

MINUTES OF REGULAR MEETING
June 15, 2023
RUBIDOUX COMMUNITY SERVICES DISTRICT

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

DIRECTORS ABSENT:

STAFF PRESENT: Brian R. Laddusaw, General Manager
Ted Beckwith, District Engineer
Kirk Hamblin, Director of Finance and Administration
Martha Perez, Accounts Payable Manager
Miguel Valdez, Director of Operations
Melissa Trujillo, Human Resources
Chief Otterman, Riverside Fire Station 38

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by President Murphy, at 3:30 P.M., Thursday, June 15, 2023, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 1. (3:30 PM) Call to Order – Bernard Murphy, President

ITEM 2. Pledge of Allegiance

ITEM 3. Roll Call

ITEM 4. CLOSED SESSION – Pursuant to Government Code Section 54956.9: Legal Counsel Status on Litigation Case No. CIVDS 1310520, City of Riverside vs. Rubidoux Community Services District

No reportable action.

ITEM 5. (4:00 PM) Call to Order – Bernard Murphy, President

ITEM 6. Report – Actions taken in Closed Session

ITEM 7. APPROVAL OF MINUTES

Approval of Minutes for June 1, 2023, Board Meeting.

Director Trueba moved, and Director Muniz seconded to approve the June 1, 2023, 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 8. Consideration to Approve the June 16, 2023, Salaries, Expenses and Transfers.

Consideration to Approve the June 16, 2023, Salaries, Expenses and Transfers.

Director Skerbelis moved, and Director Trueba seconded to Approve the June 16, 2023, Salaries, Expenses and Transfers.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 9. PUBLIC ACKNOWLEDGE OF NON-AGENDA MATTERS

There was no one in attendance for non-agenda items.

ITEM 10. CORRESPONDENCE AND RELATED INFORMATION

The first article was from the LA Times regarding the Winter storms boosting the Central Valley, but the aquifer levels remain depleted. There is still an aggregated depletion of the groundwater aquifers. The second article is from KTLA news.com regarding SB1383. The panel says California should pause organic waste recycling mandate.

ITEM 11. MANAGER'S REPORT

Operations Report:

Miguel Valdez reported on the water/wastewater report for the month of May, production was an average of just under 4.0 mgd per day and an average of 1.66 mg/day was the wastewater flow to Riverside. We received a half million gallons from JCSD as a test, in case we need to receive water from JCSD to make sure the equipment was set up properly. Well No. 1 produced 0% of the water, Well No. 2 produced 14%, Well No. 4 produced 9% and Well No. 6 produced 30%, Well No. 8 produced 45% and Well No. 18 produced 2% of the water.

Emergency and Fire Report:

Chief Otterman reported the Incidents Reported for the month of May 2023 and Special District Rubidoux CSD. Station 38 had a total of 254 calls. 176 calls, 69.3% were medical aides. Additionally, there was a report for the City of Jurupa Valley. There were 24 False Alarms, 9.4%, 8 Other Fire, 8.1%, 7 Public Service Assist, 2.8%, 2 Standby, 0.8%, 26 Traffic Collisions, 10.2%, 1 Vehicle Fire, 0.4% and 8 Wildland Fires, 3.1%. The average response time was 4.5 minutes.

Director Murphy inquired about the dirt roads by the hills (fire roads). It has previously been discussed that some of the roads are impassable. He wanted to know if there is a mechanism for getting the dirt roads made to be passable.

Chief Otterman: It depends on whose jurisdiction it lies in. A lot of times it's public utilities or something like that. Some of them are fire roads made a long time ago. We would have to look at it and see whose roads they are.

Director Murphy: I'd be interested in looking into finding out if we could get someone to go out there and if there's a road that needs to get smoothed out before fire season, then we need to go have somebody do that. It would be useful to know what the scope of that is, where that is at, and how much it would cost. I think if we could make those roads passable prior to a fire starting, it makes response time that much less. If we could find out what's not working and maybe find out how much it will cost to get it working, it's something I'd be interested in finding out. The one in particular is around Shadow Rock Park over to Robertson's Ready Mix. We need to figure out some annual way of doing it. If we could get an answer before the end of the year.

Director Trueba: Who is the weed abatement officer?

