

MINUTES OF REGULAR MEETING
July 18, 2019
RUBIDOUX COMMUNITY SERVICES DISTRICT

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

DIRECTORS ABSENT:

STAFF PRESENT: Steve Appel, General Manager
Jeff Sims, Assistant General Manager/District Engineer
Brian Laddusaw, Director of Finance
Brian Jennings, Manager Budgeting & Accounting

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, July 18, 2019, at the District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for June 20, 2019, Regular Board Meeting.

Director Muniz moved and Director Skerbelis seconded to approve June 20, 2019 Minutes.

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

Noes – 0

Abstain – 0

The motion was carried unanimously.

ITEM 5. Consideration to Ratify and Approve the July 5 and July 19, 2019 the Salaries, Expenses and Transfers.

Consideration to ratify the July 5, 2019 Salaries, Expenses and Transfers.

Consideration to approve July 19, 2019, Salaries, Expenses and Transfers.

Director Trowbridge moved and Director Skerbelis seconded Ratify the July 5, 2019, Salaries, Expenses and Transfers and Approve the July 19, 2019 Salaries, Expenses and Transfers.

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

Noes – 0

Abstain – 0

The motion was carried unanimously.

ITEM 6. PUBLIC ACKNOWLEDGE OF NON-AGENDA MATTERS

There were no members of the public to address the Board at this time.

ITEM 7. CORRESPONDENCE AND RELATED INFORMATION

There was nothing to offer at this time.

ITEM 8. MANAGER’S REPORT

Operations Report:

Everything that is currently operating is operating efficiently. On the graph chart, Total Water Produced listed three wells in our system. However, there are other wells listed in the chart, three wells available are running significantly. Well No. 4 has zero production. It is currently undergoing treatment addition of the GAC vessels. It will probably be back in operation in three or four months. This will help take off some of the load from the others. Also, Well No. 1 was a new well that was drilled, is within a month of being complete. While we are currently relying only on the three wells, we have two additional wells that should be coming back on-line very soon. Well No. 18, we have had some production issues with it; so it has been taken out of service pending either some rehabilitation or some other measures to bring it back into service.

Emergency and Fire Report:

The Incident Report for June 1 – June 30, 2019 there were a total of calls for Station 38. There was a total of 230 for the District, with 216 of the 230 from our engine for the month.

ITEM 9. Receive and File Statement of Cash Asset Schedule Report Ending June 2019. DM 2019-38.

BACKGROUND

Attached for the Board of Directors’ consideration is the May 2019 Statement of Cash Asset Schedule Report for all District Fund Accounts. Our YTD interest is \$373,465.87 for District controlled accounts. With respect to District “Funds in Trust”, we show \$16,945.62 which has been earned and posted. The District has a combined YTD interest earned total of \$390,411.49 as of June 30, 2019.

With respect to the District's Operating Funds (Excluding Restricted Funds and Operating Reserves), we show a balance of \$6,139,000.30 ending June 30, 2019. That's **\$180,172.72 MORE** than July 1, 2018, beginning balance of \$5,958,827.00.

Further, the District's Field/Admin Fund current fund balance is just over \$484,950.44.

Submitted for the Board of Directors consideration is the *June 2019, Statement of Cash Asset Schedule Report* for your review and acceptance this afternoon.

Director Skerbelis moved and Director Trowbridge seconded to Receive and File the Statement of Cash for the Month of June 2019 for the Rubidoux Community Services District.

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

Noes – 0

Abstain – 0

The motion was carried unanimously.

ITEM 10. PUBLIC PROTEST HEARING – Consideration to Adopt Resolution No. 2019-852, a Resolution Establishing Residential, Commercial, and Industrial Disposal and Collection Fees DM 2019-39.

