

Rubidoux Community Services District

Board of Directors

Christopher Barajas
Armando Muniz
Bernard Murphy
F. Forest Trowbridge
Hank Trueba Jr.

Secretary-Manager

David D. Lopez



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, September 7, 2017

1. Call to Order - Armando Muniz, President
2. Pledge of Allegiance
3. Roll Call
4. Approval of Minutes for August 17, 2017, Regular Board Meeting
5. Consider to Approve the September 8, 2017, 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:

ACTION ITEMS:

9. Consideration to Adopt Resolution No. 2017-837, A Resolution Revising RCSD District Investment Policy: **DM 2017-44**
10. Presentation on Irrigation System (Non Potable Water) of the Rubidoux CSD: **DM 2017-45**
11. Directors Comments - Non-action
12. 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 AUGUST 17, 2017, REGULAR
BOARD MEETING MINUTES

MINUTES OF REGULAR MEETING
August 17, 2017
RUBIDOUX COMMUNITY SERVICES DISTRICT

DIRECTORS PRESENT: Armando Muniz
Bernard Murphy
F. Forest Trowbridge
Christopher Barajas
Hank Trueba Jr.

DIRECTORS ABSENT:

STAFF PRESENT: Dave Lopez, General Manager
Krysta Krall, Manager Fiscal Services
Brian Jennings, Accounting/Budgeting Manager

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by Director Muniz, at 4:00 P.M., Thursday, August 17, 2017, at the District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for Regular Board Meeting, August 3, 2017.

Director Trueba moved and Director Trowbridge seconded to approve the August 3, 2017 Minutes.

The motion was carried unanimously.

Ayes – 5 (Barajas, Muniz, Murphy, Trowbridge, Trueba)
Noes - 0

ITEM 5. Consider to Approve the August 18, 2017, Salaries, Expenses and Transfers.

Approve August 18, 2017, Salaries, Expenses and Transfers.

Director Trowbridge moved and Director Trueba seconded to approve the August 18, 2017, Salaries, Expenses and Transfers.

The motion was carried unanimously.

Ayes – 5 (Barajas, Trowbridge, Muniz, Murphy, Trueba)
Noes - 0

ITEM 6. PUBLIC ACKNOWLEDGE OF NON-AGENDA MATTERS

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

ITEM 7. CORRESPONDENCE AND RELATED INFORMATION

The first piece of information was a flier from the Jurupa Community Services District inviting the District to the State of Jurupa Valley, September 12, 2017. The next article is from the Press Enterprise, regarding a water rate increase that could be rising for Lake Hemet customers. The justification for this is that the Lake Hemet MWD had to import water, which is more costly. If it takes effect, the new rates would take effect October 1, with increases on July 1 of each subsequent year through 2021. The next article is also from the Press, about Elsinore Valley MWD and how much their water and sewer rates will rise. The final article from the Press Enterprise is about the City of Riverside officials knew in 2015 about soaring overtime that exceeded some utility workers' regular pay.

ITEM 8. MANAGER'S REPORT

Operations Report:

In the board packet is the water and wastewater report comparison for the month of July. It's fairly consistent. We produce about 7 mgd and deliver about 2 mgd to the City of Riverside for treatment. Additionally, the production generating from the source which are the different types of wells and their production and also the capacity of those systems. There is also the characterization and refuge. It's broken down into regular green and recycle. There's a 40% diversion rate objective we are trying to achieve and we are just tipping the scales above that.

Emergency and Fire Report:

The Incident Report for July 1 – July 31, 2017 there were a total of 277 calls, in comparison to the same period in 2016, there were a total of 271 calls. The year to date total is 1,849, compared to 1,869 in 2016.

ITEM 9. DM 2017-42. Receive and File Cash Asset Report Ending July 2017 for All District Fund Accounts.

The year-to-date Interest ending July 31, 2017, is \$37,938.00 for District controlled accounts. With respect to District "Funds in Trust", we show \$1,679.00 which has been earned and posted. The District has a combined YTD total of \$39,617.14 as of July 31, 2017.

With respect to the District's Operating Funds (Excluding Operating Reserves), we show a balance of \$4,736,455.00 ending July 31, 2017. That is **\$234,618.00 LESS** than July 1, 2017, beginning balance of \$4,971,073.00.

The District's Field/admin Fund continues to grow and current fund balance nears \$283,382.00.

Submitted for the board of directors consideration is the July 2017, *Statement of Cash Asset Schedule Report* for your review and acceptance this evening.

Director Barajas moved and Director Trowbridge seconded to Receive and File the Statement of Cash for the Month of July 2017 for the Rubidoux Community Services District.

The motion was carried unanimously.

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

Noes – 0

Absent – 0

ITEM 10. DM 2017-43. Consideration to Authorize Scope of Work for Engineering Design Services on the Proposed Avalon Street Sewer Crossing.

Enclosed for your consideration is a proposal from TKE Engineering, Inc. (TKE) to provide engineering design services for the above-mentioned project. TKE's not to exceed fee for this work is \$39,920.00. As mentioned in the proposal, this project consists of the design for the installation of approximately 700 LF of sewer, manholes, laterals, connections and pavement repair. This project also involves the re-use of an existing 18" casing pipe under the 60 freeway.

The design and ultimate construction of this project will facilitate the sewer improvements necessary for the proposed Emerald Ridge Development, a 400-home development north of the freeway and west of Avalon. This project will also give the District another sewer crossing under the 60 freeway. The only other near-by sewer crossing was constructed at the same time as the freeway in the mid-1960's.

Although this request is for design services only, the engineer's estimate for the total project is \$385,000.00 and will be funded through the sewer restricted capital improvement fund, which has a balance of \$3,000,164.92 as of July 31, 2017. If the Emerald Ridge development is constructed as proposed, the Developer will be obligated to pay the District approximately \$2 million in sewer capacity fees.

When the design is complete and ready to bid, Staff will request Board authorization to solicit bids from licensed contractors.

Director Trowbridge moved and Director Barajas seconded authorization for TKE Engineering, Inc. to proceed with design engineering services for the Avalon Street Sewer Improvements as the 60 freeway for an amount not to exceed \$39,920.00 without prior District approval.

The motion was carried unanimously.

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

Noes – 0

Absent – 0

ITEM 11. Directors Comments – Non action.

Director Muniz adjourned the August 17, 2017, Regular Board meeting.

5. CONSIDER TO APPROVE THE SEPTEMBER 8, 2017, SALARIES,
EXPENSES AND TRANSFERS

RUBIDOUX COMMUNITY SERVICES DISTRICT
SEPTEMBER 7, 2017 (BOARD MEETING)
FUND TRANSFER AUTHORIZATION

NET PAYROLL 9/8/2017	58,500.00
WIRE TRANSFER: FEDERAL PAYROLL TAXES 8/28/17	26,000.00
WIRE TRANSFER: STATE PAYROLL TAXES 8/28/17	5,500.00
WIRE TRANSFER: TO CREDIT UNION	2,400.00
WIRE TRANSFER: PERS RETIREMENT	16,000.00
WIRE TRANSFER: PERS HEALTH PREMIUMS	393.64
WIRE TRANSFER: SECTION 125	424.61
WIRE TRANSFER: SECTION 457	2,810.00
9/8/2017 WATER FUND TO GENERAL FUND-Payables	124,865.39
WATER FUND TO GENERAL FUND-Trash	173,657.85
WATER FUND TO SEWER FUND	158,512.82
SEWER FUND TO GENERAL FUND-Payables	47,944.70
SEWER FUND TO GENERAL - Budgeted Admin Q1 (partial)	25,000.00
9/8/2017 SEWER FUND CHECKING TO LAIF SEWER OP	85,000.00
SEWER FUND CHECKING TO WATER FUND CHECKING	-
LAIF SEWER OP TO SEWER FUND CHECKING	-
LAIF WASTEWATER RESERVE TO LAIF SEWER OP	-
LAIF SEWER ML TO LAIF SEWER OP	-
LAIF WASTEWATER REPLACEMENT TO LAIF SWR OP	-
GENERAL FUND CHECKING TO LAIF SEWER ML	-
GENERAL FUND CHECKING TO LAIF PROP TAX	-
GENERAL FUND PROPERTY TAX TO GF CHECKING	-
GENERAL FUND CHECKING TO GENERAL FUND PROP TAX	-
LAIF GENERAL TO GENERAL FUND CHECKING	-
LAIF PROPERTY TAX TO GF CHECKING	475,000.00
COP PAYBACK TO LAIF-COP PAYBACK	62,260.34
WATER REPLACEMENT TO LAIF-W.R.	10,048.12
LAIF WATER ML TO LAIF WATER REPLACEMENT	-
LAIF WATER ML TO WATER FUND CHECKING	-
LAIF WATER OP TO WATER FUND CHECKING	-
LAIF WATER RESERVE TO LAIF WATER OP	-
LAIF WATER REPLACE TO LAIF WATER OP	-
LAIF WATER OP TO LAIF WATER RESERVE	-
WATER FUND CHECKING TO LAIF WATER RESERVE	69,880.40
WATER FUND CHECKING TO LAIF WATER OP	285,000.00
LAIF WATER FIELD/ADMIN TO LAIF WATER OP	-
LAIF COP TO GENERAL FUND CHECKING	-
LAIF COP TO LAIF WATER OP	-

