

MINUTES OF REGULAR MEETING
January 20, 2022
RUBIDOUX COMMUNITY SERVICES DISTRICT

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

DIRECTORS ABSENT:

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 20, 2022, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for January 6, 2021, Board Meeting.

Director Muniz moved, and Director Murphy seconded to approve the January 6, 2022, 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 21, 2022, Salaries, Expenses and Transfers.

Consideration to Approve the January 21, 2021, Salaries, Expenses and Transfers.

Director Trowbridge moved, and Director Muniz seconded to Approve the January 21, 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.

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 an article from the California Water News Daily regarding LADWP Raising Water Rates to Incentivize Conservation. They have increased as of the first of the year. The rates have been increased in a four-tiered pricing structure tied to a customer’s water use. The rates will increase accordingly.

The next article was from The California Blueprint, regarding the Governor’s takes on five of California’s biggest challenges: COVID-19, climate change, homelessness, inequality, and keeping our streets safe.

ITEM 8. MANAGER’S REPORT

Operations Report:

Miguel Valdez reported on the water/wastewater report for the month of December, production was an average of 2.99 mgd per day. An average of 1.68 mg/day of wastewater flow was sent to Riverside for treatment.

Director Trueba commented that he had heard the Riverside wastewater treatment plant was having some operating difficulties and asked if anyone else had heard of same? General Manager Sims responded, “No”.

Emergency and Fire Report:

General Manager reported Chief Veik informed the District he would be unable to be in attendance. The Incidents Reported for the month of December 2021 and Special District Rubidoux CSD were in line with historical years; they were less than 2020.

January 28, 2022, there will be an Interagency Council Meeting at Fire Station No. 38 at 8:30 am.

ITEM 9. Consider Design Services Proposed for Potable Water Interconnection Between Rubidoux Community Services District and West Valley Water District. DM 2022-04.

BACKGROUND

Rubidoux Community Services District (“District”) currently is reliant on local groundwater for its potable water supply. Historically the groundwater levels in the Riverside South Basin where the District pumps has been very stable. Due to the historical stability of local groundwater supply the District has only made limited investments to diversify its water supply options. Despite the availability of supply, what has become a constraint is dealing with contaminants present in the pumped groundwater.

Over the years the District has added a variety of treatment systems to its wells to enable compliance with State of California State Water Resources Control Board Division of Drinking Water (“DDW”) water quality requirements. Treatment systems added included:

<u>Treatment Type</u>	<u>Location</u>	<u>Contaminant</u>
Ion Exchange	Smith Plant	Nitrate
GAC	Smith Plant	PFAS
Ion Exchange	Thompson Plant	PFAS
Oxidation	Thompson Plant	Manganese
Blending	Well 2	Nitrate, 1,2,3-TCP

In addition to meeting DDW requirements, the District is required to comply with sewer discharge requirements of the City of Riverside (“Riverside”). The District acquired 3.055 MGD of sewer treatment rights in Riverside’s treatment plant for treatment of sewage collected within the District’s service area. Riverside operates its wastewater plant pursuant to a NPDES Permit and that permit limits the total dissolved solids (“TDS”) concentration in recycled water discharged to the river to a maximum of 650 mg/l. The District is required to discharge wastewater to Riverside with a TDS concentration at or below 650 mg/l. Currently the District’s sewage delivered to Riverside has a TDS concentration of approximately 740 mg/l, which is above the 650 mg/l requirement. The higher concentration of TDS in the District’s sewage is a function of 1) the relatively high ambient TDS level in the pumped groundwater distributed for potable water use, and 2) the use increment of TDS added by customers and discharged to the District’s sewer collection system.

Riverside is concerned about the excess TDS the District delivers and states the District is using available surplus TDS capacity created by other dischargers to Riverside’s treatment plant who have lower TDS in their potable water supply. To limit the District from increasing its TDS loading to Riverside’s treatment plant, Riverside has objected to LAFCO approving proposed annexations of new service areas to the District. An example is the Rio Vista Development, which is currently active with annexation discussions.

LAFCO has indicated it will not proceed with an annexation of the Rio Vista Project until such time the District provides a TDS Mitigation Plan acceptable to Riverside.

To reduce TDS concentration the TDS in the potable water system needs to be low enough to accommodate the added TDS by customer use, or somehow limit the amount of TDS customers add. Limiting the amount of TDS added by customers is nearly impossible. The focus should be on having a potable water supply with a low enough TDS concentration to accommodate the

historical use increment added by customers. District customers historically add approximately 200 mg/l TDS with a use. This means the District needs to have a potable water supply with an average TDS of approximately 450 mg/l to stay at or below the 650 mg/l TDS limit in sewage delivered to Riverside.

