

**MINUTES OF REGULAR MEETING**  
**May 4, 2023**  
**RUBIDOUX COMMUNITY SERVICES DISTRICT**

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

**DIRECTORS ABSENT:**

**STAFF PRESENT:** Brian Laddusaw, General Manager  
Ted Beckwith, Director of Engineering  
Kirk Hamblin, Director of Finance and Administration  
Miguel Valdez, Director of Operations  
Martha Perez, Customer Service / Accounts Payable  
Manager  
Melissa Trujillo, HR Generalist / Safety and Facilities  
Coordinator

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by President Murphy, at 4:00 P.M., Thursday, May 4, 2023, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

**ITEM 4. APPROVAL OF MINUTES**

Approval of Minutes for April 20, 2023, Board Meeting.

**Director Skerbelis moved, and Director Trueba seconded to approve the April 20, 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 5. Consideration to Approve the May 5, 2023, Salaries, Expenses and Transfers.**

Consideration to Approve the May 5, 2023, Salaries, Expenses and Transfers.

**Director Muniz moved, and Director Skerbelis seconded to Approve the May 5, 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 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:**

Presented at the second board meeting of the month.

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

Presented at the second board meeting of the month.

General Manager, Brian Laddusaw reiterated the email he sent out earlier in the week regarding a state water project, Agriculture Inspection Trip. WMWD is coordinating the tour and they are making available one (1) spot per agency. WMWD will cover the costs. It was agreed that Director Murphy will attend the tour.

May 9, 2023, at 9:00 am, we are trying to coordinate a tour of the wastewater treatment plant with the City of Riverside. Anyone interested in attending, meet at the District by 8:30 to carpool to the site. June 6, 2023, we are trying to coordinate an RCSD tour. That will potentially be a 2–3-hour tour. Finally, we are trying to schedule a tour of Burrtec transfer station, possibly the week of June 19<sup>th</sup>.

The IAC meeting May 19, 2023, at 8:30 the District will be hosting at our offices.

#### **ITEM 9. Reintroduction and First Reading of Ordinance No. 2023-133, An Ordinance Establishing Board Member Stipends: DM 2023-42.**

## **BACKGROUND**

On March 16, 2023, the Rubidoux Community Services District (“District”) Board of Directors (“Board”) conducted a 2<sup>nd</sup> Reading and Public Hearing for Ordinance No. 2023-133, *An Ordinance Establishing Board Member Stipends*. Ordinance No. 2023-133 included the following adjustments to the Board Member stipends:

1. Adjust the Board member stipend for regular meetings (including special, emergency, advisory, etc.) and committee meetings to the maximum allowed under the current California Water Code.

Regular: From \$155.13/meeting to **\$179.58/meeting**

Committee: From \$63.81/meeting to **\$73.87/meeting**

2. Adjust the Board member stipends automatically, on an annual basis, **commencing July 1, 2024**, to the maximum allowed under the then current California Water Code. For reference, the current California Water Code allows for a maximum 5% annual increase.

At the conclusion of the Public Hearing, Ordinance No. 2023-133 failed to pass by majority vote.

On April 20, 2023, at the regularly scheduled District Board meeting, staff was directed to reintroduce Ordinance No. 2023-133 with a modification to remove the recital allowing for annual automatic adjustments. Attached to Director’s Memorandum 2023-42 is revised Ordinance No. 2023-133, incorporating this change. The only other changes relate to updating the dates of introduction, adoption, and effectiveness.

Should the Board approve Ordinance No. 2023-133 as drafted, the Board should consider the following remaining ordinance adoption schedule:

1. June 1, 2023 – 2<sup>nd</sup> Reading, Public Hearing, and Adoption of Ordinance No. 2023-133
2. August 1, 2023 – Effective Date of Ordinance No. 2023-133 (No less than 60 days past adoption)

Staff recommends allowing for a month gap between 1<sup>st</sup> and 2<sup>nd</sup> Readings due to the planning necessary for coordinating the Press Enterprise Public Hearing publishing which must be done no less than ten (10) days before the anticipated Public Hearing date of June 1, 2023.

Based on the above schedule, the Board would notice an adjustment to their stipend pay on their September 1, 2023, paycheck, as the Board is paid in arrears.

If no material Changes are Proposed to draft Ordinance No. 2023-133, staff recommends the Board continue with the timeline above and schedule the 2<sup>nd</sup> Reading and Public Hearing at the regularly scheduled June 1, 2023, Board meeting.

