outages. They've bought and rented generators, kept water storage tanks full and sewage lines clear while there's power to do so, and launched public outreach campaigns to warn customers about the need to conserve during shut-offs.

But because the electrical needs of the systems are often so great, the utilities won't always be able to keep them running.

The Tuolumne district serves many small, far-flung communities that rely on pump stations to deliver water. Some have no backup power because utility rates would never cover the cost.

"We'll try to bring mobiles in, but we don't have enough mobile generators for all those locations," Pattison said. "Remember, this is a rural area. We have customers that are very remote and all over the place."

Some utilities closer to the Bay Area were dealing with similar challenges.

In Santa Cruz County, officials in areas such as the San Lorenzo Valley and Soquel planned to direct their limited backup power supplies to where they're needed most, should the electricity go out.

"We'll have to hopscotch to certain sites," said Taj Dufour, engineering manager for the Soquel Creek Water District, which provides water to about 40,000 residents.

Fortunately, all of the district's wells feed an integrated water supply, so even if one well can't be turned on, managers can pump from another well and keep reserves up, Dufour said.

In the San Lorenzo Valley, the concern is moving water up and down the Santa Cruz Mountains. The energy-intensive delivery entails the use of 30 pump stations, and not all of them have backup power. Officials at the San Lorenzo Valley Water District, which serves about 23,000 people, were set to deploy portable generators

to areas where water was needed most, prioritizing locations with sick and elderly residents.

Sign In

In the city of Santa Cruz, water managers have plenty of diesel generators, but their issue was fuel.

“If the shut-off is relatively limited, we feel like we’re prepared,” said Chris Coburn, deputy director for operations at the Santa Cruz Water Department. “If we’re in a situation where we have an extended shutdown ... we’re a little less certain.”

Coburn said the city’s water system could run at full capacity for at least a day or two with its current fuel supply. But after that, he said, Santa Cruz would need to conserve its backup power and restock fuel, which he said could be tricky given the increased demand for diesel that might come with a prolonged outage.

PG&E has not given a timeline for the shut-offs. But it has warned that power may not be restored for several days. Crews are to inspect lines in areas where the electricity is shut off before switching it back on.

Larger water and sanitation agencies in the Bay Area weren’t anticipating problems from the outages. The San Francisco Public Utilities Commission, East Bay Municipal Utility District, San Jose Water Co. and Sonoma County Water Agency confirmed that they had both stationary and portable backup power ready.

EBMUD tweeted Wednesday night that it was “activating critical backup generators and pumps” and that “water service should not be disrupted,” while the Marin Municipal Water District issued a Nixle alert asking customers to conserve water and stop outdoor irrigation.

“

EBMUD is activating critical backup generators and pumps in parts of Alameda and Contra Costa counties in response to PG&E’s preemptive power shutoff. Water service should not be disrupted. More: <https://t.co/dZUncE9Cl8>

#PGEpowershutdown pic.twitter.com/2jlivWZOVt



But because the scope of the outages was unprecedented, most utilities were still asking customers to limit their water use and keep a few extra gallons on hand.

“You can be without power, but you cannot be without water,” said Pattison, at the Tuolumne Utilities District. “It’s about health and safety. ... You need to be able to flush your toilet and you need water to drink.”

Kurtis Alexander is a San Francisco Chronicle staff writer. Email: kalexander@sfchronicle.com Twitter: [@kurtisalexander](https://twitter.com/kurtisalexander)

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8. MANAGER'S REPORT

- a) Operations Report
- b) Emergency and Incident Report

Water and Wastewater Production Comparison

TOTAL WELL PRODUCTION in Million Gallons

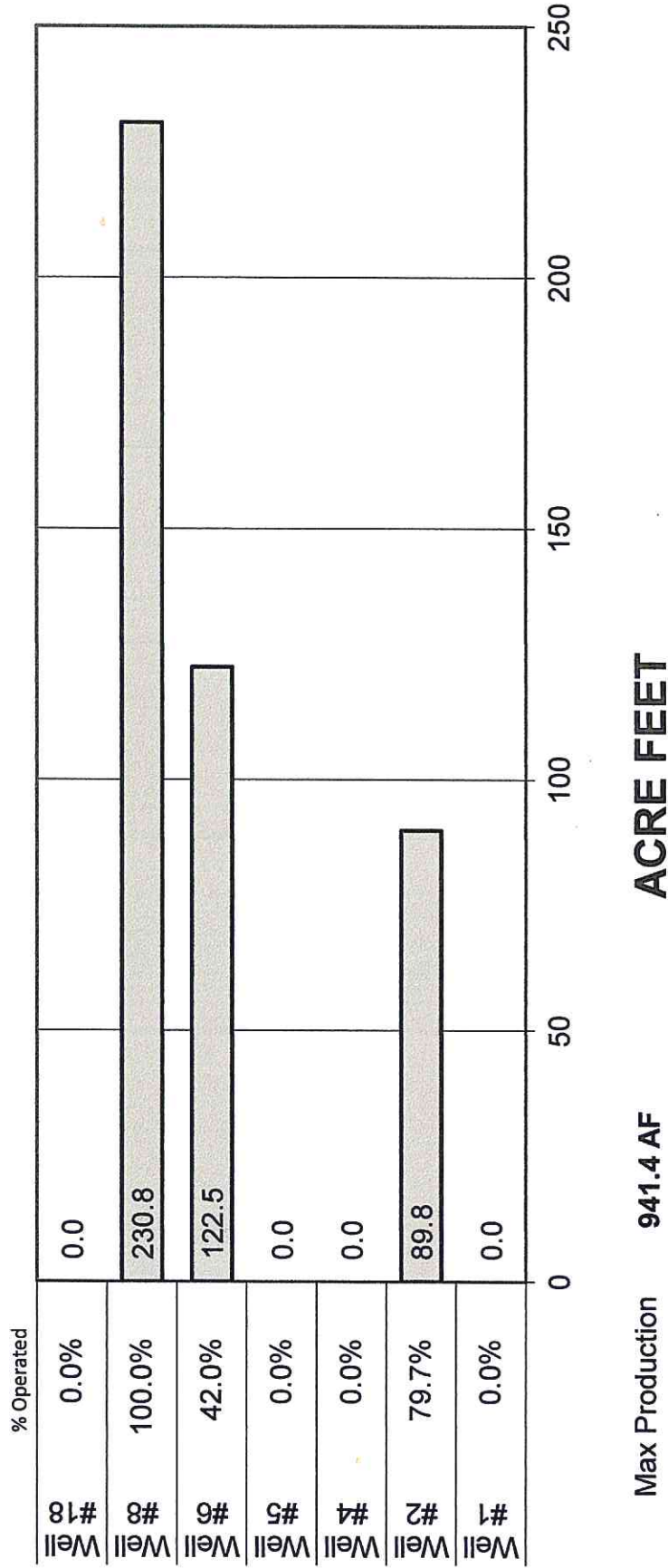
Consumption to JURUPA C.S.D. WASTEWATER FLOW TO RIVERSIDE

Date	TOTAL WELL PRODUCTION in Million Gallons				Consumption to JURUPA C.S.D.	WASTEWATER FLOW TO RIVERSIDE	
	Purchased	Potable Wells	Potable Total	Non-Potable Wells	Total	(Million Gallons)	(Million Gallons)
9/1/2019	0.00	4.85	4.85	0.57	5.42	0.00	1.55
9/2/2019	0.00	5.85	5.85	0.57	6.42	0.00	1.74
9/3/2019	0.00	4.86	4.86	0.58	5.44	0.00	1.89
9/4/2019	0.00	5.34	5.34	2.12	7.46	0.00	1.95
9/5/2019	0.00	5.26	5.26	0.49	5.74	0.00	1.95
9/6/2019	0.00	5.23	5.23	0.62	5.85	0.00	1.85
9/7/2019	0.00	4.92	4.92	0.56	5.48	0.00	1.88
9/8/2019	0.00	4.32	4.32	0.52	4.84	0.00	1.73
9/9/2019	0.00	5.02	5.02	0.65	5.67	0.00	1.89
9/10/2019	0.00	4.04	4.04	0.56	4.61	0.00	1.96
9/11/2019	0.00	5.92	5.92	0.56	6.48	0.00	1.95
9/12/2019	0.00	4.78	4.78	2.24	7.02	0.00	1.94
9/13/2019	0.00	3.74	3.74	0.53	4.28	0.00	1.85
9/14/2019	0.00	5.46	5.46	0.61	6.06	0.00	1.88
9/15/2019	0.00	5.37	5.37	0.61	5.98	0.00	1.73
9/16/2019	0.00	5.12	5.12	0.59	5.71	0.00	1.89
9/17/2019	0.00	4.59	4.59	0.49	5.07	0.00	2.00
9/18/2019	0.00	4.90	4.90	0.51	5.41	0.00	2.00
9/19/2019	0.00	5.57	5.57	0.52	6.10	0.00	1.94
9/20/2019	0.00	5.56	5.56	0.53	6.09	0.00	1.83
9/21/2019	0.00	3.44	3.44	0.50	3.94	0.00	1.85
9/22/2019	0.00	4.89	4.89	0.52	5.40	0.00	1.71
9/23/2019	0.00	5.00	5.00	0.51	5.51	0.00	1.87
9/24/2019	0.00	5.09	5.09	0.45	5.54	0.00	1.91
9/25/2019	0.00	4.99	4.99	0.49	5.48	0.00	1.97
9/26/2019	0.00	3.60	3.60	1.10	4.71	0.00	1.94
9/27/2019	0.00	4.01	4.01	0.09	4.10	0.00	1.85
9/28/2019	0.00	3.57	3.57	0.54	4.11	0.00	1.77
9/29/2019	0.00	4.84	4.84	0.57	5.41	0.00	1.73
9/30/2019	0.00	4.24	4.24	0.52	4.76	0.00	1.85
MINIMUM	0.00	3.44	3.44	0.09	3.94	0.00	1.55
AVERAGE	0.00	4.81	4.81	0.66	5.47	0.00	1.86
MAXIMUM	0.00	5.92	5.92	2.24	7.46	0.00	2.00
TOTAL	0.00	144.38	144.38	19.70	164.07	0.00	55.85

RUBIDOUX COMMUNITY SERVICES DISTRICT
MONTHLY WELL PRODUCTION
(Million Gallons)

DATE	POTABLE WATER										NONPOTABLE WATER						TOTALS		
	JURUPA TIE-IN (MG)	MN Rmvl Pit #1 Well #1A (MG)	GAC Pit TROYER Well #2 (MG)	Nitrate Removal Pit		DAILY Well #5 (MG)	GOULD Well #8A (MG)	MN Rmvl Pit #2 Well #18 (MG)	28th ST. Well #3 (MG)	DAILY Well #7 (MG)	CLEMENT Well #11 (MG)	46th ST. Well #14 (MG)	Mission Wells #19 & #20 (MG)	POTABLE (MG)	NON POTABLE (MG)	TOTAL PROD. (MG)			
7/1/2017	0.00	0.00	1.06	0.00	1.19	0.00	2.60	0.00	0.00	0.57	0.00	0.00	4.85	0.57	5.42				
7/2/2017	0.00	0.00	1.06	0.00	2.17	0.00	2.62	0.00	0.00	0.56	0.00	0.01	5.85	0.57	6.42				
7/3/2017	0.00	0.00	1.01	0.00	1.62	0.00	2.24	0.00	0.00	0.57	0.00	0.01	4.86	0.58	5.44				
7/4/2017	0.00	0.00	0.93	0.00	1.72	0.00	2.70	0.00	1.49	0.60	0.00	0.03	5.34	2.12	7.46				
7/5/2017	0.00	0.00	1.08	0.00	1.77	0.00	2.41	0.00	0.00	0.47	0.00	0.02	5.26	0.49	5.74				
7/6/2017	0.00	0.00	1.06	0.00	1.49	0.00	2.67	0.00	0.00	0.60	0.00	0.02	5.23	0.62	5.85				
7/7/2017	0.00	0.00	1.07	0.00	1.24	0.00	2.61	0.00	0.00	0.53	0.00	0.02	4.92	0.56	5.48				
Subtotal	0.00	0.00	7.26	0.00	11.19	0.00	17.85	0.00	1.49	0.00	3.90	0.12	36.30	5.50	41.81				
7/8/2017	0.00	0.00	0.93	0.00	1.07	0.00	2.32	0.00	0.00	0.50	0.00	0.02	4.32	0.52	4.84				
7/9/2017	0.00	0.00	0.94	0.00	1.63	0.00	2.45	0.00	0.00	0.63	0.00	0.02	5.02	0.65	5.67				
7/10/2017	0.00	0.00	1.02	0.00	0.59	0.00	2.44	0.00	0.00	0.53	0.00	0.03	4.04	0.56	4.61				
7/11/2017	0.00	0.00	1.05	0.00	2.05	0.00	2.82	0.00	0.00	0.54	0.00	0.02	5.92	0.56	6.48				
7/12/2017	0.00	0.00	0.99	0.00	1.61	0.00	2.18	0.00	1.71	0.51	0.00	0.02	4.78	2.24	7.02				
7/13/2017	0.00	0.00	1.15	0.00	0.92	0.00	2.58	0.00	0.00	0.52	0.00	0.01	3.74	0.53	4.28				
7/14/2017	0.00	0.00	0.89	0.00	2.15	0.00	2.42	0.00	0.00	0.56	0.00	0.05	5.46	0.61	6.06				
Subtotal	0.00	0.00	6.97	0.00	9.11	0.00	17.21	0.00	1.71	0.00	3.80	0.16	33.29	5.67	38.96				
7/15/2017	0.00	0.00	0.81	0.00	1.63	0.00	2.93	0.00	0.00	0.55	0.00	0.06	5.37	0.61	5.98				
7/16/2017	0.00	0.00	1.27	0.00	1.62	0.00	2.23	0.00	0.00	0.54	0.00	0.06	5.12	0.59	5.71				
7/17/2017	0.00	0.00	1.02	0.00	1.14	0.00	2.43	0.00	0.00	0.47	0.00	0.02	4.59	0.49	5.07				
7/18/2017	0.00	0.00	0.99	0.00	1.45	0.00	2.47	0.00	0.00	0.49	0.00	0.02	4.90	0.51	5.41				
7/19/2017	0.00	0.00	1.02	0.00	2.04	0.00	2.51	0.00	0.00	0.50	0.00	0.02	5.57	0.52	6.10				
7/20/2017	0.00	0.00	1.13	0.00	1.69	0.00	2.73	0.00	0.00	0.50	0.00	0.03	5.56	0.53	6.09				
7/21/2017	0.00	0.00	0.85	0.00	0.41	0.00	2.19	0.00	0.00	0.49	0.00	0.02	3.44	0.50	3.94				
Subtotal	0.00	0.00	7.08	0.00	9.99	0.00	17.49	0.00	0.00	3.53	0.00	0.22	34.56	3.74	38.30				
7/22/2017	0.00	0.00	1.14	0.00	1.02	0.00	2.73	0.00	0.00	0.46	0.00	0.05	4.89	0.52	5.40				
7/23/2017	0.00	0.00	0.99	0.00	1.62	0.00	2.39	0.00	0.00	0.49	0.00	0.02	5.00	0.51	5.51				
7/24/2017	0.00	0.00	0.90	0.00	1.41	0.00	2.78	0.00	0.00	0.42	0.00	0.03	5.09	0.45	5.54				
7/25/2017	0.00	0.00	1.14	0.00	1.41	0.00	2.44	0.00	0.00	0.47	0.00	0.02	4.99	0.49	5.48				
7/26/2017	0.00	0.00	0.91	0.00	0.56	0.00	2.14	0.00	0.67	0.42	0.00	0.02	3.60	1.10	4.71				
7/27/2017	0.00	0.00	0.95	0.00	0.63	0.00	2.43	0.00	0.00	0.08	0.00	0.02	4.01	0.09	4.10				
7/28/2017	0.00	0.00	1.03	0.00	0.00	0.00	2.54	0.00	0.00	0.52	0.00	0.02	3.57	0.54	4.11				
7/29/2017	0.00	0.00	0.47	0.00	1.45	0.00	2.92	0.00	0.00	0.54	0.00	0.02	4.84	0.57	5.41				
7/30/2017	0.00	0.00	0.42	0.00	1.52	0.00	2.29	0.00	0.00	0.48	0.00	0.04	4.24	0.52	4.76				
Subtotal	0.00	0.00	7.95	0.00	9.61	0.00	22.66	0.00	0.67	0.00	3.88	0.23	40.23	4.78	45.00				
TOTAL	0.000	0.000	29.264	0.000	39.899	0.000	75.212	0.000	3.872	0.000	15.098	0.000	144.375	19.695	164.071				

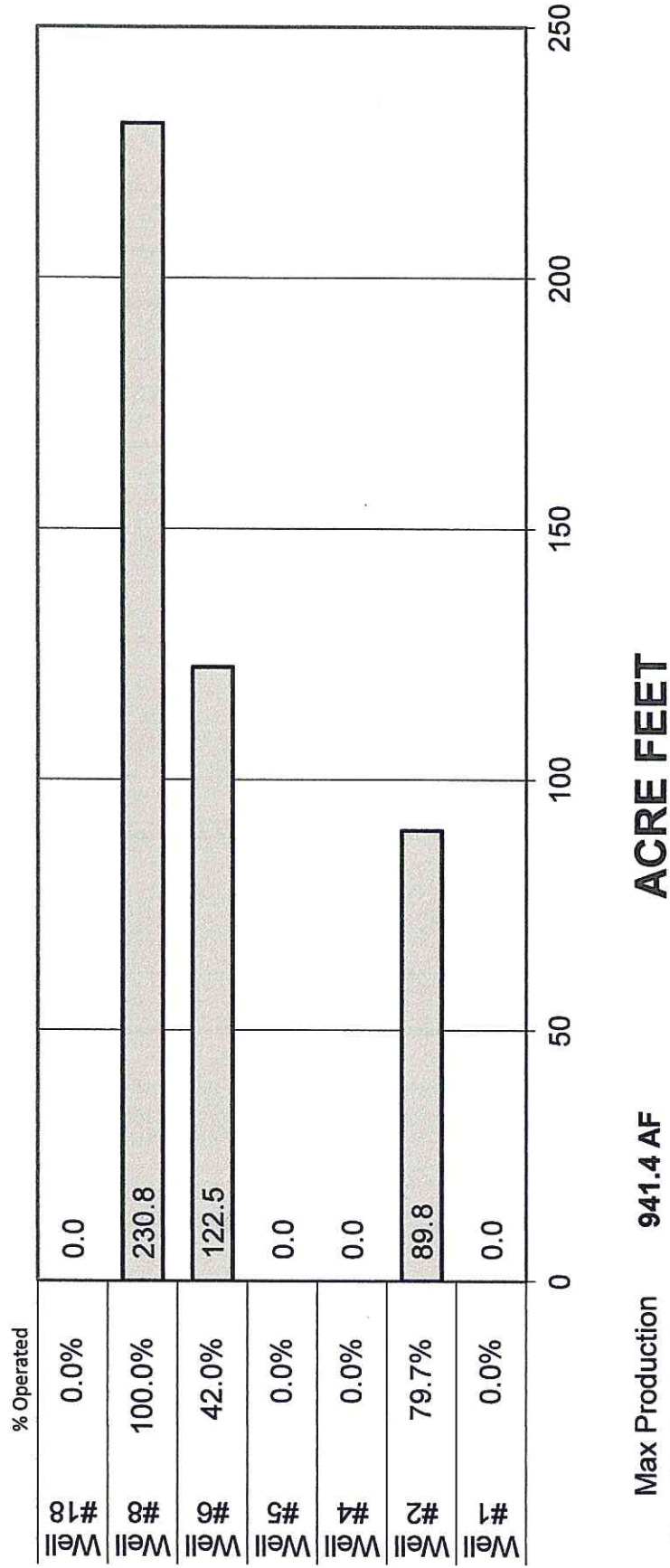
TOTAL WATER PRODUCED w/ % Operated April 2019



Max Production **941.4 AF**
 Monthly Production **000.0 AF**
 Reserve Production **941.4 AF**

1 Acre Foot = 43,560 Cubic Feet = 325,829 Gallons

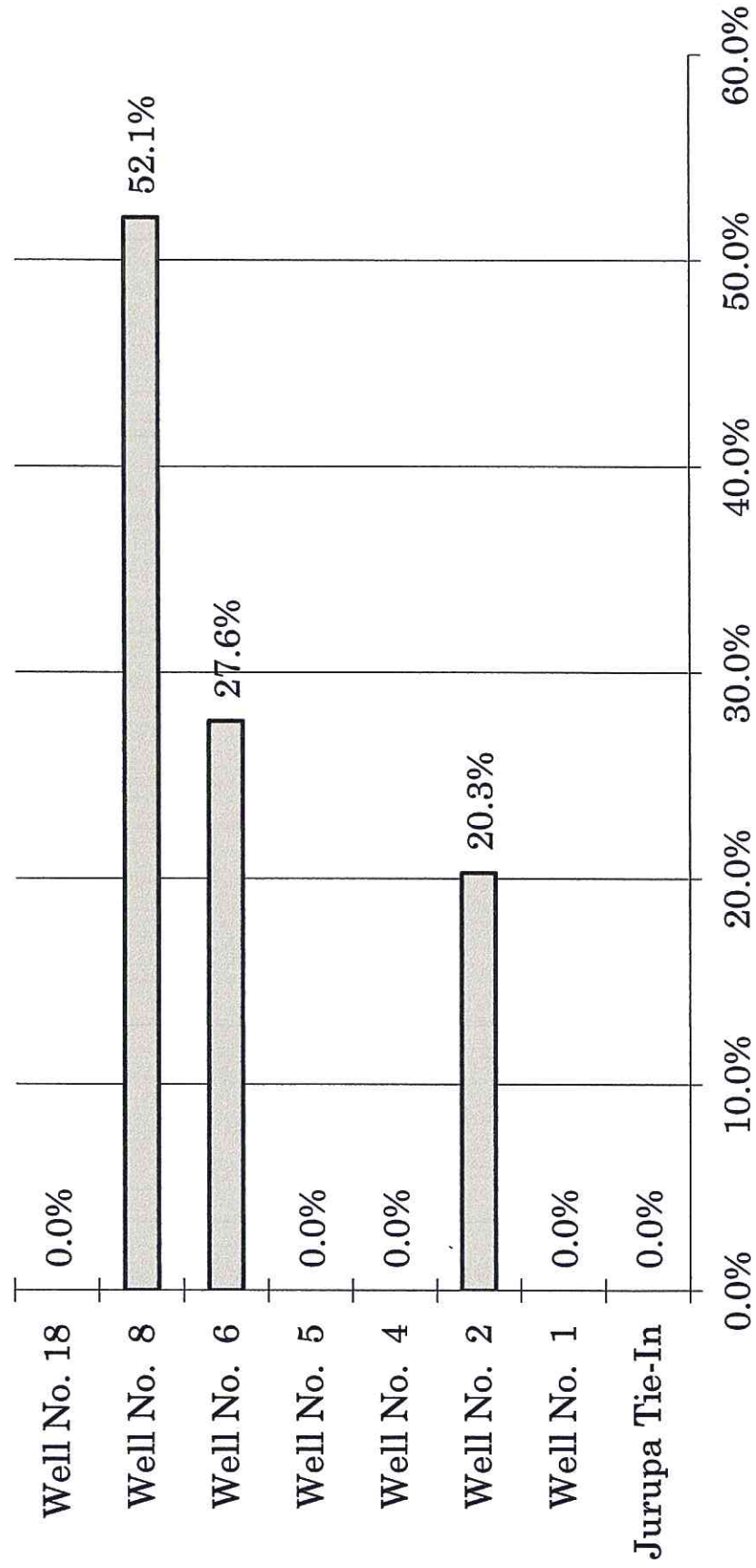
TOTAL WATER PRODUCED w/ % Operated September 2019



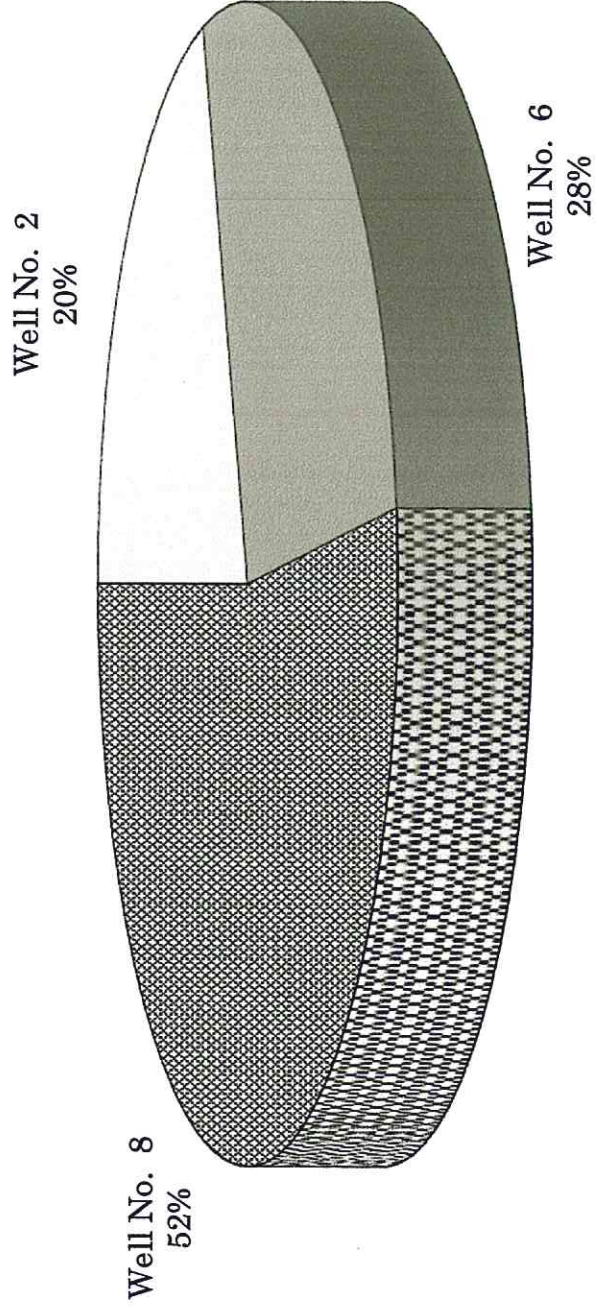
Max Production **941.4 AF**
Monthly Production **000.0 AF**
Reserve Production **941.4 AF**

1 Acre Foot = 43,560 Cubic Feet = 325,829 Gallons

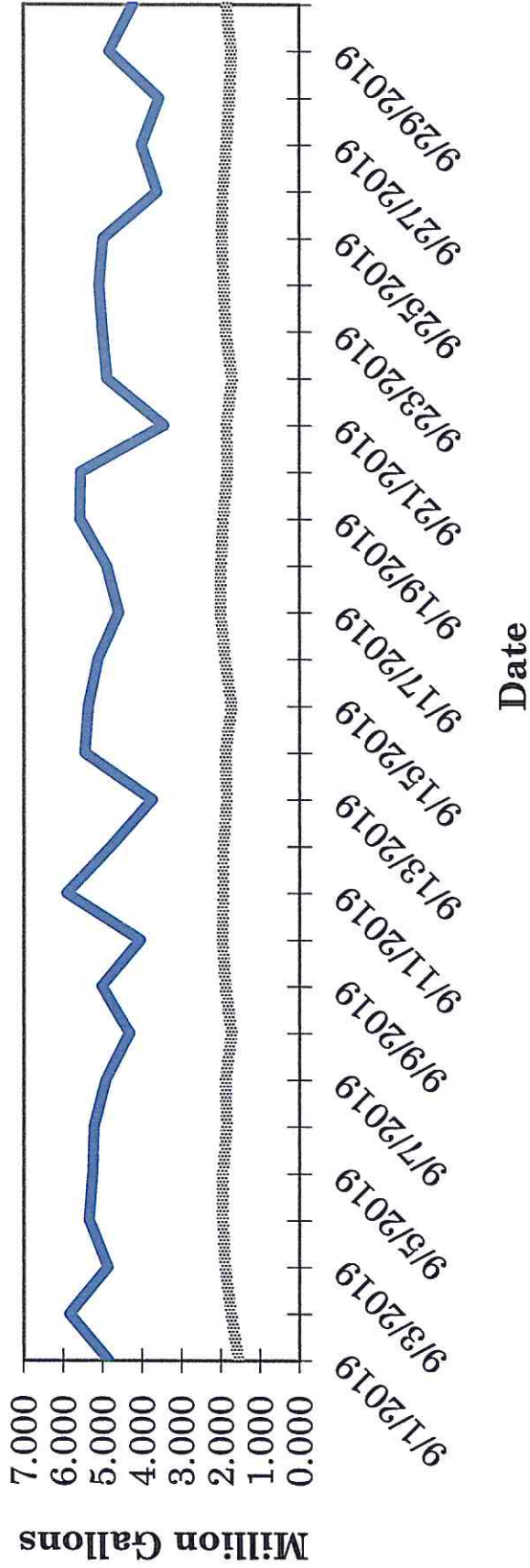
Source Potable Production Comparison September 2019



Source Potable Production Comparison September 2019



Potable Water & Wastewater Comparison September 2019

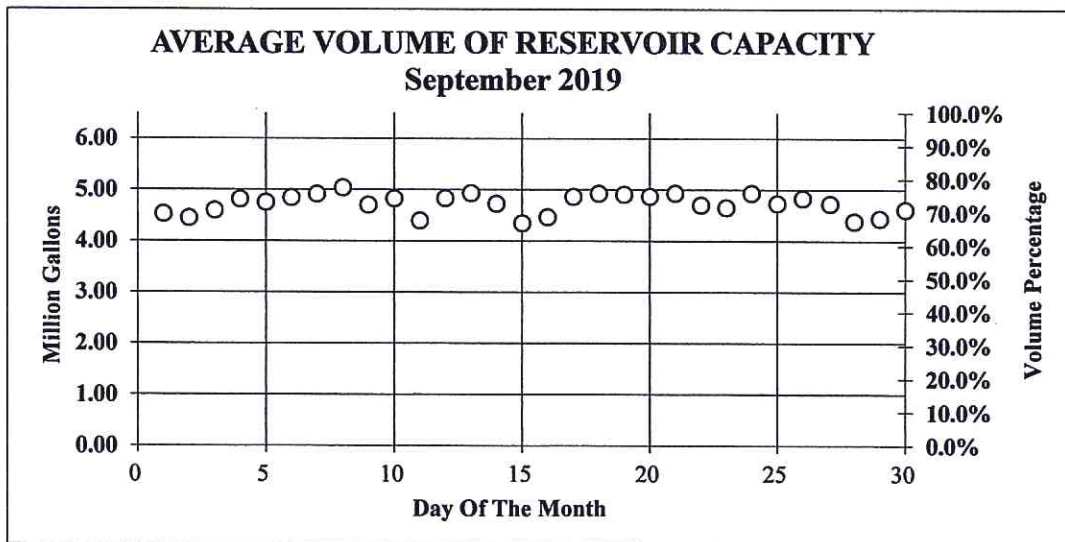


— Potable Water Prod. Wastewater Prod.

