

**MINUTES OF REGULAR MEETING
July 19, 2018
RUBIDOUX COMMUNITY SERVICES DISTRICT**

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

DIRECTORS ABSENT: Hank Trueba Jr.

STAFF PRESENT: Dave Lopez, General Manager
Steve Appel, Assistant General Manager
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, July 19, 2018, at the District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for Regular Board Meeting, June 21, 2018.

Director Muniz moved and Director Barajas seconded to approve the June 21, 2018 Minutes.

The motion was carried unanimously.

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

Noes – 0

Absent - Trueba

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

Consideration to Approve July 20, 2018, Salaries, Expenses and Transfers.

Director Muniz moved and Director Trowbridge seconded to Approve the July 20, 2018, Salaries, Expenses and Transfers.

The motion was carried unanimously.

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

Noes – 0

Absent - Trueba

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 came from Maven's Notebook regarding MWD board of directors agrees to fund two-tunnel California Water Fix. They have authorized \$10.8 billion for the project to build two tunnels under the Sacramento-San Joaquin Delta. The second piece of information comes from the Orange County Register. The City of Irvine has hired John Russo as its new city manager, after being fired from Riverside in April.

ITEM 8. MANAGER'S REPORT

Operations Report:

The District is keeping up with the supply side of water in this weather.

Emergency and Fire Report:

The Incident Report for June 1 – June 30, 2018 there were a total of 260 calls, in comparison to the same period in 2017, there were a total of 228 calls. The year to date total is 1,618, compared to 1,573 in 2017.

ITEM 9. DM 2018-46. PUBLIC HEARING – Consideration to Approve Resolution No. 2018-843, a Resolution Authorizing Assessments Against Certain Rubidoux CSD Parcels Receiving Weed Abatement Services for FY 2017-2018: DM 2018-47.

BACKGROUND

For clarification, there was a typographical error that has been corrected. Parcel No. 178-260-043 should read **179-260-043**. This has been corrected and included in the Resolution to be adopted.

Attached for the Board of Directors' review and consideration is Resolution No. 2018-843, which if adopted this evening, will assess weed abatement charges upon appropriate parcels for property tax collections for those services provided on developed and undeveloped properties that constitutes a Public Safety and Fire Hazard. However, before adoption of Resolution No. 2018-843 is acted upon, the District Board of Directors must conduct a Public Hearing affording the general public, interested parties and/or affected parties the opportunity to comment and/or protest such charges.

Notice of this afternoon's Public Hearing along with parcel numbers of properties to be assessed were published in the public notice sections of the Press Enterprise and were made available through the District's web site.

As of the writing of this DM, Staff has not received any written or verbal protest with respect to any of the specific parcels proposed to be assessed and contained within Resolution No. 2018-843.

Director Murphy opened the Public Hearing. There were no comments from the public.

Director Murphy Closed the PUBLIC HEARING.

Director Muniz moved and Director Barajas seconded Adoption of Resolution No. 2018-843, a Resolution Approving Weed Abatement Charges on Certain Parcels to the Rubidoux Community Services District Board of Directors.

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

Noes – 0

Absent – Trueba

Motion passes unanimously.

ITEM 10. Consideration to Approve and Authorize Retirement Payment for Cal PERS Annual Unfunded Liability. DM 2018-47.

BACKGROUND

The District has received the Annual Unfunded Liability contribution schedule as of June 30, 2017, from Cal PERS for the District's employer's contribution portion. This unfunded liability is Cal PERS trueing up District Annual contributions with investment returns against Actuarial Valuations and Projection for the District three (3) specific plans; Miscellaneous, Safety and PERRA. For planning and budgeting purposes, Staff has budgeted for this annual unfunded Cal PERS cost and is included within the Health and Retirement Expenses.

The District is presented with two options to pay Cal PERS unfunded liability for FY 2018-2019:

- **Option 1:** Pay over time the \$256,984.76.00 (Total amount of the three (3) plans) including interest @ 3.62% in twelve monthly payments of \$21,415.40 per month in addition to our normal Cal PERS monthly contributions.
- **Option 2:** Pay annually Lump Sum without interest. That amount would be \$248,003.00 (for all three (3) plans) and due on or before July 30, 2018. That is an interest savings of \$8,981.76.

Given our current average rate of return for investments portfolio is 0.98%, Staff believes it prudent to pay our unfunded actuarial liability as an annual payment thus saving 3.62%

in accrued interest for FY 2018-2019. Again, this Cal PERS expense was anticipated and budget as part of our 2018-2019 Budget.

Discussion: Manager Lopez indicated the cost for safety is received by 3 retired individuals.

Director Muniz moved and Director Barajas seconded Approve Option 2 to the Rubidoux Community Services District Board of Directors: Pay Cal PERS annual unfunded actuarial liability as a lump sum payment of \$248,003 for FY 2018-2019, thus saving \$8,981.76 in interest.

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

Noes – 0

Absent – Trueba

Motion passes unanimously.

ITEM 11. Consideration to Adopt Water Supply Assessment for Proposed Rio Vista Specific Plan. DM 2018-48.

When the Rubidoux Community Services District receives a request for water availability for a proposed project, those requests are handled as an administrative matter by Staff with the issuance of a **“Will Serve Letter.”** However, with the passage of SB 610 and SB 221, any proposed residential development with 500 or more dwelling units, or commercial development employing more than 1,000 persons or having more than 650,000 sq. ft. of floor space, or missed-use development having a water demand equivalent to 500 dwelling units, must prepare a **“Water Supply Assessment”** (WSA) for each proposed development meeting the above thresholds.

