

# 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, October 18, 2018

1. Call to Order - Director Murphy, President
2. Pledge of Allegiance
3. Roll Call
4. Approval of Minutes for October 4, 2018, Regular Board Meeting
5. Consideration to Approve October 19, 2018, 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:
  - a) Operations Report
  - b) Emergency and Incident Report

**ACTION ITEMS:**

9. Presentation of the Rubidoux Community Services District Financial Statement Ending FY June 30, 2018: **DM 2018-64**
10. Review and Comment of Key Principles for Teleconferencing Policy Compliant with Ralph M. Brown Act (Open Meeting Laws) for the Rubidoux Community Services District Board of Directors: **DM 2018-65**
11. Receive and File Statement of Cash Assets Schedule Ending September 2018 for All RCSD Funds: **DM 2018-66**
12. Consideration to Post Trial Transcripts on RCSD Web Site: **DM 2018-67**
13. Directors Comments - Non-action
14. 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 4, 2018,  
REGULAR BOARD MEETING

**MINUTES OF REGULAR MEETING**  
**October 4, 2018**  
**RUBIDOUX COMMUNITY SERVICES DISTRICT**

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

**DIRECTORS ABSENT:**

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

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by Director Murphy, at 4:00 P.M., Thursday, October 4, 2018, at the District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

**ITEM 4. APPROVAL OF MINUTES**

Approval of Minutes for Regular Board Meeting, September 20, 2018.

Director Murphy wanted under Director Comments, third paragraph, line one, the word **why** stricken from the Minutes. So noted.

**Director Muniz moved and Director Trowbridge seconded to approve the September 20, 2018 Minutes as amended.**

**The motion was carried unanimously.**

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

**ITEM 5. Consider to Approve the Salaries, Expenses and Transfers.**

Consideration to approve October 5, 2018, Salaries, Expenses and Transfers.

**Director Trueba moved and Director Muniz seconded to Approve the October 5, 2018, Salaries, Expenses and Transfers.**

**The motion was carried unanimously.**

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

**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 correspondence was a letter addressed to Chrystal Craig of LAFCO, from Jay Eastman of the City of Riverside from the Community and Economic Development Department on the District's proposed annexations for Highland Ranch and for CalPortland Cement. The letter states it should not go forward because of tedious allocation. Steve Appel just responded with letters on both issues back to LAFCO. The next piece of information was an article from the Idyllwild Town Crier regarding Lake Hemet Water District considering significant rate increases of approximately 65%. The final piece of information was from the Department of Water Resources regarding Below Average Precipitation for Water Year 2018. It talks about the levels of the reservoirs are near average or full, there are still other parts of California that are experiencing very light precipitation. The snowpack is only 58%. Things are ongoing.

**ITEM 8. MANAGER'S REPORT**

October 31 there will be a luncheon recognizing Ruth Anderson and her time with the District. The Christmas luncheon was also discussed with Director Barajas and Director Trueba, that it would be better to have it sooner, than later. There will be more to come.

**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, 2018. DM 2018-62.**

**BACKGROUND**

Attached for the Board of Director's review and consideration is the Draft Financial Statement Report ending June 30, 2018, for the Rubidoux Community Services District.

The report prepared by Rogers Anderson Malody & Scott (RAMS), CPA's includes all revenue funds, physical assets, expenses, debt services and depreciation values.

In the past years, the Board was afforded the opportunity to take the Draft Report home and review it at your leisure. In anticipation of the Board's practice to take the report home for review, Mr. Scott Manno, CPA will not be in attendance tonight; rather, Mr. Manno will make his presentation to the Board of Directors at the second Board meeting in October.

Staff suggests the Board Members take the Draft Report home and at your leisure, review the information contained in same. At the October 18, 2018, regular meeting, RAMS will make their presentation and walk us all through the many balance spread sheets summarized in the 2018 final draft report.

**No Action necessary.**

#### **ITEM 10. Consideration to Develop Teleconferencing Policy DM 2018-63.**

##### **BACKGROUND**

At the request of Director Barajas Staff has agendized the item to develop a Teleconferencing Policy for the Board of Directors consideration this afternoon. As background, the Ralph M. Brown Act (AKA Open Meetings Laws) specifically allows "a legislative body to use teleconferencing to meet, receive public comment and testimony". However, the decision to use teleconferencing is entirely discretionary with the public body. Additionally, no person has a right under the Brown Act to compel a meeting via teleconference if the policy making body elects otherwise.

Teleconferencing is defined as a "*meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video or both*". Further, specific requirements relating to teleconferencing must comply with all provisions below:

- Teleconferencing may be used for all purposes during any meeting;
- At least a quorum of the legislative body must participate from locations within the local agencies jurisdiction;
- Additional teleconferencing locations may be made available for the public;
- Each teleconferencing location must be specifically identified in the notice and agenda of the meeting, including a full address and room number, as may be applicable;
- Agendas must be posted at each teleconferencing location, even if a hotel room or a residence;
- Each teleconferencing location, including a hotel room or Residence, must be accessible to the public and have technology, such as a speakerphone, to enable the public to participate;
- The Agenda must provide the opportunity for the public to address the legislative body directly at each teleconferencing location; and,

➤ All votes must be by roll call.

Should the Board affirm the development of a Teleconferencing Policy such draft policy would be forwarded to District Counsel for review and comment. Finally, such teleconferencing policy would be incorporated within the Rubidoux Community Services District Board Policies and Procedures Manual.

### **RECOMMENDATION**

**Director Barajas moved and Director Trueba seconded Staff prepare a draft policy to have a maximum of two (2) per calendar year with at least seven (7) days advance notice, for any reason that would take you away from the District (non-medical).**

### **ITEM 10. Directors Comments.**

Director Murphy passed out a handout with three (3) questions to all Board members and staff that he would like addressed. He is questioning whether or not posting a transcript on the website is permissible. Does the court allow it? What are the file type and the file size? The response was the file type and size can be answered. Posting it on the agenda can be a policy issue for the board of directors and a legal question. The question was asked by Mr. Lopez if the issue should be agendized, is it a good idea? One opinion was that it would/could add fuel to the fire. It was stated that it will be agendized as well as respond to the other questions.

Director Murphy adjourned the meeting at 4:40 pm.

5. CONSIDERATION TO APPROVE OCTOBER 19, 2018 SALARIES,  
EXPENSES AND TRANSFERS



RUBIDOUX COMMUNITY SERVICES DISTRICT  
OCTOBER 18, 2018 (BOARD MEETING)  
FUND TRANSFER AUTHORIZATION

NET PAYROLL 10/19/18	63,600.00
WIRE TRANSFER: FEDERAL PAYROLL TAXES 10/22/18	23,700.00
WIRE TRANSFER: STATE PAYROLL TAXES 10/22/18	5,300.00
WIRE TRANSFER: TO CREDIT UNION	2,450.00
WIRE TRANSFER: PERS RETIREMENT	17,200.00
WIRE TRANSFER: PERS HEALTH PREMIUMS	-
WIRE TRANSFER: SECTION 125	110.00
WIRE TRANSFER: SECTION 457	3,470.00
10/19/2018 WATER FUND TO GENERAL FUND-Payables	82,120.98
WATER FUND TO GENERAL FUND-Trash	128,865.68
WATER FUND TO SEWER FUND	96,057.48
SEWER FUND TO GENERAL FUND-Payables	74,919.34
SALARIES REIMB WATER FUND TO GENERAL FUND FYQ1	600,566.66
SALARIES REIMB SEWER FUND TO GENERAL FUND FYQ1	23,462.07
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
10/19/2018 SEWER FUND CHECKING TO LAIF SEWER OP	-
SEWER FUND CHECKING TO WATER FUND CHECKING	-
LAIF SEWER OP TO SEWER FUND CHECKING	120,000.00
LAIF WASTEWATER RESERVE TO LAIF SEWER OP	-
LAIF SEWER ML TO LAIF SEWER OP	-
LAIF SEWER OP TO LAIF WASTEWATER REPLACEMENT	6,197.50
LAIF SEWER OP TO LAIF WASTEWATER RESERVE	-
GENERAL FUND CHECKING TO LAIF WATER FUND	-
GENERAL FUND CHECKING TO LAIF PROP TAX	750,000.00
GENERAL FUND PROPERTY TAX TO GF CHECKING	-
GENERAL FUND PROP TAX TO GENERAL FUND CHECKING	-
LAIF GENERAL TO GENERAL FUND CHECKING	-
LAIF PROPERTY TAX TO GF CHECKING	-
WATER FUND CHECKING TO LAIF-COP PAYBACK	63,000.00
WATER FUND CHECKING TO LAIF-W.R.	10,000.00
LAIF WATER ML TO LAIF WATER REPLACEMENT	-
LAIF WATER ML TO LAIF WATER OPS	3,116.97
LAIF WATER OP TO WATER FUND CHECKING	610,000.00
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	-
WATER FUND CHECKING TO LAIF WATER OP	-
LAIF WATER OP TO LAIF FIELD/ADMIN BLDG	4,581.50
LAIF COP TO WATER FUND CHECKING	-
LAIF PROPERTY TAX TO LAIF SEWER OP	-

**NOTES PAYABLE**

<u>DESCRIPTION</u>	<u>BALANCE</u>	<u>PAYMENT</u>	<u>DUE DATE</u>
City of Riverside (Headworks Replacement)	13,564 Prin.	13,564	Oct-18
U.S. Bank Trust (1998 COP's Refunding)	4,170,000 Prin.	616,335	Dec-18
U.S. Bank Trust (1998 COP's Refunding)	1,012,101 Intr.	106,335	Dec-18
MN Plant-State Revolving Loan	4,752,815 Prin.	121,008	Jan-19
MN Plant-State Revolving Loan	1,074,319 Intr.	61,090	Jan-19

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

10/10/2018 12:35:56 PM

Page 1

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
1	AQUA METRIC SALES / AQUA METRIC SALES CO							INV0071083
6" MTR		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$6,847.52
2	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI82598-0267
LAB FEES		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$210.00
3	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI82606-0267
WTR ANALYSES		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$500.00
4	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI82623-0267
WTR ANALYSES		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$110.00
5	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI8264-0267
WTR ANALYSES		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$30.00
6	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI82628-0267
LAB FEES		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$210.00
7	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI82629-0267
LAB FEES		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$180.00
8	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI82630-0267
WTR ANALYSES		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$30.00
9	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI82823-0267
LAB FEES		9/27/2018	N	N		10/26/2018	9/27/2018	\$0.00
10/18/2018					N			\$180.00
10	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BI82963-0267
LAB FEES		9/28/2018	N	N		10/27/2018	9/28/2018	\$0.00
10/18/2018					N			\$180.00
11	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80115-0267
WTR ANALYSES		10/1/2018	N	N		10/31/2018	10/1/2018	\$0.00
10/18/2018					N			\$40.00
12	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80117-0267
WTR ANALYSES		10/1/2018	N	N		10/31/2018	10/1/2018	\$0.00
10/18/2018					N			\$40.00
13	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80148-0267
WTR ANALYSES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$45.00
14	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80149-0267
WTR ANALYSES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$490.00
15	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80151-0267
LAB FEES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$180.00
16	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80152-0267
LAB FEES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$180.00
17	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80156-0267
LAB FEES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$275.00

*OK (Signature)*  
 10/10/2018

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

10/10/2018 12:35:56 PM

Page 2

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
18	BUGBEE LELAND / BUGBEE, LELAND S II							20181002
CONTINUE EDUC		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$525.50
19	CANAL FAUSTO / CANAL, FAUSTO							20180927
DMV		9/27/2018	N	N		10/26/2018	9/27/2018	\$0.00
10/18/2018					N			\$55.00
20	CHARTER SPECTRUM / CHARTER SPECTRUM							0914404092618
INTERNET SVC		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$253.75
21	CITY OF JURUPA VALLEY / CITY OF JURUPA VALLEY							EP18-516
PERMIT		9/28/2018	N	N		10/27/2018	9/28/2018	\$0.00
10/18/2018					N			\$422.75
22	CROWN ACE HARDWARE / CROWN ACE HARDWARE							076113
SUPPLIES		9/27/2018	N	N		10/26/2018	9/27/2018	\$0.00
10/18/2018					N			\$4.30
23	DURNEY DON / DURNEY, DON							20180924
GRDNG SVC		9/24/2018	N	N		10/23/2018	9/24/2018	\$0.00
10/18/2018					N			\$135.00
24	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI							012J1469
PARTS		9/27/2018	N	N		10/26/2018	9/27/2018	\$0.00
10/18/2018					N			\$417.33
25	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI							012J1470
PVC PARTS		9/27/2018	N	N		10/26/2018	9/27/2018	\$0.00
10/18/2018					N			\$31.15
26	INLAND WATER WORKS / INLAND WATER WORKS SU							S1015289.001
PARTS		9/25/2018	N	N		10/24/2018	9/25/2018	\$0.00
10/18/2018					N			\$743.85
27	KH METALS / KH METALS & SUPPLY							0450008
STEEL PIPE		9/25/2018	N	N		10/24/2018	9/25/2018	\$0.00
10/18/2018					N			\$190.38
28	KH METALS / KH METALS & SUPPLY							0450267
SUPPLIES		9/27/2018	N	N		10/26/2018	9/27/2018	\$0.00
10/18/2018					N			\$21.44
29	MERIT OIL / MERIT OIL COMPANY							477791
GASOLINE		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$1,508.00
30	PROACT SERVICES / PROACT SERVICES CORP.							227444
RENT 9/21-10/20		9/26/2018	N	N		10/25/2018	9/26/2018	\$0.00
10/18/2018					N			\$9,697.50
31	R&D MECHANICAL / R&D MECHANICAL SUPPLY, INC							11002292
REPAIR BANDS		9/25/2018	N	N		10/24/2018	9/25/2018	\$0.00
10/18/2018					N			\$1,128.83
32	R&D MECHANICAL / R&D MECHANICAL SUPPLY, INC							11002293
FIRE HYDRNT		9/25/2018	N	N		10/24/2018	9/25/2018	\$0.00
10/18/2018					N			\$2,826.41
33	READY REFRESH / READY REFRESH by NESTLE							1817701128196
BTL WTR		9/22/2018	N	N		10/21/2018	9/22/2018	\$0.00
10/18/2018					N			\$225.74
34	RELIABLE / RELIABLE WORKPLACE SOLUTIONS							AR72223
COPIER USG		9/25/2018	N	N		10/24/2018	9/25/2018	\$0.00
10/18/2018					N			\$134.66

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

10/10/2018 12:35:56 PM

Page 3

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
35	RELIABLE / RELIABLE WORKPLACE SOLUTIONS							AR72224
PRINTER USG		9/25/2018	N	N		10/24/2018	9/25/2018	\$0.00
10/18/2018					N			\$26.41
36	RIVERSIDE COUNTY TREASURER TAX / RIVERSIDE C							18O183230003-0
PROP TAX SEDONA		9/14/2018	N	N		11/1/2018	9/14/2018	\$0.00
10/18/2018					N			\$43.82
37	ROYAL IMAGING / ROYAL IMAGING CA, LLC							12678
DOCUMENT IMAGING		8/27/2018	N	N		9/26/2018	8/27/2018	\$0.00
10/18/2018					N			\$23,065.89
38	SMITH LOVELESS / SMITH & LOVELESS, INC.							129335
FILTERS		9/17/2018	N	N		10/16/2018	9/17/2018	\$0.00
10/18/2018					N			\$366.47
39	SCAQMD / SCAQMD							3343847
5248 RVRVW ICE		9/18/2018	N	N		11/16/2018	9/18/2018	\$0.00
10/18/2018					N			\$1,863.75
40	SCAQMD / SCAQMD							3347462
5248 RVRVW FLT FEE		9/18/2018	N	N		11/16/2018	9/18/2018	\$0.00
10/18/2018					N			\$131.79
41	UNDERGROUND SERVICE ALERT / UNDERGROUND :							920180559
DIG ALERTS		10/1/2018	N	N		10/31/2018	10/1/2018	\$0.00
10/18/2018					N			\$94.15
42	WATER SYSTEMS / WATER SYSTEMS OPTIMIZATION							1366
WATER AUDIT		8/15/2018	N	N		9/14/2018	8/15/2018	\$0.00
10/18/2018					N			\$2,500.00
43	AIRGAS / AIRGAS USA, LLC							9956792942
TNK RNTL		9/30/2018	N	N		10/30/2018	9/30/2018	\$0.00
10/18/2018					N			\$142.55
44	ACORN / ACORN TECHNOLOGY SERVICE							51265.A
OCT IT SUPT		10/1/2018	N	N		10/20/2018	10/1/2018	\$0.00
10/18/2018					N			\$2,725.00
45	ACORN / ACORN TECHNOLOGY SERVICE							51265.B
QNAP HRDWR		10/1/2018	N	N		10/20/2018	10/1/2018	\$0.00
10/18/2018					N			\$1,140.57
46	AMERICAN SAFETY PRODUCTS / AMERICAN SAFETY							1053
GLOVES		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$103.64
47	AT&T / AT&T							000012015262
PHN CHGS		10/7/2018	N	N		11/7/2018	10/7/2018	\$0.00
10/18/2018					N			\$482.68
48	BPS B'S POOL SUPPLIES / B.P.S. B's POOL SUPPLIES							95740
SODIUM HYPO		10/3/2018	N	N		11/2/2018	10/3/2018	\$0.00
10/18/2018					N			\$650.55
49	BPS B'S POOL SUPPLIES / B.P.S. B's POOL SUPPLIES							95752
PUMP		10/4/2018	N	N		11/3/2018	10/4/2018	\$0.00
10/18/2018					N			\$743.48
50	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80217-0267
LAB FEES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$180.00
51	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80218-0267
WTR ANALYSES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$110.00

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

10/10/2018 12:35:56 PM

Page 4

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
52	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80219-0267
WTR ANALYSES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$30.00
53	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80220-0267
LAB FEES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$240.00
54	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80692-0267
LAB FEES		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$180.00
55	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80671-0267
WTR ANALYSES		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$30.00
56	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80673-0267
WTR ANALYSES		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$110.00
57	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80681-0267
WTR ANALYSES		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$45.00
58	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80687-0267
WTR ANALYSES		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$30.00
59	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80408-0267
WTR ANALYSES		10/3/2018	N	N		11/2/2018	10/3/2018	\$0.00
10/18/2018					N			\$30.00
60	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80795-0267
LAB FEES		10/7/2018	N	N		11/6/2018	10/7/2018	\$0.00
10/18/2018					N			\$180.00
61	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80800-0267
WTR ANALYSES		10/7/2018	N	N		11/6/2018	10/7/2018	\$0.00
10/18/2018					N			\$510.00
62	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80889-0267
LAB FEES		10/8/2018	N	N		11/7/2018	10/8/2018	\$0.00
10/18/2018					N			\$210.00
63	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80892-0267
WTR ANALYSES		10/8/2018	N	N		11/7/2018	10/8/2018	\$0.00
10/18/2018					N			\$500.00
64	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80950-0267
LAB FEES		10/8/2018	N	N		11/7/2018	10/8/2018	\$0.00
10/18/2018					N			\$240.00
65	BABCOCK E S SONS INC / BABCOCK, E S & SONS, IN							BJ80952-0267
LAB FEES		10/8/2018	N	N		11/7/2018	10/8/2018	\$0.00
10/18/2018					N			\$180.00
66	CROWN ACE HARDWARE / CROWN ACE HARDWARE							076145
SUPPLIES		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$42.11
67	CROWN ACE HARDWARE / CROWN ACE HARDWARE							076158
FASTENERS		10/3/2018	N	N		11/2/2018	10/3/2018	\$0.00
10/18/2018					N			\$4.48
68	DUNBAR ARMORED / DUNBAR ARMORED INC.							4276362
ARMOR SVC		10/1/2018	N	N		10/31/2018	10/1/2018	\$0.00
10/18/2018					N			\$810.56

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

10/10/2018 12:35:56 PM

Page 5

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account	GL Account		Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
69	FRITTS FORD / FRITTS FORD							82065
2018 F150 REG CAB		10/1/2018	N	N		10/31/2018	10/1/2018	\$0.00
10/18/2018					N			\$24,028.49
70	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI							012J1648
VALVE		10/4/2018	N	N		11/3/2018	10/4/2018	\$0.00
10/18/2018					N			\$123.72
71	HARRINGTON INDUSTRIAL / HARRINGTON INDUSTRI							012J1678
PVC PARTS		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$196.88
72	INLAND DESERT SECURITY / INLAND DESERT SECUI							181000636101
NOV 18 ANSWR SVC		10/15/2018	N	N		11/14/2018	10/15/2018	\$0.00
10/18/2018					N			\$432.50
73	J&K WELDING / J&K WELDING							48962
R&M WTR		9/25/2018	N	N		10/24/2018	9/25/2018	\$0.00
10/18/2018					N			\$367.50
74	KH METALS / KH METALS & SUPPLY							0450788
PARTS		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$4.35
75	KUMA TIRE / KUMA TIRE & WHEEL							120831
R&M TRK		10/3/2018	N	N		11/2/2018	10/3/2018	\$0.00
10/18/2018					N			\$403.78
76	KUMA TIRE / KUMA TIRE & WHEEL							120862
R&M TRK		10/9/2018	N	N		11/8/2018	10/9/2018	\$0.00
10/18/2018					N			\$22.00
77	LUCE COMMUNICATIONS / LUCE COMMUNICATIONS:							2713475
CLSNG BILLS 9/27		9/30/2018	N	N		10/29/2018	9/30/2018	\$0.00
10/18/2018					N			\$0.90
78	MERIT OIL / MERIT OIL COMPANY							478953
GASOLINE		10/3/2018	N	N		10/18/2018	10/3/2018	\$0.00
10/18/2018					N			\$1,339.33
79	MIRANDA SAUL / MIRANDA, SAUL							11547670-04
RFND 5700 SXTN LN		10/4/2018	N	N		11/3/2018	10/4/2018	\$0.00
10/18/2018					N			\$65.02
80	MUNKSGAARD DBA CENTER ELECT / MUNKSGAARD							8933
R&M SCADA		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$588.00
81	R&D MECHANICAL / R&D MECHANICAL SUPPLY, INC							11002295
COPPER TUBING		9/27/2018	N	N		10/26/2018	9/27/2018	\$0.00
10/18/2018					N			\$1,948.58
82	R&D MECHANICAL / R&D MECHANICAL SUPPLY, INC							11002308
R&M SWR		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$180.53
83	PRUDENTIAL OVERALL / PRUDENTIAL OVERALL SUP							22683757
FLOOR MATS		10/3/2018	N	N		11/2/2018	10/3/2018	\$0.00
10/18/2018					N			\$105.05
84	RIVCOMM / RIVCOMM, INC.							17474
R&M TRK		10/5/2018	N	N		11/4/2018	10/5/2018	\$0.00
10/18/2018					N			\$620.79
85	RIVERSIDE CLEANING SYSTEMS / RIVERSIDE CLEAN							407
CLNG SVC		10/1/2018	N	N		10/31/2018	10/1/2018	\$0.00
10/18/2018					N			\$535.00

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

10/10/2018 12:35:56 PM

Page 6

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
86	ROYAL IMAGING / ROYAL IMAGING CA, LLC							12693
DOCUMENT SCANNING		10/4/2018	N	N			11/3/2018 10/4/2018	\$0.00
10/18/2018					N			\$1,512.96
87	SCE / SCE							18O2036525640
MAIN OFC UTLTY		10/5/2018	N	N			10/24/2018 10/5/2018	\$0.00
10/18/2018					N			\$1,356.49
88	SCE / SCE							18O2011970662
STREETLIGHTS		10/5/2018	N	N			10/24/2018 10/5/2018	\$0.00
10/18/2018					N			\$9,230.90
89	SCE / SCE							18O2283710317
FIRE STN UTLTY		10/5/2018	N	N			10/24/2018 10/5/2018	\$0.00
10/18/2018					N			\$1,756.85
90	SCG / SCG							18O17882256005
MAIN OFC UTLTY		10/1/2018	N	N			10/23/2018 10/1/2018	\$0.00
10/18/2018					N			\$26.58
91	SCG / SCG							18O01302181001
FIELD OFC UTLTY		10/1/2018	N	N			10/23/2018 10/1/2018	\$0.00
10/18/2018					N			\$15.78
92	SCG / SCG							18O05925730565
FIRE STN UTLTY		10/1/2018	N	N			10/23/2018 10/1/2018	\$0.00
10/18/2018					N			\$98.16
93	SO CAL TRUCKWORKS / SO CAL TRUCKWORKS							7282
R&M EQUIP		10/2/2018	N	N			11/1/2018 10/2/2018	\$0.00
10/18/2018					N			\$150.38
94	THERMAL COOL / THERMAL-COOL, INC.							WO-0013817
A/C RPR		10/2/2018	N	N			11/1/2018 10/2/2018	\$0.00
10/18/2018					N			\$3,670.52
95	THERMAL COOL / THERMAL-COOL, INC.							WO-0013895
A/C RPR		10/1/2018	N	N			10/31/2018 10/1/2018	\$0.00
10/18/2018					N			\$604.39
96	WESTERN MUNICIPAL WATER / WESTERN MUNICIPA							RI2977
OCT BRINE FXD		10/1/2018	N	N			10/31/2018 10/1/2018	\$0.00
10/18/2018					N			\$714.24
97	ADVANCED DISCOVERY / ADVANCED DISCOVERY IN							B228005
CITY RVSD LITGN		10/1/2018	N	N			10/31/2018 10/1/2018	\$0.00
10/18/2018					N			\$337.50
98	HORTON CA3 / DR HORTON CA3 INC. A DELAWARE C							20181010
DEP RFND TR 31503		10/10/2018	N	N			11/9/2018 10/10/2018	\$0.00
10/18/2018					N			\$12,401.97
99	FIRST AMERICAN CORELOGIC / FIRST AMERICAN CC							81921021
ON-LINE SVC		9/30/2018	N	N			10/30/2018 9/30/2018	\$0.00
10/18/2018					N			\$178.75
100	HARPER BURNS LLP / HARPER & BURNS LLP							20181001.A
SEPT LGL SVCS		10/1/2018	N	N			10/31/2018 10/1/2018	\$0.00
10/18/2018					N			\$1,456.70
101	HARPER BURNS LLP / HARPER & BURNS LLP							20181001.B
CITY RVSD LITGN		10/1/2018	N	N			10/31/2018 10/1/2018	\$0.00
10/18/2018					N			\$1,123.75
102	KRIEGER & STEWART / KRIEGER & STEWART, INC.							42424
WSTWTR CNSLT		9/25/2018	N	N			10/25/2018 9/25/2018	\$0.00
10/18/2018					N			\$175.00

