

MINUTES OF REGULAR MEETING
March 16, 2017
RUBIDOUX COMMUNITY SERVICES DISTRICT

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

DIRECTORS ABSENT: Ruth Anderson Wilson

STAFF PRESENT: David Lopez, General Manager
Steve Appel, Asst. General Manager
Krysta Krall, Manager Fiscal Services
Brian Jennings, Acct/Budget Manager

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by Director Muniz, at 4:00 P.M., Thursday, March 16, 2017, at the District Office, 3590 Rubidoux Boulevard, Rubidoux, California.

ITEM 4. APPROVAL OF MINUTES

Approval of the Regular Minutes for March 2, 2017, was unanimously approved.

The motion was carried unanimously.

Ayes – 4 (Muniz, Murphy, Trowbridge, Barajas)
Noes - 0

ITEM 5. Consider to Approve the March 17, 2017, Salaries, Expenses and Transfers.

Approve March 17, 2017, Salaries, Expenses and Transfers.

Director Barajas moved and Director Trowbridge seconded to approve the March 17, 2017, Salaries, Expenses and Transfers.

The motion was carried unanimously.

Ayes – 4 (Trowbridge, Muniz, Murphy, Barajas)
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 Riverside County Fire Department Service Alternatives Report for FY 2017-2018 was discussed. One of the biggest issues of the County Board of Supervisors is the administration fee we pay; meaning the county and the contracting agencies to the State of California for the admin of the fire contract. It's \$21,000,000 per year to administer the contract.

ITEM 8. MANAGER'S REPORT

Operations Report:

We are still providing water to Jurupa CSD and that will fluctuate between 1,700 gpm and up to 4,000 gpm. We are making sure that when the spring and summer months are upon us that all of our systems are operating and working.

Emergency and Fire Report:

The Incident Report for February 1 – February 28, 2017, there were a total of 252 calls, in comparison to the same period in 2016, there were a total of 250 calls. The year to date total is 534, compared to 531 in 2016.

ITEM 9. DM 2017-11. Consideration to Adopt Resolution 2017-833, a Resolution Authorizing the Application for a District Bank Card.

At the March 2, 2017, regular meeting of the Rubidoux Community Services District, the Board approved Staff to Agendize attached Resolution 2017-833 which authorizes the application of a District Bank Card. Additionally, the Board reviewed the Credit Card Policy which regulates the effective and limited use of such a Bank Card. These changes have been incorporated into Resolution No. 2017-833 and referenced in Exhibit "A" and bold highlighted as follows:

- **Credit card balances will be paid in full by each due date.**
- **Credit card information is not to be saved (creation of passwords) on websites if making an online purchase.**

Finally, after review of three Bank Cards, Staff recommended a Chase Corporate credit card best suits the District needs.

Director Barajas motioned to amend Item #9, however, there was no second for his motion; therefore it died.

Director Trowbridge moved and Director Murphy seconded to Approve and Authorize the Board adoption of Resolution No. 2017-833 which establishes the application and use of a District bank Card.

The motion was carried and following roll call for the Adoption of District Resolution:

Ayes – 3 (Trowbridge, Muniz, Murphy)

Noes – 1 (Barajas)

Absent – 1 (Wilson)

ITEM 10. DM 2017-12. Receive and File Cash Asset Report Ending February 2017 for All District Fund Accounts.

The year-to-date Interest ending February 28, 2017 is \$81,194.00 for District controlled accounts. With respect to District "Funds in Trust", we show \$3,349.00 which has been earned and posted. The District has a combined YTD total of \$84,543.00 as of February 28, 2017.

With respect to the District's Operating Funds (Excluding Operating Reserves), we show a balance of \$4,692,505.00 ending February 28, 2017. That is **\$149,493.00 LESS** than July 1, 2016, beginning balance of \$4,841,998.00.

The District's Field/Admin Fund continues to grow and current fund balance nears \$285,947.00.

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

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

The motion was carried unanimously.

Ayes – 4 (Trowbridge, Muniz, Murphy, Barajas)

Noes - 0

ITEM 11. DM 2017-13. Consideration to Award Weed Abatement Service Contract.

On March 7, 2017, the Rubidoux Community Services District (District) received one (1) sealed bid for this year's abatement contract work. Historically the District receives only two bids; the competing bidders traditionally are Scott Tractor and Jim Dequire Weed Abatement. This year the District's sole bidder for weed abatement services was Inland Property Services.

Additionally, as in past years, the "Notice Inviting Proposals" was noticed in the Press Enterprise Newspaper on February 16 and 23, 2017.

Below is the sum aggregate unit price of Inland Empire Property Services proposal.

<u>Contractor</u>	<u>Bid Amount</u>
Inland Empire Property Services	\$460.00

The District determines valuation of the bid submitted adding each submitted unit cost. Consequently, the apparent low bidder for the 2017-2018 Weed Abatement Service Contract is Inland Empire Property Services with an aggregate bid amount of \$460.00.

Director Trowbridge moved and Director Barajas seconded the award of the Rubidoux CSD Weed Abatement Contract for the 2017-2018 season to Inland Empire Property Services conditionally upon providing list of other public agencies abatement work experience and subject to review and approval by District Legal Counsel.

The motion was carried unanimously.

**Ayes – 4 (Trowbridge, Muniz, Murphy, Barajas)
Noes – 0**

ITEM 12. DM 2017-14. Consideration to Approve Subordination Bond Issue Request for the Jurupa Valley Redevelopment Project Area.