District Staff received an Inter-Agency Project Review Request from the City of Jurupa Valley for a project within the District meeting the above-mentioned thresholds. The “Rio Vista Specific Plan” is a proposed 917-acre development located in the northeast quadrant of the City of Jurupa Valley, specifically west of Rubidoux Boulevard, south of the Riverside/San Bernardino county line, east of Armstrong Road and Sierra Avenue, and north of La Canada Drive. The project site plan is attached as Exhibit “A”. Specifically, the project will consist of a maximum of 1,674 residential dwelling units, a 13.3-acre school site, 18.6 acres of parks, and 608.6 acres of open space. The draft WSA identifies a water demand of 2,000 AF per year by the project. Further, the draft WSA report determines the District has significant unused pumping rights within the Colton/Riverside Groundwater Basins and consequently can assure a 20-year supply pursuant to SB 610 and SB 221.

The area designated as the Rio Vista Specific Plan was identified in the District’s Water Facilities Master Plan with an anticipated annual water demand of 2,000 AF/yr. The demand is also included in the District’s recently adopted 2015 Urban Water management Plan.

“The conclusion of the WSA is that the District is guaranteed a sufficient water supply from the Riverside Groundwater Basin to meet current and future water demands”... including the proposed project.

The attached excerpts of the draft Water Supply Assessment was prepared in compliance with SB 610 and SB 221. It determines that the Rubidoux community Services District has adequate local groundwater supplies to accommodate the proposed Rio Vista Specific Plan development.

Mr. Steve Appel, District Engineer, answered questions on the proposed Rio Vista Specific Plan.

Director Barajas moved and Director Trowbridge seconded adoption of the WSA report as presented.

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

Noes – 0

Absent - Trueba

The motion was carried unanimously.

ITEM 12. DM 2018-49. Receive and File Statement of Cash Asset Schedule Report Ending June 2018.

BACKGROUND

The year-to-date Interest ending June 30, 2018 is \$201,932.00 for District controlled accounts. With respect to District “Funds in Trust”, we show \$8,701.00 which has been earned and posted. The District has a combined YTD total of \$210,639.53 as of June 30, 2018.

With respect to the District’s Operating Funds (Excluding Operating Reserves), we show a balance of \$5,958,827.00 ending June 30, 2018. That is **\$987,754.00 MORE** than July 1, 2017, beginning balance of \$4,971.073.00.

The District’s Field/admin Fund continues to grow and current fund balance nears \$380,000.00.

Submitted for the board of directors consideration is the *June 2018, Statement of Cash Asset Schedule Report* for your review and acceptance this evening.

Director Trowbridge moved and Director Muniz seconded to Receive and File the Statement of Cash for the Month of June 2018 for the Rubidoux Community Services District.

The motion was carried unanimously.

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

Noes – 0
Absent - Trueba

ITEM 13. Consideration to Approve Memorandum of Understanding (MOU) between Rubidoux CSD and Labors International Union, Local 777, Effective July 1, 2018, thru June 30, 2021. DM 2018-50.

BACKGROUND

Early this year the Rubidoux Community Services District received a letter from Mr. Paul Bechely, requesting to engage negotiations on behalf of RCSD Employees. Mr. Bechely's letter dated April 12, 2018, provided proposals to commence negotiations with the District. As has been the practice, District Staff and the Personnel Committee members (Directors Muniz and Trueba) scheduled several meetings to negotiate in good faith on behalf of the Rubidoux Community Services District.

The Personnel Committee held two meetings, April 23, and May 10, 2018, and concluded the negotiations conditioned upon Mr. Bechely presenting the Rubidoux CSD employees the tentative MOU settlement and agreement proposal. It was approved on June 7, 2018, by the voting members.

The changes to the attached MOU can be categorized in two sections; Compliance and Negotiated.

➤ **A) COMPLIANCE:**

State of CA Pension Reform (PEPRA) and Fair Labor Standards Act (FLSA) requirements have been incorporated into the MOU for this upcoming term. The Pension Reform requires employee to assume 8% historically funded by cities, counties, and Special Districts. The implementation date for the above was January 1, 2018.

Since the Rubidoux CSD/labor Union did not address this in the past MOU the Union proposed two Pension Offset alternatives in the first year of this term. Those options were as follows: 6% (employee)/ 2% (employer) in first year or, as an alternative, 8% (employee) / 0% (employer) in the first year which would satisfy the State's Pension Reform Act. Union and District agreed to the full compliance second option...8% / 0%. The Pension obligation is revenue neutral to both Employer and Employee since the District has budgeted to pay and will now be transferred to the employee in the form of compensation.

With respect to FLSA those revisions are summarized on the attached ***MOU and Policy Changes Memo***. Again, revisions to reflect FLSA and current District employment practices.

➤ **B) NEGOTIATED:**

The term is for three years, the CPI adjustment shall remain at 2% this year. Second year, the CPI range will be 2% to 3%. And Third year as well with reopener should the CPI exceed 3.75%.

The expired 2018 MOU committed the District to conduct a salary survey by a third party. The results and agreed to changes will adjust only two classes, the Pretreatment/Backflow Inspector and Re-class and Reorganization of the Account Clerks I, II, and III's. Those adjustments are reflective on the attached 2018-2019 Salary Plan.

Finally, the District and Union agree to change Health Care Providers and contract (re contract) with CAL PERS for health benefits. The net effect is more choices of health care providers and a savings of about \$2,000.00 a month should all employees continue with same or similar health care provider and coverage.

Director Barajas moved and Director Muniz seconded the Rubidoux Community Services District Approve the MOU as negotiated and presented commencing July 1, 2018 thru June 30, 2021.

The motion was carried unanimously.

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

Noes – 0

Absent - Trueba

ITEM 14. Directors Comments – Non action.

Director Murphy adjourned the July 21, 2018 Regular Board meeting at 5:18 pm.