NOTES PAYABLE

<u>DESCRIPTION</u>	<u>BALANCE</u>		<u>PAYMENT</u>	<u>DUE DATE</u>
City of Riverside (Headworks Replacement)	27,128	Prin.	13,564	Oct-17
U.S. Bank Trust (1998 COP's Refunding)	4,655,000	Prin.	603,581	Dec-17
U.S. Bank Trust (1998 COP's Refunding)	1,272,114	Intr.	118,581	Dec-17
MN Plant-State Revolving Loan	4,872,287	Prin.	119,472	Jan-18
MN Plant-State Revolving Loan	1,136,945	Intr.	62,625	Jan-18

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Bus date: 09/07/2017

Rubidoux Community Services
Preliminary Check Register

Distribution recap
OTPREG.L02 Page 7

01 General Fund

Control	Vendor Obligat'n Description	Transaction Account	Amount
	1856 READY REFRESH by NESTLE 68760 Btl Wtr	A01-5650-000	77.95
	3735 CHARTER BUSINESS 68770 Internet Svc 9/6-10/5	A01-5650-000	125.00
	4900 DURNEY, DON 68709 Aug '17 Grdng Svc	A01-5645-000	135.00
	11452 KH METALS & SUPPLY 68809 R&M Ofc	A01-5645-000	9.04
	68810 R&M Ofc	A01-5645-000	7.48
	11452 KH METALS & SUPPLY		16.52 **
	12715 LUCE COMMUNICATIONS: dba ABG COMM. 68713 Sept '17 Postage	A01-5664-000	3,000.00
	68742 WA41 FN 8/9	A01-5650-000	192.07
	68743 WA41 INV 8/10	A01-5650-000	773.97
	68744 WA40 FN 8/16	A01-5650-000	185.66
	12715 LUCE COMMUNICATIONS: dba ABG COMM.		4,151.70 **
	13200 MERIT OIL COMPANY 68745 Gasoline	A01-5700-000	130.98
	68746 Gasoline	A01-5700-000	155.47
	68779 Gasoline	A01-5700-000	118.96
	13200 MERIT OIL COMPANY		405.41 **
	16893 PRUDENTIAL OVERALL SUPPLY CO 68716 Floor Mats	A01-5645-000	48.75
	68748 Floor Mats	A01-5645-000	48.75
	16893 PRUDENTIAL OVERALL SUPPLY CO		97.50 **
	18191 RCSD 68814 Petty Cash Reimburse	A01-5620-000	99.90
		A01-5675-000	115.22
	68814 Petty Cash Reimburse		215.12 **
	18191 RCSD		215.12 **
	18356 RELIABLE WORKPLACE SOLUTIONS 68717 Credit	A01-5675-000	-40.22
	68718 Supplies	A01-5675-000	148.74
	68783 Supplies	A01-5675-000	104.60
	68784 Aug '17 Copier Usg	A01-5630-000	104.64
	68785 Aug '17 Printer Usg	A01-5630-000	42.62
	18356 RELIABLE WORKPLACE SOLUTIONS		360.38 **
	18436 RIVERSIDE COUNTY CDF 68786 4th Qtr FY 16/17	A01-5823-020	438,160.01

OK [Signature]
8/31/2017

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01 General Fund

Control	Vendor	Obligat'n Description	Transaction Account	Amount
19775	STANDARD INSURANCE			
	68791	Sept '17 LT Dsblty Ins	A01-5030-000	1,048.41
19885	STREAMLINE			
	68723	Aug '17 Website	A01-5885-000	400.00
20318	TEK COLLECT			
	68724	1st Instlmt - 1,000	A01-5650-000	5,000.00
20377	TERRYBERRY			
	68792	Service Pins	A01-5650-000	426.92
20845	TRI-CO DISPOSAL, INC			
	68815	Commercial Trash 8/10-8/30	A01-5410-010	83,857.17
	68816	Residential Trash 8/10-8/30	A01-5410-010	89,800.68
	68817	RCSD Share Commercial	A01-5410-010	-8,386.81
	68818	RCSD Share Residential	A01-5410-010	-930.42
	68819	Billing Fee	A01-5410-010	-3,000.00
20845	TRI-CO DISPOSAL, INC			161,340.62 **
21587	UNITED PARCEL SERVICE			
	68756	Postage	A01-5664-000	27.67
22090	VSP-VISION SERVICE PLAN			
	68757	Sept '17 Vision Ins	A01-5030-000	282.83
01 General Fund				612,271.04 **

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Rubidoux Community Services
Preliminary Check Register

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30 Water Fund

Control	Vendor Obligat'n Description	Transaction Account	Amount
1450	AIRGAS USA, LLC		
	68691 Tank Rental	A30-5640-000	133.48
	68759 CO2 Tanks	A30-5640-000	157.34
1450	AIRGAS USA, LLC		290.82 **
1810	AQUA METRIC SALES CO		
	68728 2" Meters	A30-1515-000	2,172.24
	68729 3/4" Meters	A30-1515-000	11,475.38
1810	AQUA METRIC SALES CO		13,647.62 **
1856	READY REFRESH by NESTLE		
	68760 Btl Wtr	A30-5650-000	78.21
2004	B.P.S. B's POOL SUPPLIES		
	68692 Sodium Hypo	A30-5652-000	1,828.69
	68761 Sodium Hypo	A30-5650-005	457.62
		A30-5652-000	1,189.82
	68761 Sodium Hypo		1,647.44 **
2004	B.P.S. B's POOL SUPPLIES		3,476.13 **
2030	BABCOCK, E S & SONS, INC		
	68693 Water Analyses	A30-5340-000	75.00
	68694 Water Analyses	A30-5650-005	240.00
	68695 Water Analyses	A30-5340-000	490.00
	68696 Water Analyses	A30-5650-005	130.00
	68697 Water Analyses	A30-5650-005	80.00
	68698 Water Analyses	A30-5650-005	45.00
	68699 Water Analyses	A30-5650-005	1,250.00
	68700 Water Analyses	A30-5340-000	105.00
	68701 Water Analyses	A30-5340-000	75.00
	68702 Water Analyses	A30-5340-000	275.00
	68703 Water Analyses	A30-5340-000	45.00
	68705 Water Analyses	A30-5650-005	170.00
	68730 Wrkshp - Bugbee	A30-5690-000	95.00
	68731 Water Analyses	A30-5650-005	30.00
	68732 Water Analyses	A30-5340-000	1,875.00
	68733 Water Analyses	A30-5340-000	45.00
	68734 Water Analyses	A30-5650-005	275.00
	68762 Water Analyses	A30-5340-000	120.00
	68763 Water Analyses	A30-5340-000	45.00
	68764 Water Analyses	A30-5650-005	80.00
	68765 Water Analyses	A30-5340-000	490.00
	68766 Water Analyses	A30-5650-005	110.00
	68767 Water Analyses	A30-5650-005	30.00
	68798 Water Analyses	A30-5650-005	30.00
	68799 Water Analyses	A30-5340-000	45.00
	68800 Water Analyses	A30-5340-000	1,000.00
	68801 Water Analyses	A30-5340-000	500.00
	68802 Water Analyses	A30-5650-005	110.00

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Rubidoux Community Services
 Preliminary Check Register