RUBIDOUX COMMUNITY SERVICES DISTRICT

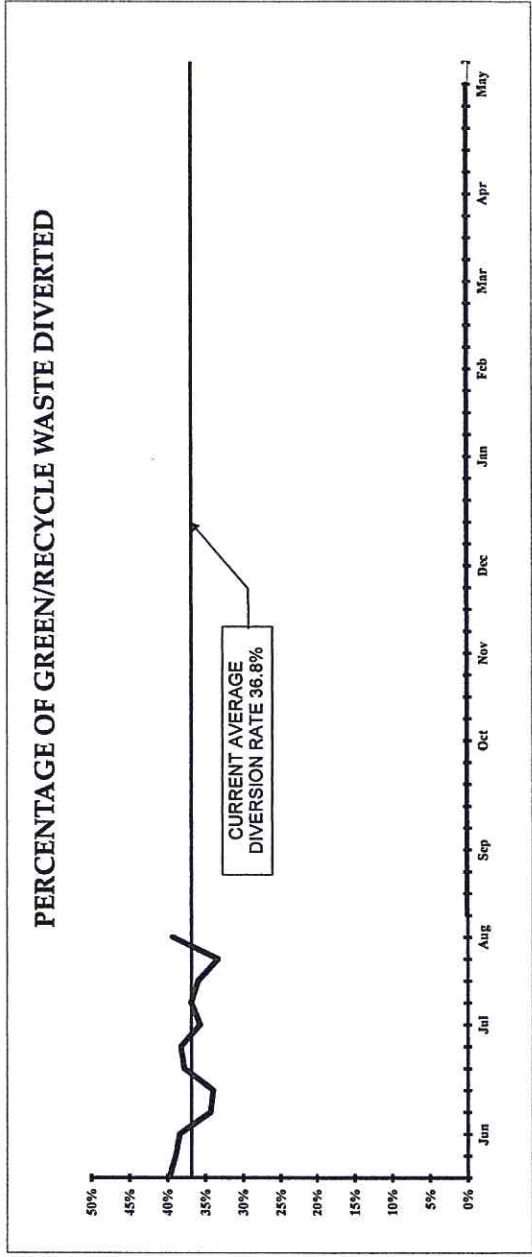
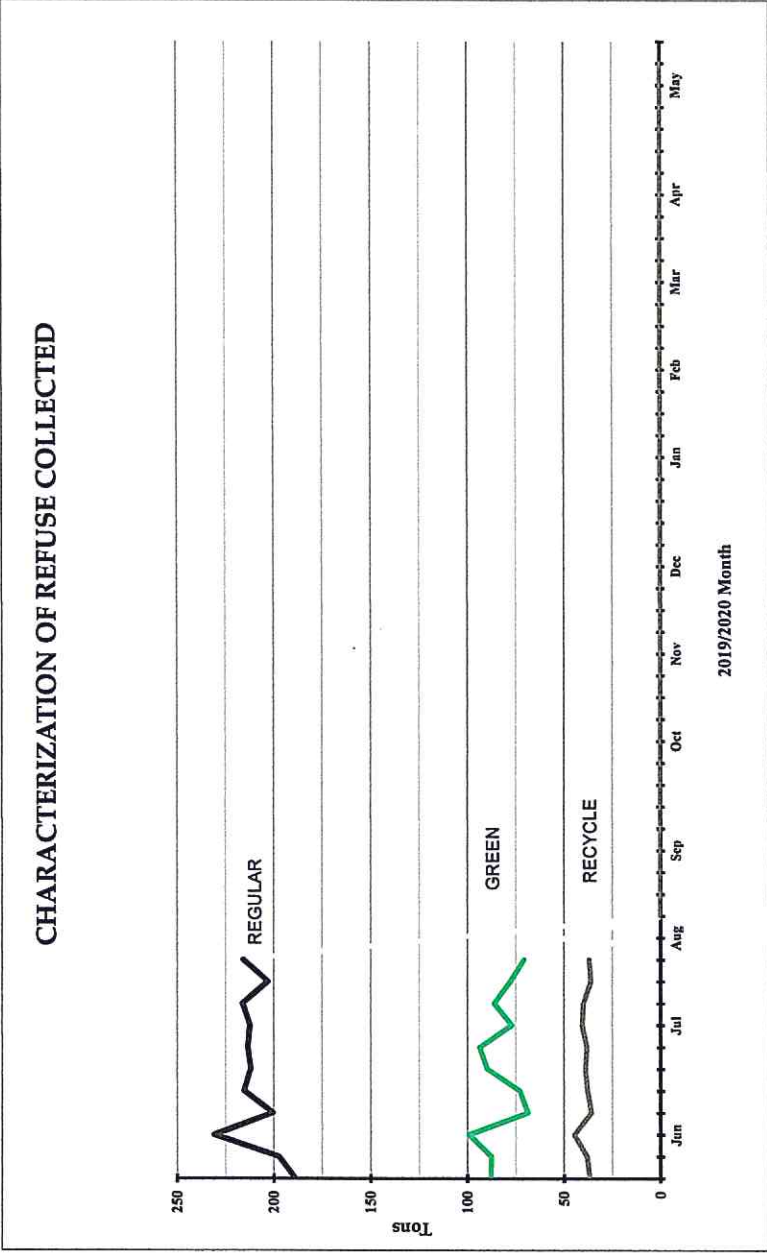
Reservoir Capacity Report

CAPACITY	ATKINSON SYSTEM		HUNTER SYSTEM		WATER AVAILABLE (Gallons)*	PERCENTAGE OF TOTAL CAPACITY
	2,000,000	3,000,000	425,000	1,000,000		
DATE	ATKINSON	WATSON	HUNTER I	PERRONE		
9/1/2019	68.8	67.3	79.0	79.6	4,530,221	70.5%
9/2/2019	66.8	66.6	76.8	79.3	4,446,961	69.2%
9/3/2019	70.1	68.7	77.1	80.9	4,594,035	71.5%
9/4/2019	74.7	72.6	79.5	79.6	4,813,024	74.9%
9/5/2019	74.7	72.1	76.0	78.4	4,753,732	74.0%
9/6/2019	75.9	73.1	79.1	80.0	4,848,208	75.5%
9/7/2019	77.6	74.3	77.8	81.3	4,915,457	76.5%
9/8/2019	80.8	76.5	78.2	79.6	5,038,690	78.4%
9/9/2019	74.0	71.1	76.5	78.3	4,704,974	73.2%
9/10/2019	76.0	72.7	78.0	80.1	4,828,821	75.2%
9/11/2019	66.1	65.1	76.4	80.6	4,399,308	68.5%
9/12/2019	75.6	72.7	75.6	82.0	4,835,562	75.3%
9/13/2019	78.5	74.5	76.5	80.5	4,932,100	76.8%
9/14/2019	74.3	71.3	77.4	77.2	4,729,338	73.6%
9/15/2019	65.4	64.0	76.4	80.2	4,349,952	67.7%
9/16/2019	67.2	66.0	79.7	78.2	4,463,801	69.5%
9/17/2019	75.8	73.3	78.3	79.7	4,867,502	75.8%
9/18/2019	78.2	74.6	77.5	80.8	4,930,434	76.7%
9/19/2019	78.0	74.1	79.4	80.6	4,910,876	76.4%
9/20/2019	78.8	73.3	77.7	77.8	4,870,929	75.8%
9/21/2019	78.7	74.7	77.4	77.3	4,931,039	76.7%
9/22/2019	73.9	70.9	77.4	77.5	4,701,715	73.2%
9/23/2019	71.5	69.2	78.3	81.6	4,652,879	72.4%
9/24/2019	78.9	74.9	78.4	78.4	4,934,997	76.8%
9/25/2019	74.0	71.1	76.7	80.9	4,732,035	73.7%
9/26/2019	76.7	72.4	77.1	80.3	4,831,815	75.2%
9/27/2019	73.9	70.4	79.9	79.1	4,728,091	73.6%
9/28/2019	66.9	64.4	78.2	79.4	4,386,284	68.3%
9/29/2019	67.4	66.1	78.1	76.7	4,442,245	69.1%
9/30/2019	71.1	68.8	78.2	79.9	4,614,364	71.8%



* The total capacity of all District reservoirs is 6,425,000 gallons.

RUBIDOUX COMMUNITY SERVICES DISTRICT
Green Waste Program
(May 19 to June 20)



CAL FIRE/Riverside County Fire Department

Emergency Incident Statistics

September 2009 - September 2019



Rubidoux Community Service District

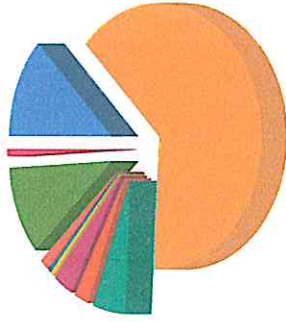
Total Calls for Rubidoux CSD September 2009-2019



<u>Month/Year</u>	<u>Total Calls for Staiton 38</u>	<u>Total Calls for District</u>
September 2009	175	182
September 2010	186	193
September 2011	169	181
September 2012	212	228
September 2013	194	205
September 2014	205	219
September 2015	200	212
September 2016	216	234
September 2017	218	234
September 2018	233	243
September 2019	212	231

Response Activity

Incidents Reported for the month of September 2019 and Special District Rubidoux CSD And Both (Code 2, Alpha, Omega, Code 3, Charlie, Delta, Bravo, Echo)



Category	Count	Percentage
False Alarm	28	12.1%
Medical	147	63.6%
Other Fire	12	5.2%
Other Misc	5	2.2%
Public Service Assist	7	3.0%
Res Fire	1	0.4%
Ringling Alarm	1	0.4%
Standby	3	1.3%
Traffic Collision	25	10.8%
Wildland Fire	2	0.9%
Total:	231	100.0%

False Alarm	28
Medical	147
Other Fire	12
Other Misc	5
Public Service Assist	7
Res Fire	1
Ringling Alarm	1
Standby	3
Traffic Collision	25
Wildland Fire	2

Incident Total:

231

Average Enroute to Onscene Time*

Enroute Time = When a unit has been acknowledged as responding. Onscene Time = When a unit has been acknowledged as being on scene. For any other statistic outside Enroute to Onscene please contact the IT Help Desk at 951-940-6900

	+5 Minutes	+10 Minutes	+20 Minutes	Average	% 0 to 5 min
135	92	12	4	5.1	58.4%

*CODE 3 and CODE 2 Incidents are included in the total count of incidents and the average Enroute to Onscene Time.

Incidents by Battalion, Station and Jurisdiction

		False Alarm	Medical	Other Fire	Other Misc	Public Service	Res Fire	Ring Alarm	Standby	Traffic Collision	Wildland Fire	Total
Special District	Station Out of Jurisdiction Call	1	0	0	0	0	0	0	0	0	0	1
	Station Total	1	0	0	0	0	0	0	0	0	0	1
Battalion 14	Battalion Total	1	0	0	0	0	0	0	0	0	0	1
	Station 16 Pedley	0	3	0	0	0	0	0	0	0	0	3
Station 18 West Riverside	Station Total	0	3	0	0	0	0	0	0	0	0	3
	City of Jurupa Valley	0	10	1	0	1	0	0	0	3	0	15
Station 38 Rubidoux	Station Total	0	10	1	0	1	0	0	0	3	0	15
	City of Jurupa Valley	27	134	11	5	6	1	1	3	22	2	212
Battalion Total	Station Total	27	134	11	5	6	1	1	3	22	2	212
	City of Jurupa Valley	27	147	12	5	7	1	1	3	25	2	230
Grand Total	Battalion Total	28	147	12	5	7	1	1	3	25	2	231

*Incidents are shown based on the primary response area for the incident location. This does not represent total response times for all units only the first unit in.

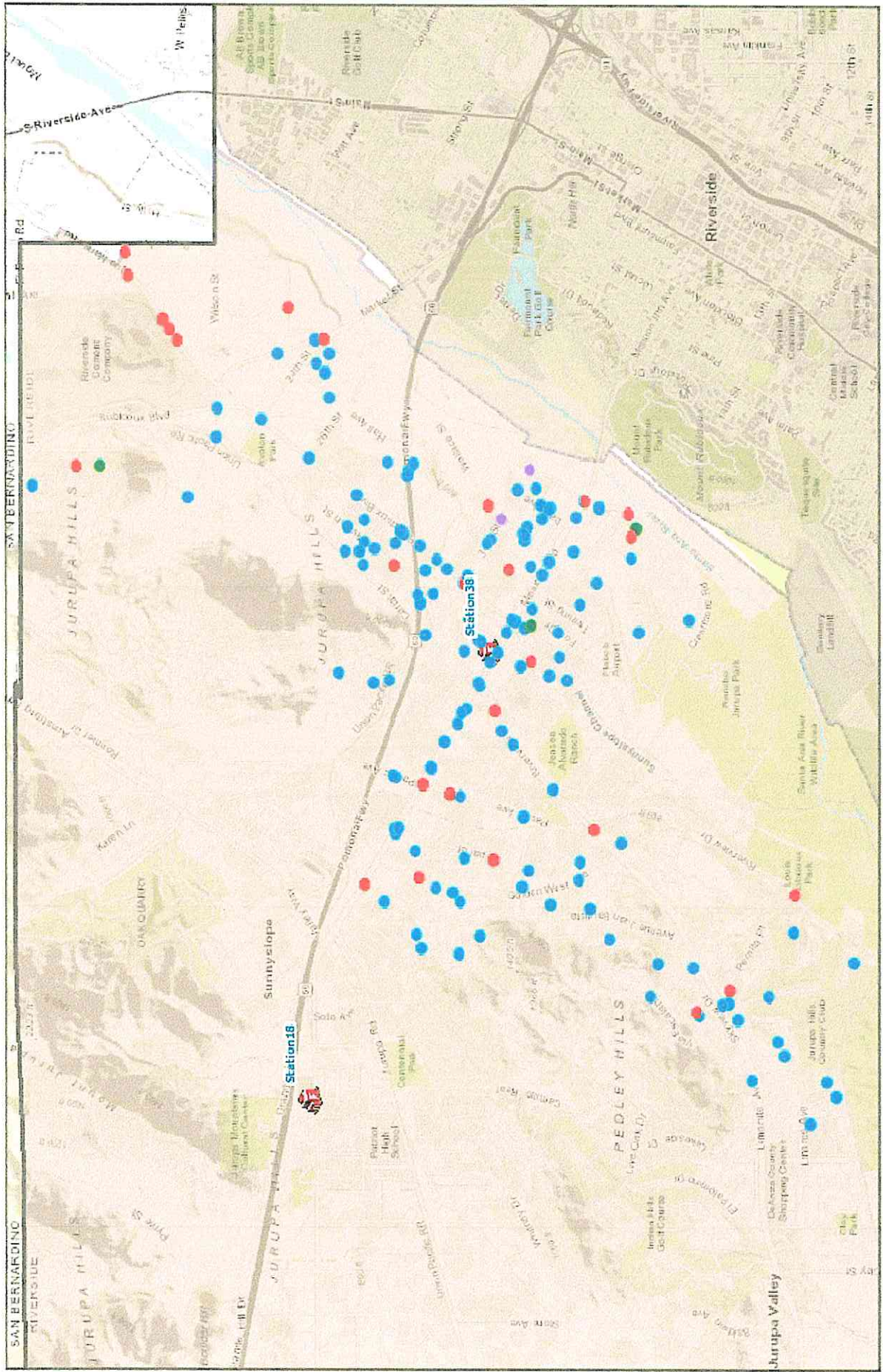
Incidents by Jurisdiction

	False Alarm	Medical	Other Fire	Other Misc	Public Service	Res Fire	Ring Alarm	Standby	Traffic Collision	Wildland Fire	Total
City of Jurupa Valley	27	147	12	5	7	1	1	3	25	2	230
Out of Jurisdiction Call	1	0	0	0	0	0	0	0	0	0	1
Grand Total	28	147	12	5	7	1	1	3	25	2	231

Incidents by Supervisorial District - Summary

	DISTRICT 2 KAREN SPIEGEL	NOT TIED TO DISTRICT	Grand Total
False Alarm	27	1	28
Medical	147	0	147
Other Fire	12	0	12
Other Misc	5	0	5
Public Service Assist	7	0	7
Res Fire	1	0	1
Ringling Alarm	1	0	1
Standby	3	0	3
Traffic Collision	25	0	25
Wildland Fire	2	0	2
Total	230	1	231

MONTH = 9 and YEAR = 2019 and SPECIAL = 'Rubidoux CSD'



Legend

- Fire
- Hazard
- Haz Mat
- Medical
- Other Misc
- PSA
- Fire Station
- Riverside County
- Reservations
- Casinos

Riverside County Fire GIS

Last Updated 10/1/2019 3: ^{*}Incidents are shown based on the primary response area for the incident location. This does not represent total response times for all units only the first unit in.

CAL FIRE/Riverside County Fire Department

Emergency Incident Statistics

JURUPA VALLEY



Shawn C. Newman

Fire Chief

10/1/2019

Report Provided By: Riverside County Fire Department

Communications and Technology Division

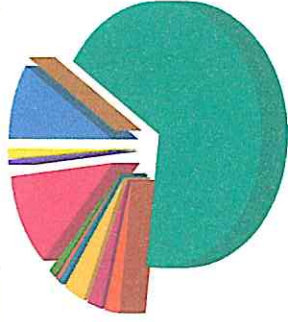
GIS Section

Please refer to Map and Incident by Battalion, Station, Jurisdiction

Incidents Reported for the month of September, 2019 and City of Jurupa Valley And Both (Code 2, Alpha, Omega, Code 3, Charlie, Delta, Bravo, Echo)
*Incidents are shown based on the primary response area for the incident location. This does not represent total response times for all units only the first unit in.

Response Activity

Incidents Reported for the month of September, 2019 and City of Jurupa Valley And Both (Code 2, Alpha, Omega, Code 3, Charlie, Delta, Bravo, Echo)



Incident Type	Count	Percentage
False Alarm	78	9.1%
Haz Mat	1	0.1%
Medical	583	67.7%
Other Fire	20	2.3%
Other Misc	18	2.1%
Public Service Assist	30	3.5%
Res Fire	4	0.5%
Ringling Alarm	4	0.5%
Standby	11	1.3%
Traffic Collision	98	11.4%
Vehicle Fire	5	0.6%
Wildland Fire	9	1.0%
Total:	861	100.0%

False Alarm	78
Haz Mat	1
Medical	583
Other Fire	20
Other Misc	18
Public Service Assist	30
Res Fire	4
Ringling Alarm	4
Standby	11
Traffic Collision	98
Vehicle Fire	5
Wildland Fire	9
Incident Total:	861

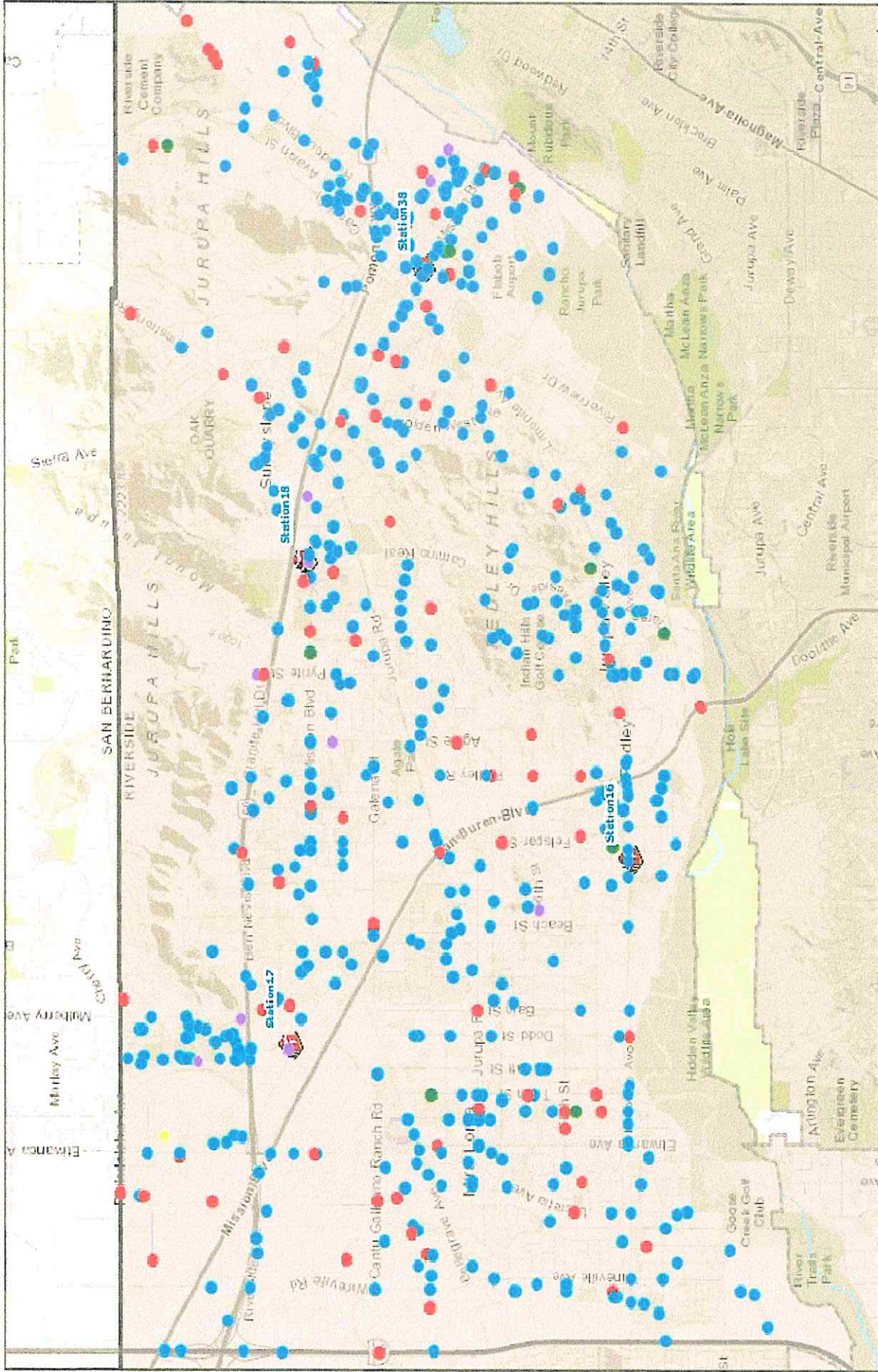
Average Enroute to Onscene Time*

Enroute Time = When a unit has been acknowledged as responding. Onscene Time = When a unit has been acknowledged as being on scene. For any other statistic outside Enroute to Onscene please contact the IT Help Desk at 951-940-6900

<5 Minutes	+5 Minutes	+10 Minutes	+20 Minutes	Average	% 0 to 5 min
503	345	42	5	5.0	58.4%


*CODE 3 and CODE 2 incidents are included in the total count of incidents and the average Enroute to Onscene Time.

MONTH = 9 and YEAR = 2019 and CITYNAME = 'Jurupa Valley'



Legend

- Fire
- Hazard
- Haz Mat
- Medical
- Other Misc
- PSA
- 🚒 Riverside County
- 🏠 Reservations
- 🚒 Fire Station
- 🎰 Casinos


 Riverside County Fire GIS

9. RECEIVE AND FILE STATEMENT OF CASH ASSETS
SCHEDULE REPORT ENDING SEPTEMBER 2019:
DM 2019-53

Rubidoux Community Services District

Board of Directors

Hank Trueba Jr
Armando Muniz
Bernard Murphy
John Skerbelis
F. Forest Trowbridge



General Manager

Steven W. Appel

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

DIRECTORS MEMORANDUM 2019-53

October 17, 2019

To: Rubidoux Community Services District
Board of Directors

Subject: Receive and File the September Statement of Cash Assets Schedule

BACKGROUND:

Attached for the Board of Directors' consideration is the September 2019 Statement of Cash Assets Schedule Report for all District Fund Accounts. Our YTD interest is \$112,395.42 for District controlled accounts. With respect to District "Funds in Trust", we show \$4,837.09 which has been earned and posted. The District has a combined YTD interest earned total of \$117,232.51 as of September 30, 2019.