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

10/10/2018 12:35:56 PM

Page 7

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Due Date	Discount Date	Invoice #
PO Number		Immediate GL Account			Check #		Payment Date	Discount
GL Date					Credit Card	CC Reference #		Total Invoice
103	KRIEGER & STEWART / KRIEGER & STEWART, INC.							42425
PRETREATMENT		9/25/2018	N	N		10/25/2018	9/25/2018	\$0.00
10/18/2018					N			\$7,978.12
104	KRIEGER & STEWART / KRIEGER & STEWART, INC.							42426
WTR CNSLT		9/25/2018	N	N		10/25/2018	9/25/2018	\$0.00
10/18/2018					N			\$6,562.50
105	KRIEGER & STEWART / KRIEGER & STEWART, INC.							42427
WELL 1A ENG		9/25/2018	N	N		10/25/2018	9/25/2018	\$0.00
10/18/2018					N			\$3,116.97
106	PRUDENTIAL OVERALL / PRUDENTIAL OVERALL SUP							22687755
FLR MATS/SUPPLIES		10/10/2018	N	N		11/9/2018	10/10/2018	\$0.00
10/18/2018					N			\$295.99
107	QUINN CAT / QUINN CAT / MACHINERY							WOG00003304
R&M EQUIP		10/9/2018	N	N		11/8/2018	10/9/2018	\$0.00
10/18/2018					N			\$7,967.91
108	RING BENDER / RING BENDER LLP							08477
CITY RVSD LITGN		10/2/2018	N	N		11/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$55,599.80
109	SHRED-IT / SHRED-IT USA							8125670616
SHREDDING		9/30/2018	N	N		10/30/2018	9/30/2018	\$0.00
10/18/2018					N			\$72.87
110	SCAQMD / SCAQMD							3350989
ICE/GEN 5245 34TH ST		10/2/2018	N	N		12/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$406.79
111	SCAQMD / SCAQMD							3354669
FLT FEE 5245 34TH ST		10/2/2018	N	N		12/1/2018	10/2/2018	\$0.00
10/18/2018					N			\$131.79
112	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC							0926_100918.A
COMM TRSH 9/26-10/9		10/10/2018	N	N		11/9/2018	10/10/2018	\$0.00
10/18/2018					N			\$30,663.94
113	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC							0926_100918.B
RES TRSH 9/26-10/9		10/10/2018	N	N		11/9/2018	10/10/2018	\$0.00
10/18/2018					N			\$98,201.74
114	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC							0926_100918.C
RCSD SHR COMM		10/10/2018	N	N		11/9/2018	10/10/2018	\$0.00
10/18/2018					N			(\$3,067.44)
115	TRI-CO DISPOSAL INC / TRI-CO DISPOSAL, INC							0926_100918.D
RCSD SHR RES		10/10/2018	N	N		11/9/2018	10/10/2018	\$0.00
10/18/2018					N			(\$869.36)
116	UPS / UNITED PARCEL SERVICE							0000F908W2408
POSTAGE		10/6/2018	N	N		11/5/2018	10/6/2018	\$0.00
10/18/2018					N			\$28.49
<b>Grand Totals</b>								
<b>Total Direct Expense:</b>								\$342,592.26
<b>Total Direct Expense Adj:</b>								(\$3,936.80)
<b>Total Non-Electronic Transactions:</b>								\$338,655.46



# AP Enter Bills Edit Report

Rubidoux Community Services District (RCSACT)

Batch: AAAADK

10/10/2018 12:35:56 PM

Page 8

---

Tr. #	Vendor	Inv Date	Paid Out	Immediate	Credit Card Vendor	Check #	Due Date	Discount Date	Invoice #
PO Number		Immediate	GL Account		Credit Card	CC Reference #		Payment Date	Discount
GL Date									Total Invoice

---

## Report Summary

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

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

## 7. CORRESPONDENCE AND RELATED INFORMATION



*Pls copy Board Packet*

**TECHNICAL ADVISORY COMMITTEE AGENDA  
WEDNESDAY, OCTOBER 3, 2018  
2:00PM**

*REGIONAL WATER QUALITY CONTROL PLANT  
5950 ACORN ST., RIVERSIDE, 92504  
951-351-6140*

CALL TO ORDER

INTRODUCTIONS

DISCUSSION ITEMS

1. TAC Notes – June 13, 2018
2. 2016 Wastewater Master Plan Project Update – presentation by Carollo Engineers
3. Next TAC Meeting Date and Time

DISCUSSION ATTACHMENTS

- Item 1: TAC Notes June 13, 2018
- Item 2: City of Riverside Updated Integrated Master Plan for Wastewater Collection and Treatment Facilities Project (Presentation)

ADJOURNMENT

\*\*\*\*\*

2018  
MASTER PLAN

# City of Riverside Updated Integrated Master Plan for Wastewater Collection and Treatment Facilities Project

Regional Wastewater Service

TAC Meeting

Oct 3, 2018



**EDGEMONT**  
Community Services District



**Junupa**  
COMMUNITY SERVICES DISTRICT



**WATER**  
OUR FOCUS  
OUR BUSINESS  
OUR PASSION

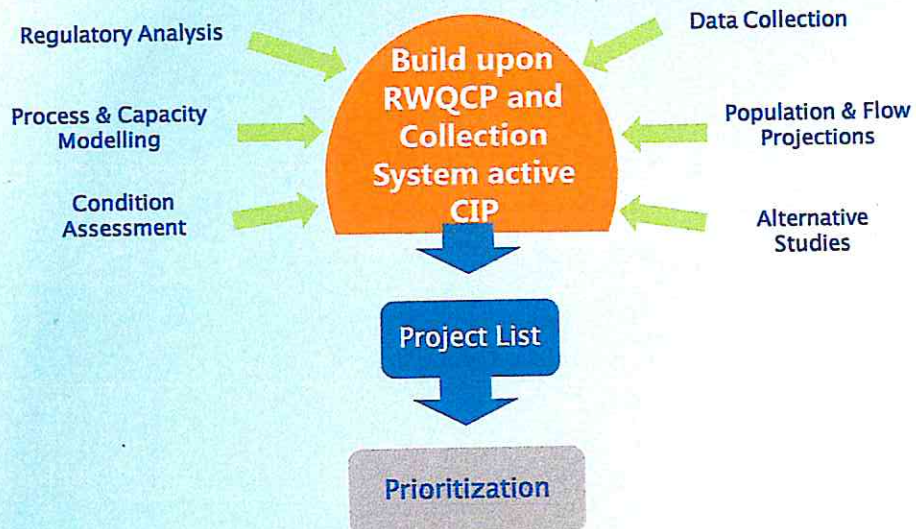
**Carollo**  
Engineers... Working Wonders With Water™

## The Purpose of the Meeting

- ✓ Describe the Master Plan process
- ✓ Review results of work completed to date
  - ✓ Regional Water Quality Control Plant (RWQCP) Projects
  - ✓ Collection System Projects
  - ✓ Project Prioritization
- ✓ Discuss completion of the remaining work
- ✓ Review Timeline and Schedule

# Master Plan Process (20 year plan 2018-2037)

## Master Plan Project Development Process



## Update on Master Plan Volumes and Chapters

Volume and Chapter	Comments
<b>Volume 1 – Executive Summary</b>	Internal Review
<b>Volume 2 – Basis of Planning</b>	
Ch 1 - Introduction	Ready for Finalization
Ch 2 – Regulatory	
Ch 3 – Population & Flow and Loading Projections	
Ch 4 – Basis of Cost Estimate	
Ch 5 – Organizational Review	

## Update on Master Plan Volumes and Chapters

Volume and Chapter	Comments
<b>Volume 3 – Wastewater Collection System</b>	
Ch 1 – Introduction and Background	Ready for Finalization
Ch 2 – Planning Area Characteristics	
Ch 3 – Flow Monitoring Program	
Ch 4 – Hydraulic Model	
Ch 5 – Planning Criteria/Design Flows	
Ch 6 – Reg Review/SSMP Gap Analysis	
Ch 7 – Capacity Evaluation/Improvements	Final edits
Ch 8 – Lift Station Condition Assessment	
Ch 9 – Sewer Pipeline R&R	
Ch 10 – Capital Improvement Program	Final edits

## Update on Master Plan Volumes and Chapters

Volume and Chapter	Comments
<b>Volume 4 – Wastewater Treatment System</b>	
Ch 1 – Existing Facilities	
Ch 2 – Summary of Planning Studies	
Ch 3 – Process Design and Reliability Criteria	
Ch 4 – Preliminary Treatment	Ready for Finalization
Ch 5 – Primary Treatment	
Ch 6 – Secondary Treatment	
Ch 7 – Tertiary Treatment	
Ch 8 – AWT Salinity Analysis	
Ch 9 – Disinfection Efficiency	City review Just Starting

## Update on Master Plan Volumes and Chapters

Volume and Chapter	Comments
<b>Volume 5 – Solids Treatment and Handling</b>	
Ch 1 – Existing Facilities	
Ch 2 – Summary of Planning Studies	
Ch 3 – Design Criteria	
Ch 4 – Solids Production and Thickening	Ready for Finalization
Ch 5 – Solids Disposal Options	
<b>Volume 6 – Condition Assessment</b>	
<b>Volume 7 – CIP and Overall Implementation</b>	
<b>Volume 8 – Financial Plan and User Rates and Fees</b>	
	Start in January 2019

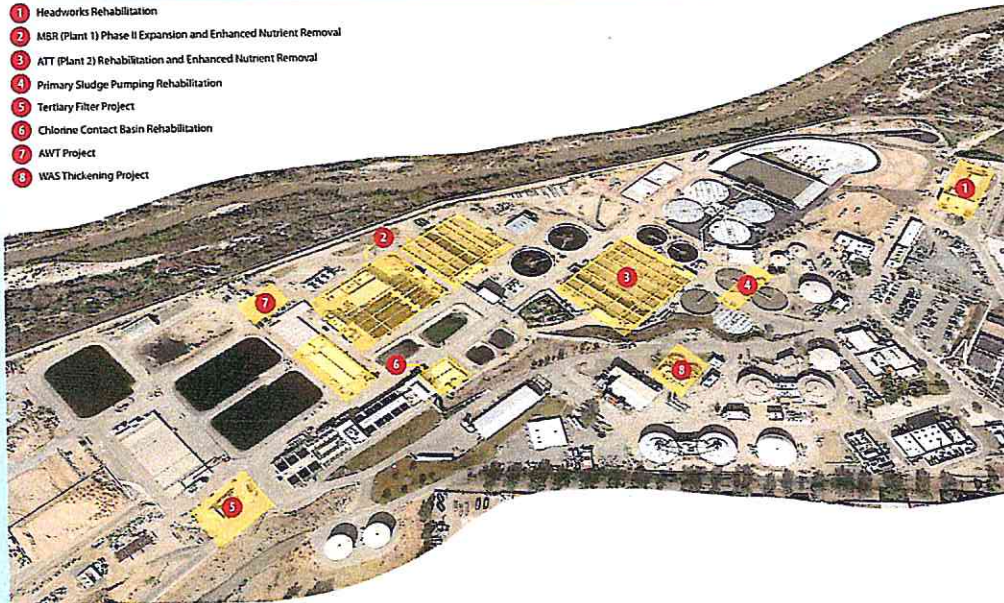


# Master Plan Projects

Overall objective is to improve efficiency and meet regulatory compliance

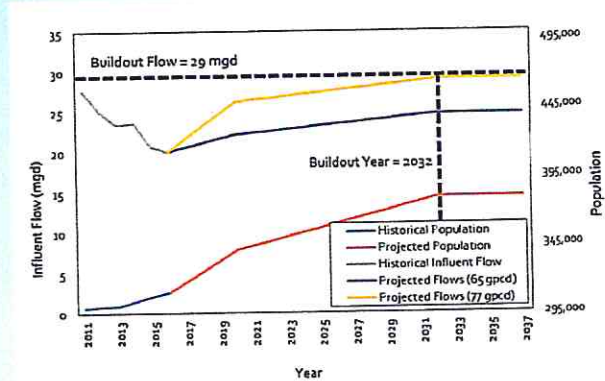
## RWQCP CIP Projects (20 year plan)

- 1 Headworks Rehabilitation
- 2 MBR (Plant 1) Phase II Expansion and Enhanced Nutrient Removal
- 3 ATT (Plant 2) Rehabilitation and Enhanced Nutrient Removal
- 4 Primary Sludge Pumping Rehabilitation
- 5 Tertiary Filter Project
- 6 Chlorine Contact Basin Rehabilitation
- 7 AWT Project
- 8 WAS Thickening Project



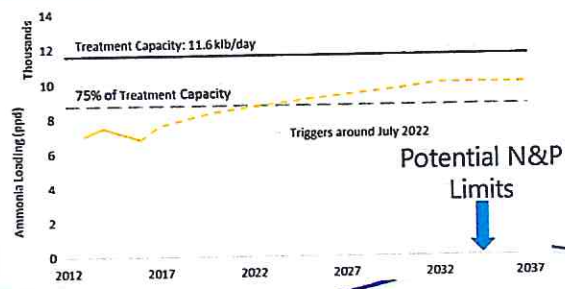
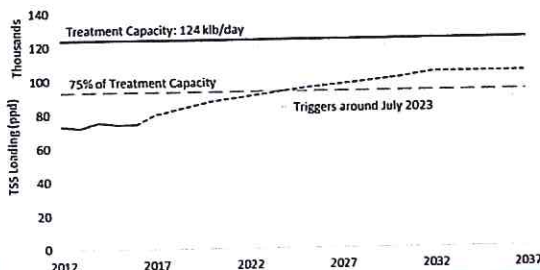
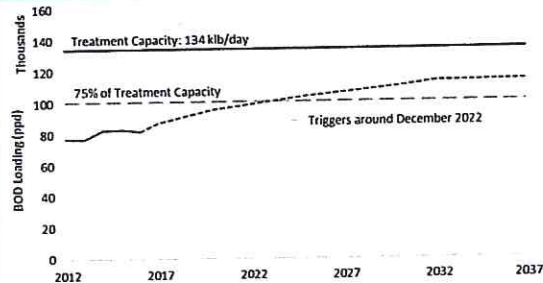
## Design Basis

- Population, Flow and Loading Projections
- Land use
- City flows
- CSD flows
- Potential Regulatory impacts



## Flow and Load Projections

- Projected total flow through 2037 = 39 mgd (City plus CSDs)



## RWQCP CIP Projects

Project No.	Project Name	Project Cost Estimate (2017)	Project Driver	Master Plan Source	Location
FI-01	Headworks Rehabilitation	\$ 8,782,600	Condition *	Vol 6 Ch 1	Plant
FI-02	Headworks Screening Conveyor Replacement	\$ 933,700	Condition	Vol 6 Ch 1/Vol 4 Ch 4	Plant
FI-03	Headworks Bypass	\$ 1,070,545	O&M Initiative	Vol 4 Ch 4	Plant
FI-04	Headworks Grit Classifiers and Pumps	\$ 1,855,700	Condition	Vol 6 Ch 1	Plant
FI-05	MBR (Plant 1) Phase II Expansion	\$ 20,517,500	O&M Initiative	Vol 4 Ch 6	Plant
FI-06	MBR (Plant 1) Enhanced Nutrient Removal	\$ 24,207,600	Regulatory	Vol 4 Ch 6	Plant
FI-07	ATT (Plant 2) Rehabilitation	\$ 3,384,000	Condition	Vol 6 Ch 1	Plant
FI-08	ATT (Plant 2) Mixers Rehabilitation	\$ 532,000	Condition	Vol 6 Ch 1	Plant
FI-09	ATT (Plant 2) RAS/WAS Pump Station Rehabilitation	\$ 2,073,200	Condition	Vol 6 Ch 1	Plant
FI-10	ATT (Plant 2) RAS/WAS Pumps Replacement	\$ 1,142,000	Condition	Vol 6 Ch 1	Plant
FI-11	ATT (Plant 2) Enhanced Nutrient Removal	\$ 24,205,100	Regulatory	Vol 4 Ch 6	Plant
FI-12	Tertiary Filter Replacement and CCB Retrofits	\$ 6,119,100	Condition	Vol 6 Ch 1/Vol 4 Ch 7	Plant
FI-13	CCB Rehabilitation	\$ 1,005,300	Condition	Vol 6 Ch 1	Plant
FI-14	First AWT Project	\$ 38,615,642	Regulatory	Vol 4 Ch 8	Plant
FI-15	Second AWT Project (Moved out of Planning Period)	\$ -	Regulatory	Vol 4 Ch 8	Plant
FI-16	WAS Thickening Project	\$ 8,028,800	Capacity	Vol 5 Ch 4	Plant
FI-17	First Primary Sludge Pumping Rehabilitation	\$ 1,876,200	Condition	Vol 6 Ch 1	Plant
FI-18	Second Primary Sludge Pumping Rehabilitation	\$ 749,500	Condition	Vol 6 Ch 1	Plant
	<b>Total Cost</b>	<b>\$ 145,098,487</b>			

Costs are not escalated \* Renewal and Rehabilitation (R&R)

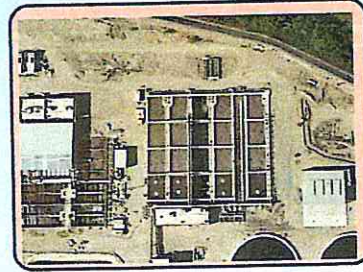
## Area 1: Headworks CIP Summary



Headworks CIP Summary	Project Driver	Implementation Date	Project Cost (\$ Million)
FI-01 Rehabilitation	R&R	2019 - 2023	\$ 8.8
FI-02 Screening Conveyor	R&R	2019 - 2023	\$ 0.9
FI-03 Bypass	O&M Initiative	2019 - 2023	\$ 1.1
FI-04 Grit Classifiers and Pumps	R&R	2029 - 2033	\$ 1.9
FI-19 Flow Metering *	O&M Initiative	2019 - 2023	\$ ??? *
<b>Headworks Total</b>			<b>\$ 12.7 **</b>

\* Project still in development  
 \*\* 2017 US Dollars

## Area 2: MBR (Plant 1) CIP Summary



MBR (Plant 1) CIP Summary	Project Driver	Implementation Date	Project Cost (\$ Million)
FI-05 Phase II Expansion (32 mgd)	O&M Initiative	2022 - 2028	\$ 20.5
FI-06 Enhanced Nutrient Removal	Regulatory	2028 - 2035	\$ 24.2
<b>MBR (Plant 1) Total</b>		-	<b>\$ 44.7 *</b>

\* 2017 US Dollars

## Area 3: ATT (Plant 2) CIP Summary



ATT (Plant 2) CIP Summary	Project Driver	Implementation Date	Project Cost (\$ Million)
FI-07 Rehabilitation	R&R	2019 - 2023	\$ 3.4
FI-08 Mixers Rehabilitation	R&R	2029 - 2033	\$ 0.5
FI-09 RAS/WAS PS Rehabilitation	R&R	2019 - 2023	\$ 2.1
FI-10 RAS/WAS Pumps Replacement	R&R	2029 - 2033	\$ 1.1
FI-11 Enhanced Nutrient Removal	Regulatory	2028 - 2035	\$ 24.2
<b>ATT (Plant 2) Total</b>		-	<b>\$ 31.3 *</b>

\* 2017 US Dollars

## Area 4: Primary Sludge Pumping CIP Summary



Primary Sludge Pumping CIP Summary	Project Driver	Implementation Date	Project Cost (\$ Million)
<b>FI-17 First Rehabilitation Project</b> - Replace pumps, valves, piping, No 1 - Paint and coat, repair hatches etc	R&R	2019 - 2023	\$ 1.9
<b>FI-18 Second Rehabilitation Project</b> - Reconfigure No. 2 with fewer pumps - Resurface concrete, investigate corrosion	R&R	2032 - 2036	\$ 0.7
<b>Primary Sludge Pumping Total</b>		-	<b>\$ 2.6 *</b>

\* 2017 US Dollars

## Areas 5 & 6 : Tertiary Filters and CCB Retrofit CIP Summary



Tertiary Filters and CCB CIP Summary	Project Driver	Implementation Date	Project Cost (\$ Million)
<b>FI-12 Tertiary Filter Replacement and CCB Retrofit</b> - Addition of cloth filters - Replace CCB gates - Convert lighting to LED	R&R	2024 - 2028	\$ 6.1
<b>FI-13 CCB Rehabilitation</b>	R&R	2029-2033	\$ 1.0
<b>Tertiary Filters and CCB Total</b>		-	<b>\$ 7.1 *</b>

\* 2017 US Dollars

## Area 7: AWT Project CIP Summary



*3MAGD*

Advanced Water Treatment CIP Summary	Project Driver	Implementation Date	Project Cost (\$ Million)
FI-14 First AWT Project - On-site RO plus EDR - 4-mile brine lines to IEBL	Regulatory	2019 - 2024	\$ 38.6
FI-15 Second AWT Project - Expansion of RO facility	Regulatory	Beyond 2037	-
<b>AWT Total</b>		-	<b>\$ 38.6 *</b>

\* 2017 US Dollars

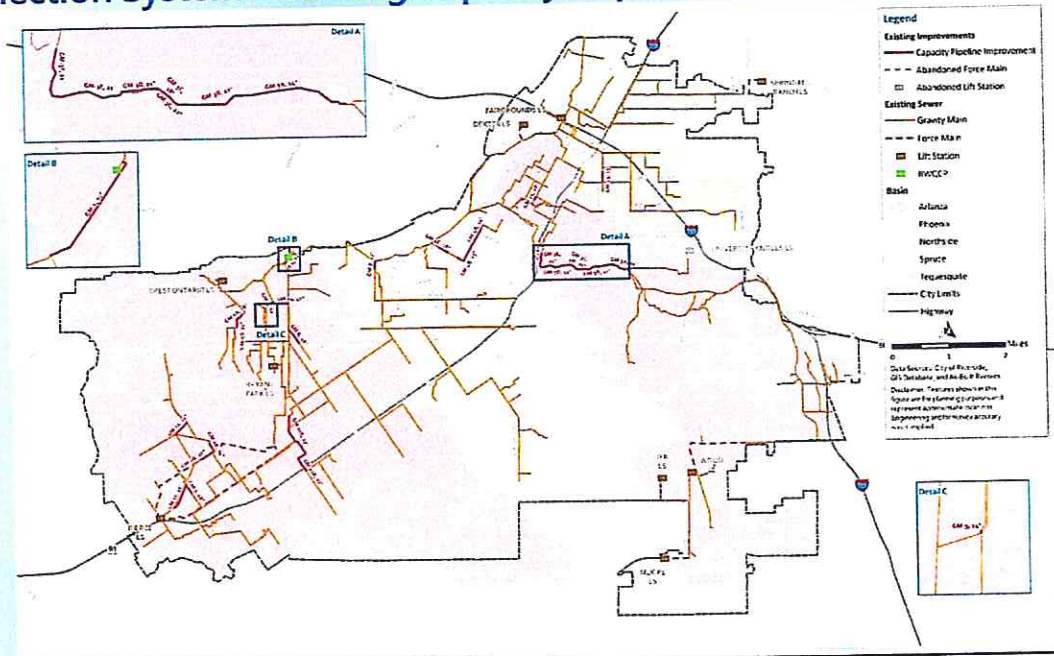
## Area 8: WAS Thickening CIP Summary



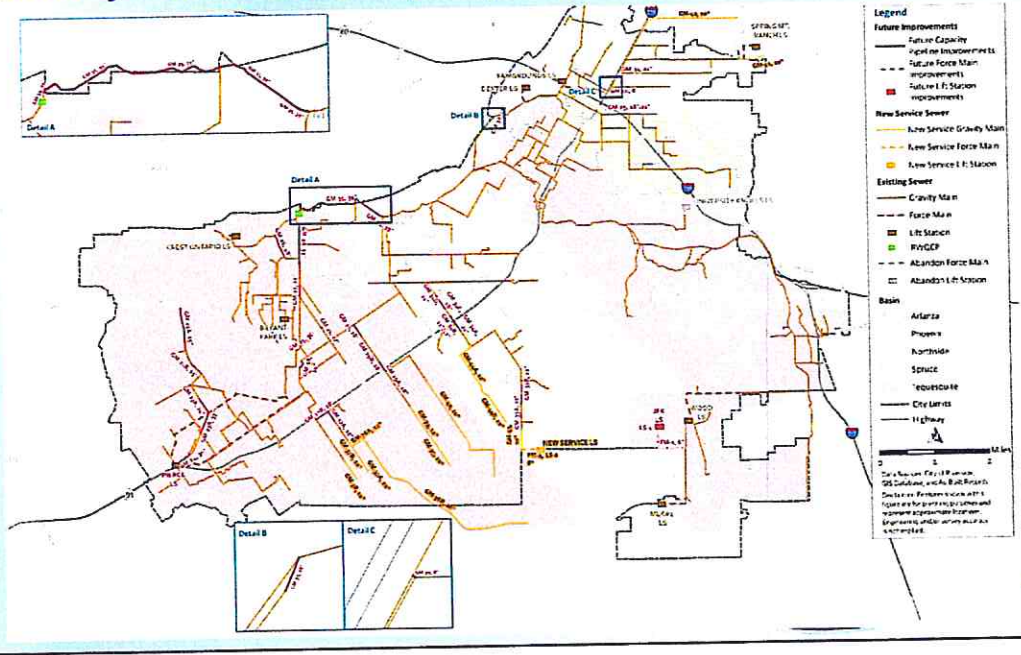
WAS Thickening CIP Summary	Project Driver	Implementation Date	Project Cost (\$ Million)
FI-16 Rehabilitation - New WAS Thickening equipment - Rehab DAFT No. 2 - Replace DAFT No. 1 drive - Clean up building, add polymer	Capacity	2024 - 2028	\$ 8.0
<b>WAS Thickening Total</b>		-	<b>\$ 8.0 *</b>