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30 Water Fund

Control	Vendor Obligat'n Description	Transaction Account	Amount
	2030 BABCOCK, E S & SONS, INC	** Continued **	
	68803 Water Analyses	A30-5340-000	160.00
	68804 Water Analyses	A30-5650-005	80.00
	68805 Water Analyses	A30-5340-000	490.00
	68806 Water Analyses	A30-5650-005	30.00
	2030 BABCOCK, E S & SONS, INC		8,620.00 **
	2718 BOOT BARN		
	68735 Boots - Moreno	A30-5655-000	174.95
	3658 MUNKSGAARD, HENRY M DBA:CenterElec.		
	68769 Pump Rpr	A30-5650-005	690.46
	3735 CHARTER BUSINESS		
	68770 Internet Svc 9/6-10/5	A30-5650-000	125.00
	3749 CITY OF JURUPA VALLEY		
	68707 Permits	A30-5685-000	423.15
	68708 Permits	A30-5685-000	424.56
	68771 Permits	A30-5685-000	421.17
	3749 CITY OF JURUPA VALLEY		1,268.88 **
	3825 COLE EQUIPMENT INC.		
	68808 R&M Water	A30-5640-000	213.79
	3921 CROWN ACE HARDWARE		
	68736 Sprayer	A30-5650-000	7.53
	68737 Supplies	A30-5650-000	25.82
	68772 Supplies	A30-5650-000	8.07
	3921 CROWN ACE HARDWARE		41.42 **
	4305 DE ANZA FENCE CO		
	68738 Fence Rpr	A30-5640-000	325.00
	5040 EAST VALLEY WATER DISTRICT		
	68773 ERNIE - Dues	A30-5685-000	400.00
	5555 ELECTRONICS WAREHOUSE		
	68710 Connectors	A30-5650-000	73.73
	68711 Battery	A30-5650-000	23.87
	5555 ELECTRONICS WAREHOUSE		97.60 **
	6118 FELIX, EROLINDA		
	68796 Rfnd 6076 Bonhill	A30-4035-000	142.09
	7360 GENESIS PRINTERS		
	68774 Red Cards	A30-5650-000	752.28
	8077 HARRINGTON INDUSTRIAL PLASTICS		

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Rubidoux Community Services
Preliminary Check Register

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30 Water Fund

Control	Vendor Obligat'n Description	Transaction Account	Amount
	8077 HARRINGTON INDUSTRIAL PLASTICS	** Continued **	
	68739 Pump	A30-5650-000	1,749.63
	68775 PVC Parts	A30-5650-005	211.59
	8077 HARRINGTON INDUSTRIAL PLASTICS		1,961.22 **
	9510 SO CAL TRUCKWORKS		
	68740 R&M Truck	A30-5620-000	64.30
	68741 R&M Truck	A30-5620-000	71.39
	68776 R&M Truck	A30-5620-000	184.57
	9510 SO CAL TRUCKWORKS		320.26 **
	9687 INNOVATIVE CONST. SOLUTIONS		
	68712 Hydrnt Mtr Rfnd	A30-2410-000	1,481.75
	10055 JADTEC SECURITY SVCS, INC.		
	68777 Monitoring	A30-5650-005	47.85
	12080 LAWNMOWER CENTER		
	68778 R&M Equip	A30-5630-000	166.10
	13200 MERIT OIL COMPANY		
	68745 Gasoline	A30-5700-000	851.36
	68746 Gasoline	A30-5700-000	1,010.53
	68779 Gasoline	A30-5700-000	773.25
	13200 MERIT OIL COMPANY		2,635.14 **
	13667 WRM INC. dba: MORGAN COMPANY		
	68714 R&M Truck	A30-5620-000	140.22
	13678 MORTON SALT, INC.		
	68747 Salt	A30-5650-005	3,276.98
	13900 MULTI W. SYSTEMS, INC.		
	68715 Check Valve	A30-5650-000	321.85
	16893 PRUDENTIAL OVERALL SUPPLY CO		
	68716 Floor Mats	A30-5642-000	50.00
	68748 Floor Mats	A30-5642-000	50.00
	16893 PRUDENTIAL OVERALL SUPPLY CO		100.00 **
	18003 R&D MECHANICAL SUPPLY, INC		
	68749 Probe	A30-5650-000	288.10
	68780 Curb Stops	A30-5650-000	3,412.03
	68781 Copper Parts	A30-5650-000	520.50
	18003 R&D MECHANICAL SUPPLY, INC		4,220.63 **
	18585 RIVERSIDE TONGAN MINISTRY		
	68719 Hydrnt Mtr Rfnd	A30-2410-000	1,475.50

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

7. CORRESPONDENCE AND RELATED INFORMATION

Discussed Board Packet



State Commission Adopts 20 Recommendations for Special Districts

At its August 24 business meeting, the Little Hoover Commission unanimously voted to approve its final report on special districts, adopting 20 formal recommendations. Within its report, the Commission calls upon Governor Jerry Brown and State Legislative leaders to enact CSDA-sponsored Assembly Bill 979 (Lackey) related to Local Agency Formation Commissions. The Commission also calls for the introduction of new legislation, including a requirement for special districts to have websites.

CSDA will brief its members on the outcomes and ramifications of the Commission's report as part of the August 31 [Legislative Roundup webinar](#), free to CSDA members. The special district report is now in the process of being formatted and is expected to be formally published on or about August 30. A draft version of the [Executive Summary](#), from the August 24 business meeting, outlines the Commission's recommendations.

In their final draft, the Little Hoover Commission's 20 recommendations largely address the concerns CSDA shared in its [July 13 letter](#), submitted following the Commission's June 22 advisory committee meeting where CSDA and other stakeholders discussed the Commission staff's draft potential recommendations. The full Little Hoover Commission report, penned in the wake of two hearings, two advisory committee meetings, and 12 months of examination, is divided into four sections:

1. Appropriate State Oversight
2. Improving Transparency
3. What Role for Healthcare Districts?
4. Ready California for Climate Change

Each section of the report includes a narrative and excerpts from the written and oral testimony offered by witnesses throughout the Commission's review. In his cover letter to the report, Little Hoover Commission Chair Pedro Nava, who served as the keynote speaker at CSDA's 2017 Special Districts Legislative Days conference, states, "During its study process, the Commission discussed some rather extreme solutions that generated intense interest. Through a very robust public process, however, the Commission ultimately concluded that local institutions are best served by local decision-making."

Nava also notes in his cover letter that, "The Commission found some progress but also saw a missed opportunity for special districts – many have a great story to tell. Very rarely are taxpayer dollars so closely tied to services provided in the community. And still people do not seem to know much about these local governments and their locally-elected boards."

Later in his letter, Nava affirms, "The Commission found significant improvements since its last review in the way that districts communicate their activities and finances with their constituents although not every district has a website."

Throughout the report, the Commission commends CSDA and the Special District Leadership Foundation (SDLF) for efforts to improve special district governance, as well as public awareness and understanding of special districts. According to the report, "The California Special Districts Association in partnership with the

nonprofit Special District Leadership Foundation can be credited with making significant strides in improving online transparency for many special districts since the Commission's 2000 report." The Commission specifically cites SDLF's [Transparency Certificate of Excellence](#) program and CSDA's [Special District Reserve Guidelines](#) publication.

Among the recommendations within the state oversight section of the report, the Commission calls upon the Legislature to avoid overriding local LAFCO actions and to support LAFCO's with one-time grant funding. In its preamble to these recommendations, the Commission states, "After significant additional public input and several deliberations, the Commission still largely agrees, as it did in 2000, that keeping or dissolving a special district remains more of a local choice than a choice to be exercised within the Capitol."

In its section on transparency, the Commission calls for all special districts to have a website. However, the Commission does acknowledge the need for exemptions for districts that fall under a determined size based on revenue and/or number of employees, as well as those in locations without stable Internet access. The Commission writes, "At the June 2017 advisory committee meeting, Commissioners agreed that the goal of increased transparency was not to micromanage or create unnecessary burdens or significant new mandates for special districts but to improve trust in government. Ultimately, it is in the best interest of special districts to 'tell their story.' Many are quietly providing excellent services, often unnoticed until a rate hike is proposed, a street floods or the power goes out."

While the Commission generally reviewed all independent special districts, the third section of the report narrows in on healthcare districts. It states, "No category of special district is perhaps more misunderstood regarding its proper role within the local and regional governing apparatus of California." The Commission put forward three recommendations related specifically to healthcare districts, including a call to update their enabling act, "...to better define the mission of healthcare districts."

Finally, in its fourth section on climate change, the Commission overviews the work of numerous water, wastewater, and flood control districts and asserts, "These forward motions by California districts might, in some or even most cases, be among the most advanced nationally for climate change adaptation. Yet, there is clearly more that trade associations for these districts – and also state government – can do to help and also to stay out of their way with regulatory outreach."

CSDA reviewed the Commission's report with its Board of Directors on August 25 and looks forward to briefing its full membership at the [August 31 Legislative Roundup webinar](#). CSDA will then begin the process of vetting the recommendations with its Legislative Committee and other stakeholders to determine how to best to move forward in light of the Commission's work. As it did following the 2000 Commission report, CSDA will work diligently and collaboratively to continue moving special districts forward and provide members with the resources they need to best serve their communities.