Currently the District potable supply has a TDS concentration of approximately 550 mg/l. To lower this to 450 mg/l the District can either add a reverse osmosis treatment system to remove TDS or purchase low TDS potable water in sufficient volume to use as a diluent with its groundwater. Either of these options will add expense to the District's Water and Sewer Enterprises.

From an implementation standpoint adding reverse osmosis treatment will take several years to go through planning, CEQA, design, permitting, construction, and startup. Purchasing imported water is problematic as the District would need to fund the construction of a pipeline to another agency and pay for wheeling, and the cost of supply. Since the District is within Western Municipal Water District ("Western") two options for imported water were initially discussed. One option is delivery of MWD treated water wheeled through Riverside's distribution system to a connection on the west side of the Mission Street Bridge, and the second option is moving imported water wheeled through Jurupa Community Services District distribution system to the existing Jewel Street intertie. These imported water options have significant upfront capital expense to implement and create District dependency on either Riverside or Jurupa CSD - consistency in water quality, and reliability of their distribution systems.

A third imported water supply surfaced through staff discussions with West Valley Water District ("West Valley"). West Valley is directly adjacent to the District's northerly service area boundary and has available capacity in its system to sell up to 2,000 AFY of low TDS potable water to the District. To make a physical interconnection between the District and West Valley less than 250 LF of pipeline would need to be installed along with requisite metering and pressure control valving. Although the physical solution for this option is relatively straightforward, there are complicating institutional issues.

The District is a retail agency within Western, and Western is a member agency of Metropolitan Water District ("MWD"). MWD is a State Water Project Contractor through agreement with the Department of Water Resources ("DWR") who owns the State Water Project. The State Water Project was built by DWR to move water from northern California to southern California. MWD makes State Water Project water available to agencies within its service area, including Western. The District's access to imported water is through Western.

San Bernardino Valley Municipal Water District ("San Bernardino Valley") is also a State Water Project Contractor through agreement with the DWR and has access to deliveries from the State Water Project. San Bernardino Valley makes State Water Project available to retail agencies within its service area. West Valley is a retail agency within San Bernardino Valley's service area and has access to imported water through San Bernardino Valley.

An understanding between State Water Project Contractors is to not compete between themselves for sales of State Water Project water. State Water Project Contractors are prohibited selling State Water Project water to entities outside its specific service area absent agreement by all involved parties.

Initial estimates for the District to receive imported water from Western would require

approximately \$7 million in infrastructure, plus agreements with Riverside to wheel water through their system from Western to the District. It is estimated infrastructure costs to move imported water from West Valley to the District would be approximately \$0.5 million. Given this significant cost difference, staff rekindled discussions with San Bernardino Valley and Western. It was determined that MWD and San Bernardino Valley had recently approved an agreement where State Water Project water was being transferred from San Bernardino Valley through West Valley into Inland Empire Utilities Agency who is a member agency of MWD. With this agreement as precedent setting, involved parties have prepared a very similar agreement where San Bernardino Valley through West Valley would make State Water Project water available to the District and from an accounting standpoint San Bernardino Valley and MWD have the sales against Western's allocation of State Water Project water. It is anticipated the agreement will be ready for approval by all involved agencies in March 2022.

With approval of the agreement, the District would have access to low TDS potable water (325 mg/l) to use as diluent to combine with higher TDS local groundwater. Based on current annual water demand, the District will need around 900 AFY. This would grow as demand increases in the District with new development.

Staff requested a design proposal from Krieger and Stewart for the design of the actual physical intertie between West Valley and the District. The proposal is attached hereto as Attachment 1. The proposal cost is \$61,000. This effort was not included in the approved FY 2022 Water CIP Budget. To fund this work, a budget amendment to reallocate \$65,000 from Line Item 9 of the FY 2022 Water CIP Budget – "Limonite Transmission (Design)" and add a new Line Item "West Valley Intertie" is recommended. If approved, \$110,000 of budget would remain allocated for beginning the design of the Limonite Transmission Pipeline and \$65,000 would be available for the design of the West Valley Intertie.

