

**MINUTES OF REGULAR MEETING**  
**January 6, 2022**  
**RUBIDOUX COMMUNITY SERVICES DISTRICT**

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

**DIRECTORS ABSENT:** None

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

Call to order the meeting of the Board of Directors of the Rubidoux Community Services District by President Trueba, at 4:00 P.M., Thursday, January 6, 2022, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

**ITEM 4. APPROVAL OF MINUTES**

Approval of Minutes for December 16, 2021, Board Meeting.

**Director Skerbelis moved, and Director Murphy seconded to approve the December 16, 2021, Regular Board Minutes as presented.**

**Roll call:**

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

**Noes – 0**

**Abstain – 0**

**Absent – 0**

**The motion was carried unanimously.**

**ITEM 5. Consideration to Approve the January 7, 2022, Salaries, Expenses and Transfers.**

Consideration to Approve the January 7, 2021, Salaries, Expenses and Transfers.

**Director Skerbelis moved, and Director Muniz seconded to Approve the January 7, 2022, Salaries, Expenses and Transfers.**

**Roll call:**

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

**Noes – 0**

**Abstain – 0**

**Absent – 0**

**The motion was carried unanimously.**

Mr. Sims requested agenda Item 10 be moved up after the public comments.

**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**

There was no information to add at this time.

**\*Item 10 was moved up on the agenda to this part of the meeting.**

**ITEM 10. Consider Professional Services Agreement with IB Consulting for a Comprehensive Cost of Services Study (COSS): DM 2022-02.**

**BACKGROUND**

Historically, most financial data review and forecasting has been done internally by staff. This data has been used to develop the Rubidoux Community Services District’s (“District”) current water and wastewater rates (fixed and variable), capacity fees, and reserve policies. Currently, the District is in the third year of a five (5) year approved rate plan for water and wastewater rate increases. This rate plan was approved consistent with requirements of Proposition 218.

On the water rate side, the increases have been necessary to mitigate the effects of price increases due to inflation and added water treatment expenses due to emerging contaminants found in the District’s groundwater. Although the District’s current practice of developing rates internally has helped keep the District rates low compared to surrounding agencies, the compounding effect of low rates over the years has led to inadequate capital improvement and replacement project reserves. For example, the District’s Water and Wastewater System has a Gross Book Value of \$76 million as of June 30, 2021 but only collects approximately \$286,000 in annual replacement project revenues, or 0.38% of the Gross Book Value.

**Water:**

The District has an abundance of groundwater, unfortunately, the groundwater has a high total dissolved solids (“TDS”) concentration in addition to various other contaminants. With each passing year water sampling technology becomes more sophisticated enabling detection of

minute levels of contaminants, the most recent being PFOS and PFOA. Since August 2019, when the Board was first notified of lowered PFOS and PFOA contaminant levels, the District has used a significant amount of District reserves, approximately \$5 million, to design, permit, and install water treatment systems to remove these contaminants. In September 2021, the District successfully placed into service new treatment systems at the Anita B. Smith Nitrate Plant and the Leland Thompson Water Treatment Facility and recorded “non-detects” for PFOS and PFOA contaminants. As this new treatment system has only been operating for a few months, the District does not have historical data to accurately forecast the annual added treatment costs. However, using anticipated water production and treatment requirements, it is estimated an additional \$1,000,000 per annum of expenses will be incurred for resin/granular activated carbon changeouts, increased chemical usage, and sampling. Due to the expedited timeline the District had to meet to comply with the lowered limits for PFOA and PFOS, the rates developed under the 5-year Proposition 218 from early 2019 do not support these increased costs.

#### Sewer:

The wastewater enterprise faces challenges in the upcoming years. Currently, the District charges its customers a fixed price based on the customer’s potable water meter size. The fixed price is made up of three components: stand-by, wastewater replacement, and City of Riverside treatment charges. In the District’s current 5-year Proposition 218 rate plan, the monthly stand-by charge (\$5) and monthly wastewater replacement charge (\$1) for a ¾” meter remain unchanged while the City of Riverside treatment charge is eligible for adjustment based upon increased pass-through costs from the City of Riverside.