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner

Assembly Bill No. 979

Passed the Assembly May 22, 2017

Chief Clerk of the Assembly

Passed the Senate August 21, 2017

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2017, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 56332 and 56332.5 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 979, Lackey. Local agency formation commissions: district representation.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides for the selection of representatives of independent special districts on each local agency formation commission by an independent special district selection committee pursuant to a nomination and election process. Existing law requires the executive officer of the commission to call and hold a meeting of the special district selection committee upon, among other things, receipt of a written request by one or more members of the selection committee, as specified.

This bill would additionally require the executive officer to call and hold a meeting of the special district selection committee upon the adoption of a resolution of intention by the committee relating to proceedings for representation of independent special districts upon the commission pursuant to specified law. The bill would also require the executive officer to call and hold a meeting of the special district selection committee upon receipt of a written request by one or more members of the selection committee notifying the executive officer of the need to appoint a member representing independent special districts to an oversight board of a successor agency to a dissolved redevelopment or community development agency. By increasing the duties of the executive officer, this bill would impose a state-mandated local program.

If the independent special district selection committee has determined to conduct business by mail or if the executive officer determines that a meeting of the special district selection committee, for the purpose of appointing the special district members or filling vacancies, is not feasible, existing law requires the executive officer to conduct the business of the committee, including elections, by mail in accordance with specified procedures. Existing law, for an election pursuant to these

procedures to be valid, requires that at least a quorum of the special districts submit valid ballots.

This bill, for a vote on special district representation to be valid, would require that at least a quorum of the special districts submit valid ballots. The bill would require the selection committee, by majority vote of those district representatives voting on the issue, to either accept or deny representation.

Existing law requires the commission, if it does not have representation from independent special districts on January 1, 2001, to initiate proceedings for representation of those districts upon the commission if requested by independent special districts. Existing law, upon receipt of resolutions proposing representation of independent special districts upon the commission by a majority of the independent special districts within a county, requires the commission to adopt a resolution of intention and specifies the procedures for those proceedings.

This bill would instead require the commission to adopt a resolution of intention upon either the receipt of a written request by one or more members of the selection committee representing districts having 10% or more of the assessed value of taxable property within the county or the adoption of a resolution by the commission proposing representation of special districts upon the commission.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 56332 of the Government Code is amended to read:

56332. (a) The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district. However, if the presiding officer of an independent special district is unable to participate in a meeting or election of the independent special district selection committee, the legislative body of the district may appoint one of its members

as an alternate to participate in the selection committee in the presiding officer's place. Those districts shall include districts located wholly within the county and those containing territory within the county representing 50 percent or more of the assessed value of taxable property of the district, as shown on the last equalized county assessment roll. Each member of the committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer or his or her alternate as designated by the governing body. Members representing a majority of the eligible districts shall constitute a quorum.

(b) The executive officer shall call and give written notice of all meetings of the members of the selection committee. A meeting shall be called and held under one of the following circumstances:

(1) Whenever the executive officer anticipates that a vacancy will occur within the next 90 days among the members or alternate member representing independent special districts on the commission.

(2) Whenever a vacancy exists among the members or alternate member representing independent special districts upon the commission.

(3) Upon receipt of a written request by one or more members of the selection committee representing districts having 10 percent or more of the assessed value of taxable property within the county, as shown on the last equalized county assessment roll.

(4) Upon the adoption of a resolution of intention pursuant to Section 56332.5.

(5) Upon receipt of a written request by one or more members of the selection committee notifying the executive officer of the need to appoint a member representing independent special districts on an oversight board pursuant to paragraph (3) of subdivision (j) of Section 34179 of the Health and Safety Code.

(c) The selection committee shall appoint two regular members and one alternate member to the commission. The members so appointed shall be elected or appointed members of the legislative body of an independent special district residing within the county but shall not be members of the legislative body of a city or county. If one of the regular district members is absent from a commission meeting or disqualifies himself or herself from participating in a meeting, the alternate district member may serve and vote in place of the regular district member for that meeting. Service on the

commission by a regular district member shall not disqualify, or be cause for disqualification of, the member from acting on proposals affecting the special district on whose legislative body the member serves. The special district selection committee may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the district on whose legislative body the member serves.

(d) If the office of a regular district member becomes vacant, the alternate member may serve and vote in place of the former regular district member until the appointment and qualification of a regular district member to fill the vacancy.

(e) A majority of the independent special district selection committee may determine to conduct the committee's business by mail, including holding all elections by mailed ballot, pursuant to subdivision (f).

(f) If the independent special district selection committee has determined to conduct the committee's business by mail or if the executive officer determines that a meeting of the special district selection committee is not feasible, the executive officer shall conduct the business of the committee by mail. Elections by mail shall be conducted as provided in this subdivision.

(1) The executive officer shall prepare and deliver a call for nominations to each eligible district. The presiding officer, or his or her alternate as designated by the governing body, may respond in writing by the date specified in the call for nominations, which date shall be at least 30 days from the date on which the executive officer mailed the call for nominations to the eligible district.

(2) At the end of the nominating period, if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed. If two or more candidates are nominated, the executive officer shall prepare and deliver one ballot and voting instructions to each eligible district. The ballot shall include the names of all nominees and the office for which each was nominated. Each presiding officer, or his or her alternate as designated by the governing body, shall return the ballot to the executive officer by the date specified in the voting instructions, which date shall be at least 30 days from the date on which the executive officer mailed the ballot to the eligible district.

(3) The call for nominations, ballots, and voting instructions shall be delivered by certified mail to each eligible district. As an

alternative to the delivery by certified mail, the executive officer, with prior concurrence of the presiding officer or his or her alternate as designated by the governing body, may transmit materials by electronic mail.

(4) If the executive officer has transmitted the call for nominations or ballots by electronic mail, the presiding officer, or his or her alternate as designated by the governing body, may respond to the executive officer by electronic mail.

(5) Each returned nomination and ballot shall be signed by the presiding officer or his or her alternate as designated by the governing body of the eligible district.

(6) For an election to be valid, at least a quorum of the special districts must submit valid ballots. The candidate receiving the most votes shall be elected, unless another procedure has been adopted by the selection committee. Any nomination and ballot received by the executive officer after the date specified is invalid, provided, however, that if a quorum of ballots is not received by that date, the executive officer shall extend the date to submit ballots by 60 days and notify all districts of the extension. The executive officer shall announce the results of the election within seven days of the date specified.

(7) For a vote on special district representation to be valid, at least a quorum of the special districts must submit valid ballots. By majority vote of those district representatives voting on the issue, the selection committee shall either accept or deny representation.

(8) All election materials shall be retained by the executive officer for a period of at least six months after the announcement of the election results.

(g) For purposes of this section, "executive officer" means the executive officer or designee as authorized by the commission.

SEC. 2. Section 56332.5 of the Government Code is amended to read:

56332.5. (a) If the commission does not have representation from independent special districts on or before January 1, 2001, the commission shall initiate proceedings for representation of independent special districts upon the commission if either of the following occur:

(1) Upon receipt of a written request by one or more members of the selection committee representing districts having 10 percent

or more of the assessed value of taxable property within the county, as shown on the last equalized county assessment roll.

(2) Upon adoption of a resolution by the commission proposing representation of special districts upon the commission.

(b) The commission, at its next regular meeting, shall adopt a resolution of intention. The resolution of intention shall state whether the proceedings are initiated by the commission or by an independent special district or districts, in which case, the names of those districts shall be set forth. The commission shall order the executive officer to call and give notice of a meeting of the independent special district selection committee to be held within 15 days after the adoption of the resolution in order to determine whether independent special districts shall accept representation on the commission and appoint independent special district representation pursuant to Section 56332.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

Approved _____, 2017

Governor

<https://www.googletagmanager.com/ns.html?id=GTM-TLFP4R>

LOCAL NEWS

Dormant Lake Elsinore electricity project powered up again



FILE PHOTO

A company is proposing to build a hydroelectric power project on Lake Elsinore's west side, seen in this photo.

By **MICHAEL WILLIAMS** |

August 25, 2017 at 4:46 pm



Proponents of a controversial plan to build a hydroelectric power system in Lake Elsinore and the Cleveland National Forest have resurrected the previously rejected project by filing a notice with a federal agency.

The Vista-based firm [Nevada Hydro](#) recently submitted a Notice of Intent to File (a) License Application to the [Federal Energy Regulatory Commission](#) on behalf of its Lake Elsinore Advanced Pumped Storage project, popularly known as LEAPS.

The company's action immediately generated local concern, with the [city of Lake Elsinore](#) and the [Elsinore Valley Municipal Water District](#) issuing letters in opposition. The city owns the lake, while Elsinore Valley has water rights.

