

**MINUTES OF REGULAR MEETING**  
**June 20, 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, June 20, 2019, at the District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

**ITEM 4. APPROVAL OF MINUTES**

Approval of Minutes for June 6, 2019, Regular Board Meeting.

**Director Skerbelis moved and Director Muniz seconded to approve June 21, 2019 Minutes.**

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

**Noes – 0**

**Abstain – 0**

**The motion was carried unanimously.**

**ITEM 5. Consideration to Approve the June 21, 2019 the Salaries, Expenses and Transfers.**

Consideration to approve June 21, 2019, Salaries, Expenses and Transfers.

**Director Muniz moved and Director Skerbelis seconded Approve the June 21, 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 is operating normally.

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

The Incident Report for May 1 – May 31, 2019 there were a total of 265 calls for Station 38. There was a total of 278 for the District (including 38) for the month. Staff is working with the fire department to present the report in the way the Board is accustomed to seeing it.

#### **ITEM 9. Receive and File Statement of Cash Asset Schedule Report Ending May 2019. DM 2019-32.**

##### **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 \$373,295.13 for District controlled accounts. With respect to District “Funds in Trust”, we show \$16,890.54 which has been earned and posted. The District has a combined YTD interest earned total of \$389,952.13 as of May 31, 2019.

With respect to the District’s Operating Funds (Excluding Restricted Funds and Operating Reserves), we show a balance of \$5,622,526.95 ending May 31, 2019. That’s **\$336,300.63 LESS** than July 1, 2018, beginning balance of \$5,958,827.00.

Further, the District’s Field/Admin Fund current fund balance is just over \$476,910.44.

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

**Director Trowbridge moved and Director Muniz seconded to Receive and File the Statement of Cash for the Month of May 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. Award a Construction Contract for the Jurupa Hills Lift Station Replacement Project. DM 2019-33.**

**BACKGROUND**

On June 11, 2019 the District received and opened four sealed bids for the replacement of the Jurupa Hills Lift Station. The Jurupa Hills Lift Station is located on the Jurupa Hills Country Club property and serves the Cascade mobile home park (325 units) and 190 single family homes to the west of the lift station. A map of the area is attached as Exhibit “A”. Authorization to solicit sealed bids was approved by the Board at the May 2, 2019 regular meeting.

The existing lift station was constructed in the mid-60’s and has reached the end of its useful life. Increased maintenance and scarcity of replacement parts is becoming critical. The replacement of the lift station was identified as essential in the District’s 2015 Wastewater Master Plan. The four bids received were from Weka, Norstar, SCW, and Metro Builders & Engineers and ranged from \$535,033.00 to \$1,312,110.00. The low bid was received from Weka, Inc. in the amount of \$535,033.00. Weka’s bid documents were reviewed, and no irregularities were noted.

In order to better manage and inspect this project, Staff requested an engineering services proposal from TKE to provide necessary construction management and inspection (CM&I) services. TKE’s CM&I proposal is \$48,000.00.

In addition to the above, minor electrical modifications will be necessary to complete the electrical reconnection. Center Electric has estimated this work to be no more than \$40,000.00.

Finally, it is prudent to recognize the unknown and establish a contingency I the amount of 5% of the construction cost or \$27,000.00 (rounded).

The following is a summary of the project costs to complete the work:

Construction (Weka)	=	\$535,033.00
Addl. Electrical (Center)	=	\$40,000.00

CM&I (TKE)	=	\$48,000.00
Contingency (5%)	=	<u>\$27,000.00</u>

**Total to complete the Work = \$650,033.00**

The construction of the Jurupa Hills Lift Station will be funded from the Wastewater Capital Reserve Fund which currently has a balance over \$3 million as of May 31, 2019.

**Director Muniz moved and Director Trowbridge seconded the following for the Rubidoux Community Services District:**

- 1. Award the construction of the Jurupa Hills Lift Station Replacement Project to Weka, Inc. in the amount of \$535,033.00;**
- 2. Approve the additional electrical work by Center Electric for \$40,000.00;**
- 3. Approve the Construction Management & inspection services from TKE Engineering, Inc. in the amount of \$48,000.00;**
- 4. Approve a construction contingency in the amount of \$27,000.00; and,**
- 5. Approve and Encumber a total project cost to complete the Jurupa Hills Lift Station Replacement project budget in the amount of \$650,033.00.**

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

**Noes – 0**

**Abstain – 0**

**The motion was carried unanimously.**

**ITEM 11. Award a Construction Contract for the Agua Mansa Sewer Brine Line Reconnection Project. DM 2019-34.**

**BACKGROUND**

On June 11, 2019 the District received and opened five sealed bids for the construction of the Agua Mansa Sewer Brine Line Reconnection project. The project consists of approximately 300 feet of existing 8” VCP pipe. A map of the project area is attached as Exhibit “A”. Authorization to solicit bids was approved by the Board at the May 2, 2019 regular meeting.