**Director Trowbridge moved, and Director Skerbelis seconded the Board of Directors direct staff to prepare the following:**

**1. Schedule a Public Hearing and Final Reading of Ordinance No. 2023-133 for the June 1, 2023, regular meeting of the Board of Directors of the Rubidoux Community Services District.**

**Roll call:**

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

**Noes – 0**

**Abstain – 0**

**Absent – 0**

**The motion was carried unanimously.**

**ITEM 10. Consider Proposal with IB Consulting to Update Reserve Policies and Perform Annual Update to Water and Wastewater Utilities: DM 2023-43.**

**BACKGROUND**

In January 2022, the District began a Comprehensive Cost of Services Study (“COSS”) with its rate consultants, IB Consulting (“IB”), to confirm the adequacy of revenues to operate, maintain, and replace system assets to meet current and long-term needs of the District. At the conclusion of the rate study, it was determined the original 5-year rate plan adopted by the Rubidoux Community Services District (“District”) Board of Directors (“Directors”) in 2019 was not adequate to meet the District’s future financial obligations. In December 2022, the Board adopted a new 5-year defensible rate plan to ensure the District provides safe and reliable water supplies and wastewater conveyance and treatment 24 hours a day – 365 days per year.

During the COSS, IB Consulting produced various deliverables, including but not limited to:

- Cost Allocation Plan
- Financial Plan Models
- Administrative Record

The above are useful tools to staff but are based upon financial information provided by the District in 2021 and early 2022. This information became the basis for establishing the 5-year defensible rate plan which commences July 1, 2023, and calls for annual increases to the water and sewer rates through July 1, 2027. As a reminder, the 5-year rate plan adopted by the Board in December 2022 allows the District to increase rates up to the amount stated on the Proposition 218 but does not require the District to go to the maximum. Should the District’s financial position and outlook change since the COSS was completed, its possible an increase to the water and sewer rates at an amount less than the maximum could provide adequate revenues to operate the enterprises and provide funds necessary for appropriate reserve balances.

In March 2023, District staff began the budgeting process for FY 2023-2024. As part of the budgeting process, District staff begins by analyzing the District’s expenses by enterprise and fund. Once the budgeted expenses are established, staff can determine if revenues generated at their current rates are sufficient to cover those expenses. If revenues are not sufficient to cover expenses and target reserve balances, a rate increase will be necessary.

Attached to tonight’s Director’s Memorandum is a proposal received by IB to assist staff with performing this analysis. IB is routinely engaged by their rate consultant clients to perform annual updates and ongoing consulting services. IB has found many of their client’s governing bodies appreciate their involvement year-over-year to serve as an extension of staff when going through the budgeting and rate setting process. Annual updates serve as a financial performance review and during this review IB is able to review their clients financials to capture changes to budgets, update usage trends, accounts for new connections, review rate revenue projections and determine if rates can be less than what was noticed. District staff believes it’s a prudent business practice to engage IB during this time to ensure rates are adjusted to only what is necessary and implementation and billing is done correctly. Additionally, staff seeks assistance from IB with updating its reserve policies to formally adopt the recommended reserves outlined with the COSS.

The total cost of the proposed scope of work is a not-to-exceed amount of \$25,000 with \$10,000 being allocated to each of the water and sewer funds and \$5,000 to the reserve policies. The \$5,000 would similarly be split evenly to the water and sewer fund. Total budget impact would be \$12,500 to the water and sewer fund. The District would be billed based on actual hours worked. During the performance of the COSS, expenses associated with the rate study were recorded to the respective general ledger accounts by enterprise fund. The table below highlights the budget of the water and sewer funds available for this additional work.

Budget – Fiscal year 2022/2023	Budgeted Amount	Year-to-Date (inc. appropriations)	Available Funds	Cost Allocation	Remaining Funds
WF Budget Ln. 39 'Consulting Fees: COSS'	\$31,000.00	\$30,815.34	\$ 184.66	\$12,500.00	\$(12,315.34)
SF Budget Ln. 30 'Consulting Fees: COSS'	\$34,000.00	\$20,581.07	\$13,418.93	\$12,500.00	\$ 918.93

The water fund’s ‘Consulting Fees: COSS’ account does not have adequate funds available for this additional work. Staff reviewed the water fund budget for excess available funds elsewhere and noted the District’s ‘Operating Expense’ account has a current balance of approximately \$111,000 (ending 4/30/23) and a budgeted amount of \$296,300. Transferring \$12,500 of budgeted monies from ‘Operating Expense’ to ‘Consulting Fees: COSS’ still leaves \$283,800 which is more than sufficient to cover additional operating expenses yet to be incurred by the water fund for the remaining two months of the fiscal year.

The sewer fund’s ‘Consulting Fees: COSS’ account has enough budget for its share of this additional work.