\* 2017 US Dollars

## Collection System - Existing Capacity Improvements

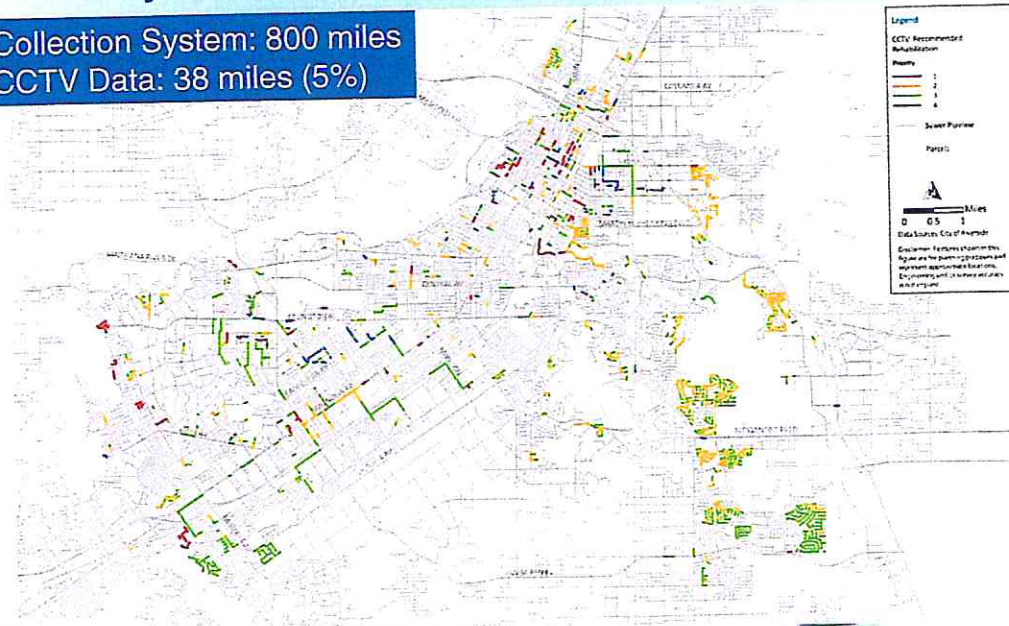


## Collection System - Future Capacity Improvements



## Collection System - Rehabilitation Projects by Priority

Collection System: 800 miles  
CCTV Data: 38 miles (5%)

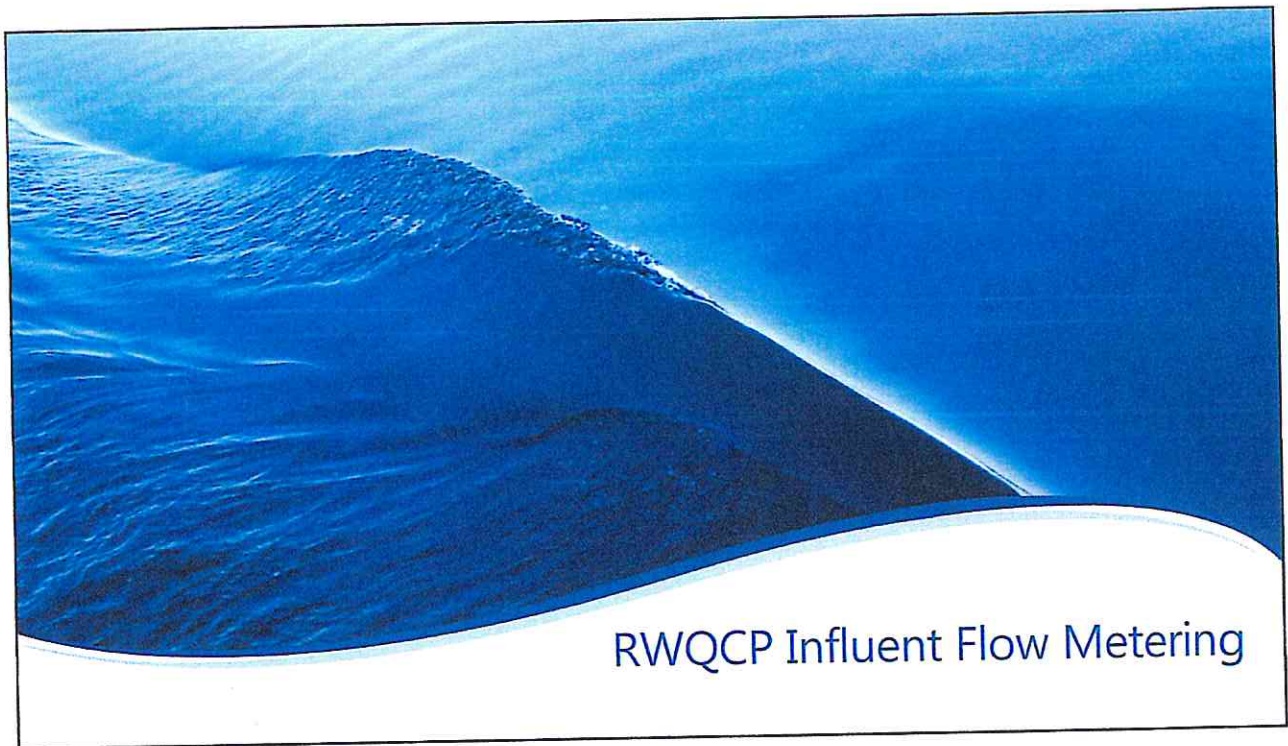


## Collection System CIP

Project Type	Project Costs (\$ Million)			
	Near Term (2018-2027)	Long Term (2028-2037)	Build Out (2038 plus)	Total
Capacity Related Projects	\$36.9	\$21.7	\$0	\$58.6
Future Capacity Improvements	\$11.8	\$30.6	\$0	\$42.4
Rehabilitation and Improvement Projects	\$75.5	\$76.2	\$80.0	\$151.6
Other Projects (CCTV)	\$51.3	\$57.3	\$0	\$108.6
<b>Total Collection System CIP</b>	<b>\$175.5</b>	<b>\$185.7</b>	<b>\$80.0</b>	<b>\$361.2</b>

Costs are not escalated





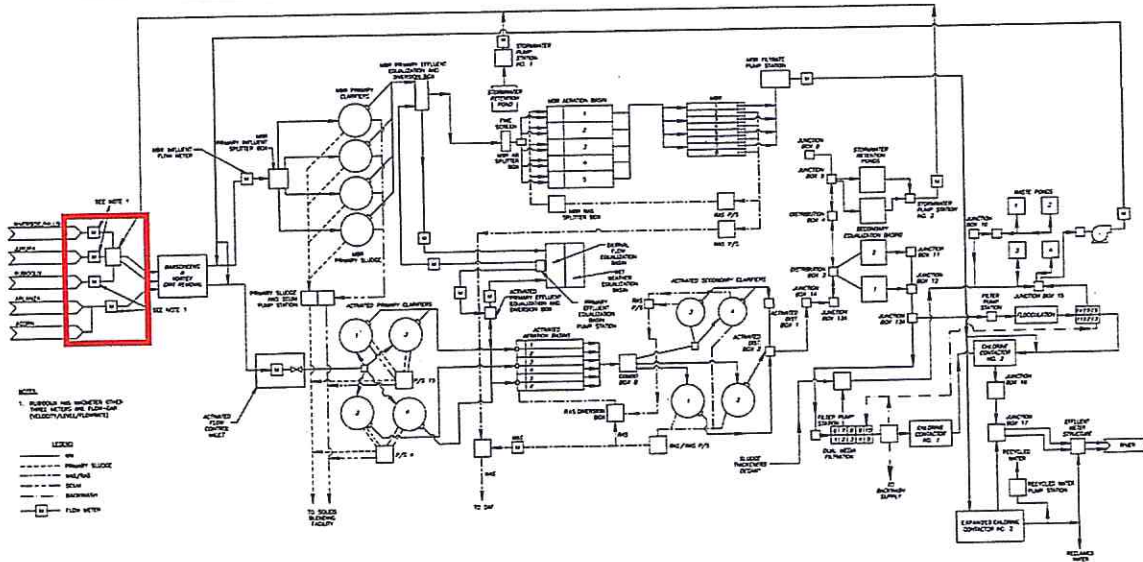
## Existing Plant Flow Metering

- **5 trunk sewers** are metered with **four meters** as follows:
  - **Rubidoux trunk sewer:** 14-inch ABB MagMaster electromagnetic flow meter.
  - **Jurupa trunk sewer:** Marsh-McBirney Flo-Dar™ (Flo-Dar) radar velocity and ultrasonic depth flow meter.
  - **Acorn and Arlanza trunk sewers:** Combined at a junction structure within the Plant and their combined flow is metered with a Flo-Dar unit.
  - **Santa Ana River (Riverside/Hillside) trunk sewers:** Combined at a junction structure upstream of the Plant and their combined flow is metered with a Flo-Dar unit.

## Issues with Current Flow Metering

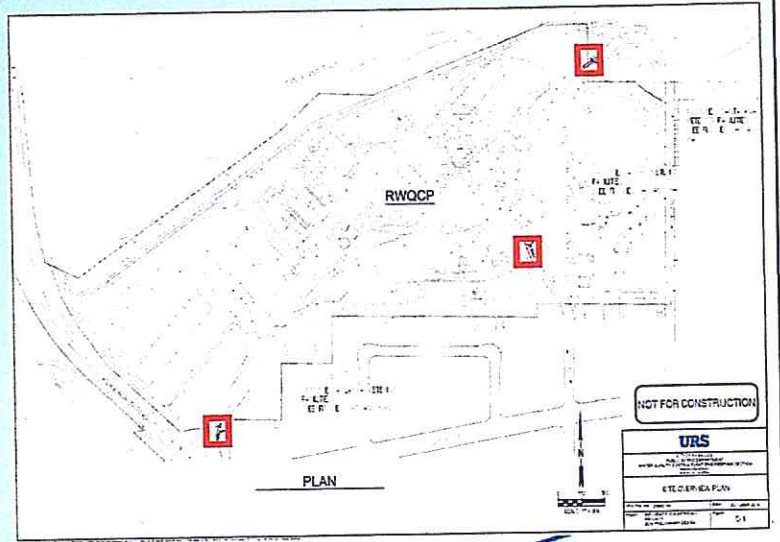
- No Control over Jurupa and Rubidoux Meters
  - The City has no access to calibrate or perform maintenance
- Limited total flow accuracy due to summation of errors of different measurement principles from four meters
- Studied best flow metering improvement option, including possible **single Master meter** to determine total plant flow

## Existing Flow Schematic



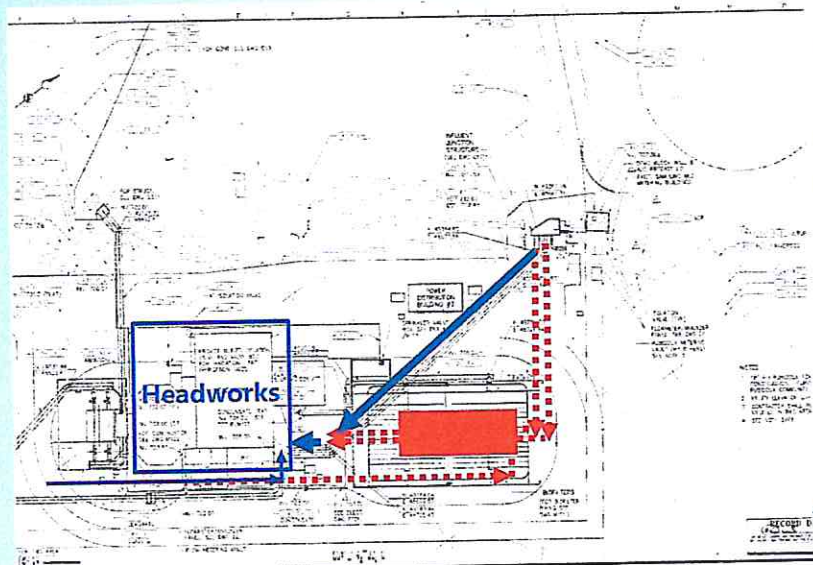
## Proposed URS Modifications

- URS Study propose three new meters
  - Install **two** separate magnetic flow meters for Acorn and Arlanza
  - Install **one** new magnetic flow meters for Riverside/Hillside
- Result will be **five** magflow meters in total



## Preliminary investigation of single Master Meter shows it is costly and impractical

- Acorn/Arlanza sewer is very flat
- Limited head to extend line
- Large single meter structure will be expensive
- Impact headworks hydraulics



## Proposed Flow Meter Improvements

- **Meter four trunk Sewers with magmeters:**

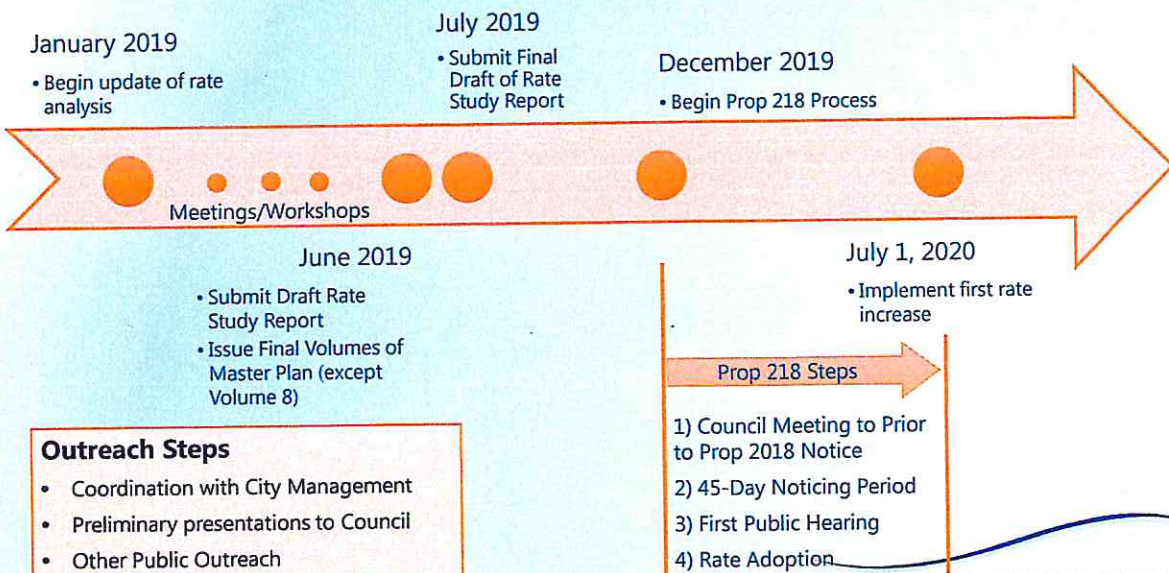
- **Rubidoux trunk sewer:** 14-inch ABB MagMaster electromagnetic flow meter. No change.
- **Jurupa trunk sewer** new electromagnetic flow meter with new trunk sewer to RWQCP.
- **Acorn and Arlanza trunk sewers:** combine flow at a junction structure within the Plant measure with a new electromagnetic flow meter.
- **Santa Ana River (Riverside/Hillside) trunk sewers:** Combine flow at a junction structure upstream of the Plant and measure with a new electromagnetic flow meter.

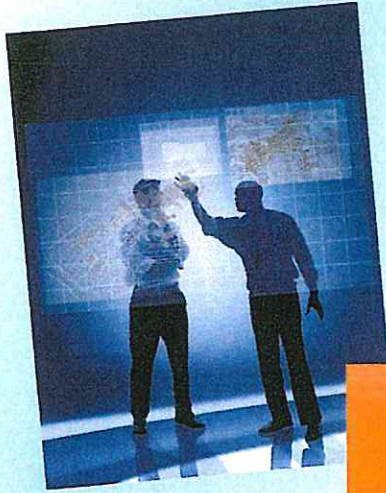
## Remaining Work

## Remaining Work

- Complete Outstanding Chapters
  - CIP Chapter in Volume 3
  - Executive Summary
  - Finalize other Chapters based on City comments

## Rate Study Timeline





## Q&A

**carello**  
Engineers...Working Wonders With Water®

## 8. MANAGER'S REPORT

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

## Water and Wastewater Production Comparison

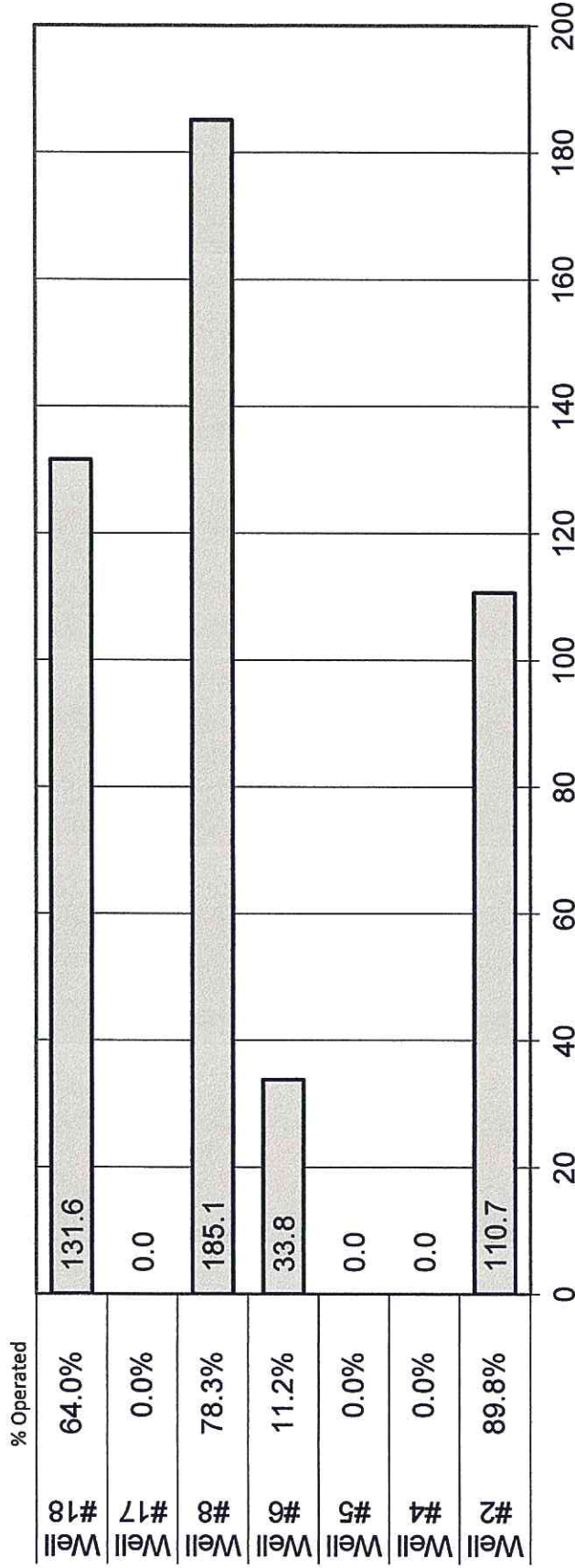
Date	<b>TOTAL WELL PRODUCTION in Million Gallons</b>					<b>Consumption to</b>	<b>WASTEWATER</b>
	<b>Purchased</b>	Potable	Potable	Non-Potable		<b>JURUPA C.S.D.</b>	<b>FLOW TO</b>
		<b>Wells</b>	<b>Total</b>	<b>Wells</b>	<b>Total</b>	<b>(Million Gallons)</b>	<b>RIVERSIDE</b>
						<b>(Million Gallons)</b>	<b>(Million Gallons)</b>
9/1/2018	0.00	4.93	<b>4.93</b>	0.44	<b>5.37</b>	<b>0.00</b>	<b>1.76</b>
9/2/2018	0.00	4.86	<b>4.86</b>	0.65	<b>5.51</b>	<b>0.00</b>	<b>1.72</b>
9/3/2018	0.00	5.79	<b>5.79</b>	0.66	<b>6.45</b>	<b>0.00</b>	<b>1.83</b>
9/4/2018	0.00	4.95	<b>4.95</b>	0.55	<b>5.50</b>	<b>0.00</b>	<b>1.98</b>
9/5/2018	0.00	4.82	<b>4.82</b>	0.50	<b>5.32</b>	<b>0.00</b>	<b>2.02</b>
9/6/2018	0.00	5.24	<b>5.24</b>	0.53	<b>5.77</b>	<b>0.00</b>	<b>2.03</b>
9/7/2018	0.00	4.79	<b>4.79</b>	0.52	<b>5.31</b>	<b>0.00</b>	<b>1.98</b>
9/8/2018	0.00	5.21	<b>5.21</b>	0.51	<b>5.72</b>	<b>0.00</b>	<b>1.93</b>
9/9/2018	0.00	4.76	<b>4.76</b>	0.54	<b>5.31</b>	<b>0.00</b>	<b>1.79</b>
9/10/2018	0.00	5.27	<b>5.27</b>	0.55	<b>5.82</b>	<b>0.00</b>	<b>2.07</b>
9/11/2018	0.00	5.19	<b>5.19</b>	0.49	<b>5.68</b>	<b>0.00</b>	<b>2.03</b>
9/12/2018	0.00	5.63	<b>5.63</b>	0.46	<b>6.09</b>	<b>0.00</b>	<b>2.03</b>
9/13/2018	0.00	4.94	<b>4.94</b>	0.59	<b>5.53</b>	<b>0.00</b>	<b>2.01</b>
9/14/2018	0.00	4.73	<b>4.73</b>	0.08	<b>4.81</b>	<b>0.00</b>	<b>1.96</b>
9/15/2018	0.00	5.24	<b>5.24</b>	0.13	<b>5.37</b>	<b>0.00</b>	<b>1.89</b>
9/16/2018	0.00	4.90	<b>4.90</b>	0.16	<b>5.05</b>	<b>0.00</b>	<b>1.79</b>
9/17/2018	0.00	5.30	<b>5.30</b>	0.60	<b>5.89</b>	<b>0.00</b>	<b>1.97</b>
9/18/2018	0.00	4.93	<b>4.93</b>	0.57	<b>5.50</b>	<b>0.00</b>	<b>2.01</b>
9/19/2018	0.00	5.15	<b>5.15</b>	0.73	<b>5.88</b>	<b>0.00</b>	<b>2.02</b>
9/20/2018	0.00	5.24	<b>5.24</b>	0.52	<b>5.75</b>	<b>0.00</b>	<b>2.11</b>
9/21/2018	0.00	4.09	<b>4.09</b>	0.60	<b>4.69</b>	<b>0.00</b>	<b>1.98</b>
9/22/2018	0.00	5.38	<b>5.38</b>	0.55	<b>5.94</b>	<b>0.00</b>	<b>1.82</b>
9/23/2018	0.00	4.79	<b>4.79</b>	0.49	<b>5.28</b>	<b>0.00</b>	<b>1.82</b>
9/24/2018	0.00	5.30	<b>5.30</b>	0.56	<b>5.86</b>	<b>0.00</b>	<b>1.98</b>
9/25/2018	0.00	4.46	<b>4.46</b>	0.60	<b>5.06</b>	<b>0.00</b>	<b>2.12</b>
9/26/2018	0.00	5.19	<b>5.19</b>	0.47	<b>5.66</b>	<b>0.00</b>	<b>2.07</b>
9/27/2018	0.00	4.97	<b>4.97</b>	0.69	<b>5.66</b>	<b>0.00</b>	<b>2.05</b>
9/28/2018	0.00	5.13	<b>5.13</b>	0.39	<b>5.52</b>	<b>0.00</b>	<b>1.95</b>
9/29/2018	0.00	4.75	<b>4.75</b>	0.47	<b>5.22</b>	<b>0.00</b>	<b>2.05</b>
9/30/2018	0.00	4.33	<b>4.33</b>	0.50	<b>4.83</b>	<b>0.00</b>	<b>1.92</b>
MINIMUM	0.00	4.09	<b>4.09</b>	0.08	<b>4.69</b>	<b>0.00</b>	<b>1.72</b>
AVERAGE	0.00	5.01	<b>5.01</b>	0.50	<b>5.51</b>	<b>0.00</b>	<b>1.96</b>
MAXIMUM	0.00	5.79	<b>5.79</b>	0.73	<b>6.45</b>	<b>0.00</b>	<b>2.12</b>
TOTAL	0.00	150.26	<b>150.26</b>	15.07	<b>165.32</b>	<b>0.00</b>	<b>58.66</b>