In 2021, the District initiated an appeal of a judgment awarded the City of Riverside over capital improvement participation in the City’s Regional Wastewater Treatment Plant. If the District appeal case fails, the District will be obligated under a judgment to pay the City of Riverside approximately \$26 to 31 million in capital improvement costs, attorney fees and interest. Any scenario in which the District is obligated to contribute monies to the City of Riverside for capital improvements would have an immediate and significant financial impact to the District’s customers as the current wastewater rates do not support this added expense. In addition, should the District fail on its appeal, precedent would be established for future capital improvement contributions by the District to the City should the City in their discretion decide to implement future upgrades to their Regional Wastewater Treatment Plant.

#### Capacity Fees:

A capacity fee is a one-time charge new customers pay to the District representing an equitable share of the costs of constructing the system capacity necessary to serve new customers. The charges are levied on new users wishing to connect to the system, or from customers upsizing their water or wastewater usage beyond the capacity originally acquired. The last time the District updated its capacity fees was in 2016, and prior to that was 1992. Although the last update was only five (5) years ago, a lot of new infrastructure has been added to the District’s water and wastewater system with anticipated future infrastructure requirements due to a significant increase in developer activity. Routinely updating the District’s capacity fees is critical to ensure new customers are paying their adequate/proportionate share of capital improvements for the new demand placed on the systems.

#### Reserve Policies:

The District’s Board of Director’s have established various reserve policies over the years. These policies include operating reserves, capital improvement and replacement project reserves, a

field/admin building reserve, etc. Some of these reserve policies originate from the 1980's while some more recent. The current reserve policies established by the Board have not been modified or amended in recent past to account for current conditions such as increased operating costs, capital costs, and increased customer connections. With a current book value of water and sewer enterprise assets of approximately \$76 million and only collecting around \$0.3 million annually for replacement reserves, it is apparent the District reserve policies are outdated.

### **STRATEGY:**

The items and issues described in detail above are not unique to the District. Similar agencies face the same if not more complex issues when it comes to operating water and wastewater enterprises. Periodically, agencies hire a third-party expert consultant to conduct a comprehensive cost of service study ("COSS") to confirm adequacy of revenues to operate, maintain, and replace system assets to meet current and long-term needs of their agencies. Unlike an annual audit report that reports on the past, a COSS evaluates many variables on the expense side of the business and then establishes a rate and fee methodology to generate sufficient revenues to cover anticipated future expenses.

Since the passage of the current 5-year rate plan, the District has uncovered a number of issues that will need to be analyzed and addressed through future rates. To understand variables impacting expenses related to the water and sewer enterprises staff has undertaken the following:

1. Completion of updates to the District Water and Sewer Master Plans
2. Inspection of all potable water tanks and have identified estimates for their refurbishment/replacement
3. Added PFAS treatment systems for all District potable wells
4. Initiated condition assessment evaluations of District lift stations, and water treatment plants
5. Developed a worst-case cost scenario for the City of Riverside lawsuit in the event the District appeal is unsuccessful
6. Development of building options and costs for both administrative and field functions
7. Initiated a valve-turning program
8. Started evaluating ways to address discrepancies between water production and water sales
9. Negotiations with West Valley Water District to purchase water with low total dissolved solids ("TDS") to address compliance issues with TDS in wastewater delivered to the City of Riverside for treatment and disposal
10. Evaluated the District's current CalPERS unfunded liability and develop a strategy to reduce the current obligation

The list above is not comprehensive but provides evidence of need for a comprehensive financial plan. Hiring a consultant to perform a detailed and sophisticated level of analysis is a task routinely undertaken by similar agencies. The value in hiring a consultant with specific expertise in preparation of a COSS is the consultants experience from working with many entities in developing strategies that are legally defensible, Proposition 218 compliant, and able to address other ancillary issues such water conservation mandates perpetuated by state legislative branches.

During the adoption of the District's current FY 21-22 Budgets, the Board has utilized approximately \$35,000 of the funds to hire Maureen Ebezniak to provide advice on water conservation compliance, and Sanjay Gaur to act as an extension of staff for assistance with the

COSS process. Sanjay Gaur recently opened his own consultancy after many years in senior leadership at Raftelis, a recognized leader in public entity financial planning.