**Director Muniz moved, and Director Murphy seconded the Board of Director’s authorize the General Manager to:**

- 1. Accept the proposal from IB Consulting and issue a Task Order to IB Consulting in an amount not-to-exceed \$25,000.**
- 2. Amend the FY 2022-2023 Water Fund Budget by allocating \$12,500 from account ‘Operating Expense’ to account ‘Consulting Fees: COSS’.**

**Roll call:**

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

**Noes – 0**

**Abstain – 0**

**Absent – 0**

**The motion was carried unanimously.**

**ITEM 11. Consider Acceptance of Water and Sewer Easement in Tract 37640. DM 2023-44.**

**BACKGROUND**

When a Developer builds a project, they often construct new water and wastewater pipelines to serve their project. Such is the case for Tract 37640 (“Tract”) in the City of Jurupa Valley (“City”). This Tract is currently being processed through the City for recordation by Century Communities (“Century”) and their surveying consultant. The water and wastewater pipelines within the Tract are located in several easements within the Tract as there are no public streets in which to place the water and wastewater pipelines. The District’s 18” water transmission pipeline from the Atkinson Reservoir is also located within one of these easements, including a road access easement which comes into the Tract from Canal Street.

This Rubidoux Community Services District (“District”) has required Century to indicate these easements on the Tract Map to be recorded. This is so there is a clear indication of where they are located for future access by the District. Once the pipelines are constructed by Century and dedicated to the District, the District will be obligated to maintain and operate the pipelines. The District has also required specific language to be on the Tract Map which places certain restrictions and encumbrances on the future use of the land under which the District’s pipelines lie. This language reads as follows:

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: TO RUBIDOUX COMMUNITY SERVICES DISTRICT (“DISTRICT”), A PUBLIC AGENCY OF THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, MAINTAIN, ENLARGE, RECONSTRUCT, REMOVE AND REPLACE, OPERATE, INSPECT, REPAIR, IMPROVE AND RELOCATE SEWER, WATER, AND RECYCLED WATER FACILITIES, ALL AS SHOWN ON THIS MAP WITHIN THE SUBDIVISION AND DESIGNATED “SEWER, WATER, AND RECYCLED WATER EASEMENT” HEREON, TOGETHER WITH THE RIGHT OF ACCESS TO AND FROM SAID EASEMENT FOR THE PURPOSE OF EXERCISING THE RIGHTS GRANTED IN SAID EASEMENT. OWNER RETAINS THE RIGHT TO USE THE EASEMENT AREA PROVIDED THAT OWNER SHALL NOT CONSTRUCT OR ERECT BUILDINGS, MASONRY WALLS, MASONRY FENCES AND OTHER STRUCTURES OR IMPROVEMENTS, OR PLANT OR GROW TREES OR SHRUBS, OR CHANGE THE SURFACE GRADE OR INSTALL PRIVATELY-OWNED PIPELINES WITHOUT THE PRIOR WRITTEN CONSENT OF THE DISTRICT.

Additionally, for the easement on the access road entering the tract from Canal Street under which the District’s 18” Transmission Pipeline is located, the District has required the following language:

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: TO RUBIDOUX COMMUNITY SERVICES (“DISTRICT”), A PUBLIC AGENCY OF THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, MAINTAIN, ENLARGE, RECONSTRUCT, REPAIR, IMPROVE AND RELOCATE AN ACCESS ROAD FOR THE USE OF VEHICULAR TRAFFIC FOR ANY PURPOSE, ALL AS SHOWN ON THIS MAP WITHIN THE SUBDIVISION AND DESIGNATED “ACCESS EASEMENT” HEREON. DISTRICT HAS THE RIGHT, BUT NOT THE DUTY, TO MAINTAIN A GRADED VEHICULAR ROADWAY IN GOOD REPAIR. OWNER RETAINS THE RIGHT TO USE THE EASEMENT AREA PROVIDED THAT OWNER SHALL NOT CONSTRUCT OR ERECT BUILDINGS, MASONRY WALLS, MASONRY

FENCES AND OTHER STRUCTURES OR IMPROVEMENTS, OR PLANT OR GROW TREES OR SHRUBS, OR CHANGE THE SURFACE GRADE OR INSTALL PRIVATELY-OWNED PIPELINES WITHOUT THE PRIOR WRITTEN CONSENT OF THE DISTRICT.

These easements have been reviewed by the District's Consultant, Krieger and Stewart for location and accuracy. Further, the language on the restrictions and encumbrances and the Acceptance Statement on the map has been reviewed by District Counsel, John Harper. The acceptance statement reads as follows and needs to be signed by the President of the Board of Directors of the District as well as its General Manager.

RUBIDOUX COMMUNITY SERVICES DISTRICT'S ACCEPTANCE STATEMENT I HEREBY STATE THAT THE EASEMENTS DEDICATED ON THIS MAP TO THE RUBIDOUX COMMUNITY SERVICES DISTRICT ARE HEREBY ACCEPTED AND THE DISTRICT CONSENTS TO THE RECORDATION THEREOF BY ITS DULY AUTHORIZED OFFICER.