With respect to the District's Operating Funds (Excluding Restricted Funds and Operating Reserves), we show a balance of \$5,538,911.55 ending September 30, 2019. That is **\$600,088.75 LESS** than July 1, 2019, beginning balance of \$6,139,000.30.

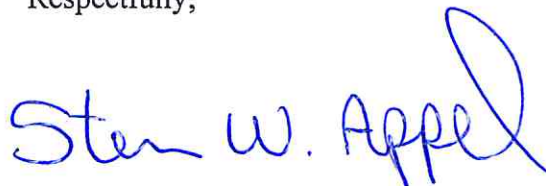
Further, the District's Field/Admin Fund current fund balance is \$504,122.78.

Submitted for the Board of Directors consideration is the *September 2019, Statement of Cash Assets Schedule Report* for your review and acceptance this afternoon.

RECOMMENDATION:

Staff recommends to “**Receive and File**” the September 2019 Statement of Cash Assets Schedule Report to the Rubidoux Community Services District Board of Directors.

Respectfully,



STEVEN W. APPEL, DPA, PE
General Manager

Attachment: September 2019, Cash Assets Schedule Report

RUBIDOUX COMMUNITY SERVICES DISTRICT
 INVESTMENT SUMMARY - SEPTEMBER 30, 2019
 CASH BASIS

	Beg. Balance 7/1/2019	YTD Int.	Other Activity YTD	Balance 9/30/2019	YTD Avg. Int. Rate
Operating Accounts	\$ 6,139,000.30	\$ 30,993.56	\$ (631,082.31)	\$ 5,538,911.55	0.56%
Water Operating Reserve	4,138,967.51	25,735.43	-	4,164,702.94	0.62%
Wastewater Operating Reserve	118,074.97	734.17	450,000.00	568,809.14	0.13%
Water Replacement Reserve	549,602.85	3,417.34	44,350.00	597,370.19	0.57%
Fire Mitigation Reserve	1,398,215.47	9,540.31	17,000.00	1,424,755.78	0.67%
Wastewater Reserve	3,247,636.40	12,759.98	14,870.94	3,275,267.32	0.39%
Wastewater Replacement Res.	108,352.46	673.72	3,423.09	112,449.27	0.60%
Water Reserve	2,383,077.37	9,741.42	(46,455.97)	2,346,362.82	0.42%
COP Restricted	2,538,527.30	15,784.15	289,436.00	2,843,747.45	0.56%
Field/Admin Reserve	484,950.44	3,015.34	16,157.00	504,122.78	0.60%
Funds in Trust	762,956.91	4,837.09	-	767,794.00	0.63%
Total Investments	\$ 21,869,361.98	\$ 117,232.51	\$ 157,698.75	\$ 22,144,293.24	0.53%

\$0.00

RUBIDOUX COMMUNITY SERVICES DISTRICT
CASH ASSET SCHEDULE
INVESTMENT ACTIVITY
 FOR PERIOD JULY 1, 2019 THRU SEPTEMBER 30, 2019
 CASH BASIS
FIRE MITIGATION

<u>DATE</u>	<u>INSTITUTION</u>	<u>INSTRUMENT</u>	<u>MATURITY</u>	<u>STATUS</u>	<u>PURCHASE / REDEEM</u>	<u>INT. RATE</u>	<u>INTEREST</u>	<u>PAR/ BALANCE</u>	<u>TOTAL</u>
9/1/2019	Premier Bank	CD		Beg. Bal.		2.08	-	170,000.20	
	Premier Bank			Interest	-		-	170,000.20	
	Premier Bank			Redeem	-		-	170,000.20	
9/30/2019	Premier Bank	CD	10/3/2019	Purchase	-		-	170,000.20	
9/1/2019	Premier Bank	Checking		Beg. Bal.		0.00	-	8,835.50	
	Premier Bank	Fire Mitigation		Activity	-		-	8,835.50	
9/30/2019	Premier Bank			End Bal.	-		-	8,835.50	
9/1/2019	LAIF	Fire Mitigation		Beg. Bal.		2.34	-	1,209,519.37	
	LAIF			Interest			-	1,209,519.37	
9/30/2019	LAIF			Activity	17,000.00		-	1,226,519.37	
9/1/2019	Premier Bank	Safekeeping		Beg. Bal.		-	-	17,334.52	
	Premier Bank			Activity	-		2,066.19	2,066.19	
9/30/2019	Premier Bank			End Bal.	-		-	19,400.71	\$ 1,424,755.78

RUBIDOUX COMMUNITY SERVICES DISTRICT
 CASH ASSET SCHEDULE
 INVESTMENT ACTIVITY
 FOR PERIOD JULY 1, 2019 THRU SEPTEMBER 30, 2019
 CASH BASIS
 WASTEWATER CIP FUNDS

<u>DATE</u>	<u>INSTITUTION</u>	<u>INSTRUMENT</u>	<u>MATURITY</u>	<u>STATUS</u>	<u>PURCHASE / REDEEM</u>	<u>INT. RATE</u>	<u>INTEREST</u>	<u>PAR/ BALANCE</u>	<u>TOTAL</u>
9/1/2019	LAIF	Sewer Mainline		Beg. Bal.				1,993,698.99	
9/30/2019	LAIF			Interest		2.34	-	1,993,698.99	
	LAIF			Activity	9,670.94			2,003,369.93	
9/1/2019	CBB-CDARS	CD		Beg. Bal.				600,000.00	
	CBB-CDARS			Interest	73.99	0.15	-	600,000.00	
	CBB-CDARS			Redeem	-			600,000.00	
9/30/2019	CBB-CDARS	CD	11/21/2019	Purchase	-			600,000.00	
9/1/2019	CBB-CDARS	CD		Beg. Bal.				600,000.00	
	CBB-CDARS			Interest	73.99	0.15	-	600,000.00	
	CBB-CDARS			Redeem	-			600,000.00	
9/30/2019	CBB-CDARS	CD	11/29/2019	Purchase	-			600,000.00	
9/1/2019	CBB	Safekeeping		Beg. Bal.				71,730.97	
				Activity	18.44	0.10	166.42	-	
9/30/2019	CBB			End Bal.				71,897.39	\$ 3,275,267.32

RUBIDOUX COMMUNITY SERVICES DISTRICT
CASH ASSET SCHEDULE
INVESTMENT ACTIVITY
 FOR PERIOD JULY 1, 2019 THRU SEPTEMBER 30, 2019
 CASH BASIS
WATER CIP FUNDS

<u>DATE</u>	<u>INSTITUTION</u>	<u>INSTRUMENT</u>	<u>MATURITY</u>	<u>STATUS</u>	<u>PURCHASE / REDEEM</u>	<u>INTEREST RATE</u>	<u>INTEREST</u>	<u>PAR/ BALANCE</u>	<u>TOTAL</u>
9/1/2019	LAIF	Water Mainline		Beg. Bal.				302,889.87	
9/30/2019	LAIF			Interest		2.34	-	302,889.87	
	LAIF			Activity	26,870.25			329,760.12	
9/1/2019	Premier Bank	CD		Beg. Bal.				575,000.00	
	Premier Bank			Activity	-	2.08	-	575,000.00	
	Premier Bank			Redeem	-			575,000.00	
9/30/2019	Premier Bank	CD	10/3/2019	Purchase	-			575,000.00	
9/1/2019	Citizens Bus	CD		Beg. Bal.				225,000.00	
	Citizens Bus			Activity	-	0.50	-	225,000.00	
	Citizens Bus			Redeem	-	n/a		225,000.00	
9/30/2019	Citizens Bus	CD	10/26/2019	Purchase	-			225,000.00	
9/1/2019	CBB-CDARS	CD		Beg. Bal.				500,000.00	
	CBB-CDARS			Activity	-	0.15	-	500,000.00	
	CBB-CDARS			Redeem	-	n/a		500,000.00	
9/30/2019	CBB-CDARS	CD	10/24/2019	Purchase	-			500,000.00	
9/1/2019	CBB-CDARS	CD		Beg. Bal.				630,000.00	
	CBB-CDARS			Activity	-	0.15	-	630,000.00	
	CBB-CDARS			Redeem	-	n/a		630,000.00	
9/30/2019	CBB-CDARS	CD	10/24/2019	Purchase	-			630,000.00	

RUBIDOUX COMMUNITY SERVICES DISTRICT
CASH ASSET SCHEDULE
INVESTMENT ACTIVITY
 FOR PERIOD JULY 1, 2019 THRU SEPTEMBER 30, 2019
 CASH BASIS

9/1/2019	Premier Bank	Safekeeping	Beg. Bal.		58,727.85
	Premier Bank		Activity	-	65,716.41
9/30/2019	Premier Bank		End Bal.	6,988.56	65,716.41
9/1/2019	CBB	Safekeeping	Beg. Bal.		20,880.94
	CBB		Activity	5.35	
9/30/2019	CBB		End Bal.	0.10	20,886.29
					\$ 2,346,362.82

RUBIDOUX COMMUNITY SERVICES DISTRICT
CASH ASSET SCHEDULE
INVESTMENT ACTIVITY
 FOR PERIOD JULY 1, 2019 THRU SEPTEMBER 30, 2019
 CASH BASIS
OPERATING FUNDS

<u>DATE</u>	<u>INSTITUTION</u>	<u>INSTRUMENT</u>	<u>MATURITY</u>	<u>STATUS</u>	<u>DEPOSIT/ WITHDRAW</u>	<u>INTEREST RATE</u>	<u>INTEREST</u>	<u>PAR/ BALANCE</u>	<u>TOTAL</u>
9/1/2019	Premier Bank	Checking-Gen.		Beg. Bal.				180,707.50	
	Premier Bank			Deposits	1,507,116.67	0.00	-	1,687,824.17	
9/30/2019	Premier Bank			Disbursements	(1,443,315.68)			244,508.49	
9/1/2019	Premier Bank	Checking		Beg. Bal.				114,393.80	
	Premier Bank	Property Tax		Deposits	-	0.00	-	114,393.80	
9/30/2019	Premier Bank			Disbursements	(110,000.00)			4,393.80	
9/1/2019	Premier Bank	Checking-Sewer		Beg. Bal.				5,846.70	
	Premier Bank			Deposits	263,123.50	0.00	-	268,970.20	
9/30/2019	Premier Bank			Disbursements	(263,809.96)			5,160.24	
9/1/2019	Premier Bank	Checking-Water		Beg. Bal.				826,419.22	
	Premier Bank			Deposits	1,238,479.22	0.00	-	2,064,898.44	
9/30/2019	Premier Bank			Disbursements	(1,290,983.74)			773,914.70	

RUBIDOUX COMMUNITY SERVICES DISTRICT
CASH ASSET SCHEDULE
INVESTMENT ACTIVITY
 FOR PERIOD JULY 1, 2019 THRU SEPTEMBER 30, 2019
 CASH BASIS
OPERATING FUNDS

<u>DATE</u>	<u>INSTITUTION</u>	<u>INSTRUMENT</u>	<u>MATURITY</u>	<u>STATUS</u>	<u>DEPOSIT/ WITHDRAW</u>	<u>INTEREST RATE</u>	<u>INTEREST</u>	<u>PAY/ BALANCE</u>	<u>TOTAL</u>
9/1/2019	Premier Bank	CD		Beg. Bal.				255,000.00	
	Premier Bank			Activity	-	1.00	-	255,000.00	
	Premier Bank			Redeem	255,000.00			510,000.00	
9/30/2019	Premier Bank	CD	3/3/2020	Purchase	(255,000.00)			255,000.00	
9/1/2019	Premier Bank	Operations		Beg. Bal.				19,847.27	
	Premier Bank	Safekeeping		Deposits	-	0.00	222.25	20,069.52	
9/30/2019	Premier Bank			Disbursements				20,069.52	
9/1/2019	LAIF	Gen. Fund-Prop Tax		Beg. Bal.				870,045.38	
	LAIF	Qtrly. Interest		Deposits	-	2.34	-	870,045.38	
9/30/2019	LAIF			Disbursements	(291,000.00)			579,045.38	
9/1/2019	LAIF	Water Op.		Beg. Bal.				2,940,837.28	
	LAIF	Qtrly. Interest		Deposits	10,343.75	2.34	-	2,951,181.03	
9/30/2019	LAIF			Disbursements	(188,000.00)			2,763,181.03	
9/1/2019	LAIF	Sewer Op.		Beg. Bal.				679,633.42	
	LAIF	Qtrly. Interest		Deposits	214,004.97	2.34	-	893,638.39	
9/30/2019	LAIF			Disbursements	-			893,638.39	\$ 5,538,911.55

RUBIDOUX COMMUNITY SERVICES DISTRICT
CASH ASSET SCHEDULE
INVESTMENT ACTIVITY
 FOR PERIOD JULY 1, 2019 THRU SEPTEMBER 30, 2019
 CASH BASIS
RESERVED FUNDS

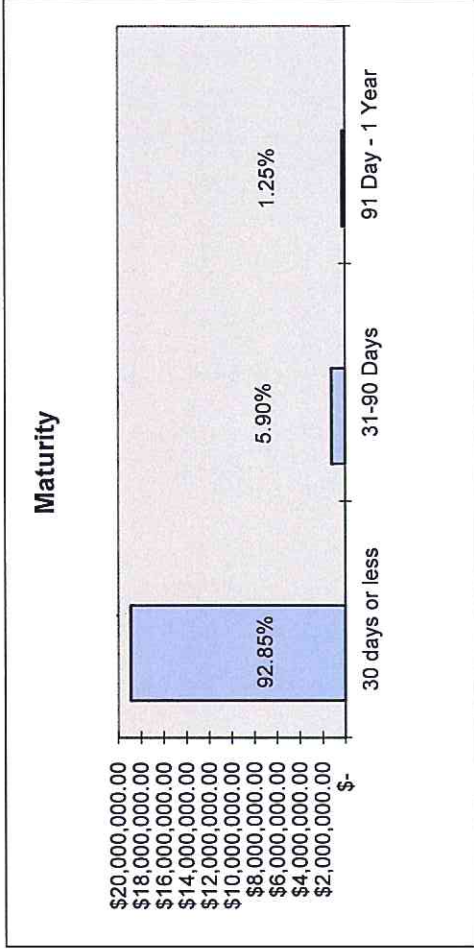
<u>DATE</u>	<u>INSTITUTION</u>	<u>INSTRUMENT</u>	<u>MATURITY</u>	<u>STATUS</u>	<u>DEPOSIT/ WITHDRAW</u>	<u>INTEREST RATE</u>	<u>INTEREST</u>	<u>PAR/ BALANCE</u>	<u>TOTAL</u>
9/1/2019	LAIF	Water Op. Reserve		Beg. Bal				4,164,702.94	
	LAIF	Qtrly. Interest		Deposits	-	2.34	-	4,164,702.94	
9/30/2019	LAIF			Disbursements	-			4,164,702.94	
9/1/2019	LAIF	Water Replacement		Beg. Bal				572,320.19	
	LAIF	Qtrly. Interest		Deposits	25,050.00	2.34	-	597,370.19	
9/30/2019	LAIF			Disbursements	-			597,370.19	
9/1/2019	LAIF	Wastewater Replacement		Beg. Bal.				127,125.18	
	LAIF			Interest		2.34	-	127,125.18	
9/30/2019	LAIF			Activity	(14,675.91)			112,449.27	
9/1/2019	LAIF	COP-Payback		Beg. Bal				2,682,011.45	
	LAIF	Qtrly. Interest		Deposits	161,736.00	2.34	-	2,843,747.45	
9/30/2019	LAIF			Disbursements	-			2,843,747.45	
9/1/2019	LAIF	Field/Admin Bldg.		Beg. Bal				504,122.78	
	LAIF	Qtrly Interest		Deposits	-	2.34	-	504,122.78	
9/30/2019	LAIF			Disbursements	-			504,122.78	
9/1/2019	LAIF	Wastewater Op. Reserve		Beg. Bal				568,809.14	
	LAIF	Qtrly. Interest		Deposits	-	2.34	-	568,809.14	
9/30/2019	LAIF			Disbursements	-			568,809.14	\$ 8,791,201.77

RUBIDOUX COMMUNITY SERVICES DISTRICT
CASH ASSET SCHEDULE
INVESTMENT ACTIVITY
 FOR PERIOD JULY 1, 2019 THRU SEPTEMBER 30, 2019
 CASH BASIS
FUNDS IN TRUST

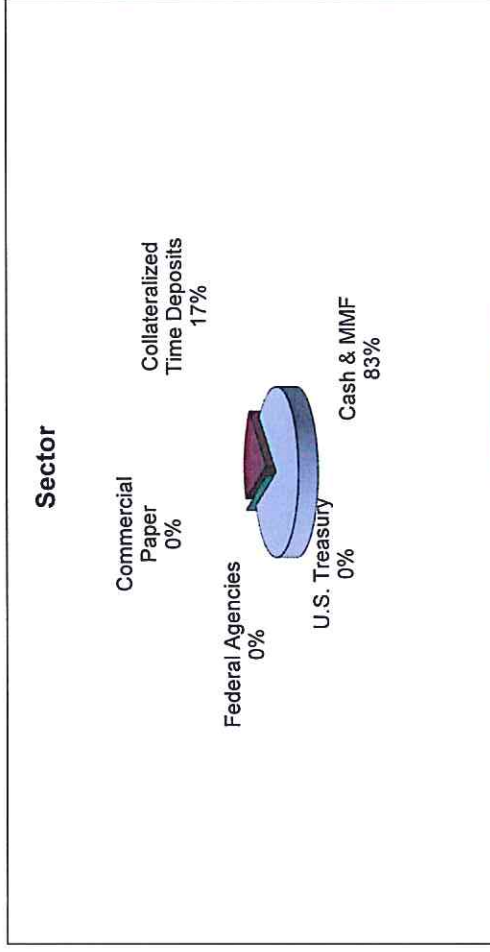
<u>DATE</u>	<u>INSTITUTION</u>	<u>INSTRUMENT</u>	<u>MATURITY</u>	<u>STATUS</u>	<u>PURCHASE / REDEEM</u>	<u>INTEREST RATE</u>	<u>INTEREST</u>	<u>PAR/ BALANCE</u>	<u>TOTAL</u>
9/1/2019	U.S. Bank	COP's Refunding-Series 1998 Install Sale		34,981.46	-	0.17	46.69	765,216.61	
9/30/2019		Reserve-LAIF		730,281.84		0.65	-	765,263.30	
9/1/2019	Premier Bank	Fiscal Agent-SRL MN Plant		Beg. Bal		0.20	0.10	2,530.60	
9/30/2019		Disbursements						2,530.70	
								2,530.70	\$ 767,794.00
									\$ 22,144,293.24

RCSD Investment Portfolio
September 30, 2019

<u>Maturity</u>	<u>Assets</u>
30 days or less	\$ 18,897,916.08
31-90 Days	1,200,000.00
91 Day - 1 Year	255,000.00
Total	\$ 20,352,916.08



<u>Sector</u>	
Cash & MMF	\$ 16,797,915.88
U.S. Treasury	-
Federal Agencies	-
Commercial Paper	-
Collateralized Time Deposits	3,555,000.20
Total	\$ 20,352,916.08



10. PRESENTATION OF THE RUBIDOUX COMMUNITY SERVICES
DISTRICT FINANCIAL STATEMENT ENDING JUNE 30, 2019:
DM 2019-54

Rubidoux Community Services District

Board of Directors

Hank Trueba Jr
Armando Muniz
Bernard Murphy
John Skerbelis
F. Forest Trowbridge



General Manager

Steven W. Appel

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

DIRECTORS MEMORANDUM 2019-54

October 17, 2019

To: Rubidoux Community Services District
Board of Directors

Subject: Receive and File the 2018/2019 Financial Statements Report

BACKGROUND:

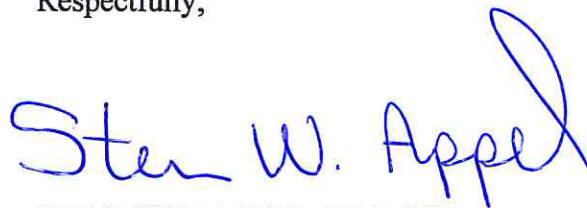
Attached for the Board of Director's review and consideration is the annual financial statements report ending June 30, 2019, for the Rubidoux Community Services District. This year's report was prepared by Rogers, Anderson, Malody & Scott, LLP (RAMS) and includes all revenue funds, physical assets, expenses, debt service, and depreciation schedules. Staff believes it is vital for the Board of Directors to receive the annual report well in advance of tonight's meeting; consequently, the Board members were transmitted the enclosed draft audit report with your October 3rd Board packet. This affords the Board members the opportunity to review the financial information at leisure.

Mr. Scott Manno, CPA, and Partner with RAMS was one of the principal auditors and will be in attendance tonight to make his presentation to the Board of Directors.

RECOMMENDATION:

At the conclusion of this afternoon's presentation, Staff recommends acceptance of the work by RAMS and to receive and file the 2018/2019 Financial Statements Report for the Rubidoux Community Services District.

Respectfully,



STEVEN W. APPEL, DPA, PE
General Manager

Attachment: Draft Financial Statements Report for the Year Ending June 30, 2019

Draft - subject to change



Rubidoux Community Services District

Financial Statements

For the year ended June 30, 2019

Draft - subject to change

Rubidoux Community Services District

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rubidoux Community Services District
Jurupa Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major fund of Rubidoux Community Services District (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Draft - subject to change

Board of Directors
Rubidoux Community Services District

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulatory governing special districts.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 1 of the financial statements, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

The cumulative effects of applying the provisions of GASB Statement No. 75 have been reported as a restatement of beginning net position for the year ended June 30, 2019 in accordance with the Statement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Plan's Proportionate Share of Net Pension Liability and Related Ratios; Schedule of Plan Contributions; Schedule of Changes in the Net OPEB Liability and Related Ratios; Schedule of Contributions – OPEB; Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of the changes in fund balances, financial trends and graphic financial comparisons, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Draft - subject to change

Board of Directors
Rubidoux Community Services District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **October 18**, 2019, on our consideration of Rubidoux Community Service District's internal control over financial report and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rubidoux Community Service District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 18, 2019

Draft - subject to change

Rubidoux Community Services District Management's Discussion and Analysis (unaudited) June 30, 2019

Our discussion and analysis of Rubidoux Community Services District's (RCSD or District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying basic financial statements.

Financial highlights

- The District's net position increased \$1,155,108 or 2.27%, as a result of this year's operations and non-operating activities, including capital contributions.
- Total revenues and capital contributions from all sources amounted to \$18.9 million.
- The cost of all District activities amounted to \$17.7 million.
- Operationally, the Water Fund provided \$1,209,094, the Sewer Fund used \$2,207 and the Solid Waste Disposal Fund provided \$78,833 to increase net position by \$1,285,720 in the enterprise funds. The total Governmental Activities decreased by \$130,612.

Using this annual report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

Reporting the District as a whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues, capital contributions and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position - the difference between assets and liabilities - as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, such as changes in the District's property tax base and the types of grants the District applies for to assess the overall financial health of the District.

These two statements are presented in three different reporting categories, as follows:

- The first reporting measure is government-wide financial statements that provide both long-term and short-term information about the District's overall financial status - for both governmental and proprietary funds. The government-wide financial statements combine the structures of the two fund types used by the District - Governmental and Proprietary Funds.

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Rubidoux Community Services District Management's Discussion and Analysis (unaudited) June 30, 2019

- The next reporting measure reflects governmental funds statements that tell how general government administration and services were financed in the short-term as well as what remains for future spending.
- The third and final reporting measure is proprietary fund statements that offer short and long-term financial information about the activities the District operates like businesses, such as the water, sewer, and solid waste disposal operations.

The governmental fund activities encompass general administrative responsibilities as well as administrative recording of fire protection and weed abatement efforts. Resultant financial data for these services, reflected in these financial statements, represents the net benefits flowing to the District.

Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 10 and the required supplementary information (RSI) section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees' Retirement System (CalPERS).

The net pension liability is measured as of the District's prior fiscal year-end. Changes in the net pension liability are recorded in the period incurred as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the District's pension plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 22 through 48.

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**Rubidoux Community Services District
Management's Discussion and Analysis (unaudited)
June 30, 2019**

The District as a whole

Our analysis focuses on the assets (Table 1) and changes in net position (Table 2) of the District as a whole:

Table 1
Assets, def. outflows, liabilities, def. inflows and net position, at year-end (in millions)

	Governmental		Proprietary Funds						Total	
	Activities		Water		Sewer		Solid Waste			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Assets</i>										
Current and other assets	\$ 3.9	\$ 3.6	\$ 15.9	\$ 16.2	\$ 4.3	\$ 4.9	\$ 0.4	\$ 0.3	\$ 24.5	\$ 25.0
Capital assets	3.9	4.0	22.9	23.1	15.2	15.9	-	-	42.0	43.0
Deferred outflows	0.7	0.7	0.7	0.8	0.1	0.1	-	-	1.5	1.6
Total assets and deferred outflows	8.5	8.3	39.5	40.1	19.6	20.9	0.4	0.3	68.0	69.6
<i>Liabilities</i>										
Current liabilities	1.3	0.8	1.2	2.3	0.5	1.7	-	-	3.0	4.8
Noncurrent liabilities	2.5	2.5	9.8	10.3	0.3	0.3	-	-	12.6	13.1
Deferred inflows	0.2	0.2	0.2	0.2	-	-	-	-	0.4	0.4
Total liabilities and deferred inflows	4.0	3.5	11.2	12.8	0.8	2.0	-	-	16.0	18.3
<i>Net position</i>										
Net investment in capital assets	3.9	4.0	14.9	14.4	15.2	16.0	-	-	34.0	34.4
Restricted	1.4	1.3	6.9	6.8	3.3	3.1	-	-	11.6	11.2
Unrestricted	(0.8)	(0.5)	6.5	6.1	0.3	(0.2)	0.4	0.3	6.4	5.7
Total net position	\$ 4.5	\$ 4.8	\$ 28.3	\$ 27.3	\$ 18.8	\$ 18.9	\$ 0.4	\$ 0.3	\$ 52.0	\$ 51.3

The District's net position increase of 2.27% to \$52.0 million comes from the revenues and expense activity recorded in the Statement of Activities.

- Overall government-wide capital assets decreased \$1 million due to depreciation of capital assets.
- As a whole, long-term debt decreased \$765,667 due to principal payments on the Leland J. Thompson Water Facility loan and the water certificates of participation.
- Restricted Net Position increased \$0.4 million.

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**Rubidoux Community Services District
Management's Discussion and Analysis (unaudited)
June 30, 2019**

The District as a whole, continued

- Unrestricted Net Position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements, increased \$0.7 million and amounted to \$6.4 million.