County Supervisor Kevin Jeffries, whose district would encompass the project, plans to ask his colleagues to take a stance against renewal of the application when they meet Tuesday, Aug. 29, at the County Administration Center in downtown Riverside.

"I don't think this is a good project for Lake Elsinore," he said. "It has too many potential adverse impacts on the community and the lake, and the Cleveland National Forest, and shouldn't be pursued."

Yet Nevada Hydro representative David Kates said the infrastructure, which he estimated would cost \$1.5 billion to build, would be a valuable renewable energy source, augment the lake's water supply and boost the economy.

"The important thing to note is we're going to help the governor's effort to increase the renewables here in California without having to build more gas-powered generators to support that goal," he said. "We're going to help stabilize the lake and we're going to have a lot of people coming down to build it."

Nevada Hydro's plan calls for construction of a reservoir atop the mountains west of Lake Elsinore and an underground power plant with turbines on the lake's western edge.

Water from the reservoir would be released downhill to the lake to turn the turbines, generating up to 500 megawatts during peak demand for electricity, which would be conveyed over power lines to Southern California Edison's and San Diego Gas & Electric's systems. Water would be pumped from the lake up to the reservoir at night when electrical costs are cheaper.

The project surfaced in the late 1980s and finally reached the commission for a decision in July 2011. The commissioners dismissed the application, but allowed the proponents to reapply.

Kates said part of the impetus for moving forward now is the increased reliance on solar-generated power, the production of which varies with weather conditions, as well as the shutdown of the San Onofre nuclear power plant. California's electricity manager, the Independent System Operator, has concluded more large power storage facilities are needed, Kates said.

"There are very few good sites where pumped storage can be built," he said. "They're a function of geography. Decades ago, Lake Elsinore was identified as a good place for pumped storage."

Yet, many who live around Lake Elsinore and in the path of the proposed power lines — as well as environmentalists — have decried the project as a boondoggle.

The organization We Are Temescal Valley, representing the community between Lake Elsinore and Corona, opposes the proposed installation in part because it could result in power facilities and transmission lines being erected near their neighborhoods.

Communications Chairwoman Jannlee Watson said members are concerned about Nevada Hydro's request for the commission to rely on environmental documentation for the project that dates to 2007 rather requiring a new analysis.

"Where those lines would connect in Temescal Valley impacts projects the county has already approved," she said. "Some are being built, while others have yet to be built. We've had wholesale general plan amendments and updates that aren't being taken into consideration."

The impacts in the Cleveland National Forest from the reservoir and power lines have also inspired antagonism. Some question where Nevada Hydro would get sufficient water to fill the reservoir, since the lake is shallow and notoriously prone to drought.

The water district used to be a partner in the project, but eventually the board decided to part ways, prompting a lawsuit by Nevada Hydro that is scheduled for trial in September.

“This project doesn’t work at all unless you can secure a guaranteed water supply and in California, we know there is no guarantee on our water supply, ever,” Jeffries said. “Why someone would want to spend so much money on such a risky venture ... doesn’t make sense.”

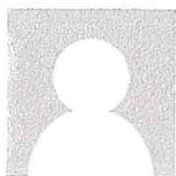
IF YOU GO

What: Riverside County Board of Supervisors deals with the proposed Lake Elsinore Advanced Pumped Storage Project, among other issues

When: 9 a.m., Tuesday, Aug. 29

Where: Riverside County Administration Center, 4080 Lemon St., Riverside

Info: countyofriverside.us



Michael Williams

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The Daily Breeze (<http://www.dailybreeze.com>)

First-ever water tax proposed to tackle unsafe drinking water in California

By Katy Murphy, kmurphy@bayareanewsgroup.com

Thursday, August 24, 2017



SACRAMENTO >> For the first time Californians would pay a tax on drinking water, 95 cents per month, under legislation to fix hundreds of public water systems with unsafe tap water — a problem that's most pervasive in rural areas with agricultural runoff.

Senate Bill 623, backed by a strange-bedfellows coalition of the agricultural lobby and environmental groups but opposed by water districts, would generate \$2 billion over the next 15 years to clean up contaminated groundwater and improve faulty water systems and wells.

"My message is short and direct: We are not Flint, Michigan," co-author Sen. Robert Hertzberg, D-Van Nuys, said at a Wednesday rally outside the Capitol, where demonstrators held signs reading "Clean water is not a luxury" and "Water is a human right."

Ironically, many Californians are more aware of the crisis in Flint — where state and local officials in 2015 told residents about lead contamination in the drinking water, after claiming it was safe to drink — than about the water problems in their home state, said the measure's main author, Sen. Bill Monning, D-Monterey. He called this "a pivotal time in our state's history to do the right thing."

SB 623 has been moving through the Legislature for months, but was amended Monday to include the tax on water for both homes and businesses. It also imposes taxes on farms and dairies, roughly \$30 million annually, to address some of the contamination caused by fertilizers and other chemicals. Because it includes new taxes, the proposal will need a two-thirds vote in each house to pass, which supporters concede will be a battle.

Still, Monning has been able to forge the unusual alliance of farmers and environmental groups, which rarely agree on public policy. He also has the support of at least one Republican lawmaker: Sen. Andy Vidak, a cherry farmer who said his Central Valley district — which includes Hanford, Fresno and Bakersfield — is the epicenter of the drinking-water problem.

"This is very, very important to my constituents," he said after the rally, as some of them began chanting on the Capitol steps. "This is one of the most important things in my district."

But water agencies say taxing drinking water sets a dangerous precedent and that the bill would turn them into state tax collectors. "Water is essential to life. Should we tax drinking water? We don't think so," said Cindy Tuck, a spokeswoman for the Association of California Water Agencies.

Sue Stephenson, a spokeswoman for the Dublin San Ramon Services District, said she supported the intent of the proposal — potable drinking water for all — but argued that lawmakers should use the money in existing coffers.

“The whole purpose of the general fund is to help take care of disadvantaged communities,” she said. “There’s no reason that they could not also fund communities that need access to drinking water.”

Marie Barajas, of San Jose, had a similar reaction. “That’s not fair. We’re not responsible for that,” she said. “That’s why we pay taxes.”

Monning, however, argues that the general fund isn’t a reliable funding source and that the proposed tax on households, amounting to roughly \$11.40 per year, is negligible. “You’re not going to notice it on your water bill,” he said.

The bill is now relegated with hundreds of others in the “suspense file” of the Assembly Appropriations Committee. The panel must decide by Sept. 1 to move it to the Assembly floor for a vote.

Selerina Chavez took a day off from work to drive from the Kern County city of Arvin for the rally. She said she hoped lawmakers would try to fix the problem posing health risks to her family and her neighbors, many of whom are farm workers or living on fixed incomes.

When she moved from Ventura County more than 20 years ago, she said, it never occurred to her that the water would be unsafe for her family to drink. They drank it for years, she said, before she learned a few years ago that it contained unsafe levels of arsenic.

“I thought about my children,” she said in Spanish. “How many years have we been drinking this water?”

In addition to her regular water bill, she spends \$40 per week buying drinking water. She also buys water for cooking.

Now, she said, “I have three water bills.”

SENATE BILL 623

What is it?: SB 623, by Sen. Bill Monning, D-Monterey, would generate \$2 billion over 15 years for a Safe and Affordable Drinking Water Fund, which would provide emergency water and longer-term system fixes for hundreds of communities whose tap water doesn’t meet safe drinking-water standards.

Where would the money come from? The proposal would generate roughly \$110 million per year through a 95-cent monthly fee on home water bills as well as taxes on businesses of up to \$10 per month. Another \$30 million would come from higher fees on agricultural and dairy businesses, industries whose chemicals contribute to the problem of contaminated groundwater.

Who’s for it?: Who’s against it? The bill is backed by the agriculture and dairy lobbies, as well as by a long list of environmental, social justice and civic groups — an unusual combo. Water districts are against the bill, saying that taxing water users creates a bad precedent and that collecting the money would be burdensome.

Will it pass?: If the Assembly Appropriations Committee moves the bill to the floor, it needs a two-thirds vote of each house, which is always a challenge. What's more, Assembly Republican Leader Chad Mayes has faced intense blow-back for his bipartisan collaboration to extend California's landmark climate program, called "cap and trade." But SB 623 does have one Republican co-author: Sen. Andy Vidak, of Hanford.

Contact Katy Murphy at 916-441-2101.