**RUBIDOUX COMMUNITY SERVICES DISTRICT**  
**MONTHLY WELL PRODUCTION**  
(Million Gallons)

DATE	POTABLE WATER										NONPOTABLE WATER						TOTALS		
	JURUPA TIE-IN (MG)	TROYER Well #2 (MG)	Nitrate Removal FLEETWOOD Well #4 (MG)	SKOTTY Well #6 (MG)	DAILY Well #5 (MG)	GOULD Well #8 (MG)	Manganese Removal Well #17 (MG)	Plant #2 Well #18 (MG)	28th ST. Well #3 (MG)	DAILY Well #7 (MG)	CLEMENT Well #11 (MG)	46th ST. Well #14 (MG)	MISSION #19 & #20 (MG)	POTABLE (MG)	NON POTABLE (MG)	TOTAL PROD. (MG)			
9/1/2018	0.00	1.22	0.00	0.64	0.00	1.58	0.00	1.48	0.00	0.00	0.42	0.00	0.02	4.93	0.44	5.37			
9/2/2018	0.00	1.25	0.00	0.55	0.00	1.57	0.00	1.49	0.00	0.00	0.63	0.00	0.02	4.86	0.65	5.51			
9/3/2018	0.00	1.71	0.00	0.36	0.00	2.00	0.00	1.72	0.00	0.00	0.64	0.00	0.02	5.79	0.66	6.45			
9/4/2018	0.00	0.90	0.00	0.67	0.00	1.91	0.00	1.48	0.00	0.03	0.50	0.00	0.02	4.95	0.55	5.50			
9/5/2018	0.00	1.30	0.00	0.65	0.00	1.52	0.00	1.35	0.00	0.00	0.49	0.00	0.01	4.82	0.50	5.32			
9/6/2018	0.00	1.05	0.00	0.52	0.00	2.22	0.00	1.45	0.00	0.07	0.45	0.00	0.01	5.24	0.53	5.77			
9/7/2018	0.00	1.25	0.00	0.45	0.00	1.58	0.00	1.51	0.00	0.00	0.51	0.00	0.01	4.79	0.52	5.31			
Subtotal	0.00	8.68	0.00	3.84	0.00	12.38	0.00	10.48	0.00	0.10	3.63	0.00	0.11	35.37	3.83	39.21			
9/8/2018	0.00	1.14	0.00	0.72	0.00	1.83	0.00	1.51	0.00	0.00	0.50	0.00	0.01	5.21	0.51	5.72			
9/9/2018	0.00	1.22	0.00	0.00	0.00	2.11	0.00	1.44	0.00	0.00	0.54	0.00	0.01	4.76	0.54	5.31			
9/10/2018	0.00	1.21	0.00	0.66	0.00	2.30	0.00	1.10	0.00	0.00	0.54	0.00	0.01	5.27	0.55	5.82			
9/11/2018	0.00	1.20	0.00	0.00	0.00	2.15	0.00	1.85	0.00	0.00	0.48	0.00	0.01	5.19	0.49	5.68			
9/12/2018	0.00	1.22	0.00	0.70	0.00	2.23	0.00	1.49	0.00	0.00	0.45	0.00	0.01	5.63	0.46	6.09			
9/13/2018	0.00	1.27	0.00	0.00	0.00	2.20	0.00	1.47	0.00	0.10	0.48	0.00	0.01	4.94	0.59	5.53			
9/14/2018	0.00	1.15	0.00	0.58	0.00	1.60	0.00	1.40	0.00	0.00	0.07	0.00	0.01	4.73	0.08	4.81			
Subtotal	0.00	8.40	0.00	2.66	0.00	14.42	0.00	10.25	0.00	0.10	3.06	0.00	0.07	35.73	3.23	38.96			
9/15/2018	0.00	1.35	0.00	0.00	0.00	2.38	0.00	1.51	0.00	0.00	0.12	0.00	0.01	5.24	0.13	5.37			
9/16/2018	0.00	1.11	0.00	0.66	0.00	1.67	0.00	1.46	0.00	0.00	0.14	0.00	0.01	4.90	0.16	5.05			
9/17/2018	0.00	1.18	0.00	0.40	0.00	2.24	0.00	1.48	0.00	0.00	0.57	0.00	0.02	5.30	0.60	5.89			
9/18/2018	0.00	1.19	0.00	0.00	0.00	2.23	0.00	1.52	0.00	0.00	0.56	0.00	0.01	4.93	0.57	5.50			
9/19/2018	0.00	1.18	0.00	0.35	0.00	2.24	0.00	1.39	0.00	0.00	0.72	0.00	0.01	5.15	0.73	5.88			
9/20/2018	0.00	1.24	0.00	0.80	0.00	1.79	0.00	1.40	0.00	0.06	0.45	0.00	0.01	5.24	0.52	5.75			
9/21/2018	0.00	1.09	0.00	0.00	0.00	1.64	0.00	1.36	0.00	0.00	0.59	0.00	0.01	4.09	0.60	4.69			
Subtotal	0.00	8.35	0.00	2.20	0.00	14.18	0.00	10.11	0.00	0.06	3.16	0.00	0.08	34.84	3.29	38.13			
9/22/2018	0.00	1.32	0.00	0.00	0.00	2.49	0.00	1.58	0.00	0.00	0.53	0.00	0.02	5.38	0.55	5.94			
9/23/2018	0.00	1.23	0.00	0.00	0.00	2.18	0.00	1.37	0.00	0.00	0.49	0.00	0.00	4.79	0.49	5.28			
9/24/2018	0.00	1.30	0.00	0.97	0.00	1.66	0.00	1.38	0.00	0.00	0.56	0.00	0.00	5.30	0.56	5.86			
9/25/2018	0.00	1.08	0.00	0.00	0.00	2.09	0.00	1.34	0.00	0.00	0.60	0.00	0.00	4.46	0.60	5.06			
9/26/2018	0.00	1.23	0.00	0.63	0.00	1.97	0.00	1.36	0.00	0.00	0.47	0.00	0.00	5.19	0.47	5.66			
9/27/2018	0.00	1.11	0.00	0.36	0.00	2.26	0.00	1.24	0.00	0.01	0.66	0.00	0.02	4.97	0.69	5.66			
9/28/2018	0.00	1.13	0.00	0.36	0.00	2.36	0.00	1.28	0.00	0.00	0.35	0.00	0.04	5.13	0.39	5.52			
9/29/2018	0.00	1.21	0.00	0.00	0.00	2.20	0.00	1.34	0.00	0.00	0.44	0.00	0.03	4.75	0.47	5.22			
9/30/2018	0.00	1.07	0.00	0.00	0.00	2.12	0.00	1.14	0.00	0.00	0.46	0.00	0.03	4.33	0.50	4.83			
Subtotal	0.00	10.63	0.00	2.32	0.00	19.34	0.00	12.03	0.00	0.01	4.56	0.00	0.15	44.31	4.71	49.02			
TOTAL	0.000	36.060	0.000	11.018	0.000	60.314	0.000	42.866	0.000	0.266	14.400	0.000	0.399	150.258	15.065	165.323			

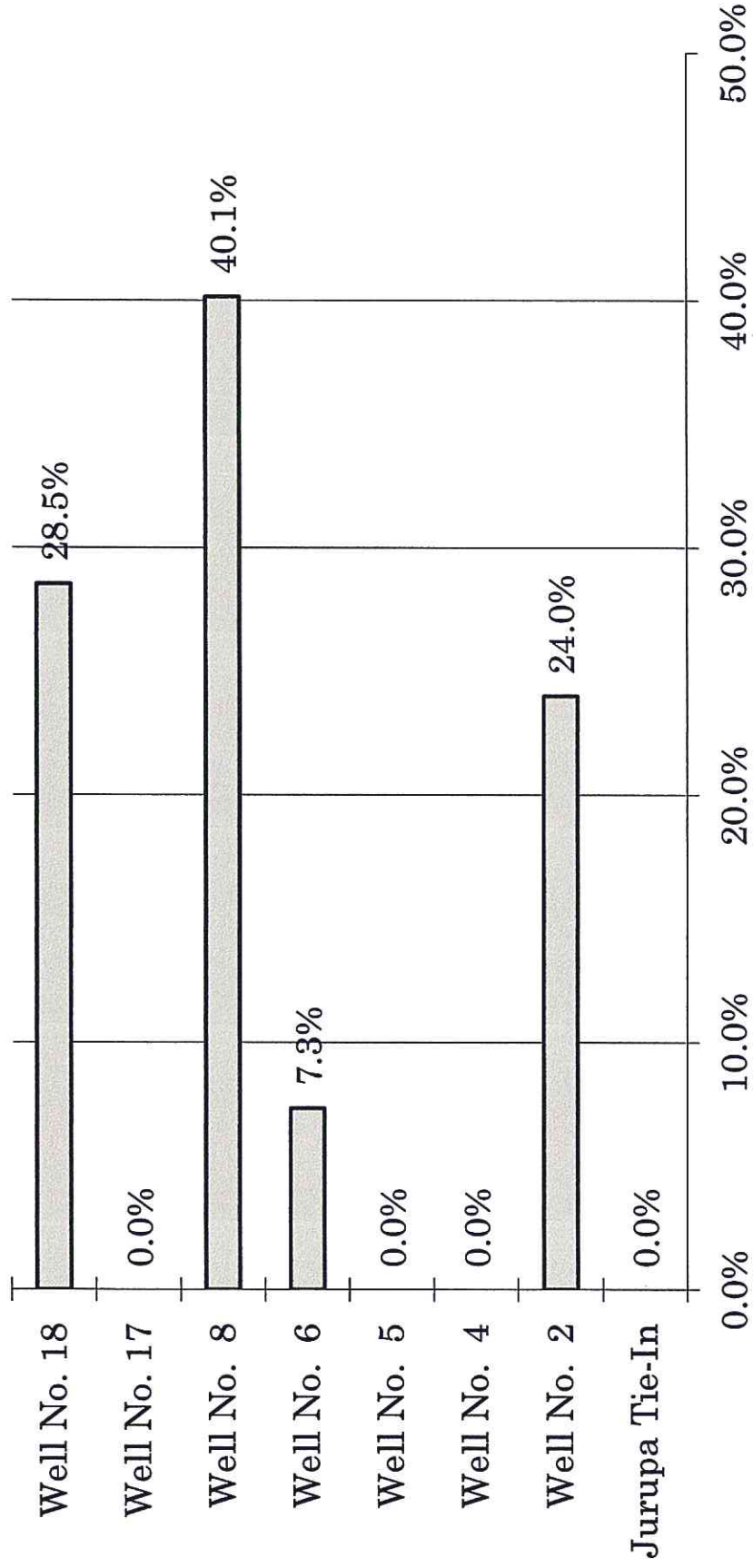
# TOTAL WATER PRODUCED w/ % Operated SEPTEMBER 2018



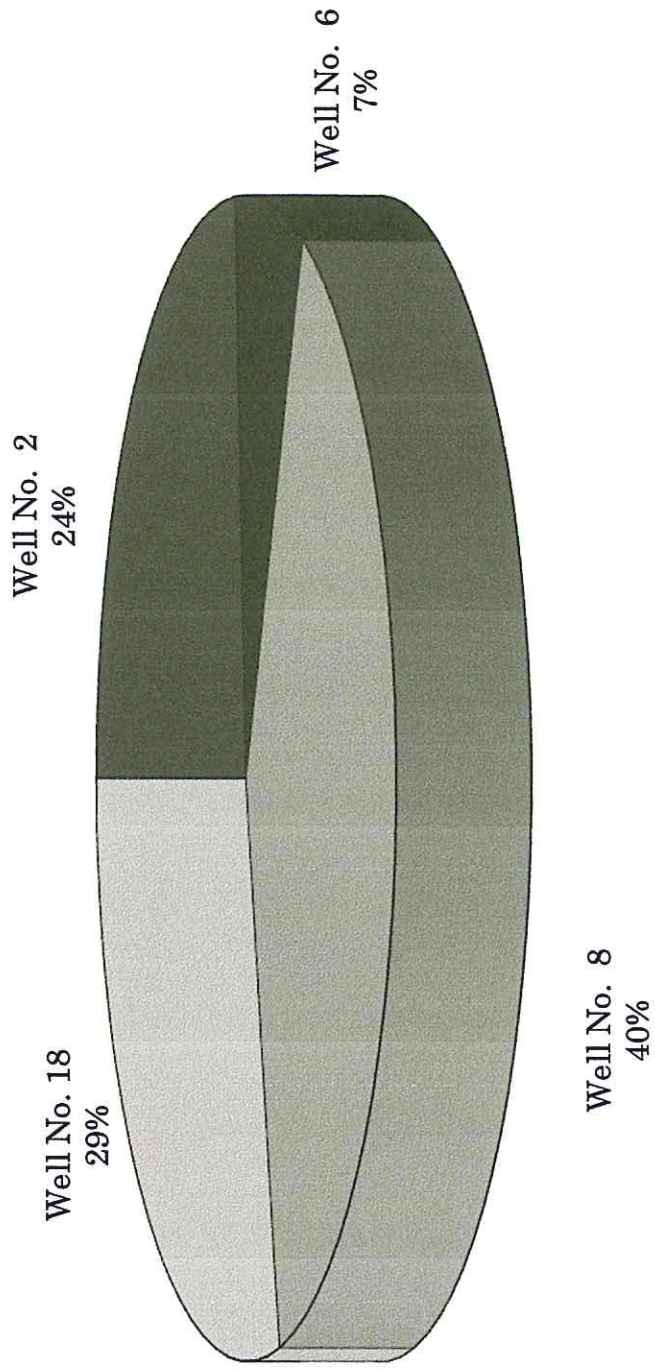
**Max Production 1276.2 AF**  
**Monthly Production 461.2 AF**  
**Reserve Production 815.0 AF**

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

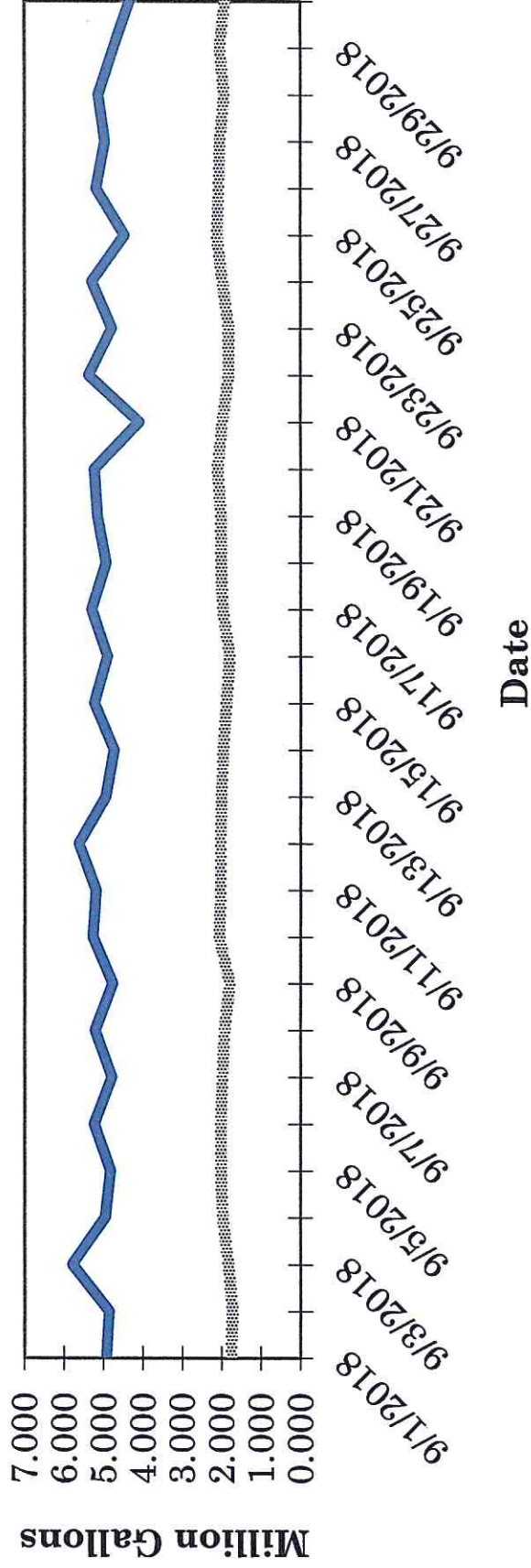
# Source Potable Production Comparison September 2018



# Source Potable Production Comparison September 2018



# Potable Water & Wastewater Comparison September 2018

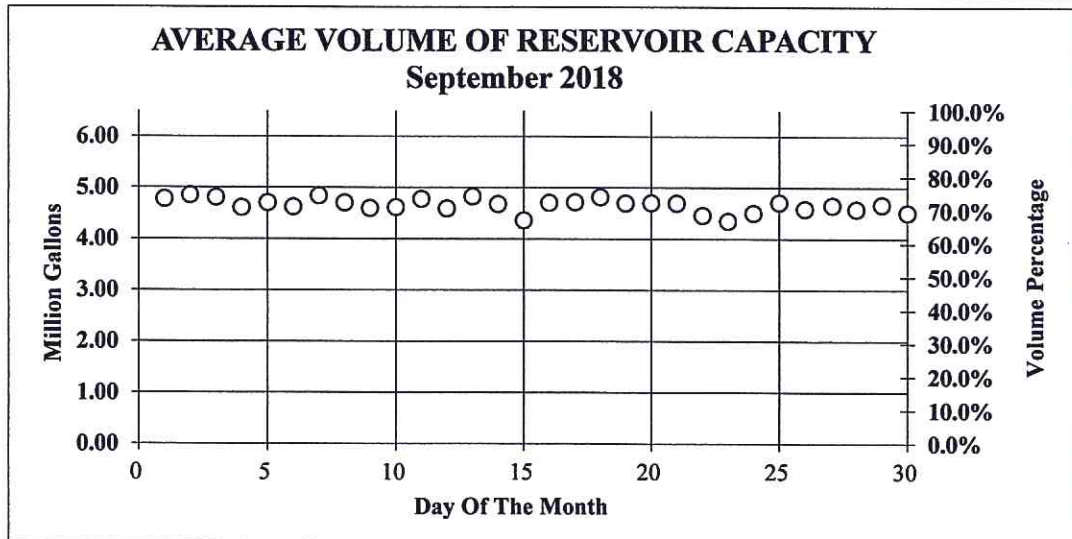


— Potable Water Prod.      ..... Wastewater Prod

# 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 1	PERRONE		
9/1/2018	75.3	71.1	77.8	80.0	4,780,776	74.4%
9/2/2018	77.8	72.9	76.8	77.0	4,853,855	75.5%
9/3/2018	75.7	71.1	77.3	82.7	4,810,570	74.9%
9/4/2018	71.3	68.3	74.8	80.7	4,609,441	71.7%
9/5/2018	73.8	69.9	77.0	79.7	4,705,701	73.2%
9/6/2018	71.8	68.4	77.5	79.8	4,623,820	72.0%
9/7/2018	77.2	72.2	77.5	79.7	4,840,396	75.3%
9/8/2018	73.6	69.8	78.2	80.3	4,702,449	73.2%
9/9/2018	71.5	67.5	78.0	80.4	4,593,801	71.5%
9/10/2018	71.6	68.5	76.8	79.5	4,617,088	71.9%
9/11/2018	76.2	71.1	78.1	79.0	4,775,851	74.3%
9/12/2018	71.0	68.0	77.8	79.6	4,592,984	71.5%
9/13/2018	77.2	71.9	78.0	79.2	4,825,403	75.1%
9/14/2018	73.1	69.3	78.5	79.7	4,678,916	72.8%
9/15/2018	65.9	63.4	78.8	80.7	4,360,413	67.9%
9/16/2018	74.0	70.2	77.0	77.0	4,700,254	73.2%
9/17/2018	73.9	69.9	77.7	80.2	4,712,536	73.3%
9/18/2018	76.9	71.7	78.5	79.4	4,815,613	75.0%
9/19/2018	73.6	69.4	78.5	80.0	4,695,793	73.1%
9/20/2018	73.9	69.8	78.0	79.6	4,705,139	73.2%
9/21/2018	72.7	69.1	79.0	82.2	4,697,376	73.1%
9/22/2018	68.3	65.1	79.5	80.0	4,458,166	69.4%
9/23/2018	66.7	64.0	77.6	76.4	4,349,984	67.7%
9/24/2018	68.1	66.1	77.9	81.4	4,500,452	70.0%
9/25/2018	75.2	70.4	78.4	78.3	4,709,653	73.3%
9/26/2018	70.9	67.8	77.5	79.8	4,584,203	71.3%
9/27/2018	72.8	68.8	78.3	79.6	4,651,434	72.4%
9/28/2018	71.0	67.6	78.9	79.4	4,578,992	71.3%
9/29/2018	73.1	68.8	81.2	79.7	4,663,230	72.6%
9/30/2018	70.2	66.8	78.8	76.6	4,509,283	70.2%

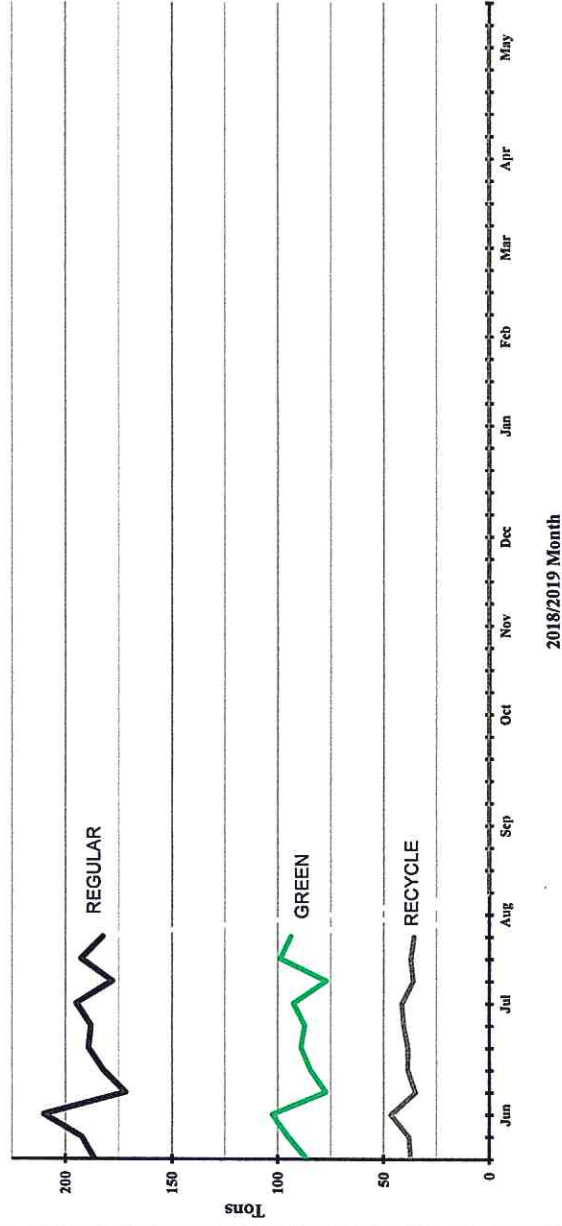


\* The total capacity of all District reservoirs is 6,425,000 gallons.

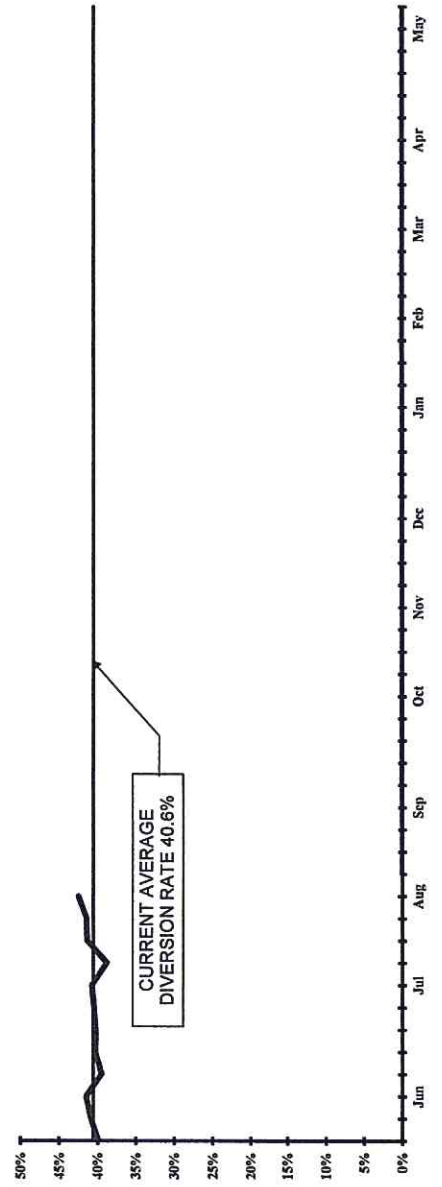


**RUBIDOUX COMMUNITY SERVICES DISTRICT**  
**Green Waste Program**  
**(May 18 to June 19)**

**CHARACTERIZATION OF REFUSE COLLECTED**



**PERCENTAGE OF GREEN/RECYCLE WASTE DIVERTED**







**CAL FIRE**



# Resource Activity Report

9/1/2017

9/30/2017

9/1/2018

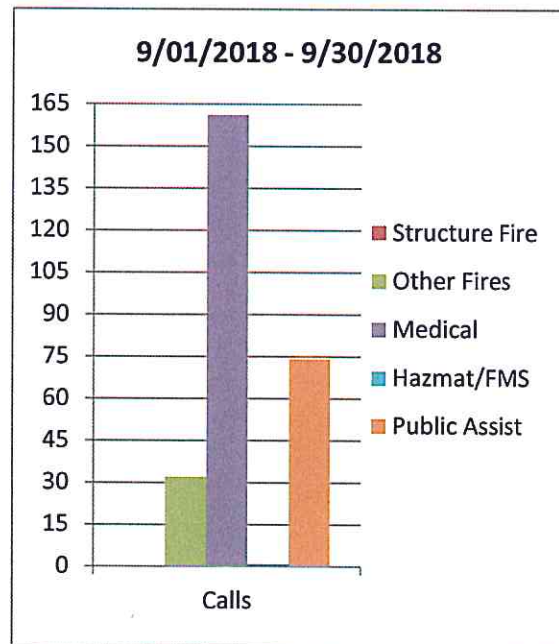
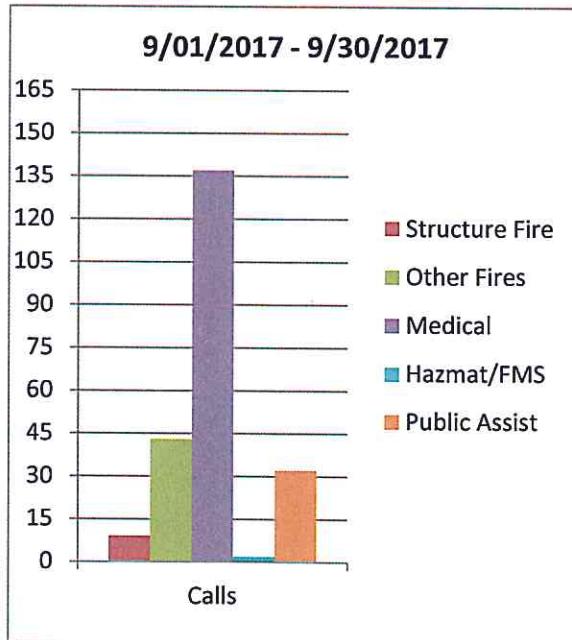
9/30/2018

Call Type	Station 38
Veg/Structure Fire	9
Other Fires	43
Medical	137
Hazmat/FMS	2
Public Assist	32
<b>Period Total</b>	<b>223</b>

<b>Year to Date</b>	<b>2,365</b>
---------------------	--------------

Call Type	Station 38
Veg/Structure Fire	0
Other Fires	32
Medical	161
Hazmat/FMS	1
Public Assist	74
<b>Period Total</b>	<b>268</b>

<b>Year to Date</b>	<b>2,448</b>
---------------------	--------------



9. PRESENTATION OF THE RUBIDOUX COMMUNITY SERVICES  
DISTRICT FINANCIAL STATEMENT ENDING FY JUNE 30, 2018:  
**DM 2018-64**

# 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 2018-64**

October 18, 2018

**To:**            Rubidoux Community Services District  
                    Board of Directors

**Subject:**      2017-2018 Annual Audit / Financial Statement Report

## **BACKGROUND:**

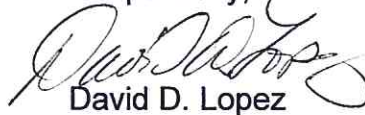
Attached for the Board of Directors' review and consideration is the annual Financial Statement Report ending June 30 2018, for the Rubidoux Community Services District. This year's report was prepared by Rogers Anderson Malody & Scott (RAMS), CPA's and includes all revenue funds, physical assets, expenses, debt service and depreciation schedules. Staff believes it is vital for the Board of Directors to receive the annual report well in advance to tonight's meeting; consequently, the Board Members were transmitted the enclosed draft audit report with your September 20, Board packet. This affords the Board Members the opportunity to review the financial information at your leisure. Further, any questions that may arise during your review may be thoughtfully drafted for response at tonight's presentation.