BACKGROUND

As authorized by the Board of Directors and attached for your review and consideration is Resolution No. 2019-852, which if adopted, will result in rate adjustments to all RCSD residential, commercial, and industrial solid waste collection and disposal services. 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 Prop 218 notification;
- Prop 218 notifications were mailed on May 23, 2019, at least 45-days before the public protest hearing date;
- The notice was provided in English and Spanish (not a Prop 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 May 23, 2019, the District mailed 10,242 notices. We received 712 non-deliverable notices from the post office, thereby adjusting the total mailed to 9,530. Prop 218 requires 50% plus 1 vote protests to defeat such proposed rates. As of the writing of this memorandum, the District has received 2 written protests against the proposed increase, well below the required 4,766.

Finally, Prop 218 require the public agency to conduct a Protest Hearing. At the conclusion of tonight's Public Protest Hearing, the Board should tally all protests submitted (written or oral) as part of the protest vote, determining if the required 50% plus 1 vote protest threshold was met. If the protest election does not pass, the Board will then be asked to approve the Solid Waste rate adjustment.

The notice of tonight's pending adoption of Resolution No. 2019-852 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 office front counter.

President Trueba opened the Public Hearing. There was one oral customer comment and two written comments from the public, well below the 50% plus 1 vote protest threshold needed. President Trueba closed the Public Hearing.

Director Muniz moved and Director Trowbridge seconded adoption of Resolution No. 2019-852, a resolution which establishes residential, commercial, and industrial solid waste collection and disposal fees for FY 2019-2020.

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

Noes – 0

Abstain – 0

ITEM 11. Consideration to Adopt Resolution No. 2019-853, a Resolution Transferring Certain Property Tax from the County of Riverside to the RCSD. LAFCO 2019-09-02 and 2019-10-2 (Highland Park II). DM 2019-40.

BACKGROUND

The Rubidoux Community Services District (District or RCSD) was contacted by a developer desiring District services to the proposed Highland Park II development (TTR 37470). Highland Park II is a 6.75-acre residential development consisting of 34 homes. The proposed development is north of the intersection of Pacific Avenue and Canal Street. The development is currently within the JCSD boundary and will de-annex from their service area at the same time as annexing into the District's service area. JCSD has no objection to the RCSD providing services to the development. At his cost, the developer has begun the annexation process with the Local Area Formation Commission (aka LAFCO).

As part of the annexation process, the District is requesting from the Riverside County, an exchange of certain property tax revenue to include, but not limited to 100% of the structural fire protection tax for the area to be transferred to the RCSD. Approval of the attached Resolution 2019-853 will exchange the appropriate tax revenue between the County and the District and between the JCSD and RCSD. The County will consider a similar Resolution at their July 23rd Board of Supervisors meeting. Finally, once the tax transfer Resolutions have been approved, LAFCO will consider the developer's annexation request at their July 25th meeting.

Director Muniz moved and Director Trowbridge seconded approval of Resolution 2019-853 to the Rubidoux Community Services District.

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

Noes – 0

Abstain – 0

The motion was carried unanimously.

ITEM 12. Consideration to Approve and Authorize Retirement Payment for CalPERS Annual Unfunded Liability.

DM 2019-41.

BACKGROUND

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

The District is presented with two options to pay CalPERS unfunded liability for FY 2019-2020:

⇒ **Option 1:** Pay over time the \$338,066.76 (Total Amount of the three (3) plans) including interest @3.57% in twelve monthly payments of \$28,172.23 per month in addition to our normal CalPERS monthly contributions.

⇒ **Option 2:** Pay annually Lump Sum without interest. That amount would be \$326,440.00 (for all three (3) plans) and due on or before July 31, 2019. That is an interest savings of \$11,626.76.

Given our current average rate of return for investments portfolio is approximately 1.79%, Staff believes it prudent to pay our unfunded actuarial liability as an annual payment thus saving 3.57% in accrued interest for F 2019-2020. Again, this CalPERS expense was anticipated and budgeted as part of our 2019-2020 Budget.

Director Skerbelis moved and Director Trueba seconded the Rubidoux Community Services District choose *Option 2* and pay CalPERS annual unfunded actuarial liability as a lump sum payment of \$326,440.00 for FY 2019-1010, saving \$11,626.76 in interest.

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

Noes – 0

Abstain – 0

The motion was carried unanimously.

ITEM 13. Directors Comments.

Director Trueba adjourned the meeting at 4:52 pm.