

MINUTES OF REGULAR MEETING
June 4, 2020
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, Director of Finance
Brian Jennings, Manager Budgeting & Accounting
Miguel Valdez, Maintenance & Operations

Members of the Public: Councilman, Chris Barajas - phone

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by Director Muniz, at 4:00 P.M., Thursday, June 4, 2020, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for May 21, 2020, Special Board Meeting.

Director Skerbelis moved and Director Trueba seconded to approve the May 21, 2020 Regular Meeting Minutes.

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 June 5, 2020 the Salaries, Expenses and Transfers.

Consideration to Approve the June 5, 2020 the Salaries, Expenses and Transfers.

Director Skerbelis moved and Director Trueba seconded to Approve the June 5, 2020 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 at this time.

ITEM 7. CORRESPONDENCE AND RELATED INFORMATION

There were no correspondence or related information at this time.

ITEM 8. MANAGER’S REPORT

Operations Report:

Presented at the second meeting of the month.

Emergency and Fire Report:

Presented at the second meeting of the month.

ITEM 9. Consider Approval of District 401(a) Plan. DM 2020-39.

BACKGROUND

At its April 6, 2020 Board Meeting the Board Authorized the General Manager and Director of Finance & Administration to proceed with effort to establish a District 401(a) Plan (“Plan”).

Currently the District offers a 457(b) Plan to employees which allows employees to defer salaries up to the federally established annual deferral limit. The current annual deferral limit is \$19,500, and for employees 50 and older the deferral limit is \$26,000.

The General Manager Position employment contract provides a base salary plus a deferred contribution of a certain percentage of the base salary. Currently the deferred

contribution amount would have to be placed into the 457(b) Plan account of the employee and counts toward meeting the annual deferral limit.

With establishment of a District 401(a) Plan, deferred contributions by the District can be placed in the 401(a) Plan account for the employee leaving the full annual deferral limit amount of the 457(b) Plan available to the employee. There is no net cost to the District beyond the initial Plan establishment cost.

Staff has worked with Lincoln Financial and Best, Best & Krieger to prepare the following: 1) Rubidoux Community Services District 401(a) Retirement Plan, and 2) Trust Agreement for the Rubidoux Community Services District 401(a) Retirement Plan. These two documents if approved by the Board establish the Plan and Trust Agreement so the Plan can be administered in a manner consistent with all fiduciary requirements.

Director Murphy moved and Director Skerbelis seconded for the Rubidoux Community Services District Board President sign the following:

- 1. Rubidoux Community Services District 401(a) Retirement Plan**
- 2. Trust Agreement for the Rubidoux Community Services District 401(a) Retirement Plan**

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 10. Consider Consultant JPW Communications. DM 2020-40.

BACKGROUND

The Rubidoux Community Services District (“District”) is facing several issues that will involve significant expenses, including:

- 1. City of Riverside Lawsuit** – as the Board may recall the District is in a dispute with the City of Riverside regarding the City’s request for the District to make capital contributions on a prorated basis for upgrades and expansions made to the City’s wastewater treatment plant. It is anticipated in the next few months a final decision will be made by the trial court on the contribution amount. Cost associated with resolving the matter will have an impact on sewer rates.
- 2. Water Treatment Addition** – the State Water Resources Control Board Division of Drinking Water is in the process of issuing an Order to the District (see Notice of Intent – Attachment A) requiring additional testing and reporting for PFAS Compounds. All District wells are above the lowered Notification Limits and some are above the Response Limits. If above the Response Limits the District has three options: 1) notify all customers water is being delivered in excess of the Response Limit, or 2) take the well

out of service, or 3) add treatment to remove the contaminant. Treatment is the necessary course of action to maintain public confidence and reliability of supply. The initial cost to implement treatment will likely be around \$4 to \$5 million with added ongoing operational expenses. These additional expenses will have an impact on water rates.

3. Building Improvements – The District Administrative and Field Offices need rehabilitation or replacement. Options discussed include acquisition of the County Fleet Facility at the corner of Crestmore and Mission or building a new Operation Building on property behind the existing Administrative Building. Costs for this could range from \$3 to \$10 million. This type of an expense would impact rates.

Fortunately, the District has rates that remain comparatively low to most surrounding utilities. However, due to the pressing issues above, staff will need to begin the process of developing a financial and communication strategy to address probable rate adjustments. A financial consultant will be needed to evaluate ways to look at long-term strategies to spread out the impact of the costs. A communication consultant will be needed to help with development of a communication plan to help customers understand the necessity of the costs and their impacts on rates.