Table 2
Changes in net position for the year ended June 30, (in millions)

	Governmental		Proprietary Funds						Total	
	Activities		Water		Sewer		Solid Waste			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Revenues</i>										
Operating revenue	\$ 1.2	\$ 1.3	\$ 5.3	\$ 5.8	\$ 3.9	\$ 2.8	\$ 3.5	\$ 3.3	\$ 13.9	\$ 13.2
Property taxes	3.2	3.0	-	-	-	-	-	-	3.2	3.0
Other/transfers	0.1	0.1	1.6	1.6	0.1	0.2	-	-	1.8	1.9
Total revenue	4.5	4.4	6.9	7.4	4.0	3.0	3.5	3.3	18.9	18.1
<i>Expenses</i>										
Operating/depreciation	4.6	4.5	5.4	5.4	4.0	5.9	3.4	3.1	17.4	18.9
Interest	-	-	0.3	0.4	-	-	-	-	0.3	0.4
Other/transfers	-	-	-	-	-	-	-	0.1	-	0.1
Total expenses	4.6	4.5	5.7	5.8	4.0	5.9	3.4	3.2	17.7	19.4
Increase (decrease) in net position	<u>\$ (0.1)</u>	<u>\$ (0.1)</u>	<u>\$ 1.2</u>	<u>\$ 1.6</u>	<u>\$ -</u>	<u>\$ (2.9)</u>	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ 1.2</u>	<u>\$ (1.3)</u>

Financial analysis of the District's unrestricted cash

At year-end the District reported combined unrestricted cash balances of \$10.3 million, which is an increase of \$186,462 or 1.84% from last year. Note 2 of the financial statements provide additional detail on cash balances.

General Fund budgetary highlights

The Rubidoux Community Services District budget is prepared bi-annually. Over the course of the year, the Board reviews and revises its budget to reflect changes in programs, funding, and expenditure estimates. During fiscal year 2018-2019, no revisions were made to the District's general budget.

An analysis of the District's budget versus actual is provided as a supplemental statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual.

The unfavorable variance of \$130,126 in property tax revenue is primarily due to the District receiving unbudgeted Redevelopment tax revenue. The unfavorable variance of \$496,428 in services and supplies expenditures is primarily due to Cal Fire over-estimating the fire contract for budget purposes.

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**Rubidoux Community Services District
Management's Discussion and Analysis (unaudited)
June 30, 2019**

Capital asset and debt administration

Capital assets

At June 30, 2019, the District had \$42 million invested in a broad range of capital assets for infrastructure and facilities. (See Note 5.) (See Table 3 below.) This amount represents a net decrease of \$1.1 million, or 2.39%, below last year.

Table 3
Capital assets, at year-end (in millions)

Description	Governmental Activities		Proprietary Funds				Total	
			Water		Sewer			
	2019	2018	2019	2018	2019	2018	2019	2018
Land	\$ 0.3	\$ 0.3	\$ 0.8	\$ 0.8	\$ -	\$ -	\$ 1.1	\$ 1.1
CIP	0.6	0.6	0.6	0.1	0.1	0.1	1.3	0.8
Structures and improvements	3.7	3.7	34.8	34.8	36.4	36.4	74.9	74.9
Equipment	1.1	1.0	1.7	1.6	0.6	0.6	3.4	3.2
Less depreciation	(1.8)	(1.6)	(15.0)	(14.2)	(21.9)	(21.1)	(38.7)	(36.9)
Total	\$ 3.9	\$ 4.0	\$ 22.9	\$ 23.1	\$ 15.2	\$ 16.0	\$ 42.0	\$ 43.1

Debt administration

At June 30, 2019, the District had \$8 million in loans, certificates of participation, and notes outstanding versus \$8.7 million last year – a decrease of 8% - as shown in Table 4. (See Note 8).

Table 4
Outstanding debt, at year-end (in millions)

Description	Governmental Activities		Proprietary Funds				Total	
			Water		Sewer			
	2019	2018	2019	2018	2019	2018	2019	2018
Certificates of participation	\$ -	\$ -	\$ 3.6	\$ 4.1	\$ -	\$ -	\$ 3.6	\$ 4.1
Notes/loans payable	-	-	4.4	4.6	-	-	4.4	4.6
Total	\$ -	\$ -	\$ 8.0	\$ 8.7	\$ -	\$ -	\$ 8.0	\$ 8.7

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Rubidoux Community Services District Management's Discussion and Analysis (unaudited) June 30, 2019

Economic factors and next year's comments

There are several factors influencing the economy of the Rubidoux Community Services District (District). The District continues to stress water conservation efforts even in light of abundant local water supplies. In 2009, Governor Schwarzenegger signed the Water Conservation Act (AB 2175) which requires water suppliers to reduce statewide per capita water use by 20% by year 2020. Governor Brown issued a drought state of emergency order number B-29-15 on April 1, 2015, increasing the State's water conservation efforts to 25%. In 2016, the State eased the mandatory conservation burden by allowing each agency to self-certify the reliability of their water supplies. The District was able to reduce our conservation level to 0%. In 2019, AB 1668 and SB 606 became law. The effect of those bills is to limit and reduce indoor water usage, force enhanced conservation requirements, and emphasis water conservation as the new normal in California.

Home development planning and construction within the District has increased. Recently, developers for the Rio Vista project, a proposed development of approximately 1,400+ homes north of highway 60 are moving forward with annexation proceedings. The long dormant Emerald Meadows Ranch, originally proposed as a 1,000+ home development, has re-emerged as a proposed commercial and industrial project. The Highland Park development, a community of approximately 430+ homes north of highway 60 has completed annexation proceedings and appears to be the most active.

In 2018, the State imposed new water quality regulations for 1,2,3-Trichloropropane (TCP) in the potable water system. This new regulation has caused the District to add treatment to Well 2 (two vessels purchased for \$154,000 in June 2019) and commence the construction of a treatment addition to Well 4 (\$325,000). Additionally, the new regulations have forced the District to advance the construction of a new potable water well, Well 1A (\$452,000). Other emergent water quality concerns such as PFAS are requiring the District to consider further treatment options.

A contract for the construction of the replacement Jurupa Hills lift station was awarded by the Board in June 2019. The lift station cost estimate is \$650,000 and should be completed before the end of FY 19/20.

District management continues to be proactive in planning for future growth with new and replacement infrastructure. Enrichment of these District assets will provide for continued solid financial strength into the future.

Contacting the District's financial management

This financial report is designed to provide our citizens, customers and creditors with a general overview of the District's finances and to show the District's commitment to accountability. If you have any questions about this report or need additional financial information, contact the District's Accounting Department at Rubidoux Community Services District, 3590 Rubidoux Blvd., Jurupa Valley, CA 92509.

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Rubidoux Community Services District
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents (Note 2)	\$ 1,805,108	\$ 8,510,599	\$10,315,707
Accounts receivable, net (Note 4)	113,907	2,345,438	2,459,345
Internal balances (Note 6)	593,119	(593,119)	-
Interest receivable	17,848	93,903	111,751
Inventory	-	45,886	45,886
Prepayments and deposits	7,404	5,264	12,668
Restricted assets:			
Cash and cash equivalents (Notes 2 and 3)	<u>1,380,881</u>	<u>-</u>	<u>1,380,881</u>
Total current assets	<u>3,918,267</u>	<u>10,407,971</u>	<u>14,326,238</u>
Noncurrent assets:			
Restricted - cash and cash equivalents (Notes 2 and 3)	-	9,416,536	9,416,536
Restricted - reserve funds (Notes 2 and 3)	-	760,427	760,427
Capital assets, not being depreciated (Note 5)	932,668	1,491,249	2,423,917
Capital assets, being depreciated, net (Note 5)	<u>3,007,595</u>	<u>36,628,888</u>	<u>39,636,483</u>
Total noncurrent assets	<u>3,940,263</u>	<u>48,297,100</u>	<u>52,237,363</u>
Total assets	<u>7,858,530</u>	<u>58,705,071</u>	<u>66,563,601</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related (Note 10)	652,425	735,713	1,388,138
OPEB related (Note 11)	<u>4,422</u>	<u>4,986</u>	<u>9,408</u>
Total deferred outflows of resources	<u>656,847</u>	<u>740,699</u>	<u>1,397,546</u>

The accompanying notes are an integral part of these financial statements.

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Rubidoux Community Services District
Statement of Net Position, continued
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,183,929	\$ 709,509	\$ 1,893,438
Accrued liabilities	49,559	60,658	110,217
Customer deposits	-	18,393	18,393
Unearned revenue	-	37,726	37,726
Interest payable	-	15,031	15,031
Long-term liabilities - due within one year:			
Compensated absences (Note 9)	61,314	64,855	126,169
Bonds payable and certificates of participation (Note 8)	-	535,000	535,000
Notes payable (Note 8)	-	253,084	253,084
Total current liabilities	<u>1,294,802</u>	<u>1,694,256</u>	<u>2,989,058</u>
Noncurrent liabilities:			
Long-term liabilities - due within more than one year:			
Compensated absences (Note 9)	183,940	194,565	378,505
Net pension liability (Note 10)	2,109,073	2,378,315	4,487,388
Net OPEB liability (Note 11)	240,881	271,634	512,515
Bonds payable and certificates of participation (Note 8)	-	3,100,099	3,100,099
Notes payable (Note 8)	-	4,132,022	4,132,022
Total noncurrent liabilities	<u>2,533,894</u>	<u>10,076,635</u>	<u>12,610,529</u>
Total liabilities	<u>3,828,696</u>	<u>11,770,891</u>	<u>15,599,587</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 10)	173,601	195,762	369,363
NET POSITION			
Net investment in capital assets	3,940,263	30,099,932	34,040,195
Restricted for:			
Capital projects	1,380,881	6,878,009	8,258,890
Debt service	-	3,298,954	3,298,954
Unrestricted	(808,064)	7,202,222	6,394,158
Total net position	<u>\$ 4,513,080</u>	<u>\$ 47,479,117</u>	<u>\$51,992,197</u>

The accompanying notes are an integral part of these financial statements.

Draft - subject to change

**Rubidoux Community Services District
Statement of Activities
For the year ended June 30, 2019**

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Administrative and support	\$ 2,708,583	\$ 1,239,832	-	\$ (1,468,751)	-	\$ (1,468,751)
Contracted services	1,937,708	-	-	(1,937,708)	-	(1,937,708)
Total governmental activities	4,646,291	1,239,832	-	(3,406,459)	-	(3,406,459)
Business-type activities:						
Water utility	5,735,281	5,273,322	-	-	(461,959)	(461,959)
Sewer utility	3,954,693	3,856,411	-	-	(98,282)	(98,282)
Solid waste disposal	3,386,597	3,514,243	-	-	127,646	127,646
Total business-type activities	13,076,571	12,643,976	-	-	(432,595)	(432,595)
Total primary government	\$ 17,722,862	\$ 13,883,808	\$ -	(3,406,459)	(432,595)	(3,839,054)
General revenues:						
Property taxes				3,147,573	-	3,147,573
Investment earnings				79,461	339,468	418,929
Bond replacement revenue				-	1,143,300	1,143,300
Other non-operating revenue				-	284,360	284,360
Transfers				48,813	(48,813)	-
Total general revenues				3,275,847	1,718,315	4,994,162
Change in net position				(130,612)	1,285,720	1,155,108
Net position, beginning of year, as restated (Note 14)				4,643,692	46,193,397	50,837,089
Net position, end of year				\$ 4,513,080	\$ 47,479,117	\$ 51,992,197

The accompanying notes are an integral part of these financial statements.

Draft - subject to change

**Rubidoux Community Services District
Balance Sheet
General Fund
June 30, 2019**

ASSETS	
Cash and cash equivalents (Note 2)	\$ 1,805,108
Accounts receivable, net (Note 4)	113,907
Internal balances (Note 6)	593,119
Interest receivable	17,848
Prepayments and deposits	7,404
Restricted assets:	
Cash and cash equivalents (Note 2 and 3)	<u>1,380,881</u>
 Total assets	 <u>\$ 3,918,267</u>
 LIABILITIES	
Accounts payable	\$ 1,183,929
Accrued liabilities	<u>49,559</u>
 Total liabilities	 <u>1,233,488</u>
 FUND BALANCES	
Nonspendable	7,404
Restricted	1,380,881
Unassigned	<u>1,296,494</u>
 Total fund balances	 <u>2,684,779</u>
 Total liabilities and fund balances	 <u>\$ 3,918,267</u>

The accompanying notes are an integral part of these financial statements.

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Rubidoux Community Services District Reconciliation of the General Fund Balance Sheet to the Government-Wide Statement of Net Position June 30, 2019

Fund balances of governmental funds \$ 2,684,779

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 3,940,263

Long-term liabilities applicable to the District are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:

Compensated absences	(245,254)
Net pension liability	(2,109,073)
Net OPEB liability	(240,881)

Deferred inflows and outflows of resources related to pensions and OPEB have not been included in the governmental fund activity.

Deferred outflows of resources	656,847
Deferred inflows of resources	(173,601)

Net position of governmental activities \$ 4,513,080

The accompanying notes are an integral part of these financial statements.

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**Rubidoux Community Services District
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the year ended June 30, 2019**

REVENUES

Property taxes and weed abatement	\$	3,147,573
Charges for administrative services		1,200,000
Licenses and permits		4,947
Interest earnings		79,461
Other revenue		34,885

Total revenues 4,466,866

EXPENDITURES

General government		2,837,104
Fire protection and weed abatement		1,937,708

Total expenditures 4,774,812

Excess of revenues over (under) expenditures (307,946)

OTHER FINANCING SOURCES (USES)

Transfers in		48,813
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Net change in fund balance (259,133)

Fund balance, beginning of year 2,943,912

Fund balance, end of year \$ 2,684,779

The accompanying notes are an integral part of these financial statements.

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Rubidoux Community Services District Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the General Fund to the Government-Wide Statement of Activities For the year ended June 30, 2019

Net change in fund balances - total governmental funds \$ (259,133)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and recorded as depreciation expense. This is the amount by which capital outlays and asset disposals exceeded depreciation expense in the current period. (80,841)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds as follows:

Change in compensated absences	282,199
Pension and OPEB related net adjustments	<u>(72,837)</u>

Change in net position of governmental activities \$ (130,612)

The accompanying notes are an integral part of these financial statements.

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**Rubidoux Community Services District
Statement of Net Position
Proprietary Funds
June 30, 2019**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Solid Waste Disposal</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents (Note 2)	\$ 7,809,644	\$ 700,955	\$ -	\$ 8,510,599
Accounts receivable, net (Note 4)	711,704	1,225,161	408,573	2,345,438
Internal balances (Note 6)	319,636	(912,755)	-	(593,119)
Interest receivable	77,057	16,846	-	93,903
Inventory	45,886	-	-	45,886
Prepayments and deposits	5,264	-	-	5,264
	<u>8,969,191</u>	<u>1,030,207</u>	<u>408,573</u>	<u>10,407,971</u>
Total current assets				
Noncurrent assets:				
Restricted - cash and cash equivalents (Notes 2 and 3)	6,131,972	3,284,564	-	9,416,536
Restricted - reserve funds (Notes 2 and 3)	760,427	-	-	760,427
Capital assets, not being depreciated (Note 5)	1,373,891	117,358	-	1,491,249
Capital assets, being depreciated, net (Note 5)	21,502,933	15,125,955	-	36,628,888
	<u>29,769,223</u>	<u>18,527,877</u>	<u>-</u>	<u>48,297,100</u>
Total noncurrent assets				
	<u>38,738,414</u>	<u>19,558,084</u>	<u>408,573</u>	<u>58,705,071</u>
Total assets				
DEFERRED OUTFLOWS OF RESOURCES				
Pension related (Note 10)	652,423	83,290	-	735,713
OPEB related (Note 11)	4,422	564	-	4,986
	<u>656,845</u>	<u>83,854</u>	<u>-</u>	<u>740,699</u>
Total deferred outflows of resources				

The accompanying notes are an integral part of these financial statements.

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**Rubidoux Community Services District
Statement of Net Position, continued
Proprietary Funds
June 30, 2019**

	Water Utility	Sewer Utility	Solid Waste Disposal	Total
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 195,678	\$ 513,831	\$ -	\$ 709,509
Accrued liabilities	55,406	5,252	-	60,658
Customer deposits	18,393	-	-	18,393
Unearned revenue	37,726	-	-	37,726
Interest payable	15,031	-	-	15,031
Long-term liabilities - due within one year:				
Compensated absences (Note 9)	62,772	2,083	-	64,855
Bonds payable and certificates of participation (Note 8)	535,000	-	-	535,000
Notes payable (Note 8)	253,084	-	-	253,084
Total current liabilities	1,173,090	521,166	-	1,694,256
Noncurrent liabilities:				
Long-term liabilities - due within more than one year:				
Compensated absences (Note 9)	188,315	6,250	-	194,565
Net pension liability (Note 10)	2,109,072	269,243	-	2,378,315
Net OPEB liability (Note 11)	240,883	30,751	-	271,634
Bonds payable and certificates of participation (Note 8)	3,100,099	-	-	3,100,099
Notes payable (Note 8)	4,132,022	-	-	4,132,022
Total noncurrent liabilities	9,770,391	306,244	-	10,076,635
Total liabilities	10,943,481	827,410	-	11,770,891
DEFERRED INFLOWS OF RESOURCES				
Pension related (Note 10)	173,601	22,161	-	195,762
NET POSITION				
Net investment in capital assets	14,856,619	15,243,313	-	30,099,932
Restricted				
Capital projects	3,593,445	3,284,564	-	6,878,009
Debt service	3,298,954	-	-	3,298,954
Unrestricted	6,529,159	264,490	408,573	7,202,222
Total net position	\$28,278,177	\$ 18,792,367	\$ 408,573	\$47,479,117

The accompanying notes are an integral part of these financial statements.

Draft - subject to change

Rubidoux Community Services District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2019

	Water Utility	Sewer Utility	Solid Waste Disposal	Total
OPERATING REVENUES				
Charges for current services	\$ 5,270,632	\$ 2,955,954	\$ 3,514,243	\$11,740,829
Other revenue	2,690	900,457	-	903,147
Total operating revenues	5,273,322	3,856,411	3,514,243	12,643,976
OPERATING EXPENSES				
Salaries and benefits	2,204,541	110,830	-	2,315,371
Contracted services	-	-	3,275,476	3,275,476
Electrical power	336,942	47,213	-	384,155
Operating expense	302,301	62,738	-	365,039
Maintenance and repairs	47,422	45,340	-	92,762
Operating treatment	578,605	1,985,578	-	2,564,183
Insurance	58,906	15,006	-	73,912
Professional fees	63,747	423,318	-	487,065
Bad debt	26,940	1,191	11,121	39,252
Other	259,815	13,244	-	273,059
Administrative fee	600,000	500,000	100,000	1,200,000
Total operating expenses	4,479,219	3,204,458	3,386,597	11,070,274
Operating income before depreciation	794,103	651,953	127,646	1,573,702
Depreciation expense	(937,080)	(750,235)	-	(1,687,315)
Operating income (loss)	(142,977)	(98,282)	127,646	(113,613)
NONOPERATING REVENUES (EXPENSES)				
Capital replacement	210,204	8,000	-	218,204
Capacity fees	38,556	27,600	-	66,156
Bond replacement revenue	1,143,300	-	-	1,143,300
Interest income	278,993	60,475	-	339,468
Interest expense	(318,982)	-	-	(318,982)
Total nonoperating revenues (expenses)	1,352,071	96,075	-	1,448,146
Income before contributions and transfers	1,209,094	(2,207)	127,646	1,334,533
Transfers in (out)	-	-	(48,813)	(48,813)
Change in net position	1,209,094	(2,207)	78,833	1,285,720
Net position, beginning of year, as restated (Note 14)	27,069,083	18,794,574	329,740	46,193,397
Net position, end of year	\$ 28,278,177	\$18,792,367	\$ 408,573	\$47,479,117

The accompanying notes are an integral part of these financial statements.

Draft - subject to change

**Rubidoux Community Services District
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Solid Waste Disposal</u>	<u>Total</u>
Cash flows from operating activities:				
Cash receipts from customers	\$ 5,209,752	\$ 2,897,938	\$ 3,435,410	\$11,543,100
Cash paid to employees for salaries and benefits	(2,119,843)	(97,907)	-	(2,217,750)
Cash paid to vendors and suppliers	(1,799,322)	(2,718,314)	(3,286,597)	(7,804,233)
Other payments	(600,000)	(500,000)	(100,000)	(1,200,000)
Net cash provided (used) by operating activities	<u>690,587</u>	<u>(418,283)</u>	<u>48,813</u>	<u>321,117</u>
Cash flows from noncapital financing activities:				
Proceeds from capacity fees	38,556	27,600	-	66,156
Bond replacement revenue	1,143,300	-	-	1,143,300
Other non-operating revenues (expenses), net	170,007	-	-	170,007
Transfers to other funds	-	-	(48,813)	(48,813)
Interfund borrowings	993,783	855,706	-	1,849,489
Net cash provided (used) by noncapital financing activities	<u>2,345,646</u>	<u>883,306</u>	<u>(48,813)</u>	<u>3,180,139</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(633,647)	(109,525)	-	(743,172)
Proceeds from disposition of capital assets	45,805	8,000	-	53,805
Principal payments on capital debt	(756,702)	(13,564)	-	(770,266)
Interest payments on capital debt	(317,160)	-	-	(317,160)
Net cash used by capital and related financing activities	<u>(1,661,704)</u>	<u>(115,089)</u>	<u>-</u>	<u>(1,776,793)</u>
Cash flows from investing activities:				
Interest earnings	253,237	54,581	-	307,818
Net cash provided by investing activities	<u>253,237</u>	<u>54,581</u>	<u>-</u>	<u>307,818</u>
Net increase in cash and cash equivalents	1,627,766	404,515	-	2,032,281
Cash and cash equivalents, beginning of year	<u>13,074,277</u>	<u>3,581,004</u>	<u>-</u>	<u>16,655,281</u>
Cash and cash equivalents, end of year	<u>\$ 14,702,043</u>	<u>\$ 3,985,519</u>	<u>\$ -</u>	<u>\$18,687,562</u>
Reconciliation to the Statement of Net Position				
Cash and cash equivalents	\$ 7,809,644	\$ 700,955	\$ -	\$ 8,510,599
Restricted cash and cash equivalents	6,131,972	3,284,564	-	9,416,536
Restricted reserve funds	760,427	-	-	760,427
Totals	<u>\$ 14,702,043</u>	<u>\$ 3,985,519</u>	<u>\$ -</u>	<u>\$18,687,562</u>

The accompanying notes are an integral part of these financial statements.

Draft - subject to change

**Rubidoux Community Services District
Statement of Cash Flows, continued
Proprietary Funds
For the year ended June 30, 2019**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Solid Waste Disposal</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (142,977)	\$ (98,282)	\$ 127,646	\$ (113,613)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	937,080	750,235	-	1,687,315
Bad debt	26,940	1,191	11,121	39,252
Changes in assets and liabilities:				
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable, net	(91,834)	(959,664)	(89,954)	(1,141,452)
Inventory	4,440	-	-	4,440
Prepayments and deposits	27,943	-	-	27,943
Deferred outflows of resources	101,435	12,948	-	114,383
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	(157,027)	(124,686)	-	(281,713)
Accrued liabilities	(20,521)	1,805	-	(18,716)
Customer deposits	1,324	-	-	1,324
Compensated absences	32,383	1,822	-	34,205
Net pension liability	(21,313)	(2,721)	-	(24,034)
OPEB liability	15,095	1,927	-	17,022
Deferred inflows of resources	(22,381)	(2,858)	-	(25,239)
Total adjustments	833,564	(320,001)	(78,833)	434,730
Net cash provided (used) by operating activities	\$ 690,587	\$ (418,283)	\$ 48,813	\$ 321,117
Non-cash operating, noncapital and capital and related financing, and investing activities:				
	None	None	None	

The accompanying notes are an integral part of these financial statements.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 1: Summary of Significant Accounting Policies

Rubidoux Community Services District was organized under the provisions of the State of California on November 24, 1952. The District operates under a governing Board of Directors and provides the following services: fire protection, sewer service, solid waste disposal (trash billing and collection), weed control, water service and street lighting. The financial statements of the District have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also follows the Uniform System of Accounts as prescribed by the Controller of the State of California.

The accompanying financial statements present the activities of the District. There are no component units included in this report which meet the criteria of any applicable Governmental Accounting Standards Board Statements.

Basis of Presentation and Basis of Accounting

Basis of Presentation

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The financial activities of the District that are reported in the accompanying financial statements have been classified into the following major governmental and proprietary funds.

Governmental Funds

General Fund

This fund accounts for all activities of the District not specifically required to be accounted for in other funds. This fund primarily reflects general administrative type activities associated with overall management and record keeping for the District and contracted fire services.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 1: Summary of Significant Accounting Policies, continued

Basis of Presentation and Basis of Accounting, continued

Proprietary Funds

When the District charges for services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position.

Proprietary fund operating revenues and expenses are related to providing water, waste-water (sewer), and solid waste disposal services to the residents and businesses of the District. Revenue and expenses arising from capital and non-capital financing activities are presented as non-operating revenues and expenses.

The District has the following major proprietary funds:

- Water, sewer, and solid waste disposal funds. These funds account for the activities of the District's water supply system, pumping stations, collection systems and contracted sewer capacity arrangements, as well as contracted solid waste disposal operations.

Basis of Accounting

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements.

Governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-wide, governmental-net position and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes apply. Property taxes are collected for the District by the County of Riverside. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 1: Summary of Significant Accounting Policies, continued

Basis of Presentation and Basis of Accounting, continued

At the beginning of each fiscal year the District files an itemized estimate of anticipated revenue, other than current taxes, and of estimated expenditures for the General Fund with the Riverside County Auditor Controller.

The District's primary sources of revenue are from property taxes levied and controlled by Riverside County and billings by the District's Water Department. Other receipts are from Sewer Service and Solid Waste Disposal and Augmentation Funds from the State of California.

The District's Board of Directors approves total budgeted appropriations and expenditures on a bi-annual basis with annual adjustments on an as needed basis. The District adopts the budget on a basis consistent with generally accepted accounting principles (GAAP) of the United States of America. Only the Board of Directors is authorized to transfer or revise budget amounts of any fund.

Unused appropriations for all the annually budgeted funds lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Financial Statement Elements

Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, money market accounts, deposits with financial institutions and deposits in the State of California Local Agency Investment Fund and other investments with initial maturities of three months or less. Deposits in the Local Agency Investment Fund can be withdrawn at any time.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized basis. LAIF has a maximum transaction limit of 15 per month with a minimum amount of \$5,000. Any withdrawal of \$10,000,000 requires 24 hour notice.

Credit/Market Risk

The District provides water and wastewater services to local residential and commercial customers. As part of normal operating practices, credit is granted to local customers, on an unsecured basis.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 1: Summary of Significant Accounting Policies, continued

Financial Statement Elements, continued

The California Government Code requires California banks and savings and loan associations to secure a district's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a district's deposits. California law also allows financial institutions to secure direct deposits by pledging first trust deed mortgage notes having a value of 150% of a district's total deposits. The District may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

Accounts Receivable

The District extends credit to customers in the normal course of operations. Management review all accounts receivable as collectible; however, certain accounts are delinquent and an allowance for doubtful accounts has been recorded.

Property Taxes and Assessments

The Riverside County Assessor's Office assesses all real and personal property within the County each year. The Riverside County Tax Collector's Office bills and collects the District's share of property taxes and/or tax assessments. The Riverside County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes and assessments receivable at year-end are related to property taxes and special assessments collected by the Riverside County, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

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

Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Materials and Supplies Inventory

Materials and supplies inventory consists primarily of materials used in the construction and maintenance of the District's water and wastewater systems and is valued at the lower of cost, using the first-in, first-out method.

Deferred Charges

Deferred charges (discount on COP's) are reported net of accumulated amortization. The costs are amortized on the straight-line method based on the estimated term of the related debt. Amortization expense is recorded to interest expense in the financial statements.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 1: Summary of Significant Accounting Policies, continued

Financial Statement Elements, continued

Restricted Assets

Various resources of the District are limited as to their use by law or by debt covenants and are classified on the balance sheet as restricted assets. Undisbursed debt proceeds are restricted for repayment of the debt. Also, fees imposed on new real estate developments are restricted by law for the construction of capital improvements which benefit the development projects.