In October 2021, the District issued a Request for Proposal (“RFP”) to qualified consultants to assist the District with developing a financial model to project rates (fixed and variable), capacity fees, reserve policies, etc. The rates and fees will be developed so they are compliant with state legislative rules, which in part will include ability to meet various water conservation requirements and equally important they are defensible. The District circulated the RFP to a total of nine (9) qualified consultants and five (5) proposals were received. The 5 proposals were reviewed in detail by staff and Sanjay Gaur. Based on a number of factors including project manager, lead analyst, cost, reputation, timeline, the District interviewed the top two (2) of the consultants in December 2021. The two interviewed firms were IB Consulting and Raftelis. District staff is recommending the Board approve the General Manager to enter into a Professional Services Agreement with IB Consulting for the District’s COSS in the amount of \$160,000.

The full proposal is attached to this Director’s Memorandum which includes the cost estimate by task and biographies of the consultants performing the work.

The entirety of the District’s COSS is expected to last until Fall 2022. A summary of the items included in the scope of the consultant’s proposal include:

1. Develop cost allocation plan for District’s administrative staff for proper allocation of costs to District’s enterprises.
2. Develop a multi-year financial plan with a 10 to 25-year time horizon including sub funds for operating/capital for water, wastewater, trash, and fire. The plan will be Microsoft Excel based and can be modified by staff to incorporate “what-if” factors and evaluate different financial scenarios.
3. Review, modify, develop reserve policies.
4. Water cost of service analysis that allocates cost between customer class, fixed monthly meter charge and commodity rate/tiers.
5. Wastewater cost of service analysis.
6. Assessment of and recommended changes to current tiered water rate structure and potential alternative rate structure, customer classes, and allocation of costs split between fixed and variable charges for the potable and non-potable water operations. A rate comparison with six other local utility districts.
7. Assessment of recommended changes to current rate structure and potential alternative rate structures, customer classes, concentration charges and split between fixed and variable charges for wastewater operations. A rate comparison with six other local utility districts.
8. Assessment and recommendations for District Water and Sewer Capacity Fees and Fire Mitigation Fees.
9. Assessment and recommendations for adjustments to a component of solid waste charges kept by the District to cover administrative costs associated with the enterprise.

Staff will work closely with the consultant during the engagement. The consultant will be present for the Board workshops to discuss rates and financial plan development in addition to any public hearing associated with the adoption of new rates.

The COSS is a foundational pillar that will factor into the District's overall strategic plan being developed simultaneously by the District. The strategic plan is a multi-pronged approach factoring in financial and nonfinancial aspects anticipated to impact the District for the next 3-5 years. The financial factors in the strategic plan will be analyzed in detail over the next 9-10 months with the COSS (rates, capacity fees, financial forecasting). Non-financial factors include potential changes to the District's organization structure (new full-time equivalent employees, changes to existing job descriptions, or a hybrid of both) and public outreach. Public outreach is an important tool for any public agency, especially in the current age of technology, to connect with and keep the District's customers informed. The overall strategic plan will incorporate goals and corresponding checkpoints to ensure adherence to the plan and will involve Board involvement along the way through various workshops.

Mr. Habib introduced himself to the Board and gave a brief background of himself and his qualifications.

Director Skerbelis asked staff about the interview process for the multiple proposals that were received for the bid process of this work. Mr. Laddusaw responded there were nine (9) firms invited to propose on the RFP, and of the nine (9), five (5) firms submitted proposals. After review and input from Sanjay Guar, staff chose two (2) firms for the interview process.

Mr. Habib Issac, of IB Consulting was asked by Director Trueba to provide examples of local agencies he has done work for.

Response: All work has been done in California, including Elsinore Valley Municipal Water District, Rainbow Municipal Water District, a CSD, etc. They are currently starting work for Santa Fe Irrigation District. They typically only work on 4-5 projects at a time. They are keen on keeping that level of work because they want to make sure they are responsive to the clients they have.