Last year the City of Riverside, and the RCSD reduced the local Total Dissolved Solids (TDS) discharge limit for industrial customers from 2,500 mg/l to 1,210 mg/l. All RCSD industrial customers are complying with the more restrictive limits except Aramark, therefore they must purchase capacity and “shift” their discharge to the brine line which is approximately 800 feet away. This project redirects Aramark’s industrial discharge from our sewer system to the Inland Empire Brine Line which in turn frees hydraulic capacity in our system allowing future customers to connect to the sewer without the need for additional sewer infrastructure.

The five bids received from SRD engineering, Weka, Trautwein Construction, Kirtley Construction, and Norstar; and ranged in price from \$306,281.00 to \$597,740.00. The low bid was received from SRD Engineering, Inc. in the amount of \$306,281.00. SRD's bid documents were reviewed with no irregularities noted.

Finally, although this is a relatively simple project, it is prudent to recognize the unknown and establish a contingency in the amount of 5% of the construction cost or \$15,000.00 (rounded).

The construction of the Agua Mansa Sewer Brine Line Reconnection project has been included in the to be adopted in the FY 2019-2020 Sewer Capital Improvement Fund Budget with a budgeted amount of \$322,000.00. Further, the current Sewer Capital Improvement Fund has a balance over \$3 million as of May 31, 2019.

**Director Muniz moved and Director Murphy seconded the following for the Rubidoux Community Services District:**

- 1. Award the construction of the Agua Mansa Sewer Brine Line Reconnection project to SRD Engineering, Inc. in the amount of \$306,281;**
- 2. Establish a construction contingency in the amount of \$15,000.00; and**
- 3. Approve and Encumber a total project cost to complete the Agua Mansa Sewer Brine Line Reconnection project budget in the amount of \$322,000.00.**

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

**Noes – 0**

**Abstain – 0**

**The motion was carried unanimously.**

**ITEM 12. Consideration to Purchase Two Carbon Vessels for Well No. 2. DM 2019-35.**

### **BACKGROUND**

Well No. 2 is located behind the Rubidoux Community Service District's ("District") administrative building on Rubidoux Boulevard and produces 800 gallons per minute of water. Last year the District added Granulated Activated Carbon ("GAC") treatment to the well to remove 1,2,3 – Trichloropropane ("TCP").

GAC treatment is accomplished within two steel vessels each containing 20,000 lbs. of GAC. The treatment process involves introducing the Well No. 2 water at the top of each vessel filled with GAC. As the water filters down through the GAC in the vessels, the GAC absorbs the organic TCP contaminants. Operators monitor TCP concentrations at

various levels in the tank and at the discharge point to: 1) verify TCP is at or lower than the current drinking water level of 5 parts per trillion (5 ug/l), and 2) determine when the GAC in the tank has been exhausted and needs to be replaced. Since implementing GAC treatment in June 2018, TCP has been non-detect in product water delivered to the system and deemed effective.

To initiate the GAC treatment process, last spring the District entered into a lease arrangement with ProAct Services Corporation/Carbonair for two 20,000 lb GAC vessels. After the initial delivery and lease period of five months, the ongoing lease cost for the two vessels is \$9,000.00 per month plus tax.

Given the effective results of TCP removal with GAC treatment, the lease vendor was asked to provide the District with a proposal for the District to purchase the two vessels. ProAct Services Corporation/Carbonair, who the lease arrangement is with the acquired by Evoqua Water Technologies (“Evoqua”) on July 27, 2018. Evoqua has provided the District with a proposal for the purchase of the two vessels. The proposal is included as Attachment 1. The purchase price is \$141,626.14 plus tax with a provision requiring the District to purchase GAC replacement services for two years after purchase. Evoqua has priced GAC replacement services at approximately \$79,593 per replacement. This cost for GAC replacement is comparable to pricing the District could achieve on its own. The GAC replacement service is estimated to occur approximately every ten to twelve months and includes delivery and installation of 40,000 lbs. of new GAC, and removal and disposal of the old GAC. Cost for GAC replacement is not a capital expense and will be included in the “R&M Water System” line item in the annual Water Fund Budget.

Staff performed an analysis to compare the annual unit cost per acre-foot of water produced at Well No. 2 under two scenarios:

1. Ongoing lease of the two GAC vessels
2. Purchase of the two GAC vessels

The analysis uses a 20-year life for the vessels and makes various assumptions for energy, chlorine, labor and reserves for well equipment and vessel rehabilitation and replacement costs. A 3% interest rate was used to value loss interest earnings if the purchase price was left in District reserves and invested rather than used to buy the vessels.

Results of the analysis show that purchase of the vessels has an annual savings of \$86,391 when compared to an ongoing lease arrangement. The payback period is 22 months.