URL: <http://www.dailybreeze.com/government-and-politics/20170824/first-ever-water-tax-proposed-to-tackle-unsafe-drinking-water-in-california>

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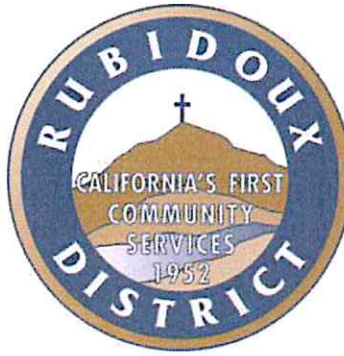
8. MANAGER'S REPORT:

9. CONSIDERATION TO ADOPT RESOLUTION NO. 2017-837, A
RESOLUTION REVISING RCSD DISTRICT INVESTMENT POLICY:
DM 2017-44

Rubidoux Community Services District

Board of Directors
Christopher Barajas
Armando Muniz
Bernard Murphy
F. Forest Trowbridge
Hank Trueba Jr.

Secretary-Manager
David D. Lopez



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

DIRECTORS MEMORANDUM 2017-44

September 7, 2017

To: Rubidoux Community Services District
Board of Directors

Subject: Annual Review of Investment Policy and Financial Institutions

BACKGROUND:

It's been over twenty (20) years since the Board of Directors adopted a "Statement of Investment Policy" for the Rubidoux Community Services District. ***As required by California Government Code Section 5364(a), the legislative body shall annually review the policy and change(s) at a public meeting.*** The purpose of such annual review during a public meeting is to ensure that all investments practices meet Federal, State, and local criteria for prudent management of said local public agency assets. This annual investment policy review is a result of Orange County's Bankruptcy in December 1994.

The attached investment policy sets strategies and guidelines which diversifies assets and maximizes rates while reducing risks. The District continues to exercise most investment instruments, seeking the best yields for our monies. Conservative investment coupled with diversification in this economic environment is a prudent investment management strategy to follow when public monies are at stake. Staff does recommend adjustments, modifications or changes to the attached Rubidoux

Community Services District "Statement of Investment Policy". Those changes are summarized on Krysta Krall's Memo authored on August 29, 2017, and attached hereto.


Further, the above recommendations have been incorporated and highlighted into the Rubidoux Community Services District Investment Policy for your review. If acceptable, the attached Resolution No. 2017-837 is presented for the Board of Directors adoption this afternoon.

With respect to our banking and investment institutions, Staff is requesting to keep active, for investments purposes, those banking institutions listed on attached Resolution No. 799. Consequently, no changes are recommended this year.

RECOMMENDATION:

Staff recommends the Adoption of Resolution No. 2017-837 which modifies and updates the Rubidoux Community Services District Investment Policy.

Respectfully,



David D. Lopez
Secretary-Manager

Attachment: Modify Investment Policy
Krysta Krall's Memo Dated 8/29/2017
Draft Res. No. 2017-837
Copy Res. 799

MEMORANDUM

TO: David Lopez, General Manager
FROM: Krysta Krall, Mgr. of Fiscal Services
DATE: August 29, 2017
SUBJECT: Investment Policy and Authorized Financial Institutions

INVESTMENT POLICY

Resolution No. 667 was adopted at the regular Board Meeting on July 17, 1997, which authorized the Rubidoux Community Services District's current Statement of Investment Policy. In reviewing the Investment Policy of the District, I have noted the following changes to update the Policy:

1. Page 3 - D. Time Deposits.
....Maturity may not exceed **two years (change from one year)** not to exceed \$2,500,000....
2. Add section IX. DELEGATION OF AUTHORITY, page 6
3. Add section X. ETHICS AND CONFLICT OF INTEREST, page 6
4. Renumber section XI. INVESTMENT CONTROLS, page 6

This year's analysis also considered the current economy and the desire to maintain conservative investments along with maximizing yield.

AUTHORIZED FINANCIAL INSTITUTIONS

Resolution No. 799 was adopted at the regular Board Meeting on September 16, 2010. It authorizes the use of Bank of America/Merrill Lynch, Union Bank of California, Citizens Business Bank and Security Bank of California, who merged with Pacific Premier Bank in April 2016, as institutions the District may use to transact business. We are currently using Citizens Business and Pacific Premier Bank.

RECOMMENDATION

I recommend the changes mentioned above to be made to the District's investment policy. I also recommend that the list of authorized financial institutions be maintained as is to allow some flexibility should circumstances change.

RESOLUTION NO. 2017-837

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE RUBIDOUX COMMUNITY SERVICES DISTRICT
ADOPTING A STATEMENT OF INVESTMENT POLICY**

WHEREAS, California Government Code Sections 5921 and 53600 et seq. require the legislative body of a special district to adopt an investment policy on an annual basis; and

WHEREAS, the Board of Directors of the Rubidoux Community Services District has authorized a Statement of Investment Policy attached as Exhibit A.

NOW THEREFORE BE IT RESOLVED that this Resolution supersedes Resolution No. 667 in its entirety was approved and adopted on the 7th day of September, 2017, at the Regular Meeting of the Board of Directors of the Rubidoux Community Services District by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Armando Muniz, Director

Christopher Barajas, Director

F. Forest Trowbridge, Director

Bernard Murphy, Director

Hank Trueba, Jr., Director

(seal)

ATTEST:

David D. Lopez
Secretary to the Board

APPROVED AS TO FORM AND CONTENT:

John R. Harper, District Counsel

Exhibit "A"

RUBIDOUX COMMUNITY SERVICES DISTRICT

Statement of Investment Policy

Introduction

This statement is intended to outline the policies for maximizing the efficiency of the Rubidoux Community Services District's (District) Cash Management System and for the prudent investment of the District's funds, and to provide guidelines for suitable investments.

The legislative body of a special district may invest surplus moneys not required for the immediate necessities of the special district in accordance with the provisions of California Code Sections 5921 and 53601 et seq.

The General Manager of the District shall annually prepare and submit a Statement of Investment Policy. Such policy and changes shall be considered by the legislative body at a public meeting (CGC 53646(a)).

The District shall attempt to obtain the optimal yield, provided that all investments meet the criteria established for safety and liquidity.

The investment policies and practices of the District are based upon Federal, State and Local law and prudent money management. The primary goals of these policies are:

1. To assure compliance with all Federal, State and Local laws governing the investment of moneys under the control of the District's Financial Officer.
2. To protect the principal moneys entrusted to the District.
3. To generate the optimal amount of investment income within the parameters of this Statement of Investment Policy and the guidelines for suitable investments.

I. SCOPE

All moneys entrusted to the District will be pooled in an actively managed portfolio. The Investment Pool or "Portfolio" will be referred to as the "FUND" throughout the remainder of this document.

II. OBJECTIVES

A. Safety of Principal

Safety of principal is the foremost objective of the District. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institution default, broker-dealer default, or erosion of market value of securities. The District shall seek to preserve principal by mitigating the two types of risk--credit risk and market risk.

Investments shall be undertaken in a manner which first seeks to ensure the preservation of principal in the portfolio. The Financial Officer shall evaluate or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral, and shall diversify the portfolio to reduce exposure to loss.

1. Credit Risk. Credit Risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the Funds so that the failure of any one issuer would not unduly harm the District's cash flow.

2. Market Risk. The risk of market value fluctuations, due to overall changes in the general level of interest rates, shall be mitigated by limiting the weighted average maturity of the District's fund to five years, unless otherwise approved by the Board of Directors.

B. Liquidity

Investments shall be made whose maturity date is compatible with cash flow requirements and which will permit easy and rapid conversion into cash without a substantial loss of value.

C. Return on Investment

Investments shall be undertaken to produce an optimal rate of return after first considering safety of principal and liquidity.

III. AUTHORIZED INVESTMENTS

Generally, investments shall be made in the context of the Prudent Investor Rule (Probate Code, Section 16040, et seq.) which states that:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The District is governed by the California Government Code, Sections 53600 et seq. Within the context of these limitations, the following investments are authorized, as further limited herein:

The investment maturities may not exceed five years, unless the Board of Directors have granted express authority either specifically or as a part of an investment program approved three months prior to the investment.