Mr. Scott Manno, CPA, and Partner with RAMS was one of 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 to the Board of Directors to accept the work performed by RAMS, CPA's and receive and file the 2017/2018 Financial Statement Report for the Rubidoux Community Services District.

Respectfully,



David D. Lopez  
Secretary-Manager

Attachment: 2017/2018 Annual Audit Report

**DRAFT #2**  
**Subject to Change**



**Rubidoux Community Services District**

**Financial Statements**

**For the year ended June 30, 2018**

**Rubidoux Community Services District**

**Table of Contents**

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (unaudited)	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	11
Fund Financial Statements:	
General Fund:	
Balance Sheet	12
Reconciliation of the General Fund Balance Sheet to the Government-Wide Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the General Fund to the Government-Wide Statement of Activities	15
Proprietary Funds:	
Statement of Net Position	16
Statement of Revenue, Expenses and Changes in Net Position	18
Statement of Cash Flows	19
Notes to the Financial Statements	21
Required Supplementary Information:	
Schedule of Plan's Proportionate Share of Net Pension Liability and Related Ratios	46
Schedule of Plan Contributions	47
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund	48
Notes to Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	49
Other Information:	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund	51
Ten Year Financial Trends	52
Graphic Financial Comparisons	53
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 <i>Government Auditing Standards</i>	59
Schedule of Findings and Responses	61

# DRAFT #2

## Subject to Change

### 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, 2018, 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.

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 Rubidoux Community Services District, as of June 30, 2018, 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.

***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 schedules of the District's share of net pension liability, contributions, and budget and actual information, 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2018, 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.

San Bernardino, California  
October 18, 2018



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, 2018. Please read it in conjunction with the accompanying basic financial statements.

#### **Financial Highlights**

- The District's net position decreased \$1,179,904 or 2.25%, 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 \$17.8 million.
- The cost of all District activities amounted to \$19.0 million.
- Operationally, the Water Fund provided \$1,667,772, the Sewer Fund used \$2,881,660 and the Solid Waste Disposal Fund provided \$177,127 to decrease net position by \$1,036,761 in the enterprise funds. The total Governmental Activities decreased by \$143,143.

#### **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.

- 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 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 21 through 44.

The District as a whole

Our analysis focuses on the assets (Table 1) and changes in net position (Table 2) of the District's 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			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<i>Assets</i>										
Current and other assets	\$ 3.6	\$ 3.6	\$ 16.2	\$ 13.4	\$ 4.9	\$ 5.8	\$ 0.3	\$ 0.2	\$ 25.0	\$ 23.0
Capital assets	4.0	4.1	23.1	23.6	15.9	16.7	-	-	43.0	44.4
Deferred outflows	0.7	0.5	0.8	0.5	0.1	0.1	-	-	1.6	1.1
<b>Total assets and deferred outflows</b>	<b>8.3</b>	<b>8.2</b>	<b>40.1</b>	<b>37.5</b>	<b>20.9</b>	<b>22.6</b>	<b>0.3</b>	<b>0.2</b>	<b>69.6</b>	<b>68.5</b>
<i>Liabilities</i>										
Long-term liabilities	2.5	2.2	10.3	10.8	0.3	0.3	-	-	13.1	13.3
Other liabilities	0.8	0.9	2.3	1.0	1.7	0.6	-	-	4.8	2.5
Deferred inflows	0.2	0.1	0.2	0.1	-	-	-	-	0.4	0.2
<b>Total liabilities and deferred inflows</b>	<b>3.5</b>	<b>3.2</b>	<b>12.8</b>	<b>11.9</b>	<b>2.0</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>18.3</b>	<b>16.0</b>
<i>Net position</i>										
Net investment in capital assets	4.0	4.1	14.4	14.1	16.0	16.7	-	-	34.4	34.9
Restricted	1.3	1.3	6.8	6.8	3.1	2.9	-	-	11.2	11.0
Unrestricted	(0.5)	(0.4)	6.1	4.7	(0.2)	2.1	0.3	0.2	5.7	6.6
<b>Total net position</b>	<b>\$ 4.8</b>	<b>\$ 5.0</b>	<b>\$ 27.3</b>	<b>\$ 25.6</b>	<b>\$ 18.9</b>	<b>\$ 21.7</b>	<b>\$ 0.3</b>	<b>\$ 0.2</b>	<b>\$ 51.3</b>	<b>\$ 52.5</b>

The District's net position decrease of 2.25% to \$51.3 million comes from the revenues and expense activity recorded in the Statement of Activities.

- Overall government-wide capital assets decreased \$1.3 million due to depreciation of capital assets.
- As a whole, long-term debt decreased \$79,000 due to an increase in the net pension liability of \$0.6 million, principal payments of \$0.3 million on the Leland J. Thompson Water Facility loan and \$0.5 million on the water certificates of participation.
- Restricted Net Position increased \$0.1 million.

**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, decreased \$0.9 million and amounted to \$5.7 million.

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

	Governmental		Proprietary Funds						Total	
	Activities		Water		Sewer		Solid Waste			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<i>Revenues</i>										
Operating revenue:										
Charges for services	\$ 1.3	\$ 1.3	\$ 5.8	\$ 5.5	\$ 2.8	\$ 2.7	\$ 3.3	\$ 3.1	\$ 13.2	\$ 12.6
Property taxes	3.0	2.8	-	-	-	-	-	-	3.0	2.8
Other revenue:										
Capital contributions	-	-	-	-	-	-	-	-	-	-
Other/transfers	0.1	0.2	1.6	1.9	0.2	0.3	-	-	1.9	2.4
<b>Total revenue</b>	<b>4.4</b>	<b>4.3</b>	<b>7.4</b>	<b>7.4</b>	<b>3.0</b>	<b>3.0</b>	<b>3.3</b>	<b>3.1</b>	<b>18.1</b>	<b>17.8</b>
<i>Expenses</i>										
Operating/depreciation	4.5	4.2	5.4	5.1	5.9	5.0	3.1	3.0	18.9	17.3
Interest	-	-	0.4	0.4	-	-	-	-	0.4	0.4
Other/transfers	-	-	-	-	-	-	0.1	0.2	0.1	0.2
<b>Total expenses</b>	<b>4.5</b>	<b>4.2</b>	<b>5.8</b>	<b>5.5</b>	<b>5.9</b>	<b>5.0</b>	<b>3.2</b>	<b>3.2</b>	<b>19.4</b>	<b>17.9</b>
Increase (decrease) in net position	\$ (0.1)	\$ 0.1	\$ 1.6	\$ 1.9	\$ (2.9)	\$ (2.0)	\$ 0.1	\$ (0.1)	\$ (1.3)	\$ (0.1)

**Financial analysis of the District's unrestricted cash**

At year-end the District reported combined unrestricted cash balances of \$10.1 million, which is a decrease of \$0.4 million or 3.89% 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 2017-2018, 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 favorable variance of \$291,422 in property tax revenue is primarily due to the District receiving unbudgeted Redevelopment tax revenue. The favorable variance of \$250,111 in contract services expenditures is primarily due to Cal Fire over-estimating the fire contract for budget purposes.

**Capital asset and debt administration**

*Capital assets*

At June 30, 2018, the District had \$43.1 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 \$1.2 million, or 2.70%, below last year.

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

Description	Governmental Activities		Proprietary Funds				Total	
			Water		Sewer			
	2018	2017	2018	2017	2018	2017	2018	2017
Land	\$ 0.3	\$ 0.3	\$ 0.8	\$ 0.8	\$ -	\$ -	\$ 1.1	\$ 1.1
CIP	0.6	0.8	0.1	0.1	0.1	-	0.8	0.9
Structures and improvements	3.7	3.7	34.8	34.3	36.4	36.4	74.9	74.4
Equipment	1.0	0.8	1.6	1.6	0.6	0.5	3.2	2.9
Less depreciation	(1.6)	(1.5)	(14.2)	(13.3)	(21.1)	(20.2)	(36.9)	(35.0)
<b>Total</b>	<b>\$ 4.0</b>	<b>\$ 4.1</b>	<b>\$ 23.1</b>	<b>\$ 23.5</b>	<b>\$ 16.0</b>	<b>\$ 16.7</b>	<b>\$ 43.1</b>	<b>\$ 44.3</b>

At June 30, 2018, the District had \$13.2 million in pension liability, loans, certificates of participation, and notes outstanding versus \$13.3 million last year – a decrease of .8% - as shown in Table 4. (See Notes 8 and 10).

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

Description	Governmental Activities		Proprietary Funds				Total	
			Water		Sewer			
	2018	2017	2018	2017	2018	2017	2018	2017
Pension liability	\$ 2.1	\$ 1.8	\$ 2.1	\$ 1.8	\$ 0.3	\$ 0.2	\$ 4.5	\$ 3.8
Certificates of participation	-	-	4.1	4.6	-	-	4.1	4.6
Notes/loans payable	-	-	4.6	4.9	-	-	4.6	4.9
<b>Total</b>	<b>\$ 2.1</b>	<b>\$ 1.8</b>	<b>\$ 10.8</b>	<b>\$ 11.3</b>	<b>\$ 0.3</b>	<b>\$ 0.2</b>	<b>\$ 13.2</b>	<b>\$ 13.3</b>

#### **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%. Even though the District was able to certify that our supply exceeds our demand, the State is requiring conservation to be the new normal.

Home development planning and construction within the District has increased. Recently, DR Horton completed construction of 85 homes. Developers for the Rio Vista project, a proposed development of approximately 1,400+ homes north of highway 60 is showing signs of activity, while the Emerald Meadows Ranch development, a community of approximately 1,000+ homes is still dormant. The Highland Park development, a community of approximately 430+ homes north of highway 60 appears to be the most active, with the developer moving forward with annexation proceedings.

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 (\$175,000 plus on-going lease of \$10,000) and commence the design of a treatment addition to Wells 4 & 6 (\$146,000). Additionally, the new regulations have forced the District to advance the construction of a new potable water well, Well 1A (\$452,000). The proposed Golden West Booster improvements will be delayed in order to complete the TCP projects.

Replacement of the Jurupa Hills lift station is anticipated to be bid for construction in FY 18/19 with construction immediately following. The lift station cost estimate is \$472,000.

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.

Rubidoux Community Services District  
Statement of Net Position  
June 30, 2018

**DRAFT #2**  
**Subject to Change**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments (Note 2)	\$ 3,384,652	\$ 6,744,593	\$ 10,129,245
Accounts receivable, net (Note 4)	102,038	1,243,238	1,345,276
- Internal balances (Note 6)	(1,256,370)	1,256,370	-
Interest receivable	20,753	62,253	83,006
Inventory	-	50,326	50,326
Prepayments and deposits	21,473	33,207	54,680
<b>Restricted assets:</b>			
Cash and investments (Notes 2 and 3)	1,349,893	-	1,349,893
<b>Total current assets</b>	<b>3,622,439</b>	<b>9,389,987</b>	<b>13,012,426</b>
<b>Noncurrent assets:</b>			
Restricted - cash and investments (Notes 2 and 3)	-	9,167,206	9,167,206
Restricted - reserve funds (Notes 2 and 3)	-	743,482	743,482
Capital assets, not being depreciated (Note 5)	932,668	1,011,913	1,944,581
Capital assets, being depreciated, net (Note 5)	3,088,436	38,057,975	41,146,411
<b>Total noncurrent assets</b>	<b>4,021,104</b>	<b>48,980,576</b>	<b>53,001,680</b>
<b>Total assets</b>	<b>7,643,543</b>	<b>58,370,563</b>	<b>66,014,106</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related (Note 10)	758,283	855,082	1,613,365

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

Rubidoux Community Services District  
Statement of Net Position, continued  
June 30, 2018

**DRAFT #2**  
**Subject to Change**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 628,915	\$ 991,222	\$ 1,620,137
Accrued liabilities	49,612	79,374	128,986
Customer deposits	-	17,069	17,069
Unearned revenue	-	37,726	37,726
Interest payable	-	17,807	17,807
Long-term liabilities - due within one year:			
Compensated absences (Note 9)	131,863	54,676	186,539
Bonds payable and certificates of participation (Note 8)	-	510,000	510,000
Notes payable (Note 8)	-	260,265	260,265
<b>Total current liabilities</b>	<u>810,390</u>	<u>1,968,139</u>	<u>2,778,529</u>
<b>Noncurrent liabilities:</b>			
Long-term liabilities - due within more than one year:			
Compensated absences (Note 9)	395,590	170,539	566,129
Net pension liability (Note 10)	2,130,385	2,402,349	4,532,734
Bonds payable and certificates of participation (Note 8)	-	3,630,501	3,630,501
Notes payable (Note 8)	-	4,385,107	4,385,107
<b>Total noncurrent liabilities</b>	<u>2,525,975</u>	<u>10,588,496</u>	<u>13,114,471</u>
<b>Total liabilities</b>	<u>3,336,365</u>	<u>12,556,635</u>	<u>15,893,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related (Note 10)	195,981	221,001	416,982
<b>NET POSITION</b>			
Net investment in capital assets	4,021,104	30,284,015	34,305,119
Restricted for:			
Capital projects	1,349,893	6,795,081	8,144,974
Debt service	-	3,115,607	3,115,607
Unrestricted	(501,517)	6,253,306	5,751,789
<b>Total net position</b>	<u>\$ 4,869,480</u>	<u>\$ 46,448,009</u>	<u>\$ 51,317,489</u>

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



**DRAFT #2**  
**Subject to Change**

**Rubidoux Community Services District**  
**Statement of Activities**  
**For the year ended June 30, 2018**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Expenses	Program Revenues	Governmental Activities	Business-Type Activities	Total
		Charges for Services	Capital Grants and Contributions		
<b>Governmental activities:</b>					
Administrative and support	\$ 2,443,997	\$ 1,267,651	\$ -	\$ (1,176,346)	\$ (1,176,346)
Contracted services	2,099,317	-	-	(2,099,317)	(2,099,317)
Total governmental activities	4,543,314	1,267,651	-	(3,275,663)	(3,275,663)
<b>Business-type activities:</b>					
Water utility	5,737,099	5,759,342	-	22,243	22,243
Sewer utility	5,880,165	2,838,881	-	(3,041,284)	(3,041,284)
Solid waste disposal	3,073,920	3,301,546	-	227,626	227,626
Total business-type activities	14,691,184	11,899,769	-	(2,791,415)	(2,791,415)
<b>Total primary government</b>	<b>\$ 19,234,498</b>	<b>\$ 13,167,420</b>	<b>\$ -</b>	<b>(3,275,663)</b>	<b>(6,067,078)</b>
<b>General revenues:</b>					
Property taxes			3,025,711	-	3,025,711
Investment earnings			56,310	197,495	253,805
Bond replacement revenue			-	1,143,906	1,143,906
Other non-operating revenue			-	463,752	463,752
Transfers			50,499	(50,499)	-
Total general revenues			3,132,520	1,754,654	4,887,174
Change in net position			(143,143)	(1,036,761)	(1,179,904)
Net position, beginning of year			5,012,623	47,484,770	52,497,393
Net position, end of year			\$ 4,869,480	\$ 46,448,009	\$ 51,317,489

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

Rubidoux Community Services District  
Balance Sheet  
General Fund  
June 30, 2018

**DRAFT #2**  
**Subject to Change**

**ASSETS**

Cash and investments	\$	3,384,652
Accounts receivable, net (Note 4)		102,038
Accrued interest receivable		20,753
Prepayments and deposits		21,473
Restricted assets:		
Cash and investments		<u>1,349,893</u>
Total assets	\$	<u><u>4,878,809</u></u>

**LIABILITIES**

Accounts payable	\$	628,915
Accrued liabilities		49,612
Internal balances (Note 6)		<u>1,256,370</u>
Total liabilities		<u>1,934,897</u>

**FUND BALANCES**

Nonspendable		21,473
Restricted		1,349,893
Unassigned		<u>1,572,546</u>
Total fund balances		<u>2,943,912</u>
Total liabilities and fund balances	\$	<u><u>4,878,809</u></u>

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

**Rubidoux Community Services District  
 Reconciliation of the General Fund Balance Sheet  
 to the Government-Wide Statement of Net Position  
 June 30, 2018**

**DRAFT #2  
 Subject to Change**

<b>Fund balances of governmental funds</b>	<b>\$ 2,943,912</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.</p>	4,021,104
<p>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:</p>	
Compensated absences	(527,453)
Net pension liability	(2,130,385)
<p>Deferred inflows and outflows of resources related to pensions have not been included in the governmental fund activity.</p>	
Deferred outflows of resources	758,283
Deferred inflows of resources	(195,981)
	(195,981)
<b>Net position of governmental activities</b>	<b><u>\$ 4,869,480</u></b>

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

Rubidoux Community Services District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the year ended June 30, 2018

**DRAFT #2**  
**Subject to Change**

<b>REVENUES</b>	
Property taxes and weed abatement	\$ 3,025,711
Charges for administrative services	1,200,000
Licenses and permits	5,597
Interest earnings	56,310
Other revenue	62,054
	<hr/>
Total revenues	4,349,672
	<hr/>
<b>EXPENDITURES</b>	
General government	2,206,066
Fire protection and weed abatement	2,099,317
	<hr/>
Total expenditures	4,305,383
	<hr/>
Excess of revenues over (under) expenditures	44,289
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	50,499
	<hr/>
Net change in fund balance	94,788
	<hr/>
Fund balance, beginning of year	2,849,124
	<hr/>
Fund balance, end of year	\$ 2,943,912
	<hr/>

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

**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, 2018**

---

**DRAFT #2  
Subject to Change**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 94,788</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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.</p>	
	(60,356)
<p>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:</p>	
Change in compensated absences	(26,159)
Pension related net adjustments	(151,416)
	<hr/>
<b>Change in net position of governmental activities</b>	<b>\$ (143,143)</b> <hr/>

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

Rubidoux Community Services District  
Statement of Net Position  
Proprietary Funds  
June 30, 2018

**DRAFT #2**  
**Subject to Change**

	Water Utility	Sewer Utility	Solid Waste Disposal	Total
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and investments (Note 2)	\$ 6,306,848	\$ 437,745	\$ -	\$ 6,744,593
Accounts receivable, net (Note 4)	646,810	266,688	329,740	1,243,238
Due from other funds (Note 6)	2,344,539	1,031,120	-	3,375,659
Interest receivable	51,301	10,952	-	62,253
Inventory	50,326	-	-	50,326
Prepayments and deposits	33,207	-	-	33,207
<b>Total current assets</b>	<b>9,433,031</b>	<b>1,746,505</b>	<b>329,740</b>	<b>11,509,276</b>
<b>Noncurrent assets:</b>				
Restricted - cash and investments (Notes 2 and 3)	6,023,947	3,143,259	-	9,167,206
Restricted - reserve funds (Notes 2 and 3)	743,482	-	-	743,482
Capital assets, not being depreciated (Note 5)	934,999	76,914	-	1,011,913
Capital assets, being depreciated, net (Note 5)	22,250,866	15,807,109	-	38,057,975
<b>Total noncurrent assets</b>	<b>29,953,294</b>	<b>19,027,282</b>	<b>-</b>	<b>48,980,576</b>
<b>Total assets</b>	<b>39,386,325</b>	<b>20,773,787</b>	<b>329,740</b>	<b>60,489,852</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related (Note 10)	758,280	96,802	-	855,082

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

Rubidoux Community Services District  
Statement of Net Position, continued  
Proprietary Funds  
June 30, 2018

**DRAFT #2**  
**Subject to Change**

	Water Utility	Sewer Utility	Solid Waste Disposal	Total
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 352,705	\$ 638,517	\$ -	\$ 991,222
Accrued liabilities	75,927	3,447	-	79,374
Customer deposits	17,069	-	-	17,069
Unearned revenue	37,726	-	-	37,726
Due to other funds (Note 6)	1,031,120	1,088,169	-	2,119,289
Interest payable	17,807	-	-	17,807
Long-term liabilities - due within one year:				
Compensated absences (Note 9)	54,676	-	-	54,676
Bonds payable and certificates of participation (Note 8)	510,000	-	-	510,000
Notes payable (Note 8)	246,701	13,564	-	260,265
<b>Total current liabilities</b>	<b>2,343,731</b>	<b>1,743,697</b>	<b>-</b>	<b>4,087,428</b>
<b>Noncurrent liabilities:</b>				
Long-term liabilities - due within more than one year:				
Compensated absences (Note 9)	164,028	6,511	-	170,539
Net pension liability (Note 10)	2,130,385	271,964	-	2,402,349
Bonds payable and certificates of participation (Note 8)	3,630,501	-	-	3,630,501
Notes payable (Note 8)	4,385,107	-	-	4,385,107
<b>Total noncurrent liabilities</b>	<b>10,310,021</b>	<b>278,475</b>	<b>-</b>	<b>10,588,496</b>
<b>Total liabilities</b>	<b>12,653,752</b>	<b>2,022,172</b>	<b>-</b>	<b>14,675,924</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related (Note 10)	195,982	25,019	-	221,001
<b>NET POSITION</b>				
Net investment in capital assets	14,413,556	15,870,459	-	30,284,015
Restricted				
Capital projects	3,651,822	3,143,259	-	6,795,081
Debt service	3,115,607	-	-	3,115,607
Unrestricted	6,113,886	(190,320)	329,740	6,253,306
<b>Total net position</b>	<b>\$ 27,294,871</b>	<b>\$ 18,823,398</b>	<b>\$ 329,740</b>	<b>\$ 46,448,009</b>

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

Rubidoux Community Services District  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the year ended June 30, 2018

**DRAFT #2**  
**Subject to Change**

	Water Utility	Sewer Utility	Solid Waste Disposal	Total
<b>OPERATING REVENUES</b>				
Charges for current services	\$ 5,740,991	\$ 2,838,881	\$ 3,301,546	\$ 11,881,418
Other revenue	18,351	-	-	18,351
<b>Total operating revenues</b>	<b>5,759,342</b>	<b>2,838,881</b>	<b>3,301,546</b>	<b>11,899,769</b>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	2,128,408	142,425	-	2,270,833
Contracted services	-	-	2,964,513	2,964,513
Electrical power	375,948	42,282	-	418,230
Operating expense	345,604	4,803	-	350,407
Maintenance and repairs	37,709	73,260	-	110,969
Operating treatment	657,410	2,068,796	-	2,726,206
Insurance	48,325	12,660	-	60,985
Professional fees	56,094	2,111,125	-	2,167,219
Bad debt	10,843	3,968	5,281	20,092
Other	188,464	12,379	4,126	204,969
Administrative fee	600,000	500,000	100,000	1,200,000
<b>Total operating expenses</b>	<b>4,448,805</b>	<b>4,971,698</b>	<b>3,073,920</b>	<b>12,494,423</b>
Operating income (loss) before depreciation	1,310,537	(2,132,817)	227,626	(594,654)
Depreciation expense	(937,020)	(908,467)	-	(1,845,487)
<b>Operating income (loss)</b>	<b>373,517</b>	<b>(3,041,284)</b>	<b>227,626</b>	<b>(2,440,141)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Capital replacement	198,552	-	-	198,552
Capacity fees	149,600	115,600	-	265,200
Bond replacement revenue	1,143,906	-	-	1,143,906
Interest income	153,471	44,024	-	197,495
Interest expense	(351,274)	-	-	(351,274)
<b>Total nonoperating revenues (expenses)</b>	<b>1,294,255</b>	<b>159,624</b>	<b>-</b>	<b>1,453,879</b>
Income before contributions and transfers	1,667,772	(2,881,660)	227,626	(986,262)
Transfers in (out)	-	-	(50,499)	(50,499)
<b>Change in net position</b>	<b>1,667,772</b>	<b>(2,881,660)</b>	<b>177,127</b>	<b>(1,036,761)</b>
<b>Net position, beginning of year</b>	<b>25,627,099</b>	<b>21,705,058</b>	<b>152,613</b>	<b>47,484,770</b>
<b>Net position, end of year</b>	<b>\$ 27,294,871</b>	<b>\$ 18,823,398</b>	<b>\$ 329,740</b>	<b>\$ 46,448,009</b>