**Director Trowbridge moved and Director Muniz seconded the General Manager do the following for the Rubidoux Community Services District:**

- 1. Provide notice to Evoqua of its intent to terminate the current lease agreement for the two 20,000 lb. GAC vessels as of July 31, 2019; and**
- 2. Execute a purchase agreement with Evoqua to purchase the two existing 20,000 lb. GAC vessels for \$154,018.43 with the condition that the District**

**will continue using Evoqua for two years after date of purchase for carbon services subject to specified limitations on pricing increases.**

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

**Noes – 0**

**Abstain – 0**

**The motion was carried unanimously.**

**ITEM 13. PUBLIC HEARING – Consideration to Adopt Ordinance No. 2019-124, an Ordinance Authorizing a Wastewater Adjustment for the Regional Sewer Treatment (RST) Component of the Wastewater Charges to all Residential, Commercial and Industrial Customers. DM 2019-36.**

### **BACKGROUND**

At the March 7, 2019 regular meeting of the Rubidoux Community Services District, Staff presented DM 2019-08 to the Board which outlined the need to maintain a fiscally sustainable water and wastewater rate plan. Due to the City of Riverside's increasing treatment costs, the Riverside Sewage Treatment (RST) portion of the wastewater charges necessitate an increase of 5%. This increase to the RST component of the wastewater charge is pursuant to Prop. 218 and compliant with AB 3030. The attached Ordinance No. 2019-124 puts into effect the RST adjustment which results in an additional \$0.98/month for each EDU. Consequently, the total monthly rate would be adjusted to \$26.66/month for each residential EDU and prorated for commercial and industrial accounts. The change will be effective July 1, 2019. The first reading of Ordinance No. 2019-124 was presented to the Board at the May 16, 2019 regular meeting.

This afternoon's Public Hearing for Ordinance No. 2019-124 was posted at our office, on our website, and noticed in the Press-Enterprise Newspaper.

Finally, as of the writing of this DM, the District has not received any oral or written comments as it pertains to Ordinance No. 2019-124.

**President Trueba opened the Public Hearing. There being no comments from the public, President Trueba closed the Public Hearing.**

**Director Muniz moved and Director Murphy seconded adoption of the 2019-2020 and 2020-2021 Budgets to the Rubidoux Community Services District Board of Directors.**

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

**Noes – 0**

**Abstain – 0**

**The motion was carried unanimously.**

**ITEM 14. PUBLIC HEARING – Consideration to Adopt Draft Rubidoux Community Services District Operations and Capital Improvement Budgets for Fiscal Year 2019-2020 and 2020-2021. DM 2019-37.**

**BACKGROUND**

Attached for the Board of Directors' consideration is the proposed 2019-2020 and 2020-2021 budgets for the Rubidoux Community Services District's (District) Operating and Capital Funds. Pursuant to Board authorization, Staff has noticed tonight's Public Hearing in the Press Enterprise and on the District web site. Additionally, the draft budget document was made available for inspection at the office.

As the Board is aware, the proposed budget incorporates adjustments to the wastewater and solid waste funds enterprise operations and services pursuant to Prop. 218. While no one likes increases, the adjustments are necessary for the continued safe operation and maintenance of our services.

Finally, in the General Fund we project a 2.0% increase to our secured property tax base between FY 2019-2020 and FY 2020-2021.

The Capital Improvement Budgets reflect the District's **Pay as You Go (PAYGO)** policy. With all Capital Improvement project proposed, District Staff always recommends a finance plan to pay for subject improvement(s) for Board authorization and approval. Additionally, while not guaranteed, the District expects to resume selling surplus water to the JCSD sometime during the next fiscal year. Going forward, efficiency of water use is now the State's mantra. We look forward to the challenges the next two (2) years, FY 2019-2020 and 2020-2021 may bring.

As of the writing of this memorandum the District has not received any comments, written or oral. The purpose of tonight's Public Hearing is to receive testimony from the general public with respect to the draft budget. At the conclusion of tonight's Public Hearing, Staff recommends adopting the proposed 2019-2020 and 2020-2021 Budgets.

**President Trueba opened the Public Hearing. There being no comments from the public, President Trueba closed the Public Hearing.**

**Director Muniz moved and Director Trowbridge seconded adoption of the 2019-2020 and 2020-2021 Budgets to the Rubidoux Community Services District Board of Directors.**

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

**Noes – 0**

**Abstain – 0**

**The motion was carried unanimously.**



**ITEM 15. CLOSED EXECUTIVE SESSION – Pursuant to Government Code Section 54956.9: Real Property Negotiations.**

Property: 5293 Mission Blvd. Jurupa Valley, CA

Agency Negotiator: Steven Appel

Under negotiation: Purchase/No purchase, price, and terms

**ITEM 16. Directors Comments.**

Director Trueba adjourned the meeting at 5:21 pm.