Capital Assets

Capital assets purchased or constructed with a value over \$5,000 and a useful life of 3 or more years are carried at historical cost. Constructed costs include labor, materials and construction period interest expense (net of interest income). Contributed assets are stated at estimated fair market value at the time received by the District. Donated capital assets are recorded at acquisition value at the date donated.

Depreciation is calculated on the straight-line method over the estimated useful lives of the properties, ranging from five to fifty years, as follows:

Governmental Activities

- Land improvements – 30 years
- Structures and equipment – 3 to 30 years

Business-Type Activities

- Land improvements – 30 years
- Structures and improvements – 5 to 30 years
- Water transmission and distribution systems – 50 years
- Wastewater collection systems – 50 years
- Vehicles and equipment – 5 to 15 years

Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 1: Summary of Significant Accounting Policies, continued

Financial Statement Elements, continued

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items which qualifies for reporting in this category: pensions and OPEB. This amount is deferred and recognized as an outflow of resources in the period that the amount becomes available.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items which qualifies for reporting in this category: pensions and OPEB. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Net Position

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- *Net Investment in Capital Assets*. This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets.
- *Restricted Net Position*. This component of net position consists of externally constrained resources imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position*. This component of net position consists of net position that does not meet the definition of *restricted* or *net investment in capital assets*.

It is the government's policy to consider restricted - net position to have been depleted before unrestricted net position is applied.

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Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies, continued

Financial Statement Elements, continued

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications; restricted, committed, assigned, and unassigned.

- *Restricted Fund Balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the District - the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- *Assigned Fund Balance.* This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The District has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- *Unassigned Fund Balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

Utility Sales

Utility sales are billed on a monthly basis. Estimated unbilled utility revenue through June 30 has been accrued at year-end for the enterprise funds.

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital connection expenditures or capacity commitment.

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Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies, continued

Financial Statement Elements, continued

Use of Estimates

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

New Accounting Pronouncements

The following new pronouncements may have an effect on the District when implemented:

Government Accounting Standards Board Statement No. 84

GASB Statement No. 84, *Fiduciary Activities*, is effective for periods beginning after December 15, 2018.

Government Accounting Standards Board Statement No. 87

GASB Statement No. 87, *Leases*, is effective for periods beginning after December 15, 2019.

Government Accounting Standards Board Statement No. 89

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, is effective for periods beginning after December 15, 2019.

Government Accounting Standards Board Statement No. 90

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and 61* is effective for periods beginning after December 15, 2018.

Government Accounting Standards Board Statement No. 91

GASB Statement No. 91, *Conduit Debt Obligations* is effective for periods beginning after December 15, 2020.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 2: Cash and Cash Equivalents

Cash and investment balances are presented in the financial statements as follows:

	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Statement of Net Position:				
Current:				
Cash and cash equivalents	\$ 1,805,108	\$ 7,809,644	\$ 700,955	\$10,315,707
Restricted - cash and cash equivalents	1,380,881	-	-	1,380,881
Non-current:				
Restricted - cash and cash equivalents	-	6,131,972	3,284,564	9,416,536
Restricted - reserve funds	-	760,427	-	760,427
 Total cash and cash equivalents	<u>\$ 3,185,989</u>	<u>\$14,702,043</u>	<u>\$3,985,519</u>	<u>\$21,873,551</u>
 Cash and cash equivalents:				
Deposits held with financial institutions	\$ 288,185	\$ 752,344	\$ 76,297	\$ 1,116,826
Cash on hand	-	1,800	-	1,800
Investments (certificates of deposit)	170,000	2,185,000	1,200,000	3,555,000
First American Treasury Obligations	-	17,303	-	17,303
Local Agency Investment Fund (LAIF)	<u>2,727,804</u>	<u>11,745,596</u>	<u>2,709,222</u>	<u>17,182,622</u>
 Total cash and cash equivalents	<u>\$ 3,185,989</u>	<u>\$14,702,043</u>	<u>\$3,985,519</u>	<u>\$21,873,551</u>

Authorized investments

The District's investment policy allows it to invest in US Treasury Bill, Notes, Bonds, US Agency obligations, Local Agency Investment Fund, certificates of deposit, money market mutual funds, commercial paper and savings accounts with certain limitations as explained in the policy.

Fair value measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements, as of June 30, 2019:

- Local Agency Investment Fund (General Fund, \$2,727,804, Water \$11,745,596 and Sewer \$2,709,222) of \$17,182,622 is valued at net asset value (LAIF is not subject to the fair value hierarchy).
- Certificates of Deposit (General Fund, \$170,000, Water \$2,185,000, Sewer \$1,200,000) of \$3,555,000 are valued at Level 2 – Significant Other Observable Inputs.

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**Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019**

Note 3: Restricted Assets

The District is required to maintain reserve funds for debt service on outstanding bonds payable and certificates of participation. The following reflects reserve funds for the outstanding debt arrangement and all other restricted assets. Restricted cash funds consisted of the following on June 30, 2019:

	Amount
Governmental:	
Fire mitigation	\$ 1,380,881
Business-type:	
Certificates of Participation - Series 1998:	
Funds held by fiscal agent in bond reserve	760,427
Other District funds held for connection/capacity fees and other future uses, as well as receivable amounts due as contribution capital:	
Sewer connection/capacity fees	3,284,564
Water connection fees	2,558,892
Water - COP's	2,538,527
Water - capital replacement	549,603
Water - field/admin	484,950
Total business-type restricted assets	10,176,963
Total restricted assets	\$ 11,557,844

Restricted cash and receivable connection/capacity/improvement project fees for each designated purpose is as follows at June 30, 2019:

	Water	Sewer	Fire Mitigation	Total
Restricted cash - current	\$ -	\$ -	\$ 1,380,881	\$ 1,380,881
Restricted cash - non-current	6,131,972	3,284,564	-	9,416,536
Reserve funds	760,427	-	-	760,427
Total	\$ 6,892,399	\$ 3,284,564	\$ 1,380,881	\$ 11,557,844

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 4: Accounts Receivable

The detail of accounts receivable is as follows at June 30, 2019:

		<u>Amount</u>
Governmental		
Weed abatement		
Property assessments for weed abatement		\$ 4,774
Governmental Fund taxes/developer charge backs		<u>109,133</u>
Total governmental		<u>113,907</u>
Business-type		
Water Fund		
Billed, net	273,886	
Unbilled	<u>437,818</u>	711,704
Sewer Service Fund		
Billed, net	134,609	
Unbilled	190,095	
City of Riverside*	<u>900,457</u>	1,225,161
Solid Waste Disposal Fund		
Billed, net	184,575	
Unbilled	<u>223,998</u>	<u>408,573</u>
Total business-type		<u>2,345,438</u>
Total accounts receivable, net		<u>\$ 2,459,345</u>

*Receivable from City of Riverside represents reimbursements for regional treatment operation and maintenance charges approved in June 2019 and received in July 2019.

Allowance for doubtful accounts at June 30, 2019, is provided as follows:

Water fund	\$ 19,000
Sewer fund	11,000
Solid waste disposal fund	<u>12,000</u>
Total	<u>\$ 42,000</u>

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**Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019**

Note 5: Capital Assets

Property, plant and equipment were comprised of the following at June 30, 2019:

<i>Governmental-type activities</i>	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 308,117	\$ -	\$ -	\$ 308,117
Construction in progress	624,551	-	-	624,551
Total capital assets, not being depreciated	932,668	-	-	932,668
Capital assets, being depreciated:				
Structures and improvements	3,718,183	-	-	3,718,183
Equipment	980,358	66,284	-	1,046,642
Total capital assets, being depreciated	4,698,541	66,284	-	4,764,825
Total accumulated depreciation	(1,610,105)	(147,125)	-	(1,757,230)
Total capital assets, being depreciated, net	3,088,436	(80,841)	-	3,007,595
Governmental activities capital assets, net	\$ 4,021,104	\$ (80,841)	\$ -	\$ 3,940,263
	Depreciation Expense			
<i>Functions/Programs</i>				
Administration and support	\$ 147,125			

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**Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019**

Note 5: Capital Assets, continued

Business-type Activities

<u>Water Utility</u>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 787,175	\$ -	\$ -	\$ 787,175
Construction in progress	147,824	438,892	-	586,716
Total capital assets, not being depreciated	934,999	438,892	-	1,373,891
Capital assets, being depreciated:				
Structures and improvements	34,776,058	-	-	34,776,058
Equipment	1,630,975	194,755	(112,264)	1,713,466
Total capital assets, being depreciated	36,407,033	194,755	(112,264)	36,489,524
Less accumulated depreciation	(14,156,167)	(937,080)	106,656	(14,986,591)
Total capital assets, being depreciated, net	22,250,866	(742,325)	(5,608)	21,502,933
Total Water Utility capital assets, net	23,185,865	(303,433)	(5,608)	22,876,824
<u>Sewer Utility</u>				
Capital assets, not being depreciated:				
Land	17,825	-	-	17,825
Construction in progress	59,089	40,444	-	99,533
Total capital assets, not being depreciated	76,914	40,444	-	117,358
Capital assets, being depreciated:				
Structures and improvements	36,382,797	-	-	36,382,797
Equipment	560,649	69,081	(30,283)	599,447
Total capital assets, being depreciated	36,943,446	69,081	(30,283)	36,982,244
Less accumulated depreciation	(21,136,337)	(750,235)	30,283	(21,856,289)
Total capital assets, being depreciated, net	15,807,109	(681,154)	-	15,125,955
Total Sewer Utility capital assets, net	15,884,023	(640,710)	-	15,243,313
Total Business-type Activities capital assets, net	<u>\$ 39,069,888</u>	<u>\$ (944,143)</u>	<u>\$ (5,608)</u>	<u>\$ 38,120,137</u>

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 6: Reconciliation of Interfund Receivables and Payables

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement.

Interfund balances are as follows as of June 30, 2019:

Due From	Due To			
	General Fund	Water Fund	Sewer Fund	Total
General Fund	\$ -	\$ 1,273,190	\$ (1,866,309)	\$ (593,119)
Water Utility Fund	(1,273,190)	-	953,554	(319,636)
Sewer Utility Fund	1,866,309	(953,554)	-	912,755
Total	\$ 593,119	\$ 319,636	\$ (912,755)	\$ -

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are expended. The Solid Waste fund transferred \$48,813 to the General Fund.

Note 7: Real Properties

Properties owned by the District are as follows:

Property Site - Wilson Street and Agua Mansa Boulevard
Treatment Plant (approximately 10 acres)
Main Office - 3590 Rubidoux Boulevard
Field Office Building - Pacific Street at Riverview Avenue
9 water well sites
Vacant lot - South Sedona Drive
Vacant lot - Mission Avenue

Vacant lot - Golden West Avenue
Nitrate Wellhead Treatment Facility
Manganese Treatment Facility
Well sites #17 & #18 - 34th Street
Fort Fremont Parcel
Land adjacent to District Office
Goldenwest Reservoir Site
7 Reservoir tanks
Mission / Avalon Fire Station

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**Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019**

Note 8: Long-term Liabilities

Below is a schedule of the changes in long-term liabilities for the year ended June 30, 2019:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<u>Business-type activities:</u>					
<i>Water Utility Fund:</i>					
1998 Certificates of Participation	\$ 4,170,000	\$ -	\$ (510,000)	\$ 3,660,000	\$ 535,000
Less: unamortized discount	(29,499)	-	4,598	(24,901)	-
Note payable - State Drinking Water	4,631,808	-	(246,702)	4,385,106	253,084
Total Water Utility	8,772,309	-	(752,104)	8,020,205	788,084
<i>Sewer Utility Fund:</i>					
Note payable - State Drinking Water	13,564	-	(13,564)	-	-
Total Business-type	\$ 8,785,873	\$ -	\$ (765,668)	\$ 8,020,205	\$ 788,084

Certificates of participation consisted of the following at June 30, 2019:

	Balance	Payments
<i>Water Utility:</i>		
<i>Certificates of Participation</i>		
Series 1998, (Refunding issue of Series 95) maturing 2024. Interest payable semiannually on June 1 and December 1. Principal due in annual installments on December 1. Final payment due December 1, 2024.	\$ 3,660,000	\$ 510,000
Less unamortized discount	(24,901)	
Less current portion	(535,000)	
Long-term portion	\$ 3,100,099	

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**Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019**

Note 8: Long-term Liabilities, continued

Maturities of the certificates of participation, net of bond discount, are as follows:

Fiscal year ending June 30,	1998 Series Certificates of Participation		
	Principal	Interest	Total
2020	\$ 535,000	\$ 173,018	\$ 708,018
2021	565,000	144,968	709,968
2022	590,000	115,515	705,515
2023	625,000	84,533	709,533
2024	655,000	51,893	706,893
2025	690,000	17,595	707,595
Total	\$ 3,660,000	\$ 587,522	\$ 4,247,522

Notes payable consisted of the following at June 30, 2019:

<i>Note Payable</i>	Balance	Payments
State of California Department of Public Health for the construction of the Leland J. Thompson Water Facility. Semiannual payments of \$182,098, including interest at 2.5707%, payable on July and January 1. Matures January 1, 2034. Interest paid at June 30 was \$117,495.	\$ 4,385,106	\$ 246,702
Less current portion	(253,084)	
Long-term portion	<u>\$ 4,132,022</u>	

Maturities of the note payable are as follows:

Fiscal year ending June 30,	State of California Note Payable		
	Principal	Interest	Total
2020	\$ 253,084	\$ 111,112	\$ 364,196
2021	259,632	104,564	364,196
2022	266,349	97,847	364,196
2023	273,240	90,956	364,196
2024	280,310	83,886	364,196
2025 - 2029	1,514,155	306,825	1,820,980
2030 - 2034	1,538,336	100,549	1,638,885
Total	\$ 4,385,106	\$ 895,739	\$ 5,280,845

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 9: Compensated Absences

In concurrence with the Districts' Memorandum of Understanding (MOU), dated July 1, 2018, employees accumulate earned but unused vacation, sick leave and comp time, a portion of which will be paid to employees upon separation from the District. Once a year, the District "cashes out" to employees their sick leave hours in excess of 600 hours. All appropriate accruals were recorded in the respective funds. Accrued balances at June 30, 2019 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Governmental Activities	\$ 527,453	\$ -	\$ (282,199)	\$ 245,254	\$ 61,314
Business-Type Activities:					
Water	218,704	32,383	-	251,087	62,772
Sewer	6,511	1,822	-	8,333	2,083
Total Business-Type Activities	225,215	34,205	-	259,420	64,855
Total Compensated Absences	\$ 752,668	\$ 34,205	\$ (282,199)	\$ 504,674	\$ 126,169

Note 10: Pension Plan

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors three rate plans (two miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 10: Pension Plan, continued

A. General Information about the Pension Plan, continued

Benefits Provided, continued

The Plan's provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates for 2019	13.439%	6.842%

	Safety*	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% to 2.7%
Required employer contribution rates for 2019	0.000%	0.000%

*As of 1990, the District elected to contract its fire services and no longer has safety employees.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2019 were \$536,247. The actual employer payments of \$432,726 made to CalPERS by the District during the measurement period ended June 30, 2018 differed from the District's proportionate share of the employer's contributions of \$558,922 by \$126,196, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The District's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 10: Pension Plan, continued

B. Net Pension Liability, continued

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases (1)	Varies by entry age and service
Mortality Rate Table (2)	Derived using CalPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

- (1) Annual increases vary by category, entry age, and duration of service
- (2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 10: Pension Plan, continued

B. Net Pension Liability, continued

Long-term Expected Rate of Return, continued

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

<u>Asset Class¹</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10²</u>	<u>Real Return Years 11+³</u>
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.70%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	<u>100.0%</u>		

¹ In the System's CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

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**Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019**

Note 10: Pension Plan, continued

B. Net Pension Liability, continued

Pension Plan Fiduciary Net Position, continued

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

C. Proportionate Share of Net Pension Liability

The following table show the Plan's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2017 (Valuation Date)	\$ 18,495,043	\$ 13,962,309	\$ 4,532,734
Balance at: 6/30/2018 (Measurement Date)	\$ 18,818,017	\$ 14,330,629	\$ 4,487,388
Net Changes During 2017-2018	\$ 322,974	\$ 368,320	\$ (45,346)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the Plan as of the June 30, 2017 and 2018 measurement dates was as follows:

Proportionate Share of NPL - June 30, 2017	0.0457%
Proportionate Share of NPL - June 30, 2018	0.0466%
Change - Increase (Decrease)	0.0009%

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

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 7,044,913	\$ 4,487,388	\$ 2,380,133

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Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019

Note 10: Pension Plan, continued

C. Proportionate Share of Net Pension Liability, continued

Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Recognition of Gains and Losses, continued

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2017), the District's net pension liability is \$4,532,734. For the measurement period ending June 30, 2018 (the measurement date), the District incurred a pension expense of \$668,508.

As of June 30, 2019, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

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Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019

Note 10: Pension Plans, continued

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 147,681	\$ (39,765)
Changes of Assumptions	488,528	(104,047)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	24,835	-
Change in Employer's Proportion	190,847	(57,478)
Difference in Actual vs Projected Contributions	-	(168,073)
Pension Contributions Subsequent to Measurement Date	536,247	-
Total	\$ 1,388,138	\$ (369,363)

These amounts above are net of outflows and inflows recognized in the 2017-2018 measurement period expense. The \$536,247 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year ended. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2019	\$ 404,227
2020	242,671
2021	(127,010)
2022	(37,360)
2023	-
Remaining	-

E. Payable to the Pension Plan

At June 30, 2019, the District reported a payable of \$10,659 for the outstanding contributions to the pension plans required for the year ended June 30, 2019.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 11: Other Post-Employment Benefits (OPEB)

Plan Description

The District has established a single-employer Retiree Healthcare Plan (HC Plan). This coverage is available for employees who reach the CalPERS minimum retirement age.

Benefits Provided

The District's current contribution cap is \$196 per month per retiree, approved through Board Resolutions 560 and 641. Changes to benefit terms can only be established/amended by the Board of Directors.

Employees Covered

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms under the HC Plan:

Active employees	22
Inactive employees or beneficiaries currently receiving benefits	4
Total	<u>26</u>

Contributions

The HC Plan and its contribution requirements are established by the Board of Directors and may be amended by the Board of the Directors. For the fiscal year ended June 30, 2019, the District's cash contributions were \$9,408 in payments for insurance premiums not reimbursed by a trust.

Net OPEB Liability

The District's net OPEB liability was valued and measured as of June 30, 2018, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	3.80%
Inflation	2.75% per year
Salary Increases	2.75% per year
Investment Rate of Return	3.80%
Mortality Rate ⁽¹⁾	2014 CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover Healthcare Trend Rate ⁽²⁾	2009 CalPERS Rates for Miscellaneous Employees

⁽¹⁾ The mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

⁽²⁾ The turnover assumptions are based on the 2009 CalPERS Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

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**Rubidoux Community Services District
Notes to the Financial Statements
June 30, 2019**

Note 11: Other Post-Employment Benefits (OPEB), continued

Discount Rate

The discount rate used to measure the total OPEB liability was 3.80%. The District is currently financing its OPEB liability on a pay-as-you-go basis.

Changes in the OPEB Liability

The changes in the net OPEB liability for the HC Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (B)	Net OPEB Liability/(Asset) (c)= (a) - (b)
Balance at June 30, 2017	\$ 480,400	\$ -	\$ 480,400
Changes recognized for the measurement period:			
Service Cost	23,658	-	23,658
Interest	18,501	-	18,501
Contributions - employer	-	10,044	(10,044)
Benefit payments	(10,044)	(10,044)	-
Net Changes	32,115	-	32,115
Balance at June 30, 2018 (measurement date)	\$ 512,515	\$ -	\$ 512,515

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

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.80%
Net OPEB Liability	\$ 608,317	\$ 512,515	\$ 437,226

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 435,338	\$ 512,515	\$ 590,260

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 11: Other Post-Employment Benefits (OPEB), continued

OPEB Expense

For the fiscal year ended June 30, 2019, the District recognized an OPEB expense of \$42,160. As of fiscal year ended June 30, 2019, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 9,408	\$ -

Note 12: Contributed Capital/Financing Arrangement

On a cumulative basis, contributed capital received by the District in prior periods and during the current fiscal year is summarized as follows:

	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cumulatively to June 30, 2018	\$ 4,426,019	\$10,648,046	\$20,644,482	\$35,718,547
Fiscal year, June 30, 2019	-	-	-	-
Total	<u>\$ 4,426,019</u>	<u>\$10,648,046</u>	<u>\$20,644,482</u>	<u>\$35,718,547</u>

Note 13: Commitments and Contingencies

Litigation

During the fiscal year 2014, a case was filed by the City of Riverside for a declaratory relief action seeking to require the District's financial participation in Riverside's Regional Sewage Treatment Plant. The District intends to vigorously defend the action. The fiscal impact is still unknown, therefore has not been accrued, but could be a maximum of \$15,000,000 if Riverside prevails, on appeal.

Note 14: Prior Period Restatement

Change in Accounting Principle

As discussed in Note 1, the District implemented GASB Statement No. 75 (GASB 75) effective July 1, 2017. GASB 75, among other provisions, amended prior guidance with respect to the reporting of postemployment benefits other than pensions (OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. The District's net OPEB liability was not previously recorded on the Statement of Net Position. GASB 75 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements.

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Rubidoux Community Services District Notes to the Financial Statements June 30, 2019

Note 14: Prior Period Restatement (continued)

The cumulative effects of applying the provisions of GASB 75 have been reported as a restatement of beginning net position for the year ended June 30, 2019 in accordance with the Statement as follows:

	<u>Governmental Activities</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Solid Waste Disposal</u>	<u>Total</u>
Net position, beginning of year, as previously stated	\$ 4,869,480	\$ 27,294,871	\$ 18,823,398	\$ 329,740	\$ 51,317,489
Restatement due to change in accounting principle	<u>(225,788)</u>	<u>(225,788)</u>	<u>(28,824)</u>	<u>-</u>	<u>(480,400)</u>
Net position, beginning of year, as restated	<u>\$ 4,643,692</u>	<u>\$ 27,069,083</u>	<u>\$ 18,794,574</u>	<u>\$ 329,740</u>	<u>\$ 50,837,089</u>

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REQUIRED SUPPLEMENTARY INFORMATION

Draft - subject to change

Rubidoux Community Services District Required Supplementary Information Schedule of Plan's Proportionate Share of Net Pension Liability and Related Ratios Last 10 years*

	Measurement Date				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Employer's Proportion of the Collective Net Pension Liability ¹	0.03042%	0.043038%	0.044814%	0.045706%	0.046568%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 2,588,133	\$ 2,954,125	\$ 3,877,770	\$ 4,532,734	\$ 4,487,388
Employer's Covered Payroll	\$ 1,868,407	\$ 1,973,814	\$ 2,048,593	\$ 2,055,588	\$ 2,093,208
Employer's Proportionate Share of the Net Pension Liability as a Percentage of the Employer's Covered Payroll	138.52%	149.67%	189.29%	220.51%	214.38%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	82.83%	81.30%	76.63%	75.49%	76.15%

¹ Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk pools excluding the 1959 Survivors Risk Pool.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as the information becomes

Rubidoux Community Services District
 Required Supplementary Information
 Schedule of Plan Contributions
 Last 10 years*

	Fiscal Year				
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Contractually Determined Contributions	\$ 360,072	\$ 362,251	\$ 400,178	\$ 432,726	\$ 536,247
Contributions in Relation to the Contractually Determined Contributions	(360,072)	(362,251)	(400,178)	(432,726)	(536,247)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,973,814	\$ 2,048,593	\$ 2,055,588	\$ 2,093,208	\$ 2,416,190
Contributions as a Percentage of Covered Payroll	18.24%	17.68%	19.47%	20.67%	22.19%

* Fiscal year ending 6/30/2015 was the first year of implementation. Additional years will be presented as the information becomes available.

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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**Rubidoux Community Services District
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last 10 years***

	Measurement Period	2018
Total OPEB Liability		
Service Cost		\$ 23,659
Interest on the Total OPEB Liability		18,501
Actual and expected experience difference		-
Changes in assumptions		-
Changes in benefit terms		-
Benefit payments		(10,044)
Net change in Total OPEB Liability		32,116
Total OPEB Liability - beginning		480,399
Total OPEB Liability - ending (a)		\$ 512,515
 Plan Fiduciary Net Position		
Contribution - employer		\$ 10,044
Net investment income		-
Benefit payments		(10,044)
Administrative expense		-
Net change in Plan Fiduciary Net Position		-
Plan Fiduciary Net Position - beginning		-
Plan Fiduciary Net Position - ending (b)		\$ -
 Net OPEB Liability - ending (a) - (b)		\$ 512,515
 Plan fiduciary net position as a percentage of the total OPEB liability		0.00%
 Covered-employee payroll		\$ 2,093,208
 Net OPEB liability as a percentage of covered-employee payroll		21.21%

Notes to schedule:

The District does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

Significant changes in assumptions:

None.

**Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.*

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**Rubidoux Community Services District
Required Supplementary Information
Schedule of Contributions – OPEB
Last 10 years***

Fiscal Year Ended June 30	2019
Statorily required contributions	\$ 9,408
Contributions in relation to the statorily required contributions	<u>(9,408)</u>
Contribution deficiency/(excess)	<u>\$ -</u>
Covered-employee payroll	\$ 2,416,190
Contribution as a percentage of covered-employee payroll	0.39%

Notes to schedule:

The District does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

Significant changes in assumptions:

None.

**Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.*

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**Rubidoux Community Services District
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – General Fund
 For the year ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes and weed abatement	\$ 3,039,149	\$ 3,277,699	\$ 3,147,573	\$ (130,126)
Charges for administrative services	1,200,000	1,200,000	1,200,000	-
Licenses and permits	7,000	7,000	4,947	(2,053)
Interest earnings	9,200	12,500	79,461	66,961
Other revenue	41,900	49,900	34,885	(15,015)
Total revenues	4,297,249	4,547,099	4,466,866	(80,233)
EXPENDITURES				
General government				
Salaries and benefits (including pension)	1,929,300	1,880,700	1,999,276	(118,576)
Services and supplies	359,100	341,400	837,828	(496,428)
Capital outlays	3,000	3,000	-	3,000
Fire protection and weed abatement				
Contract services	2,737,449	2,848,500	1,917,876	930,624
Utilities	25,000	25,000	19,832	5,168
Total expenditures	5,053,849	5,098,600	4,774,812	323,788
Excess of revenue over (under) expenditures	(756,600)	(551,501)	(307,946)	243,555
OTHER FINANCING SOURCES (USES)				
Transfers in	756,600	551,501	48,813	(502,688)
Net change in fund balance	-	-	(259,133)	(259,133)
Fund balance, beginning of year	2,943,912	2,943,912	2,943,912	-
Fund balance, end of year	<u>\$ 2,943,912</u>	<u>\$ 2,943,912</u>	<u>\$ 2,684,779</u>	<u>\$ (259,133)</u>

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**Rubidoux Community Services District
Notes to Required Supplementary Information
For the year ended June 30, 2019**

Note 1: Schedule of Revenues and Expenditures - Budget and Actual:

The District maintains its accounting records on a budgetary basis which differs from the basis used for financial statement purposes in the accompanying statement. The financial statements have been prepared using the modified accrual basis of accounting as prescribed by generally accepted accounting principles. This budget is used throughout the year and compared with internal accounting reports prepared using the same method of accounting.