A. United States Treasury Bills, Notes, Bonds, and Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the fund which can be invested in this category as they are both safe and liquid. (See attached Figure 1, Investment Type 1)

B. Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Student Loan Mortgage Administration (SLMA), and the Federal National Mortgage (FNMA), and those insured by the Federal Housing Administration (FHA), or in obligations, participations, or other instruments of, or issued by a federal agency, or a United States government sponsored enterprise. (See attached Figure 1, Investment Type 2)

C. Local Agency Investment Fund. The District may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum permitted by the LAIF governing Board. (See attached Figure 1, Investment Type 6)

D. Time Deposits. The District may invest in non-negotiable time deposits collateralized in accordance with the California Government Code, in those banks and savings and loan associations which meet the requirements for investment in negotiable certificates of deposit. The financial officer may waive the first \$100,000.00 of collateral security for such deposits if the financial institution is insured pursuant to federal law. **Maturity may not exceed two years (was one year) nor exceed \$2,500,000.00 at any one institution.** (See attached Figure 1, Investment Type 5)

E. Share of beneficial interest issued by diversified management companies, otherwise known as money market mutual funds investing in the securities and obligations as authorized by subdivisions (a) to (l) inclusive of Section 53635 for use as an interim or sweep account and that comply with the investment restrictions (California Government Code, commencing with Section 53630), companies shall either:

1. Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services.
2. Have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations as authorized by subdivisions (a) to (m), inclusive and with assets under management in excess of five hundred million dollars (\$500,000,000.00). The purchase price of share of beneficial interest, (money market mutual funds) purchased pursuant to this subdivision shall not include any commission that these companies may charge. No more than 5% of the Funds may be invested in money market mutual funds with a fixed share price that does not fluctuate. (See attached Figure 1, Investment Type 4)

F. Commercial Paper. The District may enter into this short-term note rated A1/P1 for no more than 180 days per Government Code 53601(g). No more than \$1,000,000.00 may be invested through any one financial institution, with maximum investment of \$2,000,000.00. (See attached Figure 1, Investment Type 3)

G. Passbook Savings Account. The District may earn interest on idle funds in a passbook savings account at a federally-insured institution, until such time as funds can be invested.

IV. PROHIBITED INVESTMENT

In accordance with Sections:

53601.6(a) The District shall not invest any funds pursuant to this article in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages; and

53601.6(b) The District shall not invest any funds pursuant to this article in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in share of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 89a-1, and following) that are authorized for investment pursuant to subdivision (k) of Section 53601.

V. OTHER RESTRICTIONS REGARDING DEBT PAYMENT

53821.5, 53841.6, 53852.5 & 53859.02(b). Proceeds of sales or funds set aside for the repayment of any notes issued pursuant to this article shall not be invested for a term that exceeds the term of the notes.

53859.02(a). A local agency may borrow money pursuant to this article, the indebtedness to be represented by a grant anticipation note or notes issued to the lender pursuant to this article. The money borrowed may be used and expended by the local agency solely for the purpose for which the grant or loan is to be received.

VI. QUALIFIED DEALERS AND INSTITUTIONS

The District shall transact business only with banks, savings and loans, and registered securities dealers. The purchase by the District of any investment other than purchased directly from the issuer, shall be purchased either from an institution licensed by the State as a broker-dealer as defined in Section 250004 of the Corporations Code, who is a member of the National Association of Securities Dealers, or a member of a Federally Regulated Securities Exchange, a National or State-Chartered Bank, a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank. The District's Staff shall investigate all institutions which do business with the District, in order to determine if they are adequately capitalized, make markets in securities appropriate to the District's needs, and agree to abide by the conditions set forth in the District's Investment Policy. This investigation will be done annually by having the financial institutions complete and return the appropriate questionnaire (See attachments A and B) and an audited Financial Statement must be provided within 120 days of the institutions' year end.

VII. SAFEKEEPING OF SECURITIES

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by CGC 53601.

VIII. TREASURER'S REPORT

Under provision of Section 53646 of the California Government Code, the financial officer shall render a monthly report to the Board of Directors to include:

1. Type, issuer, maturity date, par, market value, and dollar amount invested on all securities, investments and moneys held by the District, including funds managed for the District by third party contracted managers.

2. A certification that all investment actions are made in full compliance with the Investment Policy and that the District will meet its expenditure obligations for the next six months, as required by CGC 53646(b)(2) and (3) respectively.

IX. DELEGATION OF AUTHORITY

Resolution No. 2016-825 on April 7, 2016 and 2016-827 on May 19, 2016, authorize the General Manager and Manager of Fiscal Services to invest funds with board approved finance institutions and to deposit and withdraw funds in the Local Agency Investment Fund (LAIF). Pursuant to the Government Code, the District Board delegates the authority to invest or to reinvest funds, or to sell or exchange securities so purchased, to the Manager of Fiscal Services. The Manager of Fiscal Services is charged with the responsibility for carrying out the policies of the District Board and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires.

The daily cash management, investment transaction and account reconciliations are the primary responsibilities of the Manager of Fiscal Services. These activities are also carried out by other members of the Finance Department under the direction of the Manager of Fiscal Services. The Manager of Fiscal Services shall establish procedures for the operation consistent with this investment policy.

The Manager of Fiscal Services and authorized individuals acting in accordance with written procedures and the investment policy and executing due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

X. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program or which could impair their ability to make impartial decisions. Officers and employees involved in the investment process shall abide by the Conflict of Interest Code, (California Government Code Section 1900 et seq.) and the California Political Reform Act (California Government Code Section 81000 et seq.).

XI. INVESTMENT CONTROLS

The District has developed a system of internal investment controls and a segregation of responsibilities of investment functions in order to assure an adequate system of internal control over the investment function. Said internal investment controls have been received and approved by the District's independent auditor.

FIGURE 1

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT
CODE (AS OF JANUARY 1, 2017)^A APPLICABLE TO ALL LOCAL AGENCIES^B

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations—CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S Agency Obligations	5 years	None	None
Bankers' Acceptances	180 days	40% ^E	None
Commercial Paper—Pooled Funds ^I	270 days	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H
Commercial Paper—Non-Pooled Funds ^F	270 days	25% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H
Negotiable Certificates of Deposit	5 years	30% ^I	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30% ^K	None
Placement Service Certificates of Deposit	5 years	30% ^K	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M
Medium-Term Notes ^N	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple ^{P,Q}
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	"AA" rating category or its equivalent or better ^R
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple ^S
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund ^T	N/A	None	None
Supranational Obligations ^U	5 years	30%	"AA" rating category or its equivalent or better

TABLE OF NOTES FOR FIGURE 1

- ^A Sources: Sections 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.
- ^B Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- ^C Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- ^D Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- ^E No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.
- ^F "Select Agencies" are defined as a "city, a district, or other local agency that do[es] not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body."
- ^G Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.
- ^H Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, has program wide credit enhancements, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- ^I "Other Agencies" are counties, a city and county, or other local agency "that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set for "Select Agencies," above.
- ^J No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- ^K No more than 30 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(i)).
- ^L Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- ^M Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- ^N "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States"
- ^O No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- ^P A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years experience investing in instruments authorized by Sections 53601 and 53635.
- ^Q A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years experience investing in money market instruments with assets under management in excess of \$500 million.
- ^R Issuer must be rated in a rating category of "A" or its equivalent or better as provided by a nationally recognized statistical rating organization.
- ^S A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- ^T Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- ^U Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).

Negotiable Certificates of Deposit

Generally, short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). Negotiable CDs are insured by FDIC up to \$250,000, but they are not collateralized beyond that amount.

Non-Negotiable Certificates of Deposit

CDs that carry a penalty if redeemed prior to maturity. A secondary market does exist for non-negotiable CDs, but redemption includes a transaction cost that reduces returns to the investor. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to the amount of \$250,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral through an agreement between the investor and the issuer. Collateral may include other securities including Treasuries or agency securities such as those issued by the Federal National Mortgage Association.

CDARS (CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM)

A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insur-

ance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

CD PLACEMENT SERVICE

A service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution while still maintaining FDIC insurance coverage. See "CDARS".

COLLATERALIZATION OF DEPOSITS

Process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing the repayment of deposited funds.

COMMERCIAL PAPER

An unsecured short-term promissory note issued by corporations or municipalities, with maturities ranging from 2 to 270 days.

CONVEXITY

A measure of the price sensitivity of a fixed income security to changes in interest rates. Convexity is influenced by such factors as the coupon rate, maturity, and any call options that may or may not exist. Prices rise at increasing rates as yields fall and prices decline at decreasing rates as yields rise.

CORPORATE NOTES AND BONDS

Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years.

Rubidoux Community Services District
Investment Policy Compliance

RCSD Investment Type	District Balance 7.31.17	% of District money	District Maturity	Max Maturity	Max Specified % of Portfolio	Min Quality Requirements
Negotiable COD	1,225,000.00	6.28%	7-18 mon	5 yrs	30%	none
CDARS	2,330,000.00	11.94%	3-6 mon	5 yrs	none	none
	<u>3,555,000.00</u>	18.21%				
Non-Negotiable COD	-		n/a	5 yrs	none	none
LAIF	15,965,995.95		n/a	n/a	none	none
Total Investments	<u><u>19,520,995.95</u></u>					

RESOLUTION NO. 799

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE RUBIDOUX COMMUNITY SERVICES DISTRICT
AUTHORIZING THE OPENING OF ACCOUNTS FOR INVESTMENT PURPOSES
WITH CERTAIN FINANCIAL INSTITUTIONS**

WHEREAS, the adoption of Resolution No. 799 shall supersede District Resolution No. 783, dated February 5, 2009.