Martha: Jared Adams

Chief Otterman: Jared is the Building Inspector. He will do the weeds too, but we have somebody assigned from the county that does that, just weed abatement. Jared is the Fire Assistant Inspector, but he mainly is doing businesses.

General Manager Brian Laddusaw gave an update on the tour of the District facilities the previous Tuesday. There were a few directors in attendance. This included the Leland Thompson facility, the Watson reservoir, and the Anita B. Smith treatment plant (off of Fleetwood). The next tour is the Burrtec transfer station on June 20th. Please meet at the District office at 8:00 am, with the tour starting at 8:30 am.

District Engineer, Ted Beckwith gave the board an update on some contracts and other information. We are ready to award the contract; the Notice to Proceed should go out next week

for the waterline replacement for the water crosses Market Street at Via Cerro. All the contract documents have been worked through and have been signed. That project will be starting. There will be a job walk on Tuesday afternoon. The Mission Blvd. administration building should be going out to bid next week. There will probably be a five to six week bid period and we should be awarding the contract sometime in August for the work. The Century Communities and Highpoint development, which are two tracts with about 400 houses going in on the other side of the 60 freeway off of Avalon, their tract maps are about to record. We expect construction to start in July or August. The LAFCO boundary cleanup should be going to the county surveyor in the next few weeks and expecting to get on the LAFCO board hearing sometime in September. Well 25, which we received a \$1.47 million dollar grant for construction on Well 25, we're working on site selection and the environmental study for that currently. The booster site we have finally been able to move forward with the City of Jurupa Valley on getting the site procured so we can purchase it. We expect that to happen by the end of July or August.

ITEM 12. PUBLIC HEARING – Consideration to Adopt Resolution No. 2023-905, a Resolution Adjusting the Solid Waste Collection and Disposal Charges for Residential, Commercial, and Industrial Customers. DM 2023-55.

BACKGROUND

As authorized by the Board of Directors (“Board”) and attached for your review and consideration is Resolution No. 2023-905, which if adopted, will result in rate adjustments to all Rubidoux Community Services District (“District”) residential, commercial, and industrial solid waste collection and disposal services.

Consideration to adjust the solid waste collection rates for FY 2023-2024 began in February 2023 when District staff first received the draft rates from its Burrtec representative, Richard Nino. Since February, the Board has followed the following rate increase timeline:

- March 8, 2023 – Solid Waste Committee –

At the time the proposed Solid Waste Collection rates were presented to the Committee in March, some of the County of Riverside pass-throughs costs were not yet finalized. At the conclusion of the Solid Waste Committee meeting, both Committee members voted to approve the rate increase knowing the rates were subject to change. At the direction of the Solid Waste Committee meeting, both Committee members voted to approve the rate increase knowing the rates were subject to change. At the direction of the Solid Waste Committee, only a second Committee meeting would be considered necessary should the final rates provided by Burrtec be materially different than the draft ones approved on March 8, 2023.

- March 23, 2023 – Final rates received from Burrtec –

The final rates received from Burrtec had trivial cost changes from the original draft rates provided on March 8, 2023. For example, in the original draft rates, a residential customers 90-gallon can (District’s most frequent customer class) had a rate of \$37.33/month. The new rate showed the same 90-gallon can for \$37.35/month, a difference of \$.02. Due to the nominal change in rates from first proposed to final, a second Committee meeting was not scheduled.

- April 20, 2023 – Directors Memorandum 2023-39 –

Staff presented the final draft rates to the full board for consideration and approval. Keeping with the example of a residential customer with a 90-gallon can, the final rate, broken up by cost component, is as follows:

Cost Component	Current FY 22 23 (\$)	Proposed		
		FY 23 24		
		(\$)	(\$)	(%)
CPI (8.70%)	\$ 17.85	\$ 19.40	\$ 1.55	8.68%
Rate Shortfall (Cap CPI at 6%)	\$ -	\$ (0.48)	\$ (0.48)	0.00%
Landfill tipping fee	\$ 8.78	\$ 8.69	\$ (0.09)	-1.03%
Recycling	\$ 1.74	\$ 2.05	\$ 0.31	17.82%
Mixed Organics	\$ 4.72	\$ 5.54	\$ 0.82	17.37%
SB 1383 Admin Fee	\$ -	\$ 0.90	\$ 0.90	0.00%
RCSD Admin Fee	\$ 1.00	\$ 1.25	\$ 0.25	25.00%
Total	\$ 34.09	\$ 37.35	\$ 3.26	9.56%

At the conclusion of DM 2023-39, the Board approved the Solid Waste Collection rates for FY 2023-2024 and directed staff to prepare and set the Solid Waste Public Protest Hearing pursuant to Proposition 218 and prepare a draft Resolution for the Board to consider and adopt at the conclusion of the Public Protest Hearing. A full listing of the proposed rate increases is included as Exhibit A to Resolution 2023-905 which is attached to this DM.