Mr. Sims: This is one of the most important things the District can do. Over the years the District has been successful doing rate studies. We are at a particular point in time where we know that the conditions of many of the assets are in decay. The number of reserves that we have is less than desirable. We have about a \$76 million physical plant, which is the current book value and collecting less than \$300,000 per year for major maintenance/asset replacement. It is extremely underfunded. Although raising rates is not a desirable thing to do, but from a leadership standpoint it is the job of the Board to develop a long-term strategy on what needs to happen financially for the District. There are many variables that need to be figured into this on the expense side. Habib and his team will develop a model. It will be a living model that once staff is trained on how to use it, our staff will be able to manipulate the model and do "what-if's" scenarios.

Mr. Issac added that their company helps to connect the dots to the budget, to the rates and there's a rationale as to why each rate is set up the way it is. There are different pathways and different rate structures to evaluate and to get the results. We are going to get you a few viable options to choose from, as well as giving the pros and cons to each one.

Sanjay Gaur is working for the District as an extension of staff to help Brian, Jeff, and Ted work with Habib to go through the process, ask questions that staff may not have thought of. In time, there will be workshops and the hope is that between Habib and Sanjay, the rate analysis will be understandable. They will walk staff through the process and help them understand what

different methodologies have on rates and help in understanding what policies as a Board need to be made.

Director Skerbelis asked if it would be possible to include the public in some of the workshops so they will understand why we are increasing the rates and what's going on.

Sims: Absolutely. We may, at some point need to get a communications person to help us put together information and put it on the website, as well as sending it out in mailers.

Director Murphy inquired about the penal rates (the drought rates); the idea is that there's some shortage so we increase the price?

Mr. Sims: The state could say everybody needs to cut water usage by a certain percentage rate.

Director Murphy: So, we would be expecting an external thing to come in and tell us there's not enough water in the ground for you to pump, your people need to drink less water by selling out. Is that what we're expecting?

Mr. Sims: We did see that in this state in the past with Jerry Brown. There are consequences with that.

Director Murphy: So, it's conceivable that in the future the state could say southern California is in a drought and residential homeowners need to cut water consumption by "x" amount and commercial must cut by "x" percent. We would be achieving this by having these rates which are higher because of the drought, referring to these penal rates?

Mr. Sims: That is one method. If they go over the "x" units, how do you get them to comply with the "x" amount? The strategy is to develop rates that make it punitive if you go over.

Director Murphy: It makes it more expensive.

Mr. Sims: The state is already looking at putting a water allocation budget on water agencies to limit water usage in the state. If implemented a district like RCSD would be subject to meeting a certain limit related to a certain unit of water per capita per day. If the District doesn't meet the criteria, the District could face fines of up to \$10,000 per day.

Director Murphy asked if these modifications of rates during this drought emergency condition have been tried elsewhere.

Sanjay Gaur: These are the things that we'll be looking into with IB Consulting. It's developing a strategy to reduce water use that meets the district's goals and objectives. We will want to know and understand what the cutbacks are. Usually there are stages. We will want to understand the natural consequences of the stages. We will want to develop drought rates, develop the financial need to deal with the reduction of revenue and then there's the enforce ritual. We will be working through all these things. We will be working with staff at workshops and really trying to understand what makes sense in your community, what are your values.

Murphy: It's possible that there's a drought emergency declared by the state, so we ask the consumers here to use less so they comply and as a result our revenue goes down, so then we charge them more per unit. Is that what your saying?

Habib: That's an unfortunate situation that may occur.

Murphy: I just want to know if I understand what you're saying. Have these types of rates been implemented elsewhere so there's data as to whether it works?

Habib: Yes, it has been implemented elsewhere.

Murphy: Director Murphy inquired if a drought has occurred, triggering different rates and there was a result with an actual case study.

Habib: Yes

Murphy: Ok, that answers my question.

**Director Murphy moved and Director Muniz seconded the Board of Directors consider authorizing the General Manager to:**

- 1. Utilize \$160,000 of the approved Water and Sewer Fund Budget for this effort.**
- 2. Authorize the General Manager issue a Task Order and enter into a Professional Services Agreement with IB Consulting in the amount of \$160,000.**

## **ITEM 8. MANAGER'S REPORT**

### **Operations Report:**

Presented at the second meeting of the month.

### **Emergency and Fire Report:**

Presented at the second meeting of the month.