BE IT RESOLVED by the Board of Directors of the Rubidoux Community Services District (District) that the District shall transact business with only the following institutions provided that they comply with the requirements of Part VI of the District's Statement of Investment Policy:

1. Bank of America/Bank America Investment Services/Merrill Lynch
2. Union Bank of California
3. Citizens Business Bank
4. Security Bank of California

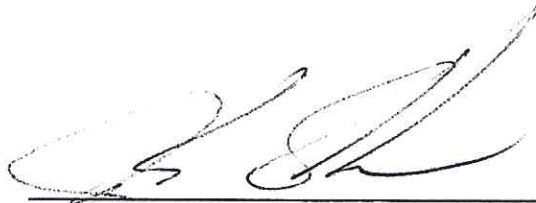
BE IT FURTHER RESOLVED that this Resolution is approved and adopted on the 16th of September, 2010, at the Regular Meeting of the Board of Directors of the Rubidoux Community Services District by the following vote:

AYES: Ruthe Anderson Wilson, C. Marsden Smith, John Skerbelis,
Armando Muniz, Gail Barclay

NOES: None

ABSENT: None

ABSTENTIONS: None



John Skerbelis, Director




C. Marsden Smith, Director



Gail Barclay, Director




Armando Muniz, Director



Ruth Anderson-Wilson, Director

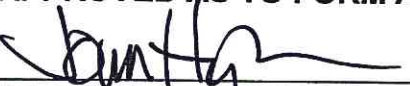
(Seal)

ATTEST:



David D. Lopez
Secretary to the Board

APPROVED AS TO FORM AND CONTENT:



John R. Harper, District Counsel

10. PRESENATION TO IRRIGATION SYSTEM (NON POTABLE
WATER) OF THE RUBIDOUX CSD: **DM 2017-45**

Rubidoux Community Services District

Board of Directors

Christopher Barajas
Armando Muniz
Bernard Murphy
F. Forest Trowbridge
Hank Trueba Jr.



Secretary-Manager

David D. Lopez

Water Resource Management

Refuse Collection

Street Lights

Fire / Emergency Services

Weed Abatement

DIRECTORS MEMORANDUM 2017-45

September 7, 2017

To: Rubidoux Community Services District
Board of Directors

Subject: Rubidoux Community Services District Non-Potable Water System

Background:

Since the early 1980's the Rubidoux Community Services District has been conveying its wastewater to the Regional Wastewater Treatment Plant operated by the City of Riverside, located across the Santa Ana River and down gradient from the RCSD southernmost boundary. To deliver treated wastewater (recycled water) for RCSD use is, from an engineering perspective, possible but, economically, not feasible due to the pumping and construction of infrastructure/conveyance facilities costs.

However, since the summer of 1995 the Rubidoux CSD has been supplying Non-potable water to the Jurupa Hills Country Club (JJCC) for irrigation use and in lieu substitute of potable water. Originally, Krieger and Stewart Constructing Engineering provided an estimate project cost of over \$500,000.00 for the design and installation of a 12" pipeline from District Well No.11 to JJCC. A cost benefit analysis showed the proposed project would have a payback period of over 45 years!!!

Ultimately, District Staff developed an alignment that followed the sunny slope channel easement, traversing across Riverside County owned property, crossing thru Peralta School, then entering JJCC property with a terminus at the irrigation lake. District installed a 12 inch PVC with California Conservation Corp (CCC) personnel, employed an excavator operator and all work was supervised by District Staff, for a total final construction cost of about \$120,000.00.


The completed project was cost effective and converted a golf course from a potable water source to a non-potable. In subsequent years, Staff has added other users to the District's non-potable water system.

PRESENTATION BY STAFF

RECOMMENDATION:

No recommendation necessary. A report on Non-potable water system.

Respectfully,

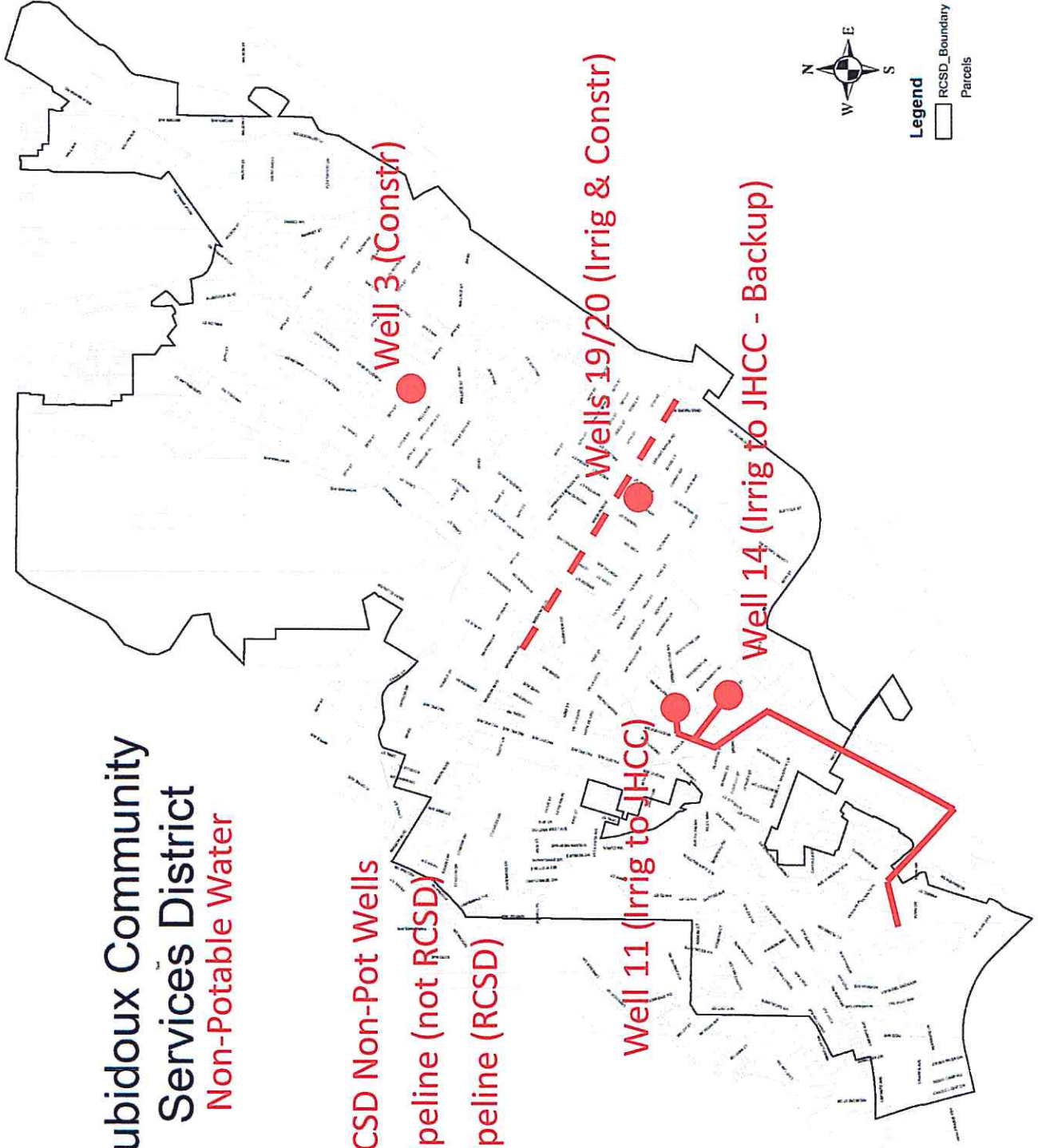


David D. Lopez
Secretary-Manager

Attachment: RCSD Non-Potable System Map
RCSD Non-Potable Production

Rubidoux Community Services District Non-Potable Water

- RCSD Non-Pot Wells
- - - Pipeline (not RCSD)
- Pipeline (RCSD)



RCSD Non-Potable Water

YEAR	Well 3 (Constr) MG	Wells 11 & 14 (JHCC) MG	Wells 19 & 20 (Median & Constr) MG	% of Total Production
2016	0	219	9	10
2015	0	202	4	8
2014	0	140	4	6
2013	0	95	3	5
2012	0	123	5	6
2011	0	109	8	6

11. DIRECTORS COMMENTS – NON-ACTION

12. ADJOURNMENT