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OTHER INFORMATION

Draft - subject to change

**Rubidoux Community Services District
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balance – General Fund
For the year ended June 30, 2019**

	General Fund	Protection/ Weed Abatement	Reported General Fund
REVENUES			
Property tax and weed abatement	\$ 3,134,909	\$ 12,664	\$ 3,147,573
Charges for administrative services	1,200,000	-	1,200,000
License and permits	4,947	-	4,947
Interest earnings	79,461	-	79,461
Other revenue	34,885	-	34,885
	<u>4,454,202</u>	<u>12,664</u>	<u>4,466,866</u>
EXPENDITURES			
Current:			
General government	2,837,104	-	2,837,104
Fire protection and weed abatement	-	1,937,708	1,937,708
	<u>2,837,104</u>	<u>1,937,708</u>	<u>4,774,812</u>
Excess of revenues over (under) expenditures	<u>1,617,098</u>	<u>(1,925,044)</u>	<u>(307,946)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	48,813	1,921,410	1,970,223
Transfer out	<u>(1,921,410)</u>	<u>-</u>	<u>(1,921,410)</u>
	<u>(1,872,597)</u>	<u>1,921,410</u>	<u>48,813</u>
Net change in fund balance	(255,499)	(3,634)	(259,133)
Fund balance, beginning of year	<u>2,114,174</u>	<u>829,738</u>	<u>2,943,912</u>
Fund balance, end of year	<u>\$ 1,858,675</u>	<u>\$ 826,104</u>	<u>\$ 2,684,779</u>

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**Rubidoux Community Services District
Ten Year Financial Trends
(Rounded to Thousand Dollars)
For the last 10 years**

Change in Net Position:

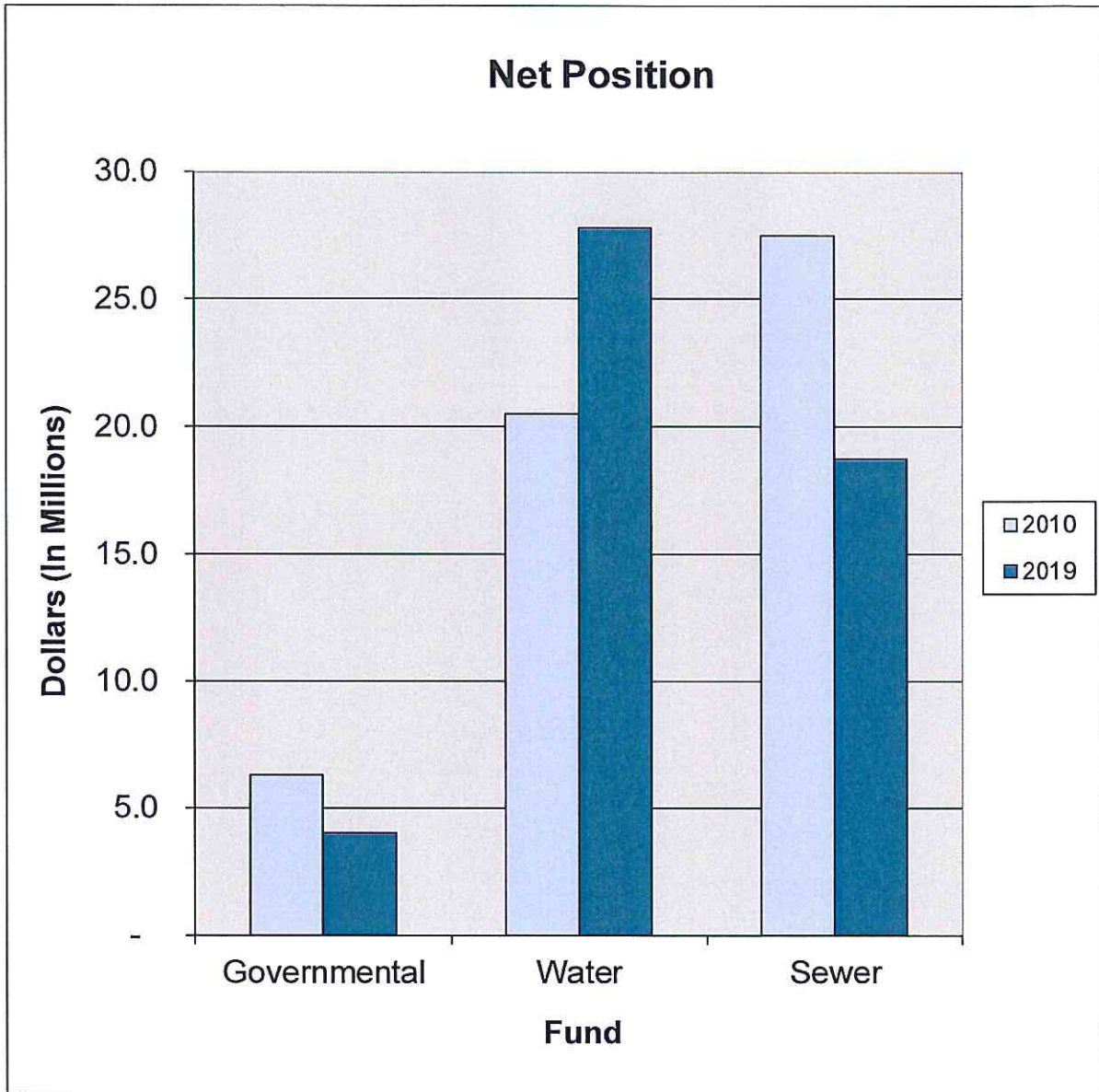
	Governmental Activities	Water	Sewer	Solid Waste Disposal	Total
June 30, 2010	\$ (704,000)	\$ 324,000	\$ 3,392,000	\$ 68,000	\$ 3,080,000
June 30, 2011	398,000	(661,000)	(587,000)	(135,000)	(985,000)
June 30, 2012	420,000	(136,000)	(62,000)	(55,000)	167,000
June 30, 2013	(202,000)	581,000	(900,000)	50,000	(471,000)
June 30, 2014	(1,716,000)	1,201,000	(919,800)	2,000	(1,432,800)
June 30, 2015	(219,000)	2,463,000	171,000	(4,000)	2,411,000
June 30, 2016	1,000	(311,000)	(466,000)	10,000	(766,000)
June 30, 2017	18,000	1,951,000	(2,045,000)	(13,000)	(89,000)
June 30, 2018	(143,000)	1,668,000	(2,882,000)	177,000	(1,180,000)
June 30, 2019	(131,000)	1,209,000	(2,000)	79,000	1,155,000

Net Position:

	Governmental Activities	Water	Sewer	Solid Waste Disposal	Total
June 30, 2010	\$ 6,315,000	\$ 20,539,000	\$ 27,502,000	\$ 298,000	\$ 54,654,000
June 30, 2011	6,712,000	19,878,000	26,915,000	163,000	53,668,000
June 30, 2012	7,132,000	19,741,000	26,853,000	108,000	53,834,000
June 30, 2013	6,930,000	20,323,000	24,966,000	157,000	52,376,000
June 30, 2014	5,213,000	21,524,000	24,046,000	160,000	50,943,000
June 30, 2015	4,994,000	23,987,000	24,217,000	156,000	53,354,000
June 30, 2016	4,995,000	23,677,000	23,750,000	166,000	52,588,000
June 30, 2017	5,013,000	25,627,000	21,705,000	153,000	52,498,000
June 30, 2018	4,869,000	27,295,000	18,823,000	330,000	51,317,000
June 30, 2019	4,513,000	28,278,000	18,792,000	409,000	51,992,000

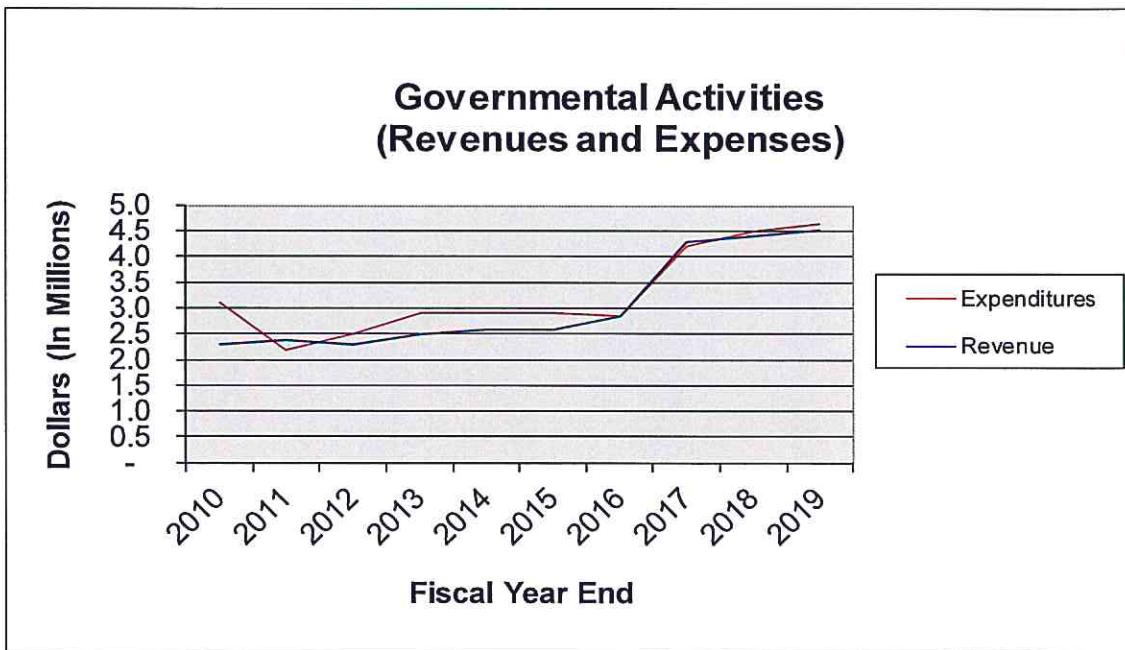
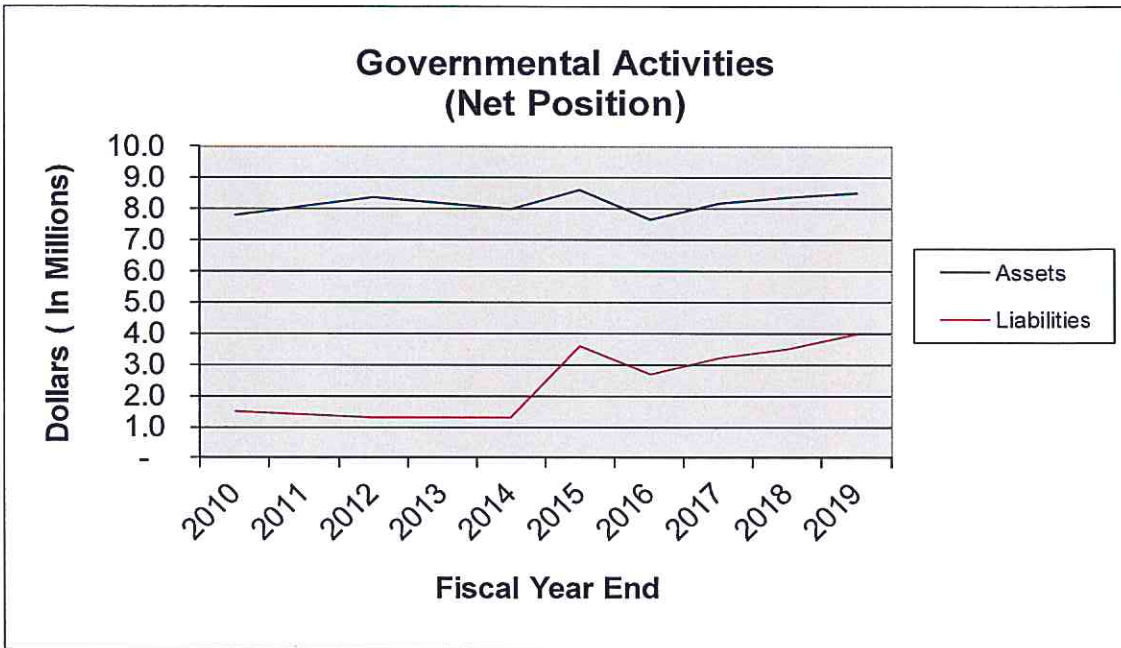
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Rubidoux Community Services District
Graphic Financial Comparisons
For the year ended June 30, 2019 and 10 years ago



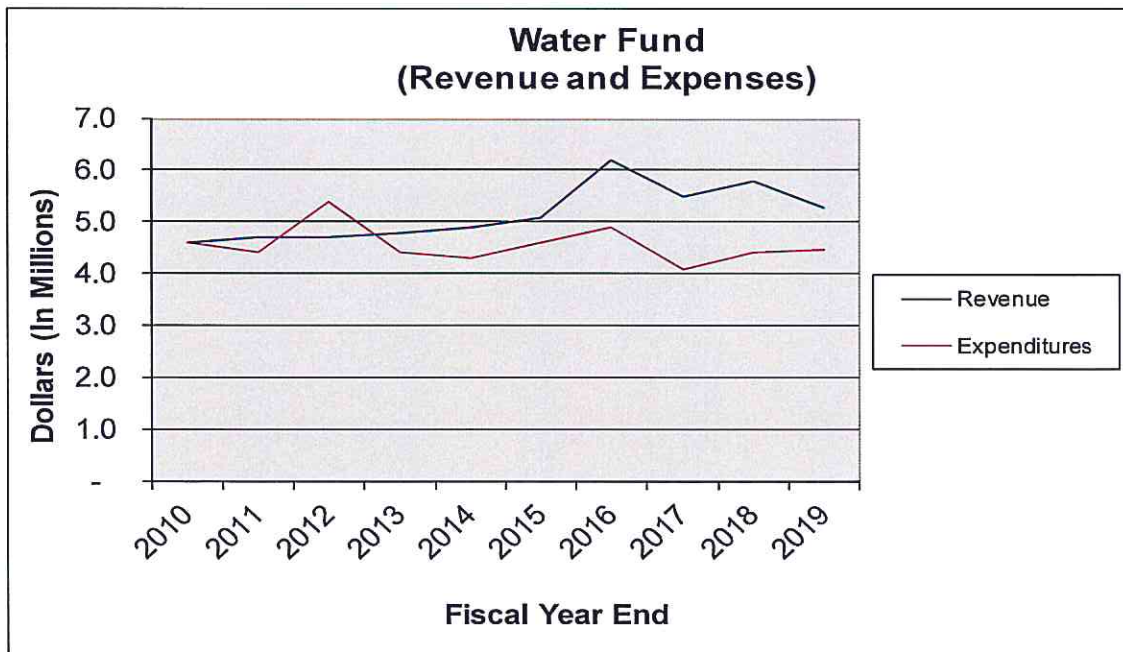
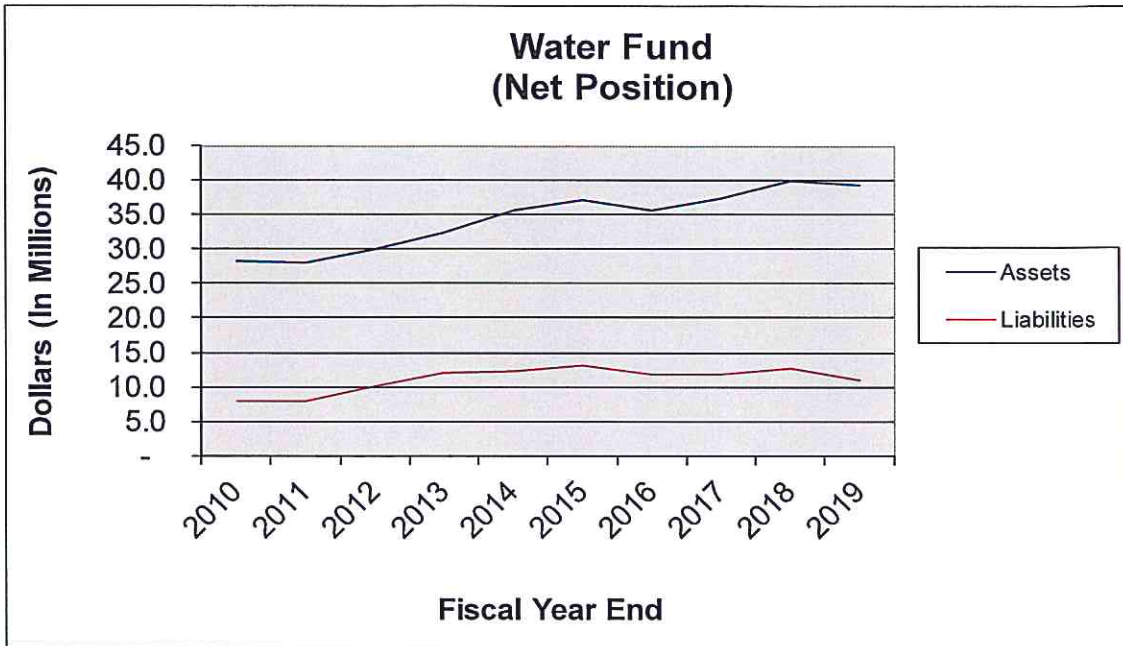
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Rubidoux Community Services District
Graphic Financial Comparisons
For the last 10 years



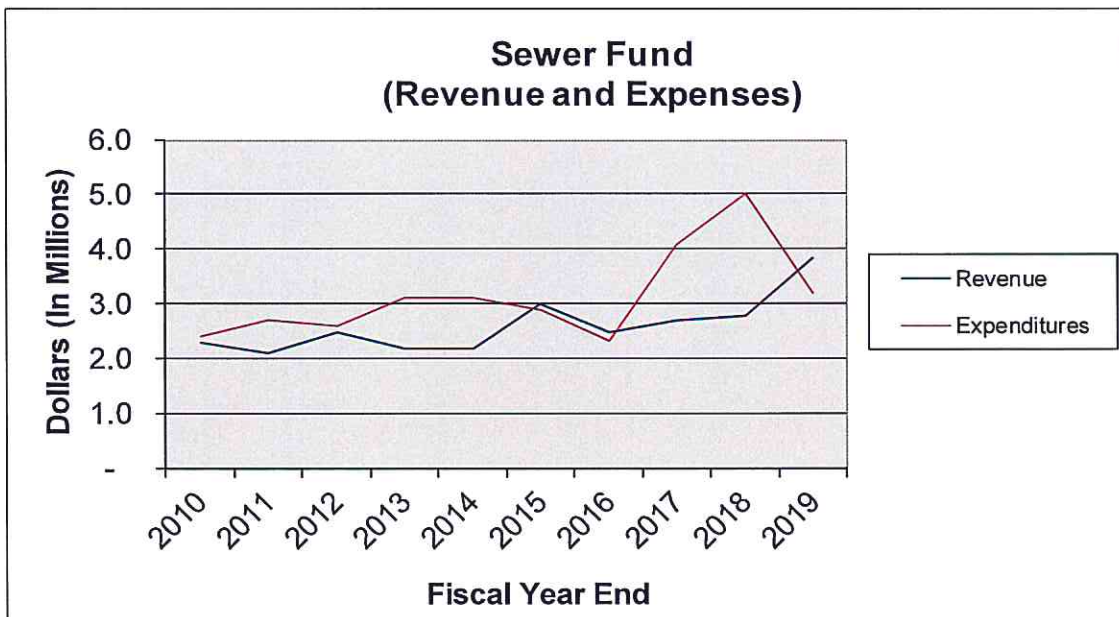
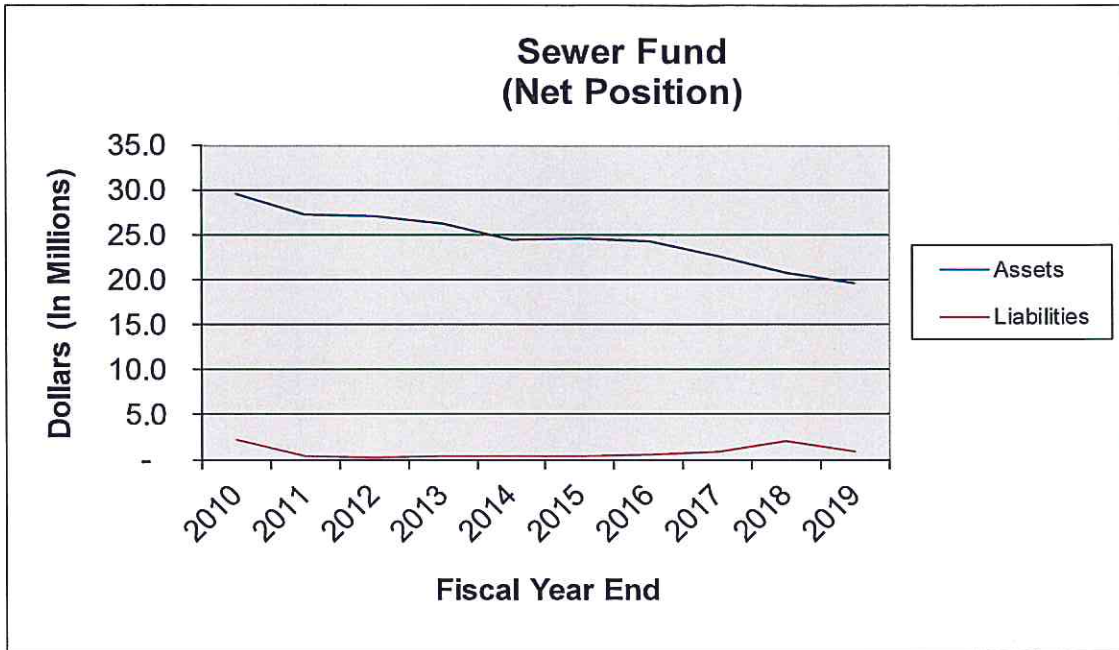
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Rubidoux Community Services District
Graphic Financial Comparisons
For the last 10 years



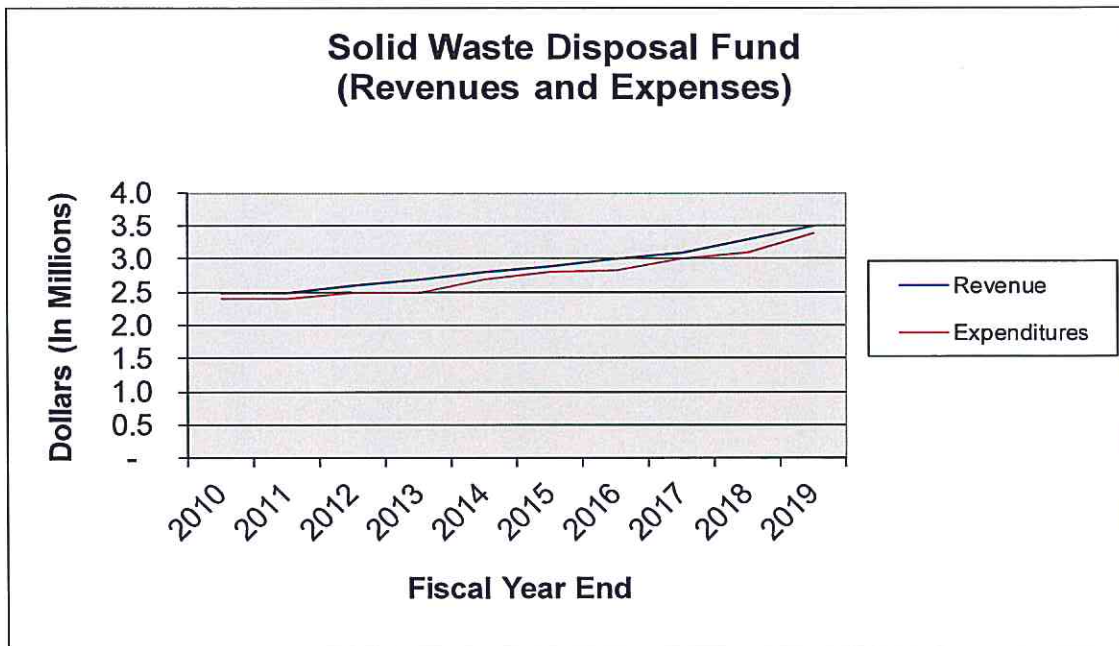
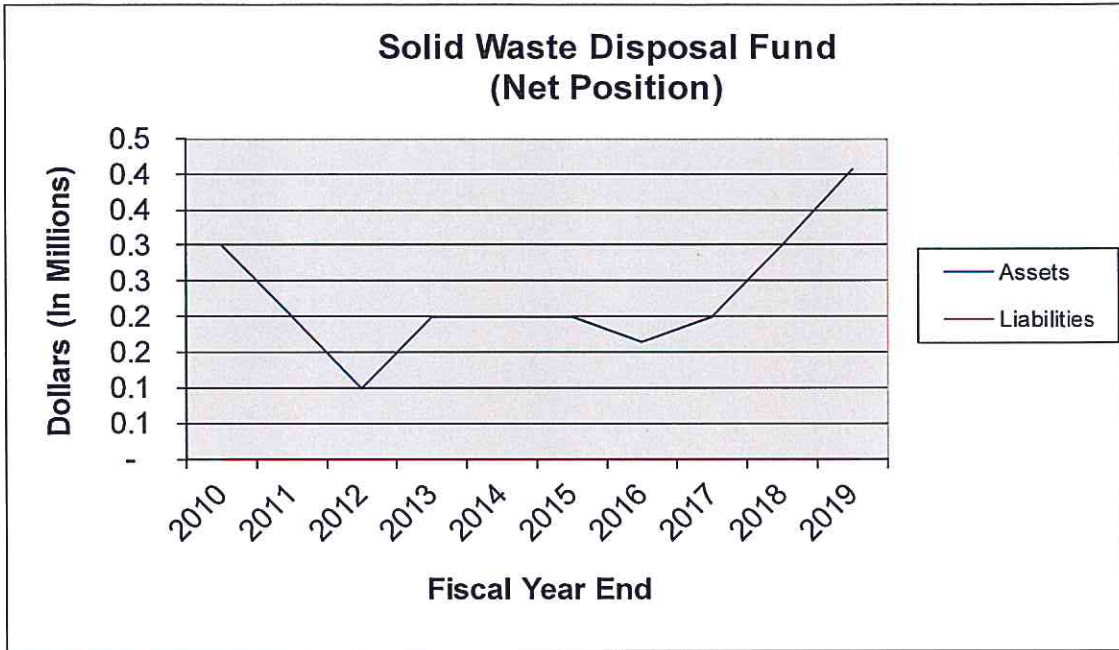
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Rubidoux Community Services District
Graphic Financial Comparisons
For the last 10 years



Draft - subject to change

Rubidoux Community Services District
Graphic Financial Comparisons
For the last 10 years



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REPORT ON COMPLIANCE AND INTERNAL CONTROL

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

Independent Auditor's Report

Board of Directors
Rubidoux Community Services District
Jurupa Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business-type activities, and each major fund of Rubidoux Community Services District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Rubidoux Community Services District's basic financial statements, and have issued our report thereon dated **October 18, 2019**.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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Board of Directors
Rubidoux Community Services District

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness, reference number **2019-001**.

Compliance and Other Matters

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

The District's Response to Findings

The District's responses to findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 18, 2019

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Rubidoux Community Services District Schedule of Findings and Responses For the year ended June 30, 2019

Finding 2019-001

Material Weakness in Internal Control over Financial Reporting – Inadequate Segregation of Duties

Criteria and Condition

During our audit of the District, we noted a lack of segregation of duties in the District's accounting process. Proper segregation of duties dictates that the functions of recording, authorization, custody and execution are not dominated by one individual. An adequate segregation of duties requires that one individual does not handle a transaction from its inception to its completion. Adequately segregated duties helps to reduce the possibility of fraud and defalcations from occurring and to ensure the integrity of the information provided by the District's financial reporting system.