## **ITEM 9. Committee Assignments for Calendar Year 2022. DM 2022-01.**

### **BACKGROUND**

At the December 16, 2021, Board Meeting the Board of Directors of Rubidoux Community Services District ("District"):

1. Acknowledged Hank Trueba would become the Board President commencing the first Board Meeting in January 2022 in normal rotation from his Vice President held Calendar Year 2021.
2. Bernard Murphy was nominated and unanimously approved to serve as Board Vice President for Calendar Year 2022.



With Board President and Vice President Positions set for Calendar Year 2022, it is the role of incoming President to assign members to various Committee Assignments. Attached is the Committee Assignment List for Calendar Year 2021 to use as a reference.

The Committee Assignments for 2022 will have a few changes:

**Regional Advisory Board Elected Representative**

1. Trueba
2. Skerbelis (alternate)

**Trash Disposal Committee**

1. Murphy
2. Skerbelis

**Personnel Committee**

1. Trueba
2. Skerbelis

Other than these changes, everything else will remain the same.

**Appointments made by President; No Approval Required.**

**ITEM 11. Receive and File Update on LAFCO Findings for Countywide Municipal Services Review. DM 2022-03.**

**BACKGROUND**

California state law establishes Local Agency Formation Commissions (LAFCOs) within each county for the purpose of establishing boundaries and spheres of influence (SOIs) for cities and special districts under their purview, and to authorize the provision of services within the approved service areas. Riverside LAFCO (LAFCO) prepared a report containing Municipal Service Reviews (MSR) on six Community Service Districts (CSD) within Riverside County (County). An MSR is a state required comprehensive study of services within a designated geographic area. The service review requirement is codified in the Cortese-Knox-Hertzberg Government Reorganization Act of 2000 (CKH), Government Code section 56000 et seq.

The MSR Report dated September 8, 2021 (“2021 MSR Report”) prepared by LAFCO presents findings of a comprehensive Sphere of Influence (SOI) update for six Riverside County CSDs. One of the six CSDs reviewed was Rubidoux Community Services District (“District”). A full copy of the 2021 MSR Report dated September 8, 2021, is on file at the District and available for review upon request.

For purposes of the MSR and SOI Update, the CSDs that provide water and/or wastewater services in conjunction with other services provided, were not reviewed for water/wastewater. Those services were reviewed during the Countywide Water and Wastewater MSR process in 2019 conducted by LAFCO. Only services unrelated to water/wastewater were evaluated with the 2021 MSR Report were reviewed. For the District services reviewed included -fire protection, weed abatement, and trash collection.

The process LAFCO used to develop the 2021 MSR Report included:

1. Requested the District to complete a questionnaire. The questionnaire was presented to staff in early spring 2021. Staff provided responses and returned the completed questionnaire to LAFCO. A copy of the completed questionnaire is attached hereto as Attachment A.
2. LAFCO staff generated its analysis regarding the District using the questionnaire and available public data such as the District's annual audits, website information, and annual budgets.
3. LAFCO complied the entire 2021 MSR Report to present to the LAFCO Commission. Attachment B is Chapter 4 of the 2021 MSR Report specifically on the District. The LAFCO Commission held a public hearing on October 28, 2021, where the 2021 MSR Report was presented and LAFCO Resolution No. 11-21 was adopted. Resolution No. 11-21 resolves the following:
  - a. The 2021 MSR Report is exempt from CEQA
  - b. Approves determinations made in the 2021 MSR Report for each of the reviewed agencies
  - c. LAFCO receives and files the 2021 MSR Report
  - d. Directs the Executive Officer to post the 2021 MSR on LAFCO's website
  - e. Directs the Executive Officer to transmit a certified copy of the specific resolution applicable to each reviewed agency. Resolution No. 15-21 is the LAFCO resolution specific to the District.