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



**Rubidoux Community Services District  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2018**

**DRAFT #2  
Subject to Change**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Solid Waste Disposal</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>				
Cash receipts from customers	\$ 5,702,843	\$ 2,965,546	\$ 3,124,419	\$ 11,792,808
Cash paid to employees for salaries and benefits	(1,897,098)	(119,052)	-	(2,016,150)
Cash paid to vendors and suppliers	(1,528,309)	(4,311,938)	(2,973,920)	(8,814,167)
Other receipts (payments)	(600,000)	(500,000)	(100,000)	(1,200,000)
Net cash provided (used) by operating activities	<u>1,677,436</u>	<u>(1,965,444)</u>	<u>50,499</u>	<u>(237,509)</u>
<b>Cash flows from noncapital financing activities:</b>				
Proceeds from capacity fees	149,600	115,600	-	265,200
Bond replacement revenue	1,143,906	-	-	1,143,906
Other non-operating revenues (expenses), net	173,552	-	-	173,552
Transfers to other funds	-	-	(50,499)	(50,499)
Interfund borrowings	(831,580)	343,692	-	(487,888)
Net cash provided (used) by noncapital financing activities	<u>635,478</u>	<u>459,292</u>	<u>(50,499)</u>	<u>1,044,271</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(542,042)	(84,218)	-	(626,260)
Proceeds from disposition of capital assets	25,000	-	-	25,000
Principal payments on capital debt	(725,479)	(13,564)	-	(739,043)
Interest payments on capital debt	(348,633)	-	-	(348,633)
Net cash used by capital and related financing activities	<u>(1,591,154)</u>	<u>(97,782)</u>	<u>-</u>	<u>(1,688,936)</u>
<b>Cash flows from investing activities:</b>				
Interest earnings	123,357	42,089	-	165,446
Net cash provided by investing activities	<u>123,357</u>	<u>42,089</u>	<u>-</u>	<u>165,446</u>
Net increase (decrease) in cash and cash equivalents	845,117	(1,561,845)	-	(716,728)
Cash and cash equivalents, beginning of year	<u>12,229,160</u>	<u>5,142,849</u>	<u>-</u>	<u>17,372,009</u>
Cash and cash equivalents, end of year	<u>\$ 13,074,277</u>	<u>\$ 3,581,004</u>	<u>\$ -</u>	<u>\$ 16,655,281</u>
<b>Reconciliation to the Statement of Net Position</b>				
Cash and cash equivalents	\$ 6,306,848	\$ 437,745	\$ -	\$ 6,744,593
Restricted cash and cash equivalents	6,023,947	3,143,259	-	9,167,206
Restricted reserve funds	743,482	-	-	743,482
Totals	<u>\$ 13,074,277</u>	<u>\$ 3,581,004</u>	<u>\$ -</u>	<u>\$ 16,655,281</u>

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

**Rubidoux Community Services District  
Statement of Cash Flows, continued  
Proprietary Funds  
For the year ended June 30, 2018**

**DRAFT #2  
Subject to Change**

	<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)	\$ 373,517	\$ (3,041,284)	\$ 227,626	\$ (2,440,141)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation expense	937,020	908,467	-	1,845,487
Bad debt	10,843	3,968	5,281	20,092
Changes in assets and liabilities:				
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable, net	(61,252)	122,696	(182,408)	(120,964)
Inventory	4,729	-	-	4,729
Prepayments and deposits	(16,189)	-	-	(16,189)
Deferred outflows of resources	(231,906)	(29,604)	-	(261,510)
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	203,548	17,335	-	220,883
Accrued wages and related payables	75,927	3,447	-	79,374
Customer deposits	(6,090)	-	-	(6,090)
Compensated absences	3,960	595	-	4,555
Deferred inflows of resources	75,496	9,638	-	85,134
Net pension liability	307,833	39,298	-	347,131
Total adjustments	<u>1,303,919</u>	<u>1,075,840</u>	<u>(177,127)</u>	<u>2,202,632</u>
Net cash provided (used) by operating activities	<u>\$ 1,677,436</u>	<u>\$ (1,965,444)</u>	<u>\$ 50,499</u>	<u>\$ (237,509)</u>
<b>Non-cash operating, noncapital and capital and related financing , and investing activities:</b>				
	None	None	None	

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

**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.

**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 Revenue, Expenses and Changes in Net Position.

Proprietary fund operating revenues and expenses are related to providing water, waste-water, 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 Balances 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.

**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).

**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 data	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.

**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 District of Example's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' 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.

*Deferred Inflow/Outflow 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 one item which qualifies for reporting in this category: pensions. This amount is deferred and recognized as an outflow of resources in the period that the amount becomes available.

**Note 1: Summary of Significant Accounting Policies, continued**

*Financial Statement Elements, continued*

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 one item which qualifies for reporting in this category: pensions. 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.

*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.



**Note 1: Summary of Significant Accounting Policies, continued**

*Financial Statement Elements, continued*

- *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.

*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.

**Note 1: Summary of Significant Accounting Policies, continued**

***Financial Statement Elements, continued***

*New Accounting Pronouncements*

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

*Government Accounting Standards Board Statement No. 83*

GASB Statement No. 83, *Certain Asset Retirement Obligations*, is effective for periods beginning after June 15, 2018.

*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. 85*

GASB Statement No. 85, *Omnibus 2017*, is effective for periods beginning after June 15, 2017.

*Government Accounting Standards Board Statement No. 86*

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, is effective for periods beginning after June 15, 2017.

*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. 88*

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, is effective for periods beginning after June 15, 2018.

*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.

**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	\$ 3,384,652	\$ 6,306,848	\$ 437,745	\$10,129,245
Restricted - cash and cash equivalents	1,349,893	-	-	1,349,893
Non-current:				
Restricted - cash and cash equivalents	-	6,023,947	3,143,259	9,167,206
Restricted - reserve funds	-	743,482	-	743,482
<b>Total cash and cash equivalents</b>	<b><u>\$ 4,734,545</u></b>	<b><u>\$ 13,074,277</u></b>	<b><u>\$ 3,581,004</u></b>	<b><u>\$ 21,389,826</u></b>
Cash and cash equivalents:				
Deposits held with financial	\$ 379,828	\$ 744,908	\$ 74,355	\$ 1,199,091
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)	4,184,717	10,125,266	2,306,649	16,616,632
<b>Total cash and cash equivalents</b>	<b><u>\$ 4,734,545</u></b>	<b><u>\$ 13,074,277</u></b>	<b><u>\$ 3,581,004</u></b>	<b><u>\$ 21,389,826</u></b>

*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, 2018:

- Local Agency Investment Fund (General Fund, \$4,184,717, Water \$10,125,266 and Sewer \$2,306,649) of \$16,616,632 is valued at net asset value (LAIF is not subject to the fair value hierarchy).

**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, 2018:

	<u>Amount</u>
Certificates of Participation - Series 1998:	
Funds held by fiscal agent in bond reserve	\$ 743,482
Total restricted assets in bond reserve	<u>743,482</u>
Other District funds held for connection/capacity fees and other future uses, as well as receivable amounts due as contribution capital:	
Governmental:	
Fire mitigation	<u>1,349,893</u>
Business-type:	
Sewer connection/capacity fees	3,143,259
Water connection fees	2,896,028
Water - COP's	2,372,125
Water - capital replacement	375,783
Water - field/admin	<u>380,011</u>
Total business-type restricted assets	<u>9,167,206</u>
Total restricted assets	<u>\$ 11,260,581</u>

Restricted cash and receivable connection/capacity/improvement project fees for each designated purpose is as follows at June 30, 2018:

	<u>Water</u>	<u>Sewer</u>	<u>Fire Mitigation</u>	<u>Total</u>
Restricted cash - current	\$ -	\$ -	\$ 1,349,893	\$ 1,349,893
Restricted cash - non-current	6,023,947	3,143,259	-	9,167,206
Reserve funds	<u>743,482</u>	<u>-</u>	<u>-</u>	<u>743,482</u>
Total	<u>\$ 6,767,429</u>	<u>\$ 3,143,259</u>	<u>\$ 1,349,893</u>	<u>\$ 11,260,581</u>

**Note 4: Accounts Receivable**

The detail of accounts receivable is as follows at June 30, 2018:

	<u>Amount</u>
Governmental	
Weed abatement	
Property assessments for weed abatement	\$ 7,116
Governmental Fund taxes/developer charge backs	<u>94,922</u>
Total governmental	<u>102,038</u>
Business-type	
Water Fund	
Billed, net	292,174
Unbilled	<u>354,636</u>
Total	646,810
Sewer Service Fund	
Sewer billed, net	118,199
Sewer unbilled	<u>148,489</u>
Total	266,688
Solid Waste Disposal Fund	
Billed, net	162,680
Unbilled	<u>167,060</u>
Total	<u>329,740</u>
Total business-type	<u>1,243,238</u>
Total accounts receivable	<u>\$ 1,345,276</u>

Allowance for doubtful accounts at June 30, 2018, is provided as follows:

Water fund	\$ 10,242
Sewer fund	19,863
Solid waste disposal fund	<u>12,368</u>
Total	<u>\$ 42,473</u>

**Note 5: Capital Assets**

Property, plant and equipment were comprised of the following at June 30, 2018:

<u><i>Governmental-type activities</i></u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 308,117	\$ -	\$ -	\$ 308,117
Construction in progress	786,880	-	(162,329)	624,551
 Total capital assets, not being depreciated	 1,094,997	 -	 (162,329)	 932,668
Capital assets, being depreciated:				
Structures and improvements	3,718,183	-	-	3,718,183
Equipment	808,418	237,130	(65,190)	980,358
 Total capital assets, being depreciated	 4,526,601	 237,130	 (65,190)	 4,698,541
 Total accumulated depreciation	 (1,540,138)	 (135,157)	 65,190	 (1,610,105)
 Total capital assets, being depreciated, net	 2,986,463	 101,973	 -	 3,088,436
 Governmental activities capital assets, net	 <u>\$ 4,081,460</u>	 <u>\$ 101,973</u>	 <u>\$ (162,329)</u>	 <u>\$ 4,021,104</u>
	Depreciation Expense			
Administration and support	<u>\$ 135,157</u>			

**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	134,863	33,482	(20,521)	147,824
Total capital assets, not being depreciated	922,038	33,482	(20,521)	934,999
Capital assets, being depreciated:				
Structures and improvements	34,329,136	446,922	-	34,776,058
Equipment	1,601,969	82,159	(53,153)	1,630,975
Total capital assets, being depreciated	35,931,105	529,081	(53,153)	36,407,033
Less accumulated depreciation	(13,272,300)	(937,020)	53,153	(14,156,167)
Total capital assets, being depreciated, net	22,658,805	(407,939)	-	22,250,866
Total Water Utility capital assets, net	23,580,843	(374,457)	(20,521)	23,185,865
<u>Sewer Utility</u>				
Capital assets, not being depreciated:				
Land	17,825	-	-	17,825
Construction in progress	29,021	30,068	-	59,089
Total capital assets, not being depreciated	46,846	30,068	-	76,914
Capital assets, being depreciated:				
Structures and improvements	36,382,797	-	-	36,382,797
Equipment	506,499	54,150	-	560,649
Total capital assets, being depreciated	36,889,296	54,150	-	36,943,446
Less accumulated depreciation	(20,227,870)	(908,467)	-	(21,136,337)
Total capital assets, being depreciated, net	16,661,426	(854,317)	-	15,807,109
Total Sewer Utility capital assets, net	16,708,272	(824,249)	-	15,884,023
Total Business-type Activities capital assets, net	\$ 40,289,115	\$ (1,198,706)	\$ (20,521)	\$ 39,069,888

**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, 2018:

Due From	Due To			Total
	General Fund	Water Fund	Sewer Fund	
General Fund	\$ -	\$ 2,344,539	\$ (1,088,169)	\$ 1,256,370
Water Utility Fund	(2,344,539)	-	1,031,120	(1,313,419)
Sewer Utility Fund	1,088,169	(1,031,120)	-	57,049
<b>Total</b>	<b>\$ (1,256,370)</b>	<b>\$ 1,313,419</b>	<b>\$ (57,049)</b>	<b>\$ -</b>

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are expended. The Solid Waste fund transferred \$50,499 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



**Note 8: Long-term Liabilities**

Below is a schedule of the changes in long-term liabilities for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<b>Governmental activities:</b>					
Net pension liability	\$ 1,822,552	\$ 495,917	\$ (188,084)	\$ 2,130,385	\$ -
<b>Business-type activities:</b>					
<i>Water Utility Fund:</i>					
1998 Certificates of Participation	4,655,000	-	(485,000)	4,170,000	510,000
Less: amortized discount	(34,097)	-	4,598	(29,499)	-
Note payable - State Drinking Water	4,872,287	-	(240,479)	4,631,808	246,701
Net pension liability	1,822,552	495,917	(188,084)	2,130,385	-
<i>Sewer Utility Fund:</i>					
Note payable - State Drinking Water	27,128	-	(13,564)	13,564	13,564
Net pension liability	232,666	63,309	(24,011)	271,964	-
Total Business-type	11,575,536	559,225	(946,539)	11,188,222	770,265
Total	\$ 13,398,088	\$ 1,055,142	\$ (1,134,623)	\$ 13,318,607	\$ 770,265

Certificates of participation consisted of the following at June 30, 2018:

	Balance	Payments
<b>Water Utility:</b>		
<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.	\$ 4,170,000	\$ 485,000
Less unamortized discount	(29,499)	
Less current portion	(510,000)	
Long-term portion	\$ 3,630,501	

**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
2019	\$ 510,000	\$ 199,665	\$ 709,665
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 - 2025	1,345,000	69,488	1,414,488
<b>Total</b>	<b>\$ 4,170,000</b>	<b>\$ 787,185</b>	<b>\$ 4,957,185</b>

Notes payable consisted of the following at June 30, 2018:

<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 \$123,716.	\$ 4,631,808	\$ 240,479
Less current portion	(246,701)	
Long-term portion	<u>\$ 4,385,107</u>	

Maturities of the note payable are as follows:

Fiscal year ending June 30,	State of California Note Payable		
	Principal	Interest	Total
2019	\$ 246,701	\$ 123,716	\$ 370,418
2020	253,084	117,495	370,579
2021	259,632	111,112	370,744
2022	266,349	104,564	370,913
2023	273,240	97,847	371,087
2024 - 2028	1,475,971	382,232	1,858,203
2029 - 2033	1,677,043	186,231	1,863,274
2034 - 2035	179,787	13,748	193,535
<b>Total</b>	<b>\$ 4,631,808</b>	<b>\$ 1,136,945</b>	<b>\$ 5,768,753</b>

**Note 8: Long-term Liabilities, continued**

Loans payable consisted of the following at June 30, 2018:

<i>Loan Payable</i>	<u>Balance</u>	<u>Payments</u>
Sewer Utility		
State of California Department of Public Health for the construction of the Headworks Project. Principal payments payable in annual installments of \$13,564 on October 1, per annum. The loan is non-interest bearing and matures October 1, 2018.		
Less current portion	\$ 13,564	\$ 13,564
	<u>(13,564)</u>	
Long-term portion	<u>\$ -</u>	

Maturities of the loan payable are as follows:

<u>Fiscal year ending June 30,</u>	<u>State of California Loan Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 13,564	\$ -	\$ 13,564
Total	<u>\$ 13,564</u>	<u>\$ -</u>	<u>\$ 13,564</u>

**Note 9: Compensated Absences**

In concurrence with the Districts' Memorandum of Understanding (MOU), dated July 1, 2015, 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, 2018, totaled \$527,453, \$218,704 and \$6,511 in the General, Water and Sewer Funds, respectively for a total of \$752,668.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities	\$ 501,294	\$ 26,159	\$ -	\$ 527,453	\$ 131,863
Business-Type Activities					
Water	214,744	3,960	-	218,704	54,676
Sewer	5,916	595	-	6,511	-
Total	<u>\$ 721,954</u>	<u>\$ 30,714</u>	<u>\$ -</u>	<u>\$ 752,668</u>	<u>\$ 186,539</u>

**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](http://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.

The Plans' provisions and benefits in effect at June 30, 2018, 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 2018	12.698%	6.533%

	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 2018	0.000%	0.000%

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

**Note 10: Pension Plan, continued**

**A. General Information about the Pension Plan, continued**

*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 the 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, 2018 were \$432,726. The actual employer payments of \$400,177 made to CalPERS by the District during the measurement period ended June 30, 2017 differed from the District's proportionate share of the employer's contributions of \$516,956 by \$116,779, 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 of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases (1)	Varies by entry age and service
Investment Rate of Return (2)	7.65%
Mortality Rate Table (3)	Derived using CalPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% 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) Net pension plan investment and administrative expenses; includes inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2015 experience report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**Note 10: Pension Plan, continued**

***B. Net Pension Liability, continued***

*Change of Assumptions*

In fiscal year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

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.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

**Note 10: Pension Plan, continued**

**B. Net Pension Liability, continued**

*Discount Rate, continued*

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40%)	(0.90%)
Total	100%		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> An expected inflation of 3.0% used for this period

*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](http://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.

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 tables show the Plan's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2016 (Valuation Date)	\$ 16,592,507	\$ 12,714,737	\$ 3,877,770
Balance at: 6/30/2017 (Measurement Date)	\$ 18,495,043	\$ 13,962,309	\$ 4,532,734
Net Changes During 2016-2017	\$ 1,902,536	\$ 1,247,572	\$ 654,964

**Note 10: Pension Plan, continued**

**C. Proportionate Share of Net Pension Liability, continued**

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, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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](http://www.calpers.ca.gov). The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

Proportionate Share of NPL - June 30, 2016	0.0448%
Proportionate Share of NPL - June 30, 2017	0.0457%
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	\$ 7,088,056	\$ 4,532,734	\$ 2,423,608

*Subsequent Events*

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

*Recognition of Gains and Losses*

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 average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period



Note 10: Pension Plan, continued

**C. Proportionate Share of Net Pension Liability, continued**

*Recognition of Gains and Losses, continued*

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 the Plan for the 2016-2017 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (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.

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

As of the start of the measurement period (July 1, 2016), the District's net pension liability is \$3,877,770. For the measurement period ending June 30, 2017 (the measurement date), the District incurred a pension expense of \$754,754.

As of June 30, 2018, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 18,635	\$ (69,624)
Changes of Assumptions	774,762	(59,172)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	173,567	-
Change in Employer's Proportion	204,723	(127,396)
Difference in Actual vs Projected Contributions	8,952	(160,790)
Pension Contributions Subsequent to Measurement Date	432,726	-
<b>Total</b>	<b>\$ 1,613,365</b>	<b>\$ (416,982)</b>

**Note 10: Pension Plans, continued**

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

These amounts above are net of outflows and inflows recognized in the 2016-2017 measurement period expense. The \$432,726 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	\$ 160,026
2020	435,572
2021	270,728
2022	(102,669)
2023	-
Remaining	-

***E. Payable to the Pension Plan***

At June 30, 2018, the District reported a payable of \$0 for the outstanding contributions to the pension plans required for the year ended June 30, 2018.

**Note 11: 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, 2017	\$ 4,426,019	\$ 10,648,046	\$ 20,644,482	\$ 35,718,547
Fiscal year, June 30, 2018	-	-	-	-
<b>Total</b>	<u>\$ 4,426,019</u>	<u>\$ 10,648,046</u>	<u>\$ 20,644,482</u>	<u>\$ 35,718,547</u>

**Note 12: 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.

**DRAFT #2**  
**Subject to Change**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Rubidoux Community Services District**  
**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
Employer's Proportion of the Collective Net Pension Liability <sup>1</sup>	0.03042%	0.043038%	0.044814%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 2,588,133	\$ 2,954,125	\$ 3,877,770
Employer's Covered Payroll	\$ 1,868,407	\$ 1,973,814	\$ 2,048,593
Employer's Proportionate Share of the Net Pension Liability as a Percentage of the Employer's Covered-Employee Payroll	138.52%	149.67%	189.29%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	82.83%	81.30%	76.63%
			75.49%

<sup>1</sup> 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

**DRAFT #2**  
**Subject to Change**

**Rubidoux Community Services District**  
**Schedule of Plan Contributions**  
**Last 10 years\***

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

\* 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 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.

**Rubidoux Community Services District  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund  
For the year ended June 30, 2018**

**DRAFT #2  
Subject to Change**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes and weed abatement	\$ 2,734,289	\$ 2,734,289	\$ 3,025,711	\$ 291,422
Charges for administrative services	1,200,000	1,200,000	1,200,000	-
Licenses and permits	7,000	7,000	5,597	(1,403)
Interest earnings	9,100	9,100	56,310	47,210
Other revenue	41,900	41,900	62,054	20,154
<b>Total revenues</b>	<b>3,992,289</b>	<b>3,992,289</b>	<b>4,349,672</b>	<b>357,383</b>
<b>EXPENDITURES</b>				
General government				
Salaries and benefits (including pension)	1,722,000	1,722,000	1,695,825	26,175
Services and supplies	500,900	500,900	477,015	23,885
Capital outlays	36,000	36,000	33,226	2,774
Fire protection and weed abatement				
Contract services	2,330,489	2,330,489	2,080,378	250,111
Utilities	24,000	24,000	18,939	5,061
<b>Total expenditures</b>	<b>4,613,389</b>	<b>4,613,389</b>	<b>4,305,383</b>	<b>308,006</b>
Excess of revenue over (under) expenditures	(621,100)	(621,100)	44,289	665,389
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	50,499	50,499
<b>Net change in fund balance</b>	<b>(621,100)</b>	<b>(621,100)</b>	<b>94,788</b>	<b>715,888</b>
Fund balance, beginning of year	2,849,124	2,849,124	2,849,124	-
Fund balance, end of year	\$ 2,228,024	\$ 2,228,024	\$ 2,943,912	\$ 715,888

**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. The budget is prepared on a modified cash basis for cash flow and management's monitoring purposes. This budget is used throughout the year and compared with internal accounting reports prepared using the same method of accounting.

The differences relate primarily to the following:

- Accrual items at year-end.
- Capital outlay is reflected as additions to utility plant in the audited financial statements, but included as expenditures for budgeting purposes.