Although the actual agreement between the District, Western, West Valley, San Bernardino Valley, and MWD is still in process, it is anticipated it will be approved in March 2022. Staff is recommending moving forward with the design of the West Valley intertie so construction of the physical intertie can be completed fall 2022. Having the physical intertie and the approved agreement between the five agencies will provide the District the ability to lower its TDS to comply with Riverside sewer discharge requirements and allow projects like Rio Vista to be annexed into the District's service area. In the remove event the five-party agreement is not approved, staff will stop work by Krieger and Stewart on the intertie design.

Director Murphy moved, and Director Trowbridge seconded to authorize the General Manager to:

1. Execute an agreement with Krieger and Stewart for design services associated with the West Valley Intertie for a cost of \$61,000.
2. Amend the FY 2022 Water CIP Budget by reducing Line Item 9, Limonite Transmission, by \$65,000 to \$110,000, and create a new Water CIP Budget Line Item 11, West Valley Intertie, in the amount of \$65,000.

Roll call:

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

Noes – 0
Abstain – 0
Absent – 0

The motion was carried unanimously.

ITEM 10. Receive and File Statement of Cash Asset Schedule Report Ending December 2021. DM 2022-05.

BACKGROUND

Attached for the Board of Directors' consideration is the December 2021 Statement of Cash Asset Schedule Report for all District Fund Accounts. Our YTD interest is \$24,971.26 for District controlled accounts. With respect to District "Funds in Trust", we show \$1,059.41 which has been earned and posted. The District has a combined YTD interest earned total of \$26,041.06 as of December 31, 2021.

The District's Operating Funds (Excluding Restricted Funds and Operating Reserves), we show a balance of \$6,504,625.83 ending December 31, 2021. That's **\$1,613,421.14 LESS** than July 1, 2021, beginning balance of \$8,118,046.97.

Further, the District's Field/Admin Fund current fund balance is \$714,947.16.

Submitted for the Board of Directors consideration is the *December 2021, 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 December 2021 for 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 11. Consider Investigation of Pressure Surges at the Leland Thompson Water Treatment Facility. DM 2022-06.

BACKGROUND

The existing Leland J. Thompson Water Treatment Plant (Plant) removes manganese from raw water conveyed to the Plant from Well 1A and Well 18. The Plant was recently expanded to include an ion exchange filtration system for removal of per-and polyfluoroalkyl substances (PFAS) from Well 1A and Well 18 downstream of the manganese filtration system, as well as water from Well 8 which does not require manganese removal.

The normal Plant operating pressure within the iron and manganese filtration system and ion exchange filtration system ranges between 130 psi and 170 psi, and the maximum pressure rating of the ion exchange filtration system is 175 psi. During construction of the new ion exchange filtration system, it was observed that high pressure surges within the existing iron and manganese filtration system resulted in pressure drops down to 20 psi followed by pressure spikes of 200 psi in a matter of 10 to 15 seconds. These surges are noticed throughout the water transmission and distribution system, including upstream of the iron and manganese filtration system and at the ion exchange filtration system. These high-pressure surges caused the existing 12” diameter raw water (RW) pipeline in 34th Street to move during construction of the Well 8 RW pipeline tie-in connection causing the need to shut down the system for worker safety during the tie-in procedure. Additionally, these pressure surges are suspected to have caused water transmission pipeline ruptures in the Loring Ranch residential neighborhood on the west side of Mission Blvd., quite a distance from the Thompson Plant. The high-pressure surges may have contributed to the bursting of a high-pressure surges may have contributed to the bursting of a high-pressure relief rupture disc on one of the ion exchange filtration system vessels during commissioning of the Ion Exchange Filters. The District has spent over \$50,000 making repairs thought attributable to the pressure surges.

Each of the three existing iron and manganese filter vessel is equipped with five dual-acting pneumatically actuated (air-to-open and air-to-close) isolation valves to control the filter operation modes, including filtration, backwash, and rinse (purge) modes. Preliminary evaluation by District staff indicates that the pressure surges may have been caused by the filter vessel rinse valves closing too fast after the rinse cycle is complete.

Each iron and manganese filter are equipped with an electronic, diaphragm-type effluent rate of flow control valve to limit the maximum flow rate of each filter vessel. However, the rate of flow control valves is hydraulically always held in the full-open position to avoid the effluent of each vessel being erroneously restricted during backwash and rinse modes of operation. The District has determined the effluent rate of flow control valves can remain in the full-open position at all times since the Plant is operating substantially below its maximum rating as each filter is rated for a maximum rating as each filter is rated for a maximum flow rate of 2,500 gpm.