- June 15, 2023 – Directors Memorandum 2023-55 –

Prior to consideration by the Board, Proposition 218 notice requirements must be satisfied. Those requirements include the following:

- All affected property owners and tenants received the Proposition 218 notification (see attached notification);
- Proposition 218 notifications were mailed on April 27, 2023, at least 45-days before the Public Protest Hearing date;
- The notice was provided in English and Spanish (not a Proposition 218 requirement); and
- Identified the Public Protest Hearing location, time, and date affording all parties the ability to file their protests up to and including the hearing date.

On April 27, 2023, the District mailed 9,502 notices. The District received 722 non-deliverable notices from the post office, thereby adjusting the total mailed notices to 8,780. Proposition 218 requires 50% plus 1 protest votes to defeat such proposed rates. In this case, the District would need 4,391 protest votes (8,780 x 50% + 1) to defeat the

proposed rate increase. As of the writing of this Memorandum, the District has received two (2) written protests received are attached to this DM.

Finally, Proposition 218 requires the public agency to conduct a Public Protest Hearing. At the conclusion of tonight's Public Protest Hearing, the Board will tally all protests submitted (written or oral) as part of the protest vote, determining if the required 50% plus 1 protest vote threshold is met. The Board will be asked to approve the Solid Waste rate adjustment should the protest vote count be below 4,391.

The notice of tonight's pending adoption of Resolution No. 2023-905 was printed in the legal section of the Press Enterprise newspaper as well as on the District website and available for inspection at the District's office front counter.

Director Murphy opened the PUBLIC HEARING.

Director Murphy read three protest letters during the Hearing. The first was from M. Sheets, and the second was from Leland Doone on Villa Vista. The third was not in the original protest letters, but was added at tonight's meeting was from Miss Prado on 35th Street.

There was one verbal protest at the meeting.

Comment by the Board. Director Murphy pointed out that we have two programs available for reducing rates. One is the annual lifeline rate and the other is the LE, which is through the Community Action Partners. For the three people who provided the written protests, and for the gentleman here, we can let them know that there are these programs for reducing their bills.

There was one verbal protest at the meeting who had some questions. Director Murphy answered the questions of the gentleman.

Director Murphy closed the PUBLIC HEARING.

Director Muniz moved, and Director Trowbridge seconded the Board of Directors adopt Resolution No. 2023-905, a Resolution establishing residential, commercial, and industrial solid waste collection and disposal fees for FY 2023-2024.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 13. Consideration to Adopt Draft Rubidoux Community Services District Operations and Capital Improvement Budgets and Salary Schedule for Fiscal Year 2023-2024. DM 2023-56.

BACKGROUND

Attached for the Board of Directors' ("Board") consideration is the proposed Fiscal Year 2023-2024 ("FY 2024") Budget for the Rubidoux Community Services District's ("District") Operating and Capital Funds. Additionally, attached to the Budget is the District's FY 2024 Salary Schedule.

The District's budgeting cycle is a multi-month process beginning in March 2023. During this time, District management met on a weekly basis to discuss all facets of the District's operations which ultimately become factors when setting budgetary figures. Items considered include but are not limited to the following:

- Current and forecasted operational challenges related to supply chain shortages, inflation, and new treatment processes.
- Critical capital infrastructure spending related to the water and sewer enterprise.
- Costs and debt service associated with the Field/Admin. Building project.
- Allocation of central services and discretionary property tax revenue.
- Preventative maintenance programs and other programmatic initiatives.
- SB 1383 compliance and administrative costs.
- TDS mitigation due to continuous elevated levels above 650 mg/l (maximum allowed based on City of Riverside discharge permit).
- Emphasis on reducing the District's Unfunded Accrued Liability ("UAL") through Additional Discretionary Payments ("ADPs").
- Potential capital contributions to the City of Riverside for wastewater treatment plant upgrades.
- Elimination of restrictive components of water and sewer enterprise to provide for greater flexibility of rate revenues for operating costs, projects, debt service, unforeseen capital expenditures, and unrestricted reserves.