Context

We observed inadequate segregation of duties by performing observations of processes and interviews of personnel and management.

Effect or Potential Effect:

Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to financial reporting, including misappropriation of assets, could occur and not be detected within a timely basis.

Auditor's Recommendation

As stated above, an adequate segregation of duties requires that one individual does not handle a transaction from its inception to its completion. However, we realize that this is due to the limited number of individuals available to the District to perform numerous, and sometimes incompatible duties. Unless more personnel are hired, there may be no practical corrective action possible for this inherent weakness. We believe it is important for management and the Board of Directors to be aware that whenever a limited number of people are in control of the accounting process, the system is far more susceptible to errors or other irregularities, either intentional or unintentional, not being discovered.

Views of Responsible Officials and Planned Corrective Actions

Management recognizes the auditor's concerns and continues to work on its segregation of duties with the goal of one day removing the comment entirely from the management letter. It is not uncommon for a District our size to have limited staff, however the District will continue to access and strengthen internal controls to the extent possible.

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Rubidoux Community Services District
Schedule of Prior Findings and Responses
For the year ended June 30, 2019

<u>Finding No.</u>	<u>Topic</u>	<u>Status of Corrective Action</u>
2018-001	Segregation of duties	Finding repeated in current year as 2019-001

11. CONSIDERATION TO ENTER INTO A JOINT COMMUNITY
FACILITIES AGREEMENT FOR THE PROPOSED SHADOW ROCK
(FORMERLY HIGHLAND PARK) DEVELOPMENT (TTM 31894 AND
TTM 37470):
DM 2019-55

Rubidoux Community Services District

Board of Directors

Hank Trueba Jr
Armando Muniz
Bernard Murphy
John Skerbelis
F. Forest Trowbridge



General Manager

Steven W. Appel

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

DIRECTORS MEMORANDUM 2019-55

October 17, 2019

To: Rubidoux Community Services District
Board of Directors

Subject: Adoption of Resolution No. 2019-857 Authorizing the Execution of a Joint Community Facilities Agreement Between the JUSD, the RCSD and Lennar Homes of California for the Shadow Rock (formerly Highland Park) Development

BACKGROUND:

Lennar Homes of California (Lennar) is the owner of the proposed Shadow Rock development (Formerly Highland Park). Shadow Rock is a 128-acre residential development consisting of 432 homes. Approximately 315 of the homes will be served by the RCSD while the remaining will be served by the Jurupa Community Services District. The proposed development is north of the intersection of Pacific Avenue and Canal street as shown on the first attachment. The Shadow Rock development was annexed in to the RCSD service area earlier this year.

Lennar will utilize the Mello-Roos Community Facilities Act of 1982 to form a Community Facilities District (CFD) as a method of financing needed infrastructure improvements and services within the project area. The developer has requested the Jurupa Unified School District to be the lead public agency to form the CFD. The public service agencies; the Jurupa Area Parks and Recreation District, the Jurupa Community Services District, and the RCSD will participate in separate and specific *Joint Community Facilities Agreements* for each agency's respective costs for facilities/services. In our case, the CFD will pay for water, wastewater, and fire mitigation fees.

CFD's are land secured financing instruments typically utilized to construct needed improvements and services related to residential, commercial, and industrial development projects. CFD's have been used for other developments within the RCSD service area.

Attached for the Board's review are the Joint Community Facilities Agreement between the JUSD and the RCSD, as well as Resolution No. 2019-857 which is required per Bond Counsel's procedural requirement to process the Mello-Roos Assessment District.

RECOMMENDATION

Staff recommends the Board approve the execution of the JCFA agreement and approval of Resolution No. 2019-857.

Respectfully,







STEVEN W. APPEL, DPA, PE
General Manager

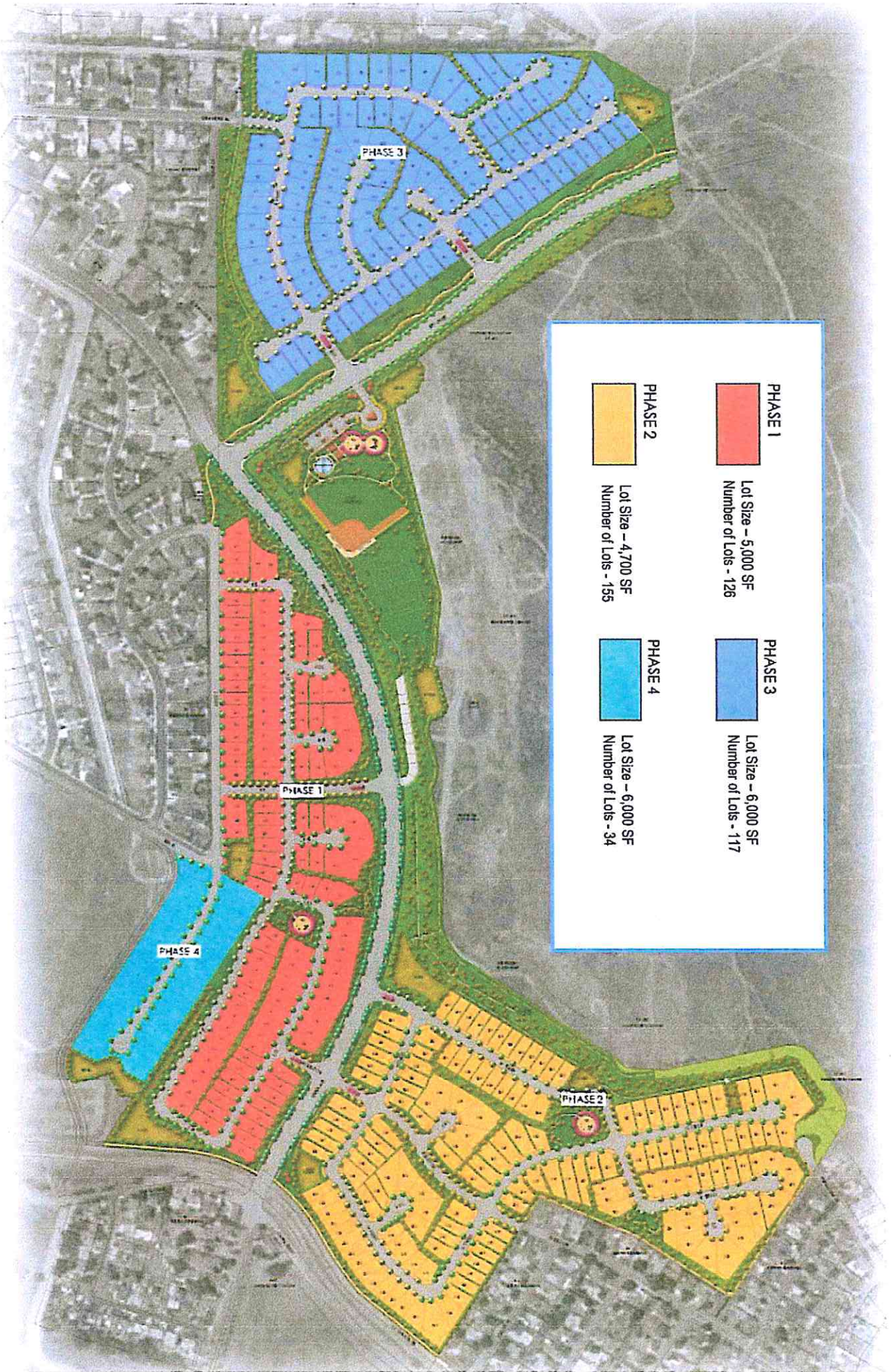
Attach: Shadow Rock Map
 JCFA Agreement
 Resolution No. 2019-857

HIGHLAND PARK 432

PHASING PLAN



	PHASE 1 Lot Size - 5,000 SF Number of Lots - 126		PHASE 3 Lot Size - 6,000 SF Number of Lots - 117
	PHASE 2 Lot Size - 4,700 SF Number of Lots - 155		PHASE 4 Lot Size - 6,000 SF Number of Lots - 34



**JOINT COMMUNITY FACILITIES AGREEMENT BY AND AMONG
JURUPA UNIFIED SCHOOL DISTRICT, RUBIDOUX COMMUNITY SERVICES
DISTRICT AND LENNAR HOMES OF CALIFORNIA, INC.
WITH RESPECT TO COMMUNITY FACILITIES DISTRICT NO. 14**

THIS AGREEMENT (the "Agreement") is entered into as of the ___ day of _____, 2019, by and among JURUPA UNIFIED SCHOOL DISTRICT, a California school district ("District"), RUBIDOUX COMMUNITY SERVICES DISTRICT, a California community services district (the "Services District") and LENNAR HOMES OF CALIFORNIA, INC., a California corporation (the "Owner").

RECITALS

A. The Owner is the owner of certain property in the City of Jurupa Valley, County of Riverside, as further described in Exhibit "A" hereto as the "TTM 31894 Property" and "TTM 37470 Property." The TTM 31894 Property is expected to be developed pursuant to Tentative Tract Map No. 31894 with approximately 398 dwelling units and the TTM 37470 Property is expected to be developed pursuant to Tentative Tract Map No. 37470 with approximately 34 dwelling units. A portion of the TTM 31894 Property that is expected to be developed with approximately 117 dwelling units is currently included in the boundary of the Jurupa Community Services District ("JCSD") and the remaining 281 dwelling units are expected to be developed within the Services District. (References in this Agreement to the "Property" shall mean the TTM 37470 Property and the portions of the TTM 31894 Property included in the Services District.)

B. The District has conducted proceedings to establish a community facilities district ("CFD No. 14"), which encompasses the Property, for the purpose of financing pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code (the "Mello-Roos Act") with the proceeds of the sale of the Bonds (the "Bonds") of and special taxes (the "Special Taxes") levied within CFD No. 14 (i) school facilities of the District (the "District Facilities"), (ii) sewer and water facilities of Services District ("Services District Facilities") with respect to the portion of the Property within the Services District, (iii) water and sewer facilities of JCSD (the "JCSD Facilities") with respect to the portion of the Property within JCSD, and (iv) certain Jurupa Area Recreation and Park District ("Park District") park facilities (the "Park Facilities"). The Services District Facilities are generally described in Exhibit "B" attached hereto.

C. Pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Government Code, (i) a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the community facilities district pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to that section; (ii) a party to such an agreement may use the proceeds of any bonds or other indebtedness issued pursuant to the Mello-Roos Act to provide facilities which that party is otherwise authorized by law to provide, even though another party to the agreement does not have the power to provide those facilities; and (iii) no local agency which is a party to a joint community facilities agreement shall have primary responsibility for formation of a community facilities district

unless it is reasonably expected to have responsibility for providing facilities to be financed by a larger share of the proceeds of bonds of the community facilities district created pursuant to the agreement than any other local agency.

D. It is estimated by the District that between the District, Services District, JCSD and the Park District, the District will receive the largest share of the Special Taxes and proceeds of the sale of the Bonds of CFD No. 14, and the District is, therefore, the appropriate agency to have primary responsibility for formation of CFD No. 14.

E. The purpose of this Agreement is to set forth the understandings of the District, Services District and Owner with respect to the formation of CFD No. 14, the authorization of bonded indebtedness of and the sale of Bonds by CFD No. 14, and the allocation of the proceeds of the sale of such Bonds and Special Taxes between the District, Services District, JCSD and Park District for the design, construction and acquisition of the District Facilities, Services District Facilities, JCSD Facilities and Park Facilities, respectively. In addition, the financing of the Services District Facilities for the portion of the Property within the Services District with the proceeds of Bonds and Special Taxes of CFD No. 14 will be in satisfaction of the payment of water and sewer capacity and connection fees of the Services District applicable to the portion of the Property within the Services District as described in Exhibit "B" (the "Services District Fees").

F. The maximum principal amount of the bonded indebtedness of CFD No. 14 is approximately \$38,500,000.

G. District and Owner are both subject to a separate agreement pursuant to which, among other things, CFD No. 14 will issue the Bonds and the proceeds of such Bonds and Special Taxes will be allocated between District Facilities, Services District Facilities, JCSD Facilities and Park Facilities (the "School Agreement").

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

1. Formation Proceedings. The Board of Directors of the District has conducted proceedings pursuant to the Mello-Roos Act for the formation of CFD No. 14. The Board of Directors also conducted proceedings pursuant to the Mello-Roos Act to authorize CFD No. 14 to incur a bonded indebtedness in an amount not to exceed \$38,500,000, for the purpose of financing the District Facilities, Services District Facilities, JCSD Facilities and Park Facilities for the Property.

2. Advances of Services District Fees. In conjunction with the issuance of building permits for the construction of homes on the Property and/or receipt of water meters for such homes, Owner, or its successors or assigns, may elect to advance Services District Facilities costs in lieu of payment of Services District Fees (the "Advances") before the proceeds of Special Taxes and Bonds are available in sufficient amounts to pay for Services District Facilities in satisfaction of the Services District Fees. In such case, Owner shall be entitled to (i) reimbursement of such Advances and (ii) credit against Services District Fees which would otherwise be due to Services District equal to the amount of such proceeds subsequently

disbursed to Services District for Services District Facilities, all as further described in Section 5 below.

3. Issuance of Bonds. The District shall proceed to issue and sell one or more series of Bonds in an aggregate principal amount determined by the District to finance, among other things, the Services District Facilities for the Property. The District shall proceed with the issuance and sale of the initial series of Bonds, and each subsequent series, when it is determined, in the reasonable discretion of the District, that all of the conditions that must be satisfied in connection with the issuance and sale of bonds of a community facilities district, including the requirements of Section 53345.8 of the Government Code, have been satisfied. In making such determination, the District shall be guided by the advice of its bond counsel and financial advisor and the underwriter of the Bonds.

4. Allocation of Construction Funds. The fiscal agent agreement or bond indenture for the Bonds shall provide for the creation of a separate account within the improvement fund into which a portion of the net proceeds of the sale of such Bonds shall be deposited to finance the construction and acquisition of the Services District Facilities for the Property (the "Services District Facilities Account"). The fiscal agent agreement or bond indenture shall also provide for the creation of separate accounts for the District (the "District Facilities Account"), JCSD (the "JCSD Facilities Account") and Park District ("Park District Facilities Account") into which a portion of the net proceeds of the sale of the Bonds will be deposited and applied to finance the District Facilities, JCSD Facilities and Park District Facilities. No part of the funds on deposit in the District Facilities Account, JCSD Facilities Account and Park District Facilities Account will be available to pay for Services District Facilities, and no part of the funds on deposit in the Services District Facilities Account will be available to pay for District Facilities, JCSD Facilities or Park District Facilities. Upon the sale of each series of Bonds that are intended to finance Services District Facilities, District Facilities, JCSD Facilities and Park District Facilities, the District shall provide for deposit of the net proceeds from the sale of the Bonds in the District Facilities Account, Services District Facilities Account, JCSD Facilities Account and Park Facilities Account in accordance with the School Agreement. The fiscal agent agreement or bond indenture shall provide that earnings from the investment of the amount on deposit in the Services District Facilities Account, District Facilities Account, JCSD Facilities Account and Park District Facilities Account shall be retained in such account, respectively. In addition to the proceeds of the Bonds, CFD No. 14 may also finance the Services District Facilities for the Property from Special Taxes, as set forth in the School Agreement.

5. Requisition of Funds.

(a) Upon the funding of the Services District Account, Owner shall notify the District of the amount of proceeds to be reserved to fund Services District Facilities and the District may execute and submit a Services District request for payment to the District in the form attached hereto as Exhibit "C" (a "Payment Request") requesting disbursement of an amount equal to all Advances from the Services District Facilities Account. Upon Services District's receipt of funds pursuant to such Payment Request, Owner shall receive reimbursement of the Advances from Services District.

(b) From time to time following the funding of the Services District Facilities Account, Owner may notify Services District in writing and request a disbursement from the Services District Facilities Account to fund Services District Facilities by executing and submitting a Payment Request. Upon receipt of such Payment Request completed in accordance with the terms of this Agreement, the District shall wire transfer or otherwise pay to Services District such requested funds to the extent that funds are available in the Services District Facilities Account for such purpose. Upon such notice and Services District's receipt of such disbursement related to Services District Facilities, Owner shall be deemed to have satisfied the applicable Services District Fees with respect to the number of dwelling units or lots for which the Services District Fees would otherwise have been required in an amount equal to such disbursement. The Payment Request may also be used to requisition Special Taxes for the payment of Services District Facilities under the circumstances set forth in the School Agreement.

6. Use of Funds.

(a) The Services District and Owner acknowledge and agree that all funds disbursed from the Services District Facilities Account or Special Taxes pursuant to a Payment Request are to be used to reimburse or pay directly for the design, engineering, permitting, construction or acquisition of Services District Facilities for the Property. The Services District reasonably expects that (i) construction and acquisition of the Services District Facilities will proceed with due diligence to the completion thereof; (ii) the Services District does not intend to sell or otherwise dispose of the Services District Facilities prior to the final maturity date of the Bonds, except such minor parts or portions thereof as may be disposed of due to normal wear, obsolescence or depreciation in the ordinary course of operation; and (iii) the amount of the proceeds of each series of Bonds deposited in the Services District Facilities Account is expected to be fully expended to pay the costs of the design, engineering, permitting, construction or acquisition of the Services District Facilities within three years from the date of issuance of the respective series of Bonds.

(b) The Services District will not use or permit the Services District Facilities to be used for any activity that would constitute a "Private Use." The Services District understands (i) that the term "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than governmental entities; (ii) that the leasing of the Services District Facilities or access by persons or entities, other than a governmental unit, to the Services District Facilities on a basis other than as a member of the general public ("General Public Use") would constitute a Private Use; and (iii) that the use of the Services District

Facilities in a trade or business would constitute a General Public Use only if the Services District Facilities are intended to be available and are in fact reasonably available for use on the same basis by natural persons not engaged in a trade or business. The Services District represents to the District that the Services District's employer identification number is 95-2868678.

7. Responsibility and Indemnification. The District shall have sole responsibility for the design, construction and acquisition of the District Facilities, the Services District shall have sole responsibility for the design, construction and acquisition of the Services District Facilities, JCSD shall have sole responsibility for the design, construction and acquisition of the JCSD Facilities and the Park District shall have sole responsibility for the design, construction and acquisition of the Park District Facilities. The District agrees to indemnify and hold the Services District harmless from any and all liability of any nature whatsoever, including attorneys' fees and costs, with respect to the design, construction and acquisition of the District Facilities, JCSD Facilities and Park Facilities. The Services District agrees to indemnify and hold the District harmless from any and all liability of any nature whatsoever, including attorneys' fees and costs, with respect to the design, construction and acquisition of the Services District Facilities and the expenditures of the amounts of the proceeds of the Bonds which are deposited in the Services District Facilities Account pursuant to Section 4 above or the expenditure of Special Taxes to finance Services District Facilities. The District further agrees to defend, indemnify and hold the Services District harmless from any responsibility or liability, including attorneys' fees and costs, in the event of any challenge by any person regarding (i) the District's authority to issue and sell the Bonds, (ii) the legal sufficiency of the proceedings for the formation of CFD No. 14, or (iii) the authority of the District to levy Special Taxes to pay the principal of an interest on the Bonds or to finance authorized facilities.

8. Entire Agreement. This Agreement, together with the other agreements referenced herein, contains the entire agreement between the parties with respect to the matters provided for hereto and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

9. Amendment. This Agreement may be amended at any time by a subsequent written agreement signed on behalf of all parties.

10. Beneficiaries. No person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than the District, Services District and Owner, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

12. Counterparts. This Agreement may be executed in counterparts, each which shall be deemed an original but all of which shall constitute but one agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

JURUPA UNIFIED SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

ATTEST:

Secretary of the Board of Directors

RUBIDOUX COMMUNITY SERVICES DISTRICT

By: _____

Hank Trueba, Jr.
President of the Board of Directors

ATTEST:

Steven W. Appel
Secretary of the Board of Directors

LENNAR HOMES OF CALIFORNIA, INC.,
a California corporation

By: _____

Name: _____

Title: _____

EXHIBIT "A"

DESCRIPTION OF PROPERTY

1. TTM 31894 Property

Real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL 1: (APN: 177-030-006-0)

THAT PORTION OF TRACT 7, A. C. ARMSTRONG ESTATE, BOOK 6, PAGE 31 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT STATION 5, TRACT 7, A. C. ARMSTRONG ESTATE; THENCE SOUTH 56° 07' EAST, 308.8 FEET; THENCE SOUTH 31° 18' WEST, 1180.6 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF THE SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE NORTH 38° 03' WEST, 69.2 FEET ALONG THE RIGHT OF WAY LINE OF SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE NORTH 32° 00' WEST, 100 FEET ALONG THE RIGHT OF WAY LINE OF THE SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE NORTH 28° 18' WEST, 130 FEET ALONG THE RIGHT OF WAY LINE OF THE SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE NORTH 31° 54' WEST, 100 FEET ALONG THE RIGHT OF WAY LINE OF THE SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE NORTH 41° 29' WEST, 100 FEET ON THE NORTHERLY RIGHT OF WAY LINE OF THE SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE NORTH 50° 59' WEST, 100 FEET ON THE NORTHERLY RIGHT OF WAY LINE OF THE SAN PEDRO, LOS ANGELES, AND SALT LAKE RAILROAD COMPANY TO THE CENTER LINE OF PACIFIC AVENUE, EXTENDED WHICH POINT IS MARKED BY A ONE INCH IRON BOLT, SAID POINT BEING THE SOUTHEASTERLY CORNER OF PARCEL 1 DESCRIBED IN DEED TO HAUSER CONSTRUCTION CO., RECORDED IN BOOK 783, PAGE 385 OF DEEDS RECORDS OF SAID COUNTY; THENCE NORTHERLY ON THE WESTERLY LINE OF SAID TRACT 7, 1064.4 TO THE NORTHERLY CORNER OF SAID TRACT 7; THENCE SOUTH 71° 55' EAST, 201.6 FEET TO STATION 4, A. C. ARMSTRONG TRACT 7; THENCE SOUTH 40° 57' EAST, 340 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE SOUTHWESTERLY 40 FEET.

PARCEL 2: (APN: 177-110-006-7, 177-110-007-8 AND 177-110-008-9)

THAT PORTION OF TRACT 1, A. C. ARMSTRONG ESTATE, BOOK 6, PAGE 31 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT STATION 24, TRACT 7, A. C. ARMSTRONG ESTATE; THENCE NORTH 65° WEST, 14.8 FEET; THENCE NORTH 16° 10' EAST ON THE EASTERLY LINE OF SAID TRACT 1, 42.5 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF THE RIGHT

OF WAY OF THE SAN PEDRO, LOS ANGELES, AND SALT LAKE RAILROAD COMPANY AND THE TRUE POINT OF BEGINNING; THENCE NORTH 16° 10' EAST ON THE SAID EASTERLY LINE OF TRACT 1, 1007.3 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF THE PROPERTY CONVEYED TO D. ORMAND, BY DEED RECORDED IN BOOK 292, PAGE 242 OF DEEDS, RECORDS OF SAID COUNTY; THENCE NORTH 58° 28' WEST, 310 FEET; THENCE SOUTH 31° 32' WEST, 1180.15 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF THE RIGHT OF WAY OF THE SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE SOUTH 85° 25' EAST, 325 FEET, MORE OR LESS, TO THE BEGINNING OF A 10° CURVE TO THE RIGHT IN SAID RIGHT OF WAY; THENCE EASTERLY ON A 10° CURVE TO THE RIGHT, 322 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THAT PORTION LYING WITHIN THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT A POINT WHICH BEARS NORTH 56° 30' 45" WEST, 240.18 FEET FROM THE SOUTHEASTERLY CORNER OF THE 80 ACRE TRACT DEED TO DAVID ORMAND AND RECORDED IN BOOK 292, PAGE 242 OF DEEDS, RECORDS OF SAID COUNTY, SAID POINT OF BEGINNING BEING IN THE NORTHERLY RIGHT OF WAY OF THE SPUR TRACK OF SAID SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD; THENCE NORTH 4° 5' EAST, 206.3 FEET; THENCE NORTH 85° 25' WEST, 200 FEET; THENCE SOUTH 4° 35' WEST, 200 FEET TO SAID RIGHT OF WAY LINE; THENCE SOUTH 85° 25' EAST ON SAID RIGHT OF WAY LINE AND PARALLEL TO THE CENTERLINE OF SAID RAILROAD, 117.1 FEET; THENCE EASTERLY ON SAID RIGHT OF WAY LINE OF A CURVE CONCAVE TO THE SOUTH WITH A RADIUS OF 603.69 FEET, 83.2 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL THAT PORTION THEREOF CONVEYED TO LOS ANGELES AND SALT LAKE RAILROAD COMPANY BY DEED RECORDED MAY 28, 1925 IN BOOK 643, PAGE 74 OF DEEDS, RECORDS OF SAID COUNTY.

PARCEL 3: (APN: 175-080-011-5, 177-030-001-5 AND 177-030-002-6)

ALL THAT PORTION OF TRACT 1, A. C. ARMSTRONG ESTATE, MAP OF RESUBDIVISION OF A PORTION OF LANDS FORMERLY BELONGING TO THE A. C. ARMSTRONG ESTATE, BOOK 6, PAGE 31 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT DESIGNATED ON SAID MAP AS STATION 8, SITUATED ON THE EASTERLY BOUNDARY OF SAID TRACT 1; THENCE SOUTH 6° 54' EAST, 400.2 FEET TO STATION 9; THENCE SOUTH 77° 50' WEST, 500.2 FEET TO STATION 10; THENCE SOUTH 44° 44' WEST, 899.3 FEET TO STATION 11; THENCE SOUTH 59° 57' EAST, 245 FEET TO STATION 2; THENCE SOUTH 4° 28' WEST, 910 FEET TO STATION 3; THENCE SOUTH 4° 57' EAST, 1230 FEET TO STATION 4; THENCE NORTH 71° 55' WEST, 201.6 FEET TO STATION 5; THENCE SOUTH 16° 10' WEST, 55.4 FEET TO THE NORTHEASTERLY CORNER OF THAT CERTAIN 80 ACRE TRACT OF LAND CONVEYED TO DAVID ORMAND BY DEED RECORDED OCTOBER 29, 1909, IN BOOK 292, PAGE 242 OF DEEDS, RECORDS OF SAID COUNTY; THENCE NORTH 58° 28'

WEST ALONG THE NORTHEASTERLY LINE OF SAID PROPERTY, 375.37 FEET; THENCE NORTH 3,370.47 FEET; THENCE EAST 1326.10 FEET TO A POINT ON THE EASTERLY LINE OF SAID TRACT 1; THENCE SOUTH 56° 38' EAST ON THE EASTERLY LINE OF SAID TRACT, 333.10 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL THAT PORTION THEREOF CONVEYED TO LOS ANGELES AND SALT LAKE RAILROAD COMPANY, BY DEED RECORDED MAY 28, 1925 IN BOOK 643, PAGE 74 OF DEEDS, RECORDS OF SAID COUNTY.