To investigate this surge issue and develop an appropriate solution to fix it, District Staff have asked for and received a proposal from Krieger and Stewart in the amount of \$24,000. Krieger and Stewart propose the following scope of work to assist the District in remedying the situation:

- Task 1 – Perform a Site Visit and Field Investigation
- Task 2 – Prepare a Draft Technical Memorandum
- Task 3 – Meet with District Staff to discuss the Draft Memorandum
- Task 4 – Preparation of a Final Technical Memorandum

The issue was not apparent during preparation of the approved FY 2021-22 Budget and therefore a budget amendment is necessary to authorize this work. Staff is beginning Cost Center

Accounting so the operating costs of each plant can be tracked separately. This accounting procedure is being undertaken as part of the District's overall goal to operate at the least cost and most financially efficient manner. As this was not budgeted for and Staff desires to track expenses more accurately, funds will need to be transferred from the Water Reserve fund and a new budget line item will need to be created. This budget line item is proposed to be: "Water Fund Budget, Operating Expenses, Item 50 Consulting Fees: Leland Thompson Water Treatment Plant Pressure Investigation in the amount of \$25,000.00.

Director Murphy moved, and Director Trowbridge seconded the Board of Directors consider approving and authorizing the General Manager to:

- 1. Execute an agreement with Krieger & Stewart for design services associated with the Leland Thompson Pressure Surge Investigation for a cost of \$24,500.**
- 2. Amend the FY 2021-22 Budget by moving \$25,000 from Water Fund Reserves and create in the Water Fund Operating Budget a new Line Item 50: Consulting Fees: Leland Thompson Water Treatment Plant Pressure Surge Investigation.**

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 12. CLOSED EXECUTIVE SESSION. Pursuant to Government Code Section 54956.9: Baker Litigation Case No. RIC2003649.

ITEM 13. Directors Comments

Ted Beckwith responded to Director Murphy's previous question at the meeting on what's going on with LAFCO and the adjustment of the district's boundaries. He stated the annexation package had been submitted to LAFCO and they came back to us with questions we are working on answering. They were asking a few other things about whether this changes our sphere of influence. We have a few questions we need to address before they fully review the application.

Mr. Sims: Regarding the building at 5473 Mission Blvd. we received some preliminary cost estimates. The goal is to have a presentation at the February 17, 2022 Board Meeting. Staff will ask Roger Clark to go through his work with the Board to understand costs. We are still waiting for the appraisal from the County of Riverside. I would like to have a decision by the first meeting of March on what we intend to do with the building.

Regarding the wastewater reserves, I just want to remind you that on the books, the District has \$76 million of physical plant as assets. With our reserve funding right now we're only bringing in around \$300,000 per year. It seems a bit light for an aged physical plant like we have. The Board

approved hiring IB Consulting to do our cost-of-service study and many variables will go into the financial model, with the level of reserves being one of the variables. My hope is that as we progress through this year, we will have a better sense on that, and we can come back and look at some of the reserve policies and get those in front of the board for potential modifications and updating.

B. Laddusaw: There are reserve policies that are from the 1980's that for whatever reasons have not been updated over the years. There's a strong argument to be made that those are probably outdated and need to be brought to today's standards and numbers.

Trueba: Will we have a separate meeting for that, to update the reserve policies?

Sims: The goal is to have a series of workshops as we go through the cost-of-service study. It seems the appropriate approach would be to work through the Finance Committee, which is a committee of the whole board. We'll do this in a methodical, logical fashion so that it's understandable. We need to feel that we are making the right decisions. That's why we all will go through the process.

Sims: Now that we have all the PFAS treatments in place, Brian, Lee, Ted, and Jeff have been meeting over the past few months to develop a "wholesale water rate" for the purpose of selling water to JCSD. I wanted to confirm that the PFAS treatments were working appropriately. The systems have been working since September. They have been working for about one quarter of the year and it appears our operators are making sense on how everything works and its working great. We have also been working with Webb and Assoc. to build an annual system demand for the District so we understand the system demand. The goal is to understand what surplus water we can produce and treat for water sales to JCSD. We have a meeting for January 31 to meet with Chris Berch, and Ben Armel of JCSD to go over what we can do (down to the numbers). We will probably call a special meeting to go over our game plan prior to the meeting. I would like to go into the meeting with confidence we could get the principles of the deal set up so we could quickly come back to the Board and get into the business of selling water so we can mitigate some of the expenses we have incurred for all the PFAS treatment.

Director Trueba adjourned the meeting at 5:16 PM.