Each week during the budgeting cycle, management would continuously assign costs to the District's operational and capital fund budgets. As costs were assigned, management simultaneously looked at anticipated revenues associated with each enterprise to determine if sufficient revenues could be generated at the District's current rates or if a rate adjustment was necessary. Due to significant challenges facing the District as noted above, rate adjustments across all three enterprises were necessary for FY 2024. District staff conducted and the Board participated in various rate setting events beginning in March 2023. The timeline of events is highlighted below.

RATE ADJUSTMENT TIMELINES:

Solid Waste –

- Solid Waste Committee Meeting – March 8, 2023
- Regular Board Meeting – April 20, 2023 (DM 2023-39 (DM 2023-39 Approve Rate Increase and Set Proposition 218 Public Protest Hearing and Resolution No. 2023-905 Consideration and Adoption))

Wastewater –

- Budget Workshops – May 4, May 18, June 1, 2023

Anticipated

- Regular Board Meeting – July 6, 2023 (Consideration to Prepare Draft Ordinance Adjusting Rate)
- Regular Board Meeting – July 20, 2023 (1st Reading of Ordinance)
- Regular Board Meeting – August 3, 2023 (2nd Reading of Ordinance and Public Hearing)

Water –

- Budget Workshops – May 4, May 18, June 1, 2023
- Regular Board Meeting – July 20, 2023 (1st Reading of Ordinance)
- Regular Board Meeting – August 3, 2023 (2nd Reading of Ordinance and Public Hearing)

Since the District’s 3rd and final budget workshop on June 1, 2023, staff reviewed the draft budget a final time to determine if all budgetary figures appeared appropriate for the Board’s consideration and adoption this evening. No further adjustments have been made to the draft budget since the final staff presentation at Budget Workshop 3.

SALARY SCHEDULE:

The Board is currently involved in two employment contracts with District staff. The District’s bargaining unit employees are represented by the Laborer’s International Union of North America, Local 777 (“LIUNA”) and cost-of-living-adjustments (“COLA”) are based on language contained in Article XXIV in the current Memorandum of Understanding (“MOU”) (attached). The District’s General Manager has a separate employment contract and COLAs are based on language contained in Section 4(B) (attached). The COLA language in both contracts is consistent with each other. Additionally, all other District employees not included in the bargaining unit have received COLAs in a similar manner.

COLAs have an effective date of every July 1 and are based on the percentage change to the Consumer Price Index (“CPI”) for the Riverside-San Bernardino-Ontario area urban wage earners and clerical workers (“CPI-W”) date series as published by the U.S. Bureau of Labor Statistics (“BLS”). The calculation for determining the CPI is done by comparing the data for the proceeding twelve (12) months ending in March. Should the CPI fall between 1.0% and 3%, all District employees would recognize a COLA for the calculated percentage amount. If the CPI was less than 1.0%, the COLA would be set at 1.0%, and if the CPI was greater than 3.0%, the COLA would be set at 3.0%. Further, if the CPI was greater than 4.25%, it would trigger a re-opener to the employment contracts for which District staff would meet and confer on an agreed upon percentage for that year’s COLA.

During the COLA setting process for FY 2022-2023 (“FY 2023”), an issue was raised regarding the appropriate method of calculating the CPI for determining the COLA. The two methodologies are summarized below:

1. Comparing March of the current year to March of the previous year to produce a singular data point.
2. Taking an average of the six (6) data points released by the BLS during March of the previous year to March of the current year.

Ultimately the issue of which methodology to be used was rendered irrelevant as both would have triggered a re-opener. The COLA for FY 2023 was agreed to by both the District and staff.

For FY 2024, the question is which methodology is appropriate. Based on the opinion of the District's General Counsel, either methodology is consistent with the language of the MOU but advised it may be appropriate for the Board to deliberate on the matter and memorialize the preferred methodology. This matter was then reassigned to the Personnel Committee ("Committee").