Staff has been in discussions with JPW Communications (“JPW”) regarding assistance with communications. This discussion began in March this year but got sidetracked due to COVID-19 issues. In the initial discussions JPW provided a proposal to assist the District with a Communication Work Plan and Approach. Given the cost associated with this, staff recommends an incremental approach and hire JPW for two initial efforts:

1. Develop a Frequently Asked Questions (“FAQ”) communication piece to include with customer bills and put on the District website discussing the currently proposed rate increases – a 5% wastewater increase starting in August 2020, and a 6% water increase starting January 1, 2021.
2. Conduct a two-hour communication workshop with the Board and staff members regarding the value and importance of public agency communications.

The cost for these two tasks is \$2,250.

After completion of Task 2, the Board can provide staff with direction on additional communication efforts.

Councilman Chris Barajas, member of the public, addressed the Board and advocated for moving forward with the hiring of JPW Communications.

Director Skerbelis moved and Director Trueba seconded the Board of Directors Authorize the General Manager to hire JPW Communications in the amount of \$2,250 using General Fund Operating Budget (Line Item 29 – Miscellaneous Expenses).

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 11. Consider Approval of Amendment 1 to Memorandum of Understanding providing for Cooperative Efforts to expand and Improve Water Supply Availability with Jurupa Community Services District and Western Municipal Water District. DM 2020-41.

BACKGROUND

The District and JCSD entered a MOU on March 23, 2020 with a goal of working together on projects to increase the quantity and quality of water for the benefit of both Community Services Districts (“CSD”). The MOU provides understandings regarding cost and benefit sharing for each of the projects worked on.

RCSD and JCSD are both public agencies within Western Municipal Water District’s (“WMWD”) service boundary. Both CSD’s contribute funding to WMWD through property taxes collected from customers within each respective CSD’s service areas. As a result, both CSD’s seek to amend the MOU to include WMWD as a party in investigating water supply alternatives, whether local or imported, that could increase potable water supply in an economical and efficient manner within the service areas. This was discussed with WMWD and WMWD requested joining. As the imported water supplier for the region, WMWD has many aligning goals and could provide great support for any proposed project.

WMWD’s rights and obligations under this Amendment are limited to the following:

- WMWD may decide, in its sole discretion and to what extent, to participate with RCSD and JCSD in the investigations for additional water supply projects as described in the MOU; and
- Notwithstanding the cost sharing provisions in the MOU, it is acknowledged and agreed WMWD’s participation will initially be limited to in-kind services by WMWD’s staff; and
- Further participation by WMWD in the MOU shall be subject to a subsequent written amendment between the Parties.

Having additional support is welcomed and may help accelerate implementation of projects and make grant applications more attractive to funding entities.

Councilman Barajas advocated partnership with both JCSD and WMWD.

Director Murphy moved and Director Trueba seconded the following:

- 1. Approve the attached Amendment 1 to Memorandum of Understanding (MOU) Providing for Cooperative Efforts to Expand and Improve Water Supply Availability with Jurupa Community Services District and Western Municipal Water District.**
- 2. Authorize the General Manager to sign Amendment 1 to the MOU, subject to non-substantive changes.**

Roll Call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 12. Consider Notice of Completion for the Jurupa Hills Lift Station Project – WEKA Construction. DM 2020-42.

BACKGROUND

At the June 20, 2019 regular Board Meeting of the Rubidoux Community Services District (“District”), the Board awarded WEKA, Inc. a construction contract for the construction of the Jurupa Hills Lift Station Replacement Project (“Project”). The award amount was \$535,033.00. In addition to the award of the construction contract to WEKA, Inc., the Board also approved work by Center Electric for additional electrical work, and TKE Engineering Inc. for required construction management and inspection services. Details regarding this action is memorialized in DM 2019-33.

The Project was necessary to replace an aged lift station that services the Cascade Mobile Home Park (325 units) and 190 single family homes. The new lift station will increase service reliability and minimize potential for sewage spills.

The Project is now complete. The next step is to file a Notice of Completion (“NOC”) with Riverside County Recorder office. Filing of the NOC starts a 35-day period for any person or entity to file a claim for services or materials used by WEKA, Inc. that have gone unpaid. It also is the period for WEKA, Inc. to file any claims with the District for Project disputes. Once the 35-day period ends and there are no claims, the District will release held retention to WEKA, Inc.

The total WEKA, Inc. contract with change order is \$550,614,90. To date, the contractor has been paid \$523,084.16. This represents 100% of the contract amount with approved change orders less \$27,530.74 of held retention.

Director Murphy moved and Director Trueba seconded the Rubidoux Community Services District Board of Directors:

- 1. Accept the work performed by WEKA, Inc. for the construction of the Jurupa Hills Lift Station Replacement Project as complete and conforming to District Specifications.**
- 2. Authorize the execution and filing of the Notice of Completion for the Project in the amount of \$550, 614.90 which starts the 35-day period to file any claims associated with the Project.**

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 inquired about when customers will be allowed to come into the District to make payments in person. Mr. Sims responded that we are waiting for the Governor to lift the restrictions, which appears to be slowly occurring.

Director Muniz adjourned the meeting at 4:39 pm.