PARCEL 4: (APN: 177-030-004-8)

THAT PORTION OF BLOCK 1, LOMA ALTA TRACT, BOOK 6, PAGE 8 OF MAPS, AND RECORDS OF SURVEY, BOOK 7, PAGE 3 OF RECORDS OF SURVEY, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID BLOCK 1, SAID NORTHWEST CORNER BEING ALSO DESIGNATED ON SAID MAP AS STATION 1; THENCE SOUTH 59° 57' EAST, 244.8 FEET; THENCE SOUTH 4° 27' WEST, 910.5 FEET; THENCE SOUTH 4° 57' EAST, 1231.9 FEET; THENCE SOUTH 40° 58' EAST, 340.2 FEET; THENCE SOUTH 56° 8' EAST, 730.2 FEET TO THE STATION 6, AS SHOWN BY SAID MAP AND RECORD OF SURVEY; THENCE NORTH 0° 16' EAST, 2200 FEET; THENCE NORTH 89° 41' WEST, 240 FEET; THENCE NORTH 0° 16' EAST, 700 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF SAID BLOCK 1; THENCE NORTH 89° 44' WEST ON SAID NORTHERLY LINE, 850 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

PARCEL 5: (PORTION APN: 177-030-016-9)

THAT PORTION OF TRACT 7, AS SHOWN ON A MAP OF RESUBDIVISION OF THE A. C. ARMSTRONG ESTATE, BOOK 6, PAGE 31 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID TRACT 7, WHICH BEARS NORTH 56° 07' WEST, 30.6 FEET FROM CORNER NO. 6 OF SAID TRACT 7; THENCE SOUTH 31° 16' WEST, 1241.8 FEET; THENCE NORTH 48° 00' WEST, 403.48 FEET; THENCE NORTH 31° 16' EAST, 1181 FEET TO THE NORTHERLY LINE OF SAID TRACT 7; THENCE SOUTH 56° 07' EAST ON THE NORTHERLY LINE OF SAID TRACT 7, 397.26 FEET TO THE POINT OF BEGINNING, MORE PARTICULARLY SHOWN ON ASSESSORS MAP NO. 34, BOOK 1, PAGE 5 OF ASSESSORS MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTHWESTERLY 40 FEET.

PARCEL 6: (PORTION APN: 177-030-016-9)

THAT PORTION OF TRACT 7, AS SHOWN ON THE MAP OF RESUBDIVISION OF THE A. C. ARMSTRONG ESTATE, BOOK 6, PAGE 31 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER NO. 6, OF SAID TRACT 7; THENCE SOUTH 73° 29' EAST, 373.5 FEET; THENCE SOUTH 31° 16' WEST, 498.39 FEET TO A POINT 10 FEET NORTHERLY OF A CONCRETE PIPELINE; THENCE NORTH 66° 07' 30" WEST AND PARALLEL WITH SAID CONCRETE PIPELINES, 395.11 FEET; THENCE NORTH 31° 16' EAST, 455.39 FEET, TO A POINT ON THE NORTHERLY LINE OF SAID TRACT 7; THENCE SOUTH 56° 06' EAST, 30.6 FEET TO THE POINT OF BEGINNING AND MORE PARTICULARLY SHOWN ON ASSESSORS MAP NO. 34 ON FILE IN BOOK 1, PAGE 5 OF ASSESSORS MAPS, RECORDS OF SAID COUNTY.

PARCEL 7: (PORTION APN: 177-030-016-9)

THAT PORTION OF TRACT 7, AS SHOWN ON A MAP OF RESUBDIVISION OF THE A. C. ARMSTRONG ESTATE, BOOK 6, PAGE 31 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER NO. 7 OF SAID TRACT 7; THENCE SOUTH 31° 08' WEST, 769.09 FEET TO A POINT 10 FEET NORTHERLY OF A CONCRETE PIPELINE; THENCE NORTH 55° 04' WEST AND PARALLEL WITH SAID CONCRETE PIPELINE, 431.87 FEET; THENCE NORTH 31° 16' EAST, 744.39 FEET TO THE NORTHERLY LINE OF SAID TRACT 7; THENCE NORTH 77° 83' EAST ON THE NORTHERLY LINE OF SAID TRACT 7, 203.2 FEET TO THE POINT OF BEGINNING AND IS SHOWN MORE PARTICULARLY ON ASSESSORS MAP NO. 34 OF FILE IN BOOK 1, PAGE 5 OF ASSESSORS MAPS, RECORDS OF SAID COUNTY THENCE SOUTH 31° 51' EAST ON THE NORTHEASTERLY LINE OF SAID TRACT 7, 315.4 FEET; THENCE SOUTH 31° 08' WEST, 769.09 FEET TO A POINT 10 FEET NORTHERLY OF A CONCRETE PIPELINE; THENCE NORTH 55° 04' WEST AND PARALLEL WITH SAID CONCRETE PIPELINE, 431.87 FEET; THENCE NORTH 31° 16' EAST, 744.39 FEET TO THE NORTHERLY LINE OF SAID TRACT 7; THENCE NORTH 77° 83' EAST ON THE NORTHERLY LINE OF SAID TRACT 7, 203.2 FEET TO THE POINT OF BEGINNING AND IS SHOWN MORE PARTICULARLY ON ASSESSORS MAP NO. 34 OF FILE IN BOOK 1, PAGE 5 OF ASSESSORS MAPS, RECORDS OF SAID COUNTY.

PARCEL 8: (APN: 177-020-004-7, 177-020-016-8 AND 177-020-017-9)

THAT PORTION OF TRACT 1, A. C. ARMSTRONG ESTATE, BOOK 6, PAGE 31 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTERLINE OF FOURTEENTH STREET, WHICH BEARS SOUTH 58° 28' EAST, 2697.10 FEET FROM THE INTERSECTION OF THE CENTERLINE OF ARMSTRONG ROAD AND FOURTEENTH STREET; THENCE NORTH 00° 01' 30" EAST, 35.19 FEET TO A POINT ON THE NORTHEASTERLY LINE OF FOURTEENTH STREET, BEING THE POINT OF BEGINNING OF THE TRACT OF LAND TO BE DESCRIBED; SAID POINT OF BEGINNING BEING ON THE EAST LINE OF SECTION 8, TOWNSHIP 2 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN; THENCE NORTH 00° 01' 30" EAST ALONG THE EASTERLY LINE OF SECTIONS 8 AND 5, A DISTANCE OF 3013.94 FEET; THENCE NORTH 89° 59' WEST, A DISTANCE OF 100 FEET; THENCE SOUTH 00° 01' 30" WEST AND PARALLEL WITH THE EAST LINE OF

SECTIONS 5 AND 8, A DISTANCE OF 2952.11 FEET TO THE NORTHERLY LINE OF FOURTEENTH STREET; THENCE SOUTH 58° 28' EAST ALONG THE NORTHERLY LINE OF FOURTEENTH STREET, 117.3 FEET TO THE POINT OF BEGINNING.

PARCEL 9: (APN: 177-030-010-3)

THAT PORTION OF TRACT NO. 7, AS SHOWN ON A MAP OF RESUBDIVISION OF THE A. C. ARMSTRONG ESTATE, ON FILE IN MAP BOOK 6, AT PAGE 31 THEREOF, RECORDS OF THE RECORDER'S OFFICE OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER NO. 6, OF SAID TRACT NO. 7; THENCE NORTH 77° 53' EAST, ALONG THE NORTHERLY LINE OF SAID TRACT NO. 7, A DISTANCE OF 496.8 FEET; THENCE SOUTH 31° 16' WEST, A DISTANCE OF 246 FEET; THENCE NORTH 73° 29' WEST, A DISTANCE OF 373.5 FEET, TO THE POINT OF BEGINNING.

PARCEL 10: (APN: 177-110-020-9)

A PARCEL OF LAND SITUATE IN TRACT NO. ONE OF LANDS FORMERLY BELONGING TO THE A. C. ARMSTRONG ESTATE, WEST RIVERSIDE, RIVERSIDE COUNTY, CALIFORNIA, AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH BEARS NORTH 56° 30' 45" WEST TWO HUNDRED FORTY AND EIGHTEEN HUNDREDTHS (240.18) FEET FROM THE SOUTHEASTERLY CORNER OF THE 80-ACRE TRACT, DEEDED TO DAVID ORMAND AND RECORDED IN BOOK 292 OF DEEDS, PAGE 242, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SAID POINT OF BEGINNING BEING IN THE NORTHERLY RIGHT-OF-WAY LINE OF THE SPUR TRACK OF THE SAN PEDRO, LOS ANGELES & SALT LAKE RAILROAD; THENCE NORTH 4° 35' EAST TWO HUNDRED SIX AND THREE TENTHS (206.3) FEET; THENCE NORTH 85° 25' WEST TWO HUNDRED FEET (200'); THENCE SOUTH 4° 35' WEST TWO HUNDRED (200) FEET TO SAID RIGHT-OF-WAY LINE; THENCE SOUTH 85° 25' EAST ALONG SAID RIGHT-OF-WAY LINE AND PARALLEL TO THE CENTERLINE OF SAID RAILROAD ONE HUNDRED SEVENTEEN AND ONE TENTH (117.1) FEET; THENCE EASTERLY ALONG SAID RIGHT-OF-WAY LINE ON A CURVE CONCAVE TO THE SOUTH WITH A RADIUS OF SIX HUNDRED THREE AND SIXTY-NINE HUNDREDTHS (603.69) FEET, EIGHTY-THREE AND TWO TENTHS (83.2) FEET TO THE POINT OF BEGINNING. EXCEPT ALL THAT PORTION THEREOF CONVEYED TO LOS ANGELES AND SALT LAKE RAILROAD COMPANY BY DEED RECORDED MAY 28, 1925 IN BOOK 643, PAGE 74 OF DEEDS, RECORDS OF SAID COUNTY. ALSO EXCEPTING ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER, NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL COAL, OIL, GAS, AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE, AND DISPOSE OF SAID MINERALS BY ANY MEANS OR METHODS SUITABLE TO UNION PACIFIC LAND RESOURCES CORPORATION, ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE PROPERTY, AND IN SUCH A

MANNER AS NOT TO DAMAGE THE SURFACE OF THE PROPERTY, OR TO INTERFERE WITH THE USE THEREOF BY GRANTEE, AS RESERVED IN QUITCLAIM DEED FROM UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION RECORDED SEPTEMBER 26, 2014 AS INSTRUMENT NO. 2014-0366469 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 11: (APN: 177-110-021-0)

THOSE PORTIONS OF TRACT NO. 1 OF THE A. C. ARMSTRONG ESTATE, AS PER MAP RECORDED IN BOOK 6, PAGE 31 OF MAPS, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT STATION 24 OF TRACT NO. 7 OF SAID A. C. ARMSTRONG ESTATE; THENCE N. 65° 00' W. 14.8 FEET; THENCE N. 16° 10' E. 42.5 FEET TO A POINT ON THE NORTHERLY LINE OF RIGHT-OF-WAY OF THE LOS ANGELES & SALT LAKE RAILROAD, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 604.69 FEET; THENCE NORTHWESTERLY, ALONG SAID CURVE, 322.0 FEET TO THE END OF SAID CURVE; THENCE TANGENT TO SAID CURVE, N. 85° 25' W., 191.77 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, N. 85° 25' W. 120.02 FEET; THENCE N. 31° 38' 30" E. 19.23 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 434.28 FEET, THE RADIAL LINE AT SAID POINT BEARING N. 6° 32' 56" W; THENCE NORTHEASTERLY, ALONG SAID CURVE, 206.27 FEET TO A POINT ON THE WESTERLY LINE OF LOT NO. 2 AS CONVEYED TO THE SAN PEDRO, LOS ANGELES & SALT LAKE RAILROAD COMPANY BY DEED RECORDED IN BOOK 342, PAGE 367 OF DEEDS, RECORDS OF SAID COUNTY; THENCE S. 4° 35' W. 61.86 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS 484.28 FEET, THE RADIAL LINE AT SAID POINT BEARING N. 29° 16' 17" W.; THENCE SOUTHWESTERLY, ALONG SAID CURVE, 85.17 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL OIL AND MINERAL RIGHTS WITH THE RIGHT OF ENTRY TO DEVELOP SAME RESERVED IN DEED FROM RALPH W. E. COLE, ET UX. RECORDED MAY 28, 1925 IN BOOK 643, PAGE 74 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA. ALSO EXCEPTING ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER, NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL COAL, OIL, GAS, AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE, AND DISPOSE OF SAID MINERALS BY ANY MEANS OR METHODS SUITABLE TO UNION PACIFIC LAND RESOURCES CORPORATION, ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LAND, IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE THEREOF HEREBY EXCEPTED OR TO INTERFERE WITH THE USE THEREOF BY THE OWNER, AS CONVEYED FROM LOS ANGELES & SALT LAKE RAILROAD COMPANY TO UNION PACIFIC RAILROAD COMPANY BY MINERAL DEED DATED MARCH 31, 1971, AND AS FURTHER CONVEYED FROM UNION PACIFIC RAILROAD COMPANY TO UNION PACIFIC LAND RESOURCES

CORPORATION BY MINERAL DEED DATED APRIL 1, 1971, AS RESERVED IN QUITCLAIM DEED FROM UNION PACIFIC RAILROAD COMPANY, A UTAH CORPORATION RECORDED FEBRUARY 6, 2003 AS INSTRUMENT NO. 2003-089450 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 12: (APN: 175-080-012-6, 177-030-003-7 AND 177-110-022-1)

A STRIP OF LAND 50 FEET WIDE, BEING 25 FEET ON EACH SIDE OF, MEASURED AT RIGHT ANGLES TO, THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT WHICH IS N. 4° 35' E. 184.95 FEET FROM A POINT ON SAID NORTHERLY RIGHT-OF-WAY LINE OF THE LOS ANGELES & SALT LAKE RAILROAD, SAID LAST NAMED POINT BEING S. 85° 25' E. 185.36 FEET FROM THE TRUE POINT OF BEGINNING OF PARCEL 11 ABOVE DESCRIBED; THENCE N. 41° 35' E. 143.08 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY, TANGENT TO THE LAST MENTIONED COURSE AND HAVING A RADIUS OF 1146.28 FEET; THENCE NORTHEASTERLY, ALONG SAID CURVE, 837.27 FEET; THENCE, TANGENT TO SAID CURVE, N. 0° 16' W. 1733.03 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY, TANGENT TO THE LAST MENTIONED COURSE AND HAVING A RADIUS OF 1146.28 FEET; THENCE NORTHERLY, ALONG SAID CURVE 399.80 FEET; THENCE TANGENT TO SAID CURVE, N. 19° 43' E. 273.28 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY, TANGENT TO THE LAST MENTIONED COURSE AND HAVING A RADIUS OF 461.73 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 274.00 FEET; THENCE, TANGENT TO SAID CURVE, N. 14° 17' W. 550.55 FEET TO A POINT WHICH IS EAST 149.41 FEET FROM A POINT ON THE WESTERLY LINE OF SECTION 4, T. 2 S., R. 5 W., S.B.B. & M., SAID LAST NAMED POINT BEING 1132.0 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID SECTION 4.

EXCEPT ALL OIL AND MINERAL RIGHTS WITH THE RIGHT OF ENTRY TO DEVELOP SAME RESERVED IN DEED FROM RALPH W. E. COLE, ET UX. RECORDED MAY 28, 1925 IN BOOK 643, PAGE 74 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING ALL MINERALS AND MINERAL RIGHTS OF EVERY KIND AND CHARACTER, NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL COAL, OIL, GAS, AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE, AND DISPOSE OF SAID MINERALS BY ANY MEANS OR METHODS SUITABLE TO UNION PACIFIC LAND RESOURCES CORPORATION, ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE LAND, IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE THEREOF HEREBY EXCEPTED OR TO INTERFERE WITH THE USE THEREOF BY THE OWNER, AS CONVEYED FROM LOS ANGELES & SALT LAKE RAILROAD COMPANY TO UNION PACIFIC RAILROAD COMPANY BY MINERAL DEED DATED MARCH 31, 1971, AND AS FURTHER CONVEYED FROM UNION PACIFIC RAILROAD COMPANY TO UNION PACIFIC LAND RESOURCES

CORPORATION BY MINERAL DEED DATED APRIL 1, 1971, AS RESERVED IN QUITCLAIM DEED FROM UNION PACIFIC RAILROAD COMPANY, A UTAH CORPORATION RECORDED FEBRUARY 6, 2003 AS INSTRUMENT NO. 2003-089450 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

2. TTM 37470 Property

Real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL 1:

THAT PORTION OF TRACT 1 OF THE RESUBDIVISION OF THE LANDS FORMERLY BELONGING TO THE A. C. ARMSTRONG ESTATE, AS SHOWN BY MAP ON FILE IN BOOK 6, PAGE 31 OF MAPS, RIVERSIDE COUNTY RECORDS, AND SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 6, PAGE 70 OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE LAND DESCRIBED IN DEED RECORDED IN BOOK 1769, PAGE 431 OF OFFICIAL RECORDS, RIVERSIDE COUNTY RECORDS, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE SOUTHEASTERLY CORNER OF SUNNYSLOPE HEIGHTS UNIT NO. 3, AS SHOWN BY MAP ON FILE IN BOOK 33, PAGES 47 AND 48 OF MAPS, RIVERSIDE COUNTY RECORDS; THENCE SOUTH 58° 52' 00" EAST, ON THE PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID SUNNYSLOPE HEIGHTS UNIT NO. 3, 671.39 FEET, MORE OR LESS, TO THE MOST EASTERLY CORNER OF THE FOURTH EXCEPTION DESCRIBED IN THE ABOVE MENTIONED DEED; THENCE SOUTH 19° 42' 30" WEST, 30.7 FEET, MORE OR LESS, ON THE SOUTHEASTERLY LINE OF SAID FOURTH EXCEPTION (SAID POINT BEING 30 FEET SOUTHWESTERLY MEASURED AT RIGHT ANGLES FROM THE FIRST MENTIONED BEARING); THENCE SOUTH 58° 52' 00" EAST 6.6 FEET, MORE OR LESS, TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 330 FEET (SAID CURVE BEING TANGENT AT ITS POINT OF ENDING TO A LINE THAT IS PARALLEL WITH AND DISTANT NORTHWESTERLY MEASURED AT RIGHT ANGLES, 103 FEET FROM THE NORTHWESTERLY LINE OF THE THIRD EXCEPTION DESCRIBED IN THE ABOVE MENTIONED DEED); THENCE EASTERLY, ON SAID CURVE 340 FEET, MORE OR LESS, TO A LINE THAT IS RADIAL TO SAID CURVE AND PASSES THROUGH THE MOST NORTHERLY CORNER OF THE SECOND EXCEPTION DESCRIBED IN THE ABOVE MENTIONED DEED; THENCE ON SAID RADIAL LINE SOUTHEASTERLY 115 FEET, MORE OR LESS, TO SAID MOST NORTHERLY CORNER; THENCE SOUTH 87° 25' EAST ON THE EASTERLY LINE OF THAT CERTAIN EASEMENT CONVEYED TO SUNNYSLOPE HEIGHTS WATER COMPANY BY DEED RECORDED JANUARY 23, 1959, AS INSTRUMENT NO. 6191, RIVERSIDE COUNTY RECORDS, TO THE INTERSECTION WITH THE SOUTHEASTERLY LINE OF SAID DEED RECORDED IN BOOK 1769, PAGE 431 OF OFFICIAL RECORDS, RIVERSIDE COUNTY RECORDS.

RESERVING A RIGHT OF WAY TO THE NORTH RIVERSIDE CANAL COMPANY OVER THIS PROPERTY FOR A PIPE LINE AND ITS MAINTENANCE.

EXCEPTING THEREFROM THAT PORTION LYING NORTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF 30TH STREET, 60 FEET WIDE, AND THE SOUTHEASTERLY LINE OF SUNNYSLOPE HEIGHTS UNIT NO. 3, AS SHOWN BY MAP ON FILE IN BOOK 33, PAGES 47 AND 48 OF MAPS, RIVERSIDE COUNTY RECORDS; THENCE SOUTH 58° 28' EAST ALONG SAID SOUTHWESTERLY LINE OF 30TH STREET, 780 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTHWESTERLY PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID SUNNYSLOPE HEIGHTS UNIT NO. 3 TO A POINT ON THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN THE DEED RECORDED IN BOOK 1769, PAGE 431 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY.

PARCEL 2:

THAT PORTION OF TRACT NO. 1 OF THE RESUBDIVISION OF THE LANDS FORMERLY BELONGING TO THE A. C. ARMSTRONG ESTATE, AS SHOWN BY MAP ON FILE IN BOOK 6, PAGE 31 OF MAPS, RIVERSIDE COUNTY RECORDS, AND SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 6, PAGE 70 OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT STATION 25 IN TRACT NO. 1 OF THE LANDS FORMERLY BELONGING TO A. C. ARMSTRONG ESTATE, AS SHOWN ON SAID MAP; THENCE SOUTH 65° 00' EAST, ALONG COURSE 24 OF SAID A. C. ARMSTRONG ESTATE, 225.1 FEET TO THE INTERSECTION WITH THE CENTERLINE OF PACIFIC AVENUE PRODUCED; THENCE NORTH 16° 10' EAST, ALONG THE CENTERLINE OF SAID PACIFIC AVENUE PRODUCED, TO THE INTERSECTION WITH THE NORTHERLY LINE OF THE RIGHT OF WAY OF THE SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE WESTERLY ALONG THE NORTHERLY RIGHT OF WAY FOLLOWING A 10° CURVE TO THE INTERSECTION WITH THE WESTERLY LINE OF PACIFIC AVENUE, PRODUCED; THENCE NORTH 16° 10' EAST, 271.1 FEET; THENCE NORTH 85° 25' WEST, 593.5 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 85° 27' EAST TO THE INTERSECTION WITH THE NORTHWESTERLY LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED TO GUY F. ATKINSON COMPANY, BY DEED RECORDED JANUARY 31, 1951, AS INSTRUMENT NO. 4469, OFFICIAL RECORDS; THENCE SOUTHWESTERLY, ALONG THE NORTHWESTERLY LINE OF SAID PARCEL CONVEYED TO GUY F. ATKINSON COMPANY, TO THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD COMPANY; THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID RIGHT OF WAY TO A POINT WHICH BEARS SOUTH 31° 32' WEST, 224.36 FEET FROM THE TRUE POINT OF BEGINNING; THENCE NORTH 31° 32' EAST, 224.36 FEET TO THE TRUE POINT OF BEGINNING.

APN: 177-110-005-6 and 177-020-018-0 and 177-020-012-4

EXHIBIT "B"

DESCRIPTION OF SERVICES DISTRICT FACILITIES

District master plan water system facilities, including capacity in existing facilities, and master plan sewer system facilities, including capacity in existing facilities and sewage treatment and disposal capacity, as included in the District water and sewer fee programs.

EXHIBIT "C"

FORM OF PAYMENT REQUEST

1. The undersigned hereby requests payment to the Payee(s) listed below in the amounts listed below. Jurupa Unified School District Community Facilities District No. 14 ("CFD No. 14") is to pay for Services District Facilities, as defined in the Joint Community Facilities Agreement (the "Agreement") dated _____, 2019, by and among the Rubidoux Community Services District, Jurupa Unified School District and Lennar Homes of California, Inc. ("Owner"), from the CFD No. 14 bond proceeds or Special Taxes of CFD No. 14, to Rubidoux Community Services District ("Services District"), as Payee, the sum set forth in 3 below.

2. The undersigned certifies that the amount requested for Services District Facilities is due and payable, has not formed the basis of prior requests or payment, and is being made with respect to the property described below.

3. Payee: _____

Amount requested: \$ _____

For Tract/Lot Nos: _____

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the Agreement. Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

In connection with this Payment Request, the undersigned hereby represent and warrant to the District as follows:

1. He (she) is a duly authorized officer or representative of the Owner and Services District, respectively, qualified to execute this Payment Request for payment on behalf of the Owner or Services District, respectively, and is knowledgeable as to the matters set forth herein.

2. This Payment Request relates to the Services District Facilities identified in the Agreement.

3. All costs of the Services District Facilities for which payment is requested hereby are actual costs and have not been inflated or misrepresented in any respect. The items for which payment is requested have not been the subject of any prior payment request submitted to the fiscal agent or trustee for the Bonds.

4. Supporting documentation (such as third party invoices) have been provided to the Services District with respect to each cost for which payment is requested.

5. There has been full compliance with applicable laws relating to prevailing wages for the work to construct the Services District Facilities for which payment is requested.

6. The Services District Facilities were constructed in accordance with all applicable Services District standards, and in accordance with the plans and specifications approved by Services District.

LENNAR HOMES OF CALIFORNIA, INC.,
a California corporation

By: _____
Name: _____
Title: _____
Date: _____

RUBIDOUX COMMUNITY SERVICES
DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

RESOLUTION NO. 2019-857

**RESOLUTION OF THE BOARD OF DIRECTORS OF
RUBIDOUX COMMUNITY SERVICES DISTRICT APPROVING
A JOINT COMMUNITY FACILITIES AGREEMENT WITH
JURUPA UNIFIED SCHOOL DISTRICT FOR CFD NO. 14**

WHEREAS, the Board of Education (the "Board of Education") of Jurupa Unified School District (the "School District") intends to establish Community Facilities District No. 14 (the "CFD") and is initiating proceedings pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982," for the formation of the CFD, for the purpose, among others, of financing through the levy of special taxes and sale of bonds the design, construction and acquisition of public facilities which are necessary to meet increased demands placed upon the School District, the Rubidoux Community Services District (the "District"), the Jurupa Community Services District ("JCSD"), and the Jurupa Area Recreation and Park District (the "Park District") as a result of the development of the property within the CFD; and

WHEREAS, pursuant to Sections 53316.2 through 53316.6 of the California Government Code, a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the district pursuant to a joint community facilities agreement if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity; and

WHEREAS, pursuant to said Section 53316.2, the School District may have primary responsibility for the formation of a community facilities district pursuant to such a joint community facilities agreement if it is reasonably expected to have responsibility for providing facilities to be financed by a larger share of the proceeds of the levy of special taxes and bonds of the district established pursuant to the joint community facilities agreement than any other local agency, and it is expected that the School District will have responsibility for providing facilities to be financed by a larger share of the proceeds of the special taxes and bonds of the CFDs than any other agency, including the District, whose facilities will be so financed; and

WHEREAS, there has been presented to the Board of Directors a form of joint community facilities agreement to be entered into among the District, School District, and Lennar Homes of California, Inc with respect to the CFD; and

WHEREAS, the Board of Directors has determined that the proposed joint community facilities agreement will be beneficial to the residents of the District and the CFD;

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

Section 1. The Board of Directors determines that the joint community facilities agreement entitled "Joint Community Facilities Agreement by and among Jurupa Unified School District, Rubidoux Community Services District, and Lennar Homes of California, Inc with respect to Community Facilities District No. 14" (the "Agreement") will be beneficial to the residents of the District and the CFD.

Section 2. The Agreement is approved in the form submitted to the Board of Directors at the meeting at which this resolution is adopted and the President and the Secretary of the Board of Directors are authorized to execute and deliver the Agreement on behalf of the District. The General Manager of the District is authorized to consent to such modifications of the Agreement as are determined by bond counsel to the District to be necessary to comply with provisions of the Mello-Roos Community Facilities Act of 1982, and which do not affect the net amount of the proceeds of the sale of the bonds of the CFD which will be received by the District for financing the design, construction and acquisition of master plan sewer and water facilities and fire suppression facilities, or which are not otherwise material.

Section 3. The Secretary of the Board of Directors shall deliver an executed copy of the Agreement to the School District.

ADOPTED this 17th day of October, 2019

President of the Board of Directors

ATTEST:

Secretary of the Board of Directors

12. DIRECTORS COMMENTS – NON-ACTION

13. ADJOURNMENT