On May 17, 2023, the District's Personnel Committee held a meeting to provide direction to staff and decide on a recommendation to the full Board. At the conclusion of the meeting, both Committee members concurred the appropriate methodology for setting the COLA for July 1 should be based on the singular data point published by the BLS ending March. In this case, the CPI published by the BLS for the CPI-W data series of the Riverside-San Bernardino-Ontario area ending in March was 4.2% (attached). Based on this data point, when comparing it to the District's employment contracts, the COLA for FY 2024 will be 3%, as the amount does not exceed the threshold for a re-opener. Both Committee members agreed with a 3.0 % COLA for all District staff for FY 2024.

Additionally, the Committee members directed staff to receive concurrence from LIUNA on this preferred methodology and 3.0% COLA for FY 2024. Attached to this DM is a letter from LIUNA concurring with the 3.0% COLA.

Attached to the FY 2024 Operating and Capital Fund Budgets is the FY 2024 Salary Schedule for all District staff and classifications. Each position and step salary amount, including the General Managers, was adjusted by 3.0% from the current Salary Schedule dated December 15, 2022.

On the advice of General Counsel, the FY 2024 Salary Schedule will be considered as a separate action item, as noted below.

1. Director Murphy moved, and Director Trueba seconded to Approve and Adopt the Rubidoux Community Services District Fiscal Year 2023-2024 Operating and Capital Fund Budget.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

2. Director Trueba moved and Director Muniz seconded to Approve and Adopt the Rubidoux Community Services District Fiscal Year 2023-2024 Salary Schedule.

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

Noes – 1 (Murphy)

Abstain – 0

Absent – 0

The motion was carried with a 4-1 vote.

ITEM 14. Consider Proposal from North/Star Utilities Solutions to Migrate Computer Information Systems to Cloud Environment. DM 2023-57.

BACKGROUND

In October 2015, the Rubidoux Community Services District (“District”) Board of Directors (“Board”) approved DM 2015-53 which authorized staff to solicit proposals for a new utility billing software. In April 2016, the Board authorized District staff to negotiate with North/Star Utilities Solutions, an unincorporated division of N. Harris Computer Corporation (“NS”), on a proposal they submitted to the District for a new utility billing software. In October 2017, the District went “live” with NS.

The District has used NS as its utility billing software since 2017. During this time, the NS application has been stored on “on-premise” servers at the District’s Administration Building in the customer service area. Support for the current server hosting the NS application is scheduled to be “sunset” (no longer supported) by Microsoft on October 11, 2023. Having a fully supported server is critical for ensuring the District mitigates any IT vulnerabilities and safeguards the integrity of the District’s billing software, which stores sensitive customer information. Not having the security of a fully supported server could make the District more susceptible to cyber-attacks.

With the sunset of the current NS software server, the District has two options for replacement:

1. Purchase a new server for “on-premise” configuration.
2. Migrate the District’s current computer information systems (“CIS”) to a cloud-based environment.

Both options come with similar and differing costs, which are summarized as follows:

Similar Costs –

1. Server Migration – Both options require NS to migrate the District’s billing utility data to the new server, regardless of the server being “on-premise” or on the “cloud”. Migration costs are a one-time approximately \$63,000 expense.

Differing Costs –

“On-Premise”:

1. Server Hardware – The District would be required to purchase new hardware (servers) to support the NS application. New “on-premise” servers would cost approximately \$80,000. Further, the typical useful life of a server is about 5 years. Thus, the District would potentially need to buy new servers every half decade. Additionally, new servers come with new server migration costs.

“Cloud”:

1. Cloud Spin Up – The District would incur a one-time “cloud” spin up fee of \$5,250.
2. Cloud Hosting – The District would incur annual cloud hosting fees, with the first year being \$40,900.

Choosing to stay with an “on-premise” server or migrating to a cloud environment is not entirely a financial based decision. Ultimately, while a switch to the “cloud” will alleviate some staff time, Acorn (IT consultant) costs, and energy costs it will be more costly to the District as it relates to known operational costs (hosting fees); but remaining “on-premise” could lead to District vulnerable to significant unforeseen costs or challenges, which include but are not limited to the following:

- Need to replace servers/hardware more frequently than every 5 years.
- Reduced security, more susceptible to cyber-attacks like ransomware. Recovering from a ransomware attack cost businesses \$1.85 million on average in 2021.
- Significant downtime for disaster recovery should a natural disaster like a fire or flood occur. Without a functioning NS application, the District will be unable to bill timely which could impact collections and hinder the District’s ability to make timely vendor payments or pay staff.