**DRAFT #2**  
**Subject to Change**

**OTHER INFORMATION**



Rubidoux Community Services District  
Combining Schedule of Revenue, Expenditures and  
Changes in Fund Balances – General Fund  
For the year ended June 30, 2018

**DRAFT #2**  
**Subject to Change**

	General Fund	Protection/ Weed Abatement	Reported General Fund
<b>REVENUES</b>			
Property tax and weed abatement	\$ 3,002,364	\$ 23,347	\$ 3,025,711
Charges for administrative services	1,200,000	-	1,200,000
License and permits	5,597	-	5,597
Interest earnings	56,310	-	56,310
Other revenue	62,054	-	62,054
	<u>4,326,325</u>	<u>23,347</u>	<u>4,349,672</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,206,066	-	2,206,066
Fire protection and weed abatement	-	2,099,317	2,099,317
	<u>2,206,066</u>	<u>2,099,317</u>	<u>4,305,383</u>
Excess of revenues over (under) expenditures	<u>2,120,259</u>	<u>(2,075,970)</u>	<u>44,289</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	50,499	2,097,079	2,147,578
Transfer out	(2,097,079)	-	(2,097,079)
	<u>(2,046,580)</u>	<u>2,097,079</u>	<u>50,499</u>
<b>Net change in fund balances</b>	73,679	21,109	94,788
<b>Fund balances, beginning of year</b>	<u>2,040,495</u>	<u>808,629</u>	<u>2,849,124</u>
<b>Fund balances, end of year</b>	<u>\$ 2,114,174</u>	<u>\$ 829,738</u>	<u>\$ 2,943,912</u>

Rubidoux Community Services District  
 Ten Year Financial Trends  
 (Rounded to Thousand Dollars)  
 For the year ended June 30, 2018

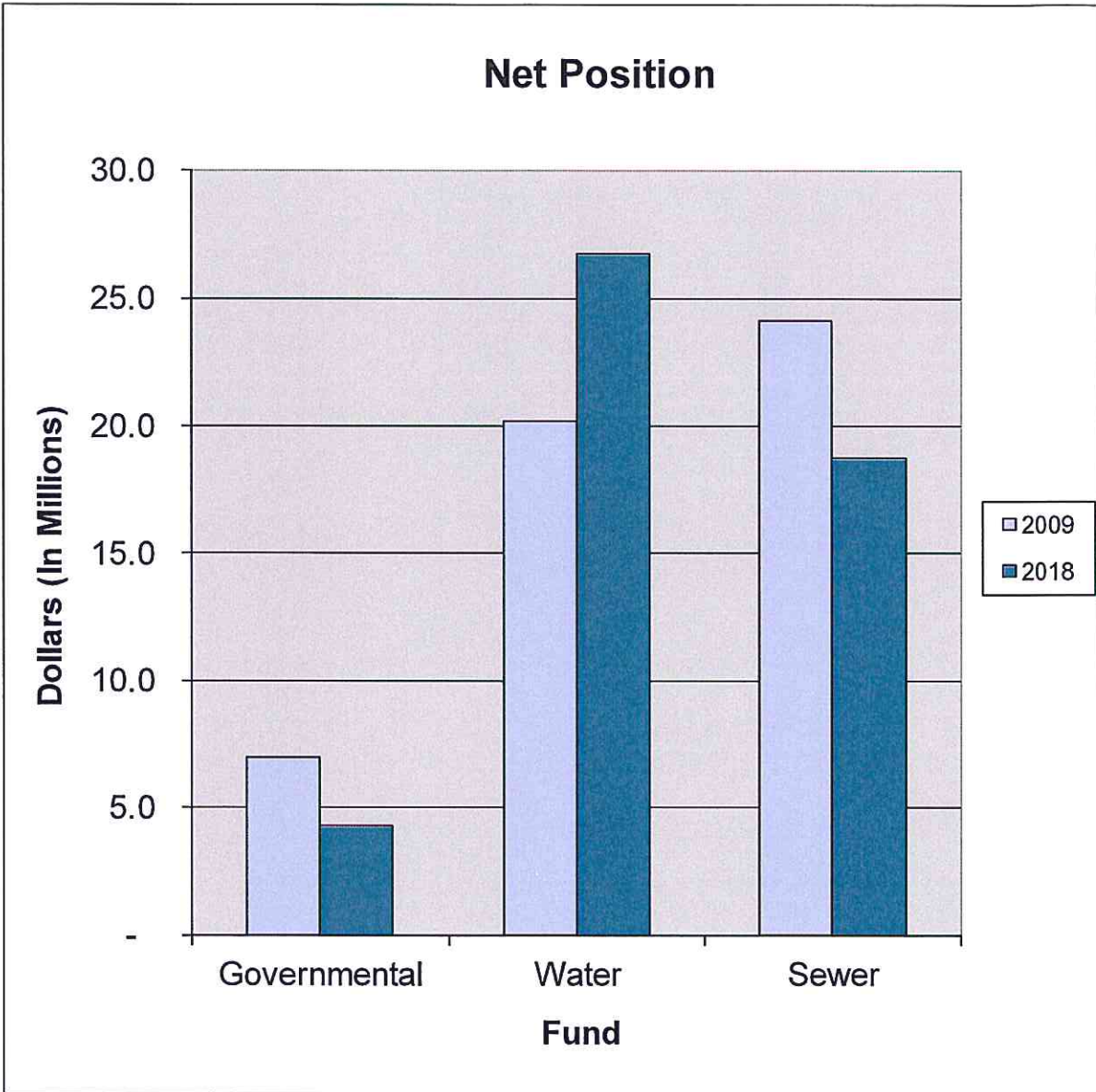
**DRAFT #2**  
**Subject to Change**

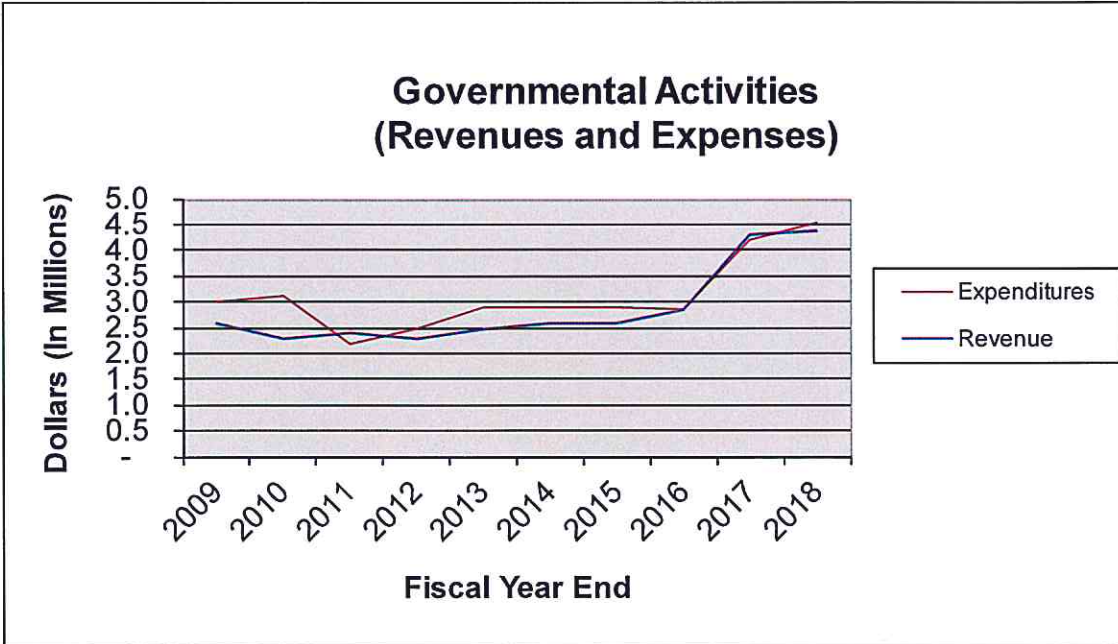
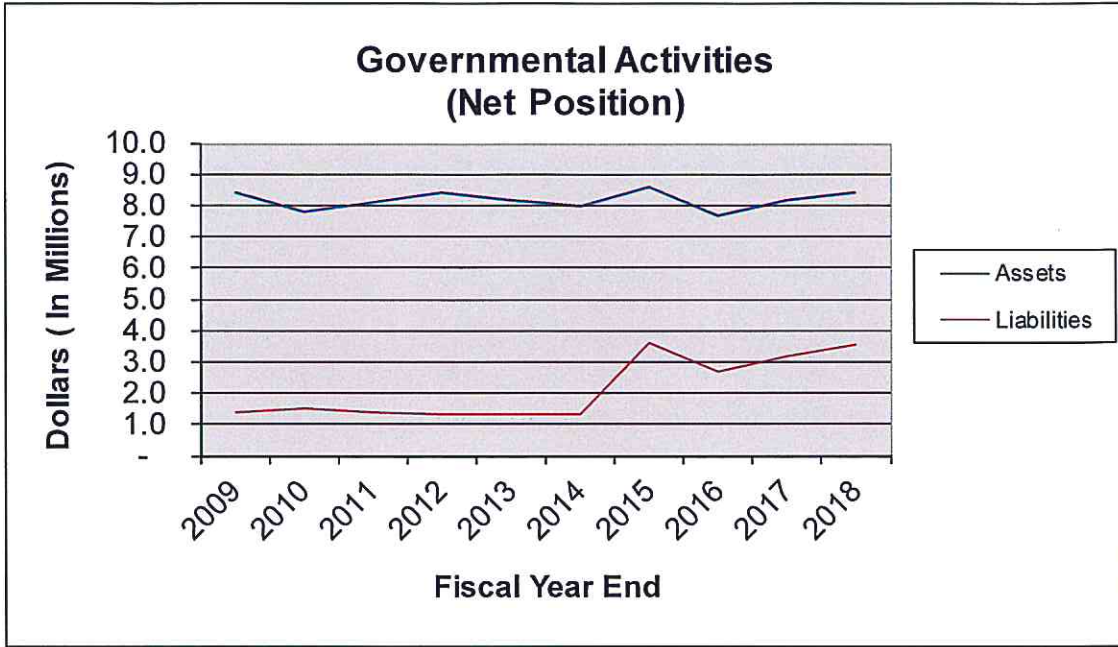
**Change in Net Position:**

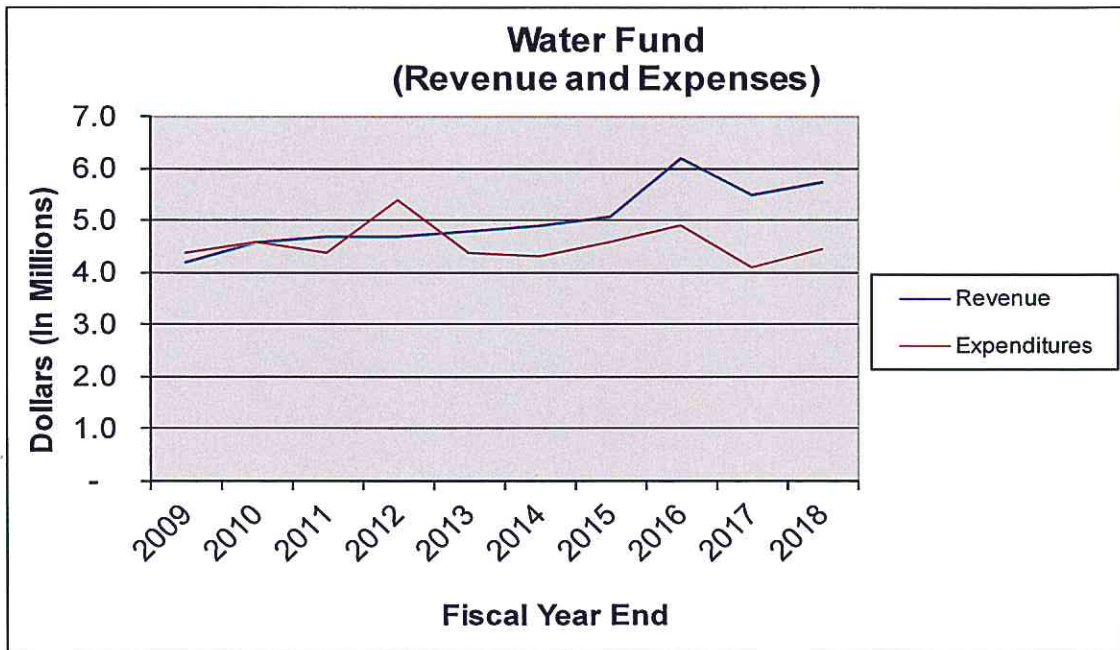
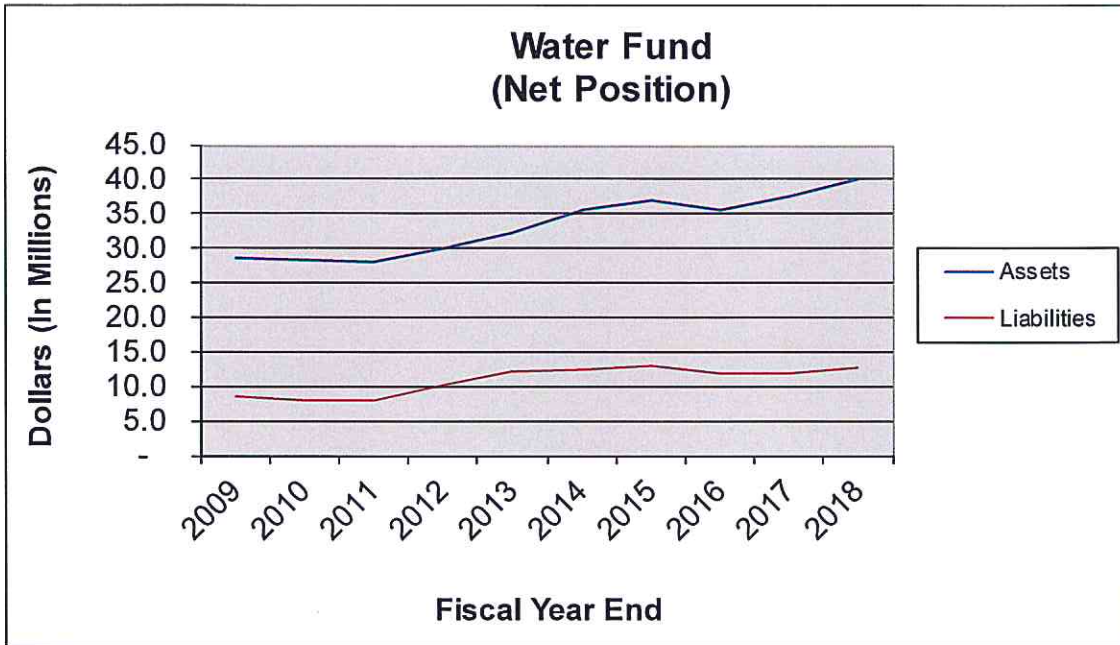
	<b>Governmental Activities</b>	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste Disposal</b>	<b>Total</b>
June 30, 2009	\$ (393,000)	\$ 13,000	\$ 8,900,000	\$ (146,000)	\$ 8,374,000
June 30, 2010	(704,000)	324,000	3,392,000	68,000	3,080,000
June 30, 2011	398,000	(661,000)	(587,000)	(135,000)	(985,000)
June 30, 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)

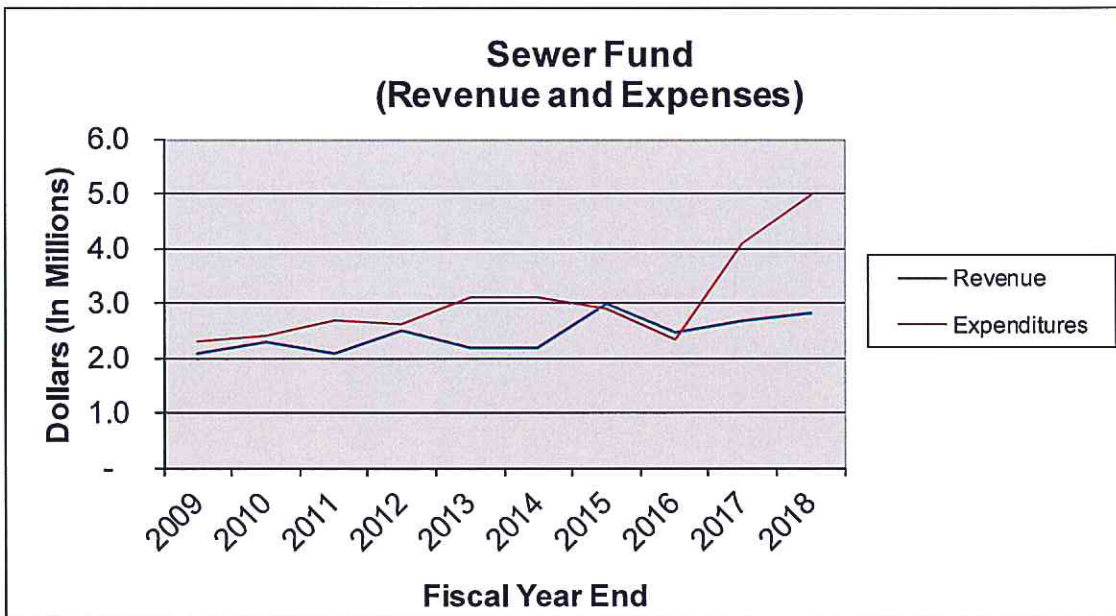
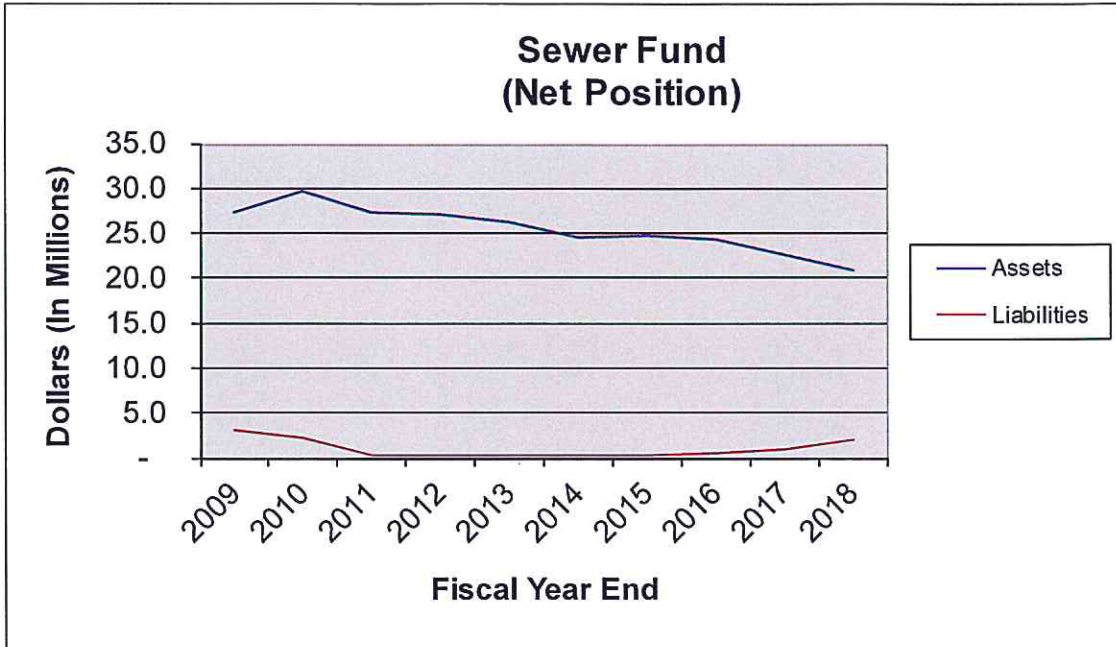
**Net Position:**

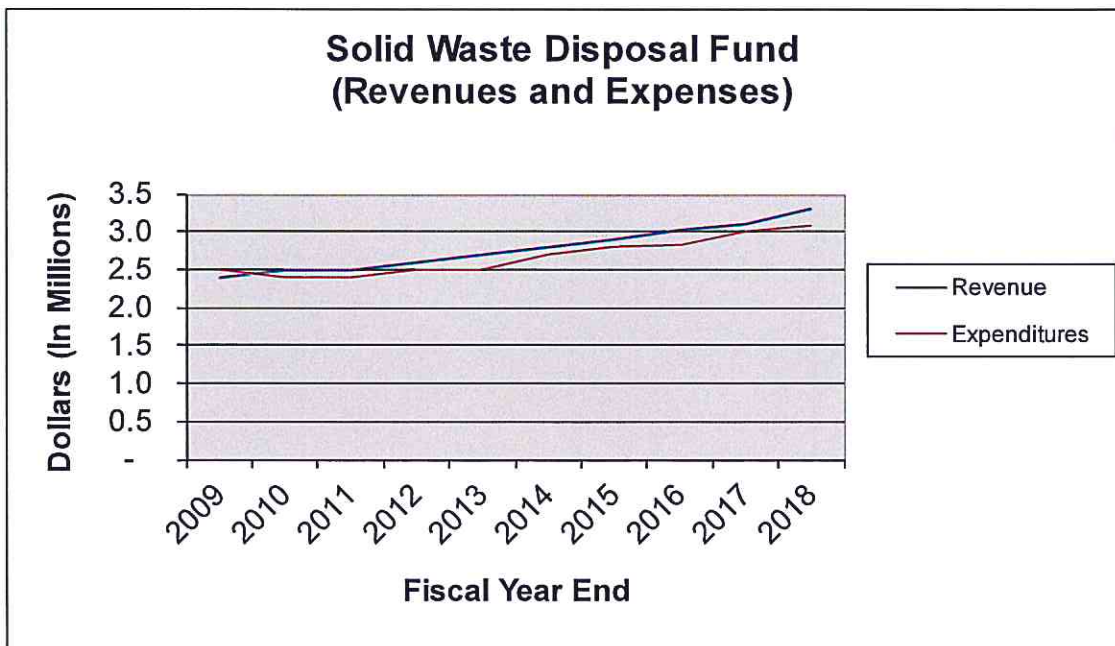
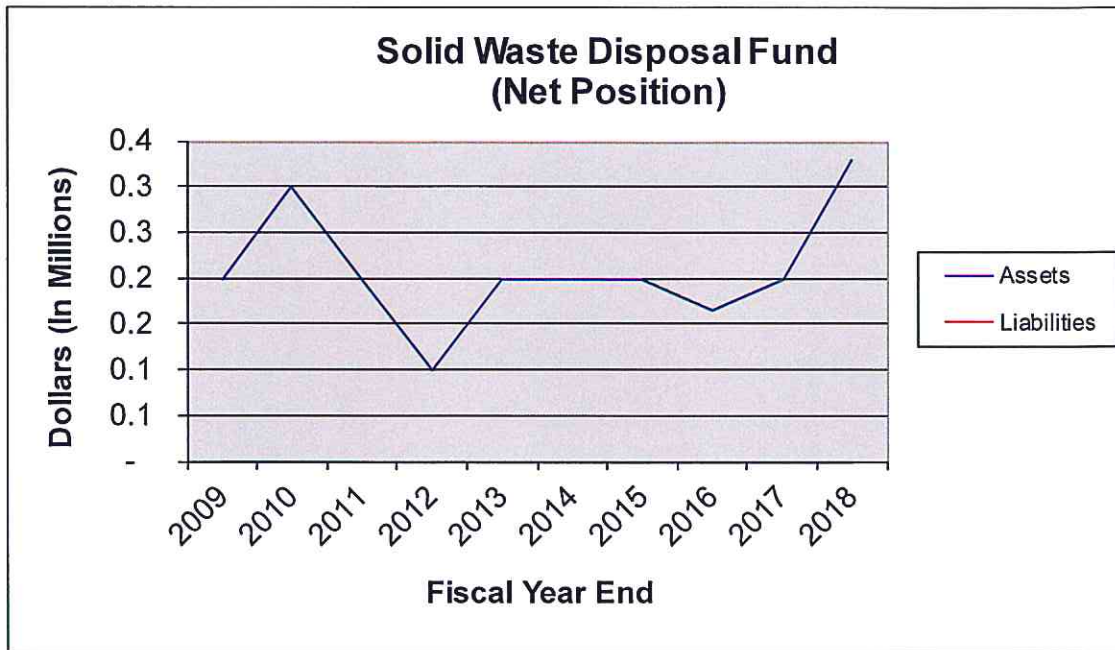
	<b>Governmental Activities</b>	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste Disposal</b>	<b>Total</b>
June 30, 2009	\$ 7,019,000	\$ 20,214,000	\$ 24,111,000	\$ 230,000	\$ 51,574,000
June 30, 2010	6,315,000	20,539,000	27,502,000	298,000	54,654,000
June 30, 2011	6,712,000	19,878,000	26,915,000	163,000	53,668,000
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











**DRAFT #2**  
**Subject to Change**

**REPORT ON COMPLIANCE AND INTERNAL CONTROL**



**DRAFT #2**  
**Subject to Change**

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

Board of Directors  
Rubidoux Community Services District  
Jurupa Valley, California

**INDEPENDENT AUDITOR'S REPORT**

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, 2018, 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, 2018.

**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.

# DRAFT #2

## Subject to Change

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 **2018-1**.

### **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.

San Bernardino, California  
October 18, 2018

**2018-1 Segregation of Duties**

*Condition and Criteria*

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.

*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.

*Management Response*

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.

<u>Finding No.</u>	<u>Topic</u>	<u>Status of Corrective Action</u>
2012-2	Utility Billing	Finding corrected with new software implementation

10. REVIEW AND COMMENT OF KEY PRINCIPLES FOR  
TELECONFERENCING POLICY COMPLIANT WITH RALPH M.  
BROWN ACT (OPEN MEETING LAWS) FOR THE RUBIDOUX  
COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS:  
**DM 2018-65**

# 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 2018-65

October 18, 2018

**To:** Rubidoux Community Services District  
Board of Directors

**Subject:** Consideration of Agreed Key Principles in the Development of Teleconferencing Policy

### **BACKGROUND:**

At the request of Director Barajas and authorization of the full Board, Staff has agenzized the item to agree on key issues in the development of a Teleconferencing Policy for the Board of Directors. As presented at the last Board meeting, the Ralph M. Brown Act (AKA Open Meetings Laws) allows "a legislative body to use teleconferencing to meet, receive public comment and testimony". Further, Teleconferencing is defined as a "***meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video or both***". Any Policy development relating to teleconferencing must comply with all the provisions below:

- Teleconferencing may be used for all purposes during any meeting;
- At least a quorum of the legislative body must participate from locations within the local agencies jurisdiction;
- Additional teleconferencing locations may be made available for the public;
- Each teleconferencing location must be specifically identified in the notice and agenda of the meeting, including a full address and room number, as may be applicable;
- Agendas must be posted at each teleconferencing location, even if a hotel room or a residence;

- Each teleconferencing location, including a hotel room or Residence, must be accessible to the public and have technology, such as a speakerphone, to enable the public to participate;
- The Agenda must provide the opportunity for the public to address the legislative body directly at each teleconferencing location; and,
- All votes must be by roll call.

The Board authorized Staff to develop a Teleconferencing Policy with the following stipulations:

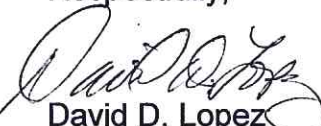
- Teleconference limited to each Board Member to two (2) request per calendar year;
- Directors must submit in writing a request at least seven (7) calendar days in advance of the regular scheduled Board Meeting date;
- Qualifying teleconferencing request for vacation or work related departures only. Not for convenience or medical limitations or restrictions;
- Only Budget Committee Sessions Workshops Meetings held on the same day as regular Board Meeting days shall be eligible for Teleconferencing. Such meeting on the same days shall only constitute one request;
- Teleconferencing participation will be eligible for Board or Committee stipend compensation as established by District Resolutions;
- Teleconferencing equipment and cost will be the obligation of Director requesting teleconferencing meeting;
- Other considerations?

If agreeable, Staff shall develop a Teleconferencing Policy of the Rubidoux Community Services District Board of Directors and present a draft to the full Board.

**RECOMMENDATION:**

Presented to the full Board for your consideration this afternoon.

Respectfully,



David D. Lopez  
Secretary-Manager

11. RECEIVE AND FILE STATEMENT OF CASH ASSETS SCHEDULE  
ENDING SEPTEMBER 2018 FOR ALL RCSD FUNDS:  
**DM 2018-66**



# 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 2018-66**

October 18, 2018

**To:**            Rubidoux Community Services District  
                    Board of Directors

**Subject:**      Receive and File September's Statement of Cash Asset Schedule

### **BACKGROUND:**

Attached for the Board of Directors' consideration is the September 2018 Statement of Cash Asset Schedule Report for all District Fund Accounts. Our YTD interest is \$80,165.00 for District controlled accounts. With respect to District "Funds in Trust", we show \$3,499.00 which has been earned and posted. The District has a combined YTD interest earned total of \$83,612.46 as of September 30, 2018.