The Redevelopment Agency (Agency) of Riverside County Issued bonds for the Jurupa Valley Redevelopment Project Area for the purpose of road and median improvements, utilities infrastructure improvements and other public and private improvements. The Rubidoux Community Services District receives pass-thru property taxes as our share of subject improvements increasing the assessed values of improved properties. The attached request from the County of Riverside, successor to the Agency, seeks to refund (refinance) the bonds for a better interest rate and consequently, reduce its debt service costs. The Rubidoux Community Services District will continue to collect our pass-thru taxes in the County's request to the District to subordinate as shown in the Fiscal Consultant's attached analysis.

I had John Harper, District Council, review the request and Mr. Harper's opinion is attached hereto and is as follows, **"The Subordination looks fine: although the District takes the same repayment risk as in the past. Since the county Successor Agency (SA) is making its statutory pass-thru payment now, with a lower debt service, continuing to do so shouldn't be a problem and the refinanced coverage ratio is 2.31 increasing to 3.14 at the end of the bond term."**

Finally, the Rubidoux Community Services District has, in the past subordinated our pass thru taxes with no issues.

Director Trowbridge moved and Director Murphy seconded to approve subordinate redevelopment pass-thru taxes to the Rubidoux Community Services District.

The motion was carried unanimously.

Ayes – 4 (Trowbridge, Muniz, Murphy, Barajas)

Noes - 0

ITEM 13. DM 2017-15. Review and Comment of Rubidoux Community Services District Board of Directors Draft Board Policies and Procedures Manual.

Attached for the Board of Directors review and comment is a draft Board Policies and Procedures Manual. The purpose of the Board Manual is to help elected officials (newly and experienced Board Members) understand and navigate your complex role as elected officials of the Rubidoux Community Services District Board of Directors. Furthermore the manual includes Board behavior, communications, training and institutional/structural governance of the District. The purpose of introducing this draft manual to the Board this afternoon is to get you to review and provide comments. Staff suggests the Board review the enclosed draft at your convenience over the next several weeks.

Comments and input with planned approval will be scheduled for your April 6, 2017, regular Board meeting.

No Action Necessary.

ITEM 14. DM 2017-16. Consideration to Increase New Utility Billing System Software Contract for Unexpected Costs.

At the April 7, 2016, regular Board meeting of the Rubidoux Community Services District the Board of Directors authorized Staff to negotiate and enter a contract with Northstar Utility Solutions (Northstar) for the replacement of the District's utility billing system. In last year's budget, this work had a budget amount of \$315,000.00. When we received proposals, the Board subsequently adopted a reduced budget of \$205,000.00 for Northstar's work.

After the data conversion portion of the work began, problems began to emerge. Numerous idiosyncrasies in our data, and utility billing business practices required many additional hours by Northstar to complete the data conversion phase.

Recognizing this additional effort, Northstar has submitted a change order dated February 7, 2017. The change order requests an additional 248 hours of effort, which equates to an increase of \$49,600.00 on the contract. Northstar is approximately 75% complete, and we expect all the work to be done by June.

Staff has reviewed the change order and find it to be in order and appropriate.

Director Barajas moved and Director Murphy seconded to approve the change order from Northstar in the amount of \$49,600.00, and increase the utility billing system replacement budget line item from \$205,000.00 to \$250,000.00 in recognition of the approved change order.

The motion was carried unanimously.

Ayes – 4 (Trowbridge, Muniz, Murphy, Barajas)

Noes - 0

ITEM 15. DM 2017-17. Consideration to Develop a Two (2) year Budget for the Operation and Maintenance and Capital Improvement Projects (CIP) for the Rubidoux Community Services District.

Historically all public agencies, including the Rubidoux Community Services District, have developed and adopted its Operations/Maintenance and Capital Improvement Projects (CIP) Budgets on an annual basis. However, recent fiscal budgeting options included multi-year budgets offering public agencies many advantages over the traditional annual budget process. Multi-year budget benefits include:

- Reduces annual budget cycle which is time consuming for Staff and Policy Makers.
- Two (2) year budget cycle enables a greater fiscal period thereby making adjustments to realign the expenses a greater possibility.
- With an annual budget cycle, we get only seven (7) months of expense and revenues to predict and forecast. The multi-year offers nineteen (10) months of actual reported data.
- With the successful implementation of AB 3030 compliant with Prop. 218, the RCSD has five (5) year rate schedules for each of the Water, Sewer and Trash rates. This enables the District to project revenues within those above services with great predictability.
- Finally, a multi cycle budget offers Board oversight and Review on a bi-annual basis. Consequently, necessary adjustments within the budget cycle in the months of January 2018, July 2018, and January 2019.

While a multi-year budget cycle offers the above advantages it does not plan for catastrophic events, seasonal weather patterns, or state Executive orders for mandatory conservation...but neither does an annual budget cycle. A strong Operations Reserve Fund can bridge fiscal uncertainty for unplanned events, and the District does have strong reserves.

Should the Board authorize the development of a multi cycle budget process, Staff has attached a schedule for Budget workshop meetings, Water Sewer and Trash Fees adoption, and Budget Adoption.

Director Barajas moved and Director Trowbridge seconded to Develop a Two (2) year Budget for the Operation and Maintenance and Capital Improvement Projects (CIP) for the Rubidoux Community Services District as outlined above.

The motion was carried unanimously.

Ayes – 4 (Trowbridge, Muniz, Murphy, Barajas)

Noes - 0

ITEM 16. Directors Comments – Non action.

Director Muniz adjourned the March 16, 2017, Regular Board meeting.