The District has received a certified copy of Resolution No. 15-21 (Attachment C) and the purpose of this Director's Memorandum is to provide the resolution to the District Board of Directors and to summarize the determinations LAFCO made regarding District services evaluated in the 2021 MSR Report. Exhibit B of Resolution No. 15-21 is the statement of determinations, which is summarized below:

1. Regarding present and planned land uses in the District – City of Jurupa Valley is the land use planning authority and there may be potential future land use decisions by the City of Jurupa that could impact the currently rural nature of portions of the District's service area.
2. Present and probable need for public services and facilities – current facilities and services are adequate but long term as area development expands, some fire protection services will need to be increased. Increases in fire protection services will necessitate sustainable revenue sources.
3. Future need for fire protection services – based on anticipated development one or two additional fire stations with appropriate equipment and staffing will be necessary.
4. The District is the agency to provide services - The Rubidoux, Belltown, and Sunny Slope communities are within the City of Jurupa Valley and District boundaries and considered specific communities of interest within the District boundaries related to fire protection services, weed abatement, and trash collection services.

5. Are there disadvantaged unincorporated communities with the District – there are none; all portions of the District’s service area are within incorporated City of Jurupa Valley.

In summary, LAFCO determined the District’s sphere of influence is confirmed as is and the District meets current fire protection, weed abatement, and trash collection needs of the area in an adequate manner. Another determination made is the City of Jurupa Valley has land use entitlement authority over the entire city, including the District’s service area, thus requiring the District to plan for impacts of increased development in its service area. The District master planning effort uses approved City of Jurupa land use plans to project future service requirements and to set its capacity fees and rates to pay for the required infrastructure and facilities to meet the increased demands. Finally, the District is about to embark on the development of a comprehensive cost of services study. From that work a financial model will be developed. The financial model will be a tool allowing staff to input expense and income variables so the Board can make strategic financial decisions in advance of the need for new facilities and infrastructure. Part of the model will be to evaluate the increment of property tax income associated with structural fire generated by increased assessed valuation on developed properties. It is anticipated the increase in tax increment along with fire mitigation fees on new development will keep pace with future increases in fire protection expenses.

No action is required by the Board. This year long LAFCO process to conduct the 2021 MSR is completed with LAFCO finding the District has no pressing issues to address. The Board of Directors should consider receiving and filing LAFCO Resolution No. 15-21 and anticipate LAFCO revisiting this process in 5-6 years.

Director Skerbelis commented as to why the city has a deal with the county that they don’t pay for fire or sewage, but they have control over our land use, but they don’t have to contribute for fire. We’re a special services district, why doesn’t LAFCO give us any special something for us. How does that work?

Mr. Sims: Explained that RUSD gets an appropriate share of the tax increment based on the tax rate areas. We get several million dollars a year from the county. We use that money to pay for our fire service contract. The district is kind of a neutral. When the city formed, the city and the county during their negotiations simply decided for the County to keep the increment of tax revenue in the City for fire protection since the County provides the fire service.

Director Murphy: Page 2, #5: All portions of the district service area are within Jurupa Valley. I thought a portion of the district was within San Bernardino County.

Mr. Sims: There’s a little bit of sewer service area.

Director Murphy: On page 87, item 7, taking some of the services the district provides and transferring it to the city – fire, weed abatement and trash. He thought this was important and wanted to point it out.

Mr. Sims: He stated he thinks there are two things to take note on. (Page 87 bullet 1)

1. The district does not believe there are any opportunities for realignment services with an adjacent agency. Having two separate governmental agencies providing the same service within city boundaries, in this case, fire protection/weed abatement and solid waste collection services, are clearly candidates for consolidation. Future transfer of these services to the City of Jurupa

Valley for the purpose of consolidating services should be given consideration as a long-term efficiency of service and governance standpoint.

(Last bullet on p. 87) Transfer of these services would require a complicated and mutually agreeable divestiture process for transferring the services, subject to LAFCO authorization.

LAFCO is simply acknowledging an obvious that there's a CSD within the city and there is some duplicity of services. That doesn't mean anything's ever going to happen.

LAFCO's not going to make a push unless one of us asks for it to happen. Therefore, it is important for us to keep our act together doing this cost-of-service study and our master planning and be very programmatic so that we stay ahead of this.

Director Murphy: Requested feedback at the next meeting regarding submittal of boundary change with LAFCO and had a consultant do some work on it.

**Receive and File.**

### **ITEM 12. Directors Comments**

Director Murphy: Made the board aware that on Monday, January 10, he pulled the paperwork to run for assembly district 58.

Director Trueba adjourned the meeting at 5:01 PM.