With respect to the District's Operating Funds (Excluding Restricted Funds and Operating Reserves), we show a balance of \$5,612,390.00 ending September 30, 2018. That's **\$346,437.00 LESS** than July 1, 2018, beginning balance of \$5,958,827.00.

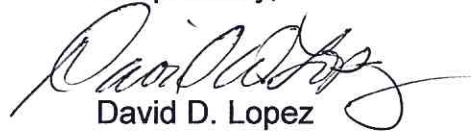
Further, the District's Field/Admin Fund current fund balance is just over \$405,400.00.

Submitted for the Board of Directors consideration is the **September 2018, Statement of Cash Asset Schedule Report** for your review and acceptance this afternoon.

**RECOMMENDATION:**

Staff recommends to **“Receive and File”** the September 2018 Statement of Cash Asset Schedule Report to the Rubidoux Community Services District Board of Directors.

Respectfully,



David D. Lopez  
Secretary-Manager

Attachment: September 2018, Cash Asset Schedule Report

RUBIDOUX COMMUNITY SERVICES DISTRICT

INVESTMENT SUMMARY - SEPTEMBER 30, 2018  
CASH BASIS

	Beg. Balance 7/1/2018	YTD Int.	Other Activity YTD	Balance 9/30/2018	YTD Avg. Int. Rate
Fire Mitigation	\$1,364,248.54	\$6,444.06	\$0.00	\$1,370,692.60	0.47%
Wastewater CIP	3,213,075.36	9,479.97	24,306.00	3,246,861.33	0.29%
Water CIP	2,708,060.62	6,510.94	(17,818.21)	2,696,753.35	0.24%
<b>Operating</b>	<b>5,958,827.58</b>	<b>22,614.13</b>	<b>(369,051.37)</b>	<b>5,612,390.34</b>	<b>0.40%</b>
Water Operating Reserve	4,047,243.69	19,216.45	0.03	4,066,460.17	0.47%
Water Replacement Reserve	375,783.17	1,784.23	41,895.00	419,462.40	0.43%
COP Reserve	2,372,125.33	11,262.93	293,300.00	2,676,688.26	0.42%
Wastewater Operating Reserve	220,723.58	1,048.01	91,948.00	313,719.59	0.33%
Field/admin Fund	380,011.05	1,804.31	23,600.50	405,415.86	0.45%
Funds in Trust	746,011.29	3,499.43	-	749,510.72	0.47%
Total Investments	<b>\$21,386,110.21</b>	<b>\$83,664.46</b>	<b>\$88,179.95</b>	<b>\$21,557,954.62</b>	<b>0.39%</b>

RUBIDOUX COMMUNITY SERVICES DISTRICT  
**CASH ASSET SCHEDULE**  
**INVESTMENT ACTIVITY**  
 FOR PERIOD SEPTEMBER 1, 2018 THRU SEPTEMBER 30, 2018  
 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>
9/1/2018	Premier Bank	<b>CD</b>		Beg. Bal.	-	1.00	-	170,000.20	
	Premier Bank			Interest	-			170,000.20	
	Premier Bank			Redeem	-			170,000.20	
9/30/2018	Premier Bank	<b>CD</b>	10/3/2019	Purchase	-			170,000.20	
9/1/2018	Premier Bank	<b>Checking</b>		Beg. Bal.	-	0.00	-	8,835.50	
	Premier Bank	<b>Fire Mitig</b>		Activity	-			8,835.50	
9/30/2018	Premier Bank			End Bal.	-			8,835.50	
9/1/2018	LAIF	<b>Fire Mitigation</b>		Beg. Bal.	-	1.99	-	1,176,617.98	
	LAIF			Interest	-			1,176,617.98	
9/30/2018	LAIF			Activity	-			1,176,617.98	
9/1/2018	Premier Bank	<b>Safekeeping</b>		Beg. Bal.	-	0.00	-	15,238.92	
	Premier Bank			Activity	-			-	
9/30/2018	Premier Bank			End Bal.	-			15,238.92	1,370,692.60

RUBIDOUX COMMUNITY SERVICES DISTRICT  
**CASH ASSET SCHEDULE**  
**INVESTMENT ACTIVITY**  
 FOR PERIOD SEPTEMBER 1, 2018 THRU SEPTEMBER 30, 2018  
 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>
9/1/2018	LAIF	<b>Sewer Mainline</b>		Beg. Bal.				1,951,982.26	
9/30/2018	LAIF			Interest		1.99	-	1,951,982.26	
9/30/2018	LAIF			Activity	(2,772.50)			1,949,209.76	
9/1/2018	LAIF	<b>Sewer WWR</b>		Beg. Bal.				18,555.71	
9/30/2018	LAIF			Interest		1.99	-	18,555.71	
9/30/2018	LAIF			Activity	9,026.50			27,582.21	
9/1/2018	CBB-CDARS	<b>CD</b>		Beg. Bal.				600,000.00	
9/30/2018	CBB-CDARS			Interest	49.31	0.05	-	600,000.00	
9/30/2018	CBB-CDARS			Redeem	-			600,000.00	
9/30/2018	CBB-CDARS		11/23/2018	Purchase	-			600,000.00	
9/1/2018	CBB-CDARS	<b>CD</b>		Beg. Bal.				600,000.00	
9/30/2018	CBB-CDARS			Interest	73.99	0.05	-	600,000.00	
9/30/2018	CBB-CDARS			Redeem	-			600,000.00	
9/30/2018	CBB-CDARS		11/29/2018	Purchase	-			600,000.00	
9/1/2018	CBB	<b>Safekeeping</b>		Beg. Bal.				69,928.64	
9/30/2018	CBB			Activity		0.10	140.72	-	
9/30/2018	CBB			End Bal.				70,069.36	3,246,861.33

RUBIDOUX COMMUNITY SERVICES DISTRICT  
**CASH ASSET SCHEDULE**  
**INVESTMENT ACTIVITY**  
 FOR PERIOD SEPTEMBER 1, 2018 THRU SEPTEMBER 30, 2018  
 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>
9/1/2018	LAIF	<b>Water Mainline</b>		Beg. Bal.				698,719.33	
9/30/2018	LAIF			Interest		1.99	-	698,719.33	
9/30/2018	LAIF			Activity	(2,134.00)			696,585.33	
9/1/2018	Premier Bank	<b>CD</b>		Beg. Bal.				575,000.00	
9/30/2018	Premier Bank			Activity	-	1.00	-	575,000.00	
9/30/2018	Premier Bank			Redeem	-			575,000.00	
9/30/2018	Premier Bank		10/3/2019	Purchase	-			575,000.00	
9/1/2018	Citizens Bus	<b>CD</b>		Beg. Bal.				225,000.00	
9/30/2018	Citizens Bus			Activity	-	0.25	-	225,000.00	
9/30/2018	Citizens Bus			Redeem	-	n/a		225,000.00	
9/30/2018	Citizens Bus		10/31/2018	Purchase	-			225,000.00	
9/1/2018	CBB-CDARS	<b>CD</b>		Beg. Bal.				500,000.00	
9/30/2018	CBB-CDARS			Activity	-	0.05	-	500,000.00	
9/30/2018	CBB-CDARS			Redeem	-	n/a		500,000.00	
9/30/2018	CBB-CDARS		10/25/2018	Purchase	-			500,000.00	
9/1/2018	CBB-CDARS	<b>CD</b>		Beg. Bal.				630,000.00	
9/30/2018	CBB-CDARS			Activity	-	0.05	-	630,000.00	
9/30/2018	CBB-CDARS			Redeem	-	n/a		630,000.00	
9/30/2018	CBB-CDARS		10/25/2018	Purchase	-			630,000.00	

RUBIDOUX COMMUNITY SERVICES DISTRICT  
**CASH ASSET SCHEDULE**  
**INVESTMENT ACTIVITY**  
 FOR PERIOD SEPTEMBER 1, 2018 THRU SEPTEMBER 30, 2018  
 CASH BASIS

9/1/2018	Premier Bank	<b>Safekeeping</b>	Beg. Bal.		51,639.79
	Premier Bank		Activity	1.00	51,639.79
9/30/2018	Premier Bank		End Bal.	-	51,639.79
9/1/2018	CBB	<b>Safekeeping</b>	Beg. Bal.		18,523.62
	CBB		Activity	0.10	
9/30/2018	CBB		End Bal.	4.61	18,528.23
					2,696,753.35

RUBIDOUX COMMUNITY SERVICES DISTRICT  
**CASH ASSET SCHEDULE**  
**INVESTMENT ACTIVITY**  
 FOR PERIOD SEPTEMBER 1, 2018 THRU SEPTEMBER 30, 2018  
 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>
9/1/2018	Premier Bank	<b>Checking-Gen.</b>		Beg. Bal.				174,557.52	
	Premier Bank			Deposits	1,013,768.45	0.00	-	1,188,325.97	
9/30/2018	Premier Bank			Disbursements	(1,011,044.44)			177,281.53	
9/1/2018	Premier Bank	<b>Checking</b>		Beg. Bal.				58,570.02	
	Premier Bank	<b>Property Tax</b>		Deposits	81,284.25	0.00	-	139,854.27	
9/30/2018	Premier Bank			Disbursements	(50,000.00)			89,854.27	
9/1/2018	Premier Bank	<b>Checking-Sewer</b>		Beg. Bal.				4,546.90	
	Premier Bank			Deposits	257,188.22	0.00	-	261,735.12	
9/30/2018	Premier Bank			Disbursements	(253,179.80)			8,555.32	
9/1/2018	Premier Bank	<b>Checking-Water</b>		Beg. Bal.				880,443.31	
	Premier Bank			Deposits	1,148,258.39	0.00	-	2,028,701.70	
9/30/2018	Premier Bank			Disbursements	(1,259,783.96)			768,917.74	



RUBIDOUX COMMUNITY SERVICES DISTRICT  
**CASH ASSET SCHEDULE**  
**INVESTMENT ACTIVITY**  
 FOR PERIOD SEPTEMBER 1, 2018 THRU SEPTEMBER 30, 2018  
 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>
9/1/2018	Premier Bank	<b>CD</b>		Beg. Bal.				255,000.00	
	Premier Bank			Activity	-	1.00	-	255,000.00	
	Premier Bank			Redeem	-			255,000.00	
9/30/2018	Premier Bank	<b>CD</b>	2/3/2019	Purchase	-			255,000.00	
9/1/2018	Premier Bank	<b>Operations</b>		Beg. Bal.				19,621.87	
	Premier Bank	<b>Safekeeping</b>		Deposits	-	0.00	-	19,621.87	
9/30/2018	Premier Bank			Disbursements				19,621.87	
9/1/2018	LAIF	<b>Gen. Fund-Prop Tax</b>		Beg. Bal.				2,897,968.32	
	LAIF	Qtrly. Interest		Deposits	-	1.99	-	2,897,968.32	
9/30/2018	LAIF			Disbursements	(300,000.00)			2,597,968.32	
9/1/2018	LAIF	<b>Water Op.</b>		Beg. Bal.				1,110,801.12	
	LAIF	Qtrly. Interest		Deposits	297,134.00	1.99	-	1,407,935.12	
9/30/2018	LAIF			Disbursements	(7,833.00)			1,400,102.12	
9/1/2018	LAIF	<b>Sewer Op.</b>		Beg. Bal.				256,343.17	
	LAIF	Qtrly. Interest		Deposits	(119,026.50)	1.99	-	137,316.67	
9/30/2018	LAIF			Disbursements	157,772.50			295,089.17	5,612,390.34

RUBIDOUX COMMUNITY SERVICES DISTRICT  
**CASH ASSET SCHEDULE**  
**INVESTMENT ACTIVITY**  
 FOR PERIOD SEPTEMBER 1, 2018 THRU SEPTEMBER 30, 2018  
 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>
9/1/2018	LAIF	<b>Water Op. Reserve</b>		Beg. Bal				4,066,460.17	
	LAIF	Qtrly. Interest		Deposits	-	1.99	-	4,066,460.17	
9/30/2018	LAIF			Disbursements	-			4,066,460.17	
9/1/2018	LAIF	<b>W.R.</b>		Beg. Bal				392,962.40	
	LAIF	Qtrly. Interest		Deposits	26,500.00	1.99	-	419,462.40	
9/30/2018	LAIF			Disbursements	-			419,462.40	
9/1/2018	LAIF	<b>COP-Payback</b>		Beg. Bal				2,513,188.26	
	LAIF	Qtrly. Interest		Deposits	163,500.00	1.99	-	2,676,688.26	
9/30/2018	LAIF			Disbursements	-			2,676,688.26	
9/1/2018	LAIF	<b>Field/Admin Bldg.</b>		Beg. Bal				397,582.86	
	LAIF	Qtrly Interest		Deposits	7,833.00	1.99	-	405,415.86	
9/30/2018	LAIF			Disbursements	-			405,415.86	
9/1/2018	LAIF	<b>Wastewater Reserve</b>		Beg. Bal				203,719.59	
	LAIF	Qtrly. Interest		Deposits	110,000.00	1.99	-	313,719.59	
9/30/2018	LAIF			Disbursements	-			313,719.59	7,881,746.28

RUBIDOUX COMMUNITY SERVICES DISTRICT  
**CASH ASSET SCHEDULE**  
**INVESTMENT ACTIVITY**  
 FOR PERIOD SEPTEMBER 1, 2018 THRU SEPTEMBER 30, 2018  
 CASH BASIS  
**FUNDS IN TRUST**

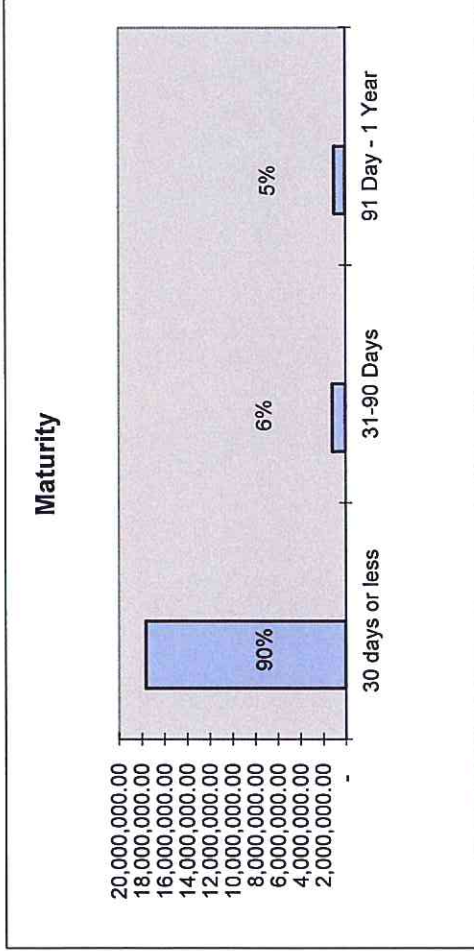
<u>DATE</u>	<u>INSTITUTION</u>	<u>INSTRUMENT</u>	<u>MATURITY</u>	<u>STATUS</u>	<u>PURCHASE / REDEEM</u>	<u>INTEREST RATE</u>	<u>INTEREST</u>	<u>PAR/ BALANCE</u>	<u>TOTAL</u>
9/1/2018	U.S. Bank	COP's Refunding-Series 1998 Install Sale		17,339.58	-	0.17	-	746,981.61	
9/30/2018		Reserve-LAIF		729,642.03		0.78		746,981.61	
								746,981.61	
9/1/2018	Premier Bank	Fiscal Agent-SRL MN Plant		Beg. Bal				2,529.11	
9/30/2018				Deposits		0.20	0.00	2,529.11	
				Disbursements				2,529.11	749,510.72
									<b>21,557,954.62</b>

RCSD PORTFOLIO HOLDINGS REPORT  
 SEPTEMBER 30, 2018

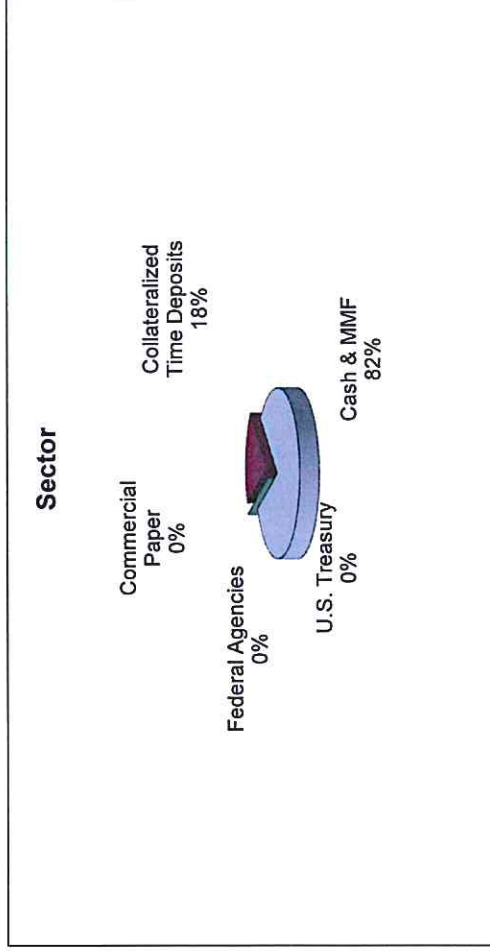
<u>Par \$</u>	<u>Issuer</u>	<u>Maturity</u>	<u>Acquisition Cost</u>	<u>Current Market</u>	<u>Gain/Loss</u>	<u>Yld Mat</u>
<b>AGENCY</b>						
			-	-	-	
	Subtotals					
<b>U.S. TREASURIES</b>						
<b>COMMERCIAL PAPER</b>						
			-	-	-	
	Subtotals					
<b>COLLATERALIZED TIME DEPOSITS</b>						
170,000.00	Premier	10/3/2019	170,000.20	170,000.20		0.60
500,000.00	Citizens CDARS	10/25/2018	500,000.00	500,000.00		0.05
630,000.00	Citizens CDARS	10/25/2018	630,000.00	630,000.00		0.05
575,000.00	Premier	10/3/2019	575,000.00	575,000.00		0.60
255,000.00	Premier	2/3/2019	255,000.00	255,000.00		0.60
600,000.00	Citizens CDARS	11/23/2018	600,000.00	600,000.00		0.05
600,000.00	Citizens CDARS	11/30/2018	600,000.00	600,000.00		0.05
225,000.00	Citizens Business Bank	10/31/2018	225,000.00	225,000.00		0.25
	Subtotals		3,555,000.20	3,555,000.20	-	
<b>CASH EQUIVALENT &amp; MONEY MARKET</b>						
16,024,901.42	LAIF	-	16,024,901.42	16,024,901.42		0.88
98,689.77	CHECK-PPBI-Fire- Prop tax		98,689.77	98,689.77		-
175,098.17	SAFEKEEPING		175,098.17	175,098.17		-
	Subtotals		16,298,689.36	16,298,689.36	-	
	<b>GRAND TOTALS</b>		<b>19,853,689.56</b>	<b>19,853,689.56</b>	<b>-</b>	

RCSD Investment Portfolio  
September 30, 2018

<u>Maturity</u>	<u>Assets</u>
30 days or less	17,653,689.36
31-90 Days	1,200,000.00
91 Day - 1 Year	1,000,000.20
<b>Total</b>	<b>19,853,689.56</b>



<u>Sector</u>	<u>Assets</u>
Cash & MMF	16,298,689.36
U.S. Treasury	-
Federal Agencies	-
Commercial Paper	-
Collateralized Time Deposits	3,555,000.20
<b>Total</b>	<b>19,853,689.56</b>



12. CONSIDERATION TO POST TRIAL TRANSCRIPTS ON RCSD WEBSITE:  
**DM: 2018-67**

# 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 2018-67**

October 18, 2018

**To:** Rubidoux community Services District  
Board of Directors

**Subject:** Consideration to Post Trial Transcripts on RCSD Web Site

### **BACKGROUND:**

At the October 4, 2018, regular Board Meeting of the Rubidoux Community Services District, Director Murphy provided a written request and asked to "make the trial transcripts available on our website... After the court has ruled a decision can be made if it is advisable".

At the direction of Director Barajas requesting legal counsel and special counsel opinion on trial transcript posting on RCSD Web Site, Staff provided copies of Director Murphy's written request to Mr. Harper (Attached hereto) and Mr. Bobko for response.

Mr. Harper's response and recommendation:

*"As a threshold comment, without considering any policy issues, given the volume, the posting of trial transcripts, including exhibits for this 20-day trial would be a practical impossibility. The one hundred (100) plus hours of testimony and related exhibits would be several thousand pages and, if the website has enough capacity, would be nearly impossible to review. Whether uploading from Court records, assuming such would be possible, or provided by other means, the cost would be substantial."*

*“Although not a legal issue, given the long-term, on-going, relationship with Riverside, and depending upon the Court’s ruling, the Board should carefully consider the next steps going forward. **It would be my recommendation that no trial transcript, nor any other comment or documents pertaining to the trial be placed on the website, if at all, until after the Court has rendered its judgement”.***

Mr. Bobko’s response and recommendation:

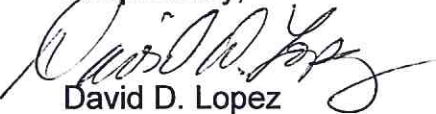
*“...no apparent advantage for Rubidoux to post the court transcripts on its website. Moreover, without the accompanying exhibits referenced during the various witness examinations the transcripts will be largely indecipherable. The sheer volume of transcripts may also present a problem for the District, particularly because there is currently no central repository where everything exists. The cost-component for putting everything onto the District’s site may also be an issue for consideration...from a practical standpoint posting trial transcripts may not be the most cost effective way to achieve it. **We would recommend waiting until then (Court ruling) to put anything on the District’s website.”***

Finally, the file type is in PDF for trial transcripts and the size unknown for full trial transcripts with exhibits.

**RECOMMENDATION:**

Staff concurs with Counsels reasons cited above Not to post trial transcripts on District Web site.

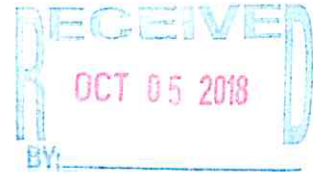
Respectfully,



David D. Lopez  
Secretary-Manager

Attachments: Mr. Harper’s Letter dated October 9, 2019  
Director Murphy’s questions dated October 5, 2018





In the future, this lawsuit will end. Sometime next year, Judge Donald Alvarez, will render a ruling by mailing the statement of decision to the attorneys. If the ruling garners public attention, we may want to provide information about the litigation. One method would be make the trial transcripts available on our website.

I have never seen this done before. I am not saying we should do it. I would like to know if it can be done economically. I would like to know if it is permissible. After the court has ruled a decision can be made if it is advisable.

What is the file type?

What is the file size?

Do courts allow free downloads, when they charge \$0.50 per page?

*Submitted By Director Murphy to Staff and ICSD Board members at the 10/4/2018 Regular Meeting.*

LAW OFFICES OF  
**HARPER & BURNS LLP**  
A LIMITED LIABILITY PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

JOHN R. HARPER\*  
ALAN R. BURNS  
COLIN R. BURNS  
ALEXANDRA M. HALFMAN

453 SOUTH GLASSELL STREET  
ORANGE, CALIFORNIA 92866

TELEPHONE (714) 771-7728  
FACSIMILE (714) 744-3350

John R. Harper  
jrharper@harperburns.com

\*A PROFESSIONAL CORPORATION

October 15, 2018

**Via U.S. Mail**

Members of the Board of Directors  
Rubidoux Community Services District  
3590 Rubidoux Blvd.  
Rubidoux, California 92509

Attention: David Lopez, General Manager

**Re: *City of Riverside v. Rubidoux Community Services District  
Posting of Trial Transcript on Website***

Members of the Board:

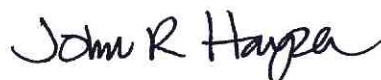
As a threshold comment, without considering any policy issues, given the volume, the posting of trial transcripts, including exhibits for this 20-day trial would be a practical impossibility. The one hundred (100) plus hours of testimony and related exhibits would be several thousand pages and, if the website had enough capacity, would be nearly impossible to review. Whether uploaded from Court records, assuming such would be possible, or provided by other means, the cost would be substantial.

As you are aware, closing briefs have been filed and final arguments are set for December 7, 2018. I would anticipate that the Court will issue its ruling sometime after the first of the year. Any decision about addressing publicly the litigation should be delayed and based upon the Court's conclusions. Although not a legal issue, given the long-term, on-going, relationship with Riverside, and depending upon the Court's ruling, the Board should carefully consider the next steps going forward. It would be my recommendation that no trial transcripts, nor any other comments or documents pertaining to the trial, be placed on the website, if at all, until after the Court has rendered its judgment.

Should you have questions or comments, please let me know.

Very truly yours,

**HARPER & BURNS LLP**



John R. Harper, District Counsel

*Kit Bobko, October 9, 2018*

---

There was also a question about whether Rubidoux could post the trial transcripts on the District's website for the public to review. As you know, the trial against Riverside was a public proceeding and nothing that occurred in open-court is privileged or confidential. There is however, no apparent advantage for Rubidoux to post the court transcripts on its website. Moreover, without the accompanying exhibits referenced during the various witness examinations the transcripts will be largely indecipherable. The sheer volume of transcripts may also present a problem for the District, particularly because there is currently no central repository where everything exists. The cost-component for putting everything onto the District's site may also be an issue for consideration.

Although we understand the District's desire for transparency, from a practical standpoint posting trial transcripts may not be the most cost-effective way to achieve it. As discussed above, we expect the Court will issue an order within a few months, and once it does, that is something the public may find informative. We would recommend waiting until then to put anything on the District's website.

As always, please let me know if you have any questions or wish to discuss anything further.

Sincerely,

RING BENDER LLP



Patrick K. Bobko

13. DIRECTORS COMMENTS – NON ACTION

14. ADJOURNMENT