DATE:

Bernard Murphy, PRESIDENT OF THE RUBIDOUX COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

DATE:

Brian R. Laddusaw, GENERAL MANAGER OF RUBIDOUX COMMUNITY SERVICES DISTRICT

Century Communities intends to record this map before the next regularly scheduled meeting of the Board of Directors of the District. The Board President and General Manager should sign the Acceptance of these easements on the Tract Map at the conclusion of tonight's Meeting.

**Director Trowbridge moved and Director Skerbelis seconded the Board of Directors consider the following:**

- 1. Approve and Accept the Easements as shown on the Tract Map.**
- 2. Have the Board President Sign the Acceptance of the Easements shown on the Tract Map.**
- 3. Authorize the General Manager to sign the Acceptance of the Easements shown on the Tract Map.**

**Roll call:**

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

**Noes – 0**

**Abstain – 0**

**Absent – 0**

**The motion was carried unanimously.**

**ITEM 12. Consider Proposal with Water Resources Economics for On-Call Services and Rate Implementation: DM 2023-45**

### **BACKGROUND**

In October 2021, the District hired Sanjay Gaur of Water Resources Economics to work as an extension of staff during the Rubidoux Community Services District ("District") Comprehensive Cost of Services Study ("COSS") which began in January 2022 and concluded in December 2022. Mr. Gaur was a valuable resource for the District during this time given his expertise in the field of financial modeling and rate development. He was essential in reviewing and issuing the

District's Request for Proposal ("RFP") which ultimately led to the hiring of IB Consulting ("IB") and was instrumental to the District in 2022 to ensure IB followed the scope and timeline originally outlined in their proposal. With his help, the District successfully adopted a new defensive 5-year rate plan in December 2022.

Earlier in the evening, staff sought the acceptance of a proposal from IB Consulting and budget amendment to assist staff in updating the District's water and sewer utilities to determine if a rate adjustment to the water and/or sewer rates were necessary for the financial stability of the District. Additionally, staff sought assistance in updating the District's reserve policies to align with the methodology outlined within the COSS.

Staff wishes to engage with Water Resources Economics during the current budgeting cycle to aid staff with this update. The total cost of the proposed scope of work is a not-to-exceed amount of \$5,000, which staff tends to split 50/50 with the water and sewer funds. Total budget impact to each fund is \$2,500. It was noted during the staff report for DM 2023-43, the water fund required a budgeted amendment of \$12,500 from excess capacity in the 'Operating Expense' account by transferring \$2,500 to account 'Consulting Fees: COSS' to cover the cost of this additional work. This leave a budget amount of \$281,300 in the 'Operating Expense' account, which is more than sufficient to cover the remaining operating expenses for the water fund. Similarly, a budget amendment is needed in the sewer fund to cover this additional work as the proposal from IB used the remaining monies available in the sewer funds 'Consulting Fees: COSS' account. When reviewing the budget to actual for the sewer fund, staff noted excess capacity in the District's 'Hydrowash' account. The current balance in the account is approximately \$53,000 (ending 4/30/23) and has a budget amount of \$250,000. Staff recommends the Board amend the FY 2022-2023 sewer fund budget by transferring \$2,500 from the District's sewer fund budget 'Hydrowash' account to its 'Consulting Fees: COSS' account.

**Director Murphy moved and Director Trueba seconded the Board of Director's authorize the General Manager to:**

- 1. Accept the proposal from Water Resources Economics and issue a Task Order to Water Resources Economics in an amount not-to-exceed \$5,000.**
- 2. Amend the FY 2022/2023 Operating Budgets as follows:**
  - a. Transfer \$2,500 from the District's Water Fund Budget 'Operating Expense' account to its 'Consulting Fees: COSS' account.**
  - b. Transfer \$2,500 from the District's Sewer Fund Budget 'Hydrowash' account to its 'Consulting Fees: COSS' account.**

**Roll call:**

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

**Noes – 0**

**Abstain – 0**

**Absent – 0**

**The motion was carried unanimously.**

### **ITEM 13. Directors Comments**

Director Murphy stated he had attended the prayer breakfast in the morning. He spoke with two developers while at the breakfast. He asked what they thought about the District and they responded they thought staff was doing a good job. The second thing he asked about was Southern California Edison (SCE). The response was the SCE backlog is 10-15 years. In perspective, back in the 90's, the response was about 5 years. Some of the industrial projects are doing the same as us and purchasing the backup generators. Our product is more reliable than electricity. We've got to keep doing that. Your efforts are to be commended, based on what the developers have to say. Good job on that one!

The 8-inch pipes in the street should be looked into and taken care of.

Director Murphy adjourned the meeting at 4:31 PM.