Switching to a cloud-based environment will not completely alleviate the District from the risk of cyber-attacks but it will enable the District to utilize a system with automated and deeply integrated services which enables the District to reduce human configuration errors while also providing the most comprehensive security and compliance controls offered in the public sector. The United States utility sector is expected to invest more than \$4 billion in cloud solutions over the next few years and has become a top priority for many utilities over the last couple of years.

Some of the benefits and key drivers of moving to the cloud include but are not limited to:

1. Increased security: NS will manage the environment and the security “in” the cloud while Amazon Web Services (“AWS”), a trusted leader in the industry, will handle the security “of” the cloud. Ransomware attacks have risen 13% in the last 5 years. The importance of security is pivotal. Having both NS and AWS is an advantage to mitigating security threats and takes the responsibility away from staff.
2. Reduce IT costs: Currently, NS provides support to District staff for the functionality of the software while Acorn provides minimal monitoring services for security. Also, it’s the responsibility of District staff to coordinate and implement security and patch updates. A migration to the cloud will shift the technical service responsibilities to NS freeing up staff time. Further, there is no need to purchase hardware and maintain it or perform the upgrades.
3. System monitoring: The District will be better protected against security threats. Included in the hosting, NS applies the latest patches and updates them timely to avoid exposure. The District will maximize performance of critical systems as NS will provide regular maintenance activities and configurations. Additionally, the District will experience a faster reaction time if there is an issue as NS will have access to the system. The District would no longer have to manually schedule software repairs for dates in the future and manually make the corrections. NS will automate these tasks and monitor the system on the District’s behalf.
4. Mobility: The CIS will be browser based, accessible from anywhere, anytime, on any device with secure VPN access required. If an event like a natural disaster hinders staff’s ability to operate from the District’s Administration office, they could continue working only needing an internet connection.
5. Scalable: If more space and data storage is needed, the District is automatically accommodated with no need for upgrading or purchasing new servers.

6. Disaster Recovery: Reduce downtime associated with disaster recovery. Alleviate the need to buy and configure new servers which could take months to coordinate and is wholly reliant on supply chain and vendor scheduling.

BUDGET CONSIDERATIONS

Discussions for making the strategic shift to cloud-based environments for the District's critical CIS began during the FY 2022-2023 budgeting cycle and thus no new budgeted monies are being requested with this recommendation. Included in the District's FY 2022-2023 General Fund Budget is line 55 'Northstar Migration and Setup' for \$100,000 (Attachment 1). Staff recommends the Board accept the cloud migration proposal from NS and utilize these monies to pay for the initial project costs (Attachment 2). Any of the \$100,000 not applied towards the project in FY 2022-2023 will roll back into unrestricted reserves at year-end.

This project will stretch into FY 2023-2024. Knowing this, staff has appropriately budgeted additional monies in FY 2023-2024 to cover the remaining project costs (Attachment 3). The cloud hosting costs will not be incurred by the District until the CIS migration project is completed, most likely in Fall 2023. The cloud hosting costs were considered by staff during the FY 2023-2024 budgeting cycle and included them in the General Fund Budget line 38 'Computer System and Support' (Attachment 3). Further, staff recommends the Board accept the cloud hosting and technical services agreement from NS (Attachment 4).

In summary, staff is requesting the Board consider and accept the NS CIS Migration and Cloud Hosting and Technical Services proposals. By accepting these proposals, staff is not requesting additional money but alternatively seeking to use already budgeted money in the District's FY 2022-2023 and 2023-2024 General Fund operating budgets.

Director Skerbelis moved and Director Muniz seconded the Board of Directors to do the following:

1. **Authorize the General Manager to accept and sign the North/Star Computer Information Services Migration proposal for a cloud-based environment.**
2. **Authorize the General Manager to accept and sign the North/Star Cloud Hosting and Technical Services proposal.**
3. **Authorize staff to utilize the FY 2022-2023 and FY 2023-2024 General Fund Budget, under the appropriate line items, to cover the cost of both proposals.**

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 14. Directors Comments

One of the directors thanked Brian for putting the tour together.

Director Murphy adjourned the meeting at 5:14 PM.