

MINUTES OF REGULAR MEETING
April 20, 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
Martha Perez, Customer Service / Accounts Payable
Manager
Miguel Valdez, Director of Operations
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, April 20, 2023, in-person and by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

***Director Murphy requested Agenda Item 11 be moved up to after Item 6. There were no objections.**

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for April 6, 2023, Board Meeting.

Director Skerbelis moved, and Director Trueba seconded to approve the April 6, 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 April 21, 2023, Salaries, Expenses and Transfers.

Consideration to Approve the April 21, 2023, Salaries, Expenses and Transfers.

Director Skerbelis moved, and Director Murphy seconded to Approve the April 21, 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 was no one in attendance.

ITEM 11. Consider Professional Services Contract for General Engineering Consulting with Leppa, LLC. DM 2023-41.

BACKGROUND

Staff desires sound input on the background of several issues important to the District and has reached out to former General Manager (GM) Steve Appel for assistance. Steve Appel's 25 years as Assistant General Manager (AGM) at the District and subsequent service as the GM gives him institutional knowledge from which current management can benefit greatly. Staff requested a proposal from Mr. Appel to assist in gaining better knowledge of these issues and others which may surface from time to time.

A partial list of items for which Mr. Appel can assist are as follows:

1. Identify all District Owned Property
2. Identify and work out easement issues for Jurupa Hills Country Club Villas
3. Background information for sewer and water facilities serving The Project at Jurupa Valley (Emerald Meadows)
4. Background information on the Cell Tower Lease at the Goldenwest Reservoir Site
5. Information on abandoned and non-potable well sites, most notable Well 5.

The District received a proposal from Appel's engineering firm, Leppa, LLC to assist in these matters in the amount of \$8,000. Staff believes there may be other assistance needed going forward so has determined this effort should be funded in the amount of \$10,000. As this opportunity was not known or considered when preparing the Fiscal Year 2022-23 Budget a budget amendment will be necessary. It appears appropriate to split these duties amongst the General Fund, Water Fund and Sewer Fund by 10%, 70% and 20%, respectively so Staff requests a budget amendment to move \$1,000 from the General Fund Reserves to the General

Fund, \$7,000 from the Water Fund Reserves to the Water Operations Fund and \$2,000 from the Sewer Fund Reserves to the Sewer Operations Fund to fund this effort.

Steve Appel was in attendance via Zoom call and he clarified the information listed above and answered questions from the Board members.

Director Murphy moved and Director Trueba seconded the Board of Directors approve the General Manager to do the following:

- 1. Amend the approved District Budget for FY 2022-23 by moving \$1,000 from the General Fund Reserve to the General Fund; moving \$7,000 from the Water Fund Reserve to the Water Fund and \$2,000 from the Sewer Fund Reserve to the Sewer Fund.**
- 2. Authorize signing a Professional Services Contract and the expenditure of up to \$10,000 for various as needed engineering support services with Leppa, LLC.**
- 3. Issue phased Task Orders to Leppa, LLC in the not-to-exceed amount of \$10,000 for various services as needed by the District.**

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 7. CORRESPONDENCE AND RELATED INFORMATION

There was an article from the L.A. Times titled the “Drought-ravaged Colorado River gets relief from snow. But long-term water crisis remains”. It talks about the Rocky Mountains and when the snowpacks melt, they will runoff into the Colorado River and it will hopefully increase water supplies. Metropolitan Water District is dependent on the Colorado River.

ITEM 8. MANAGER’S REPORT

Operations Report:

Miguel Valdez reported on the water/wastewater report for the month of March, production was an average of just under 2.71 mgd per day and an average of 1.7 mg/day was the wastewater flow to Riverside. On average 0 mg/day of water to JCSD. The projected sales to JCSD are at zero sales currently. Well No. 1 produced 0% of the water, Well No. 2 produced 20%, Well No. 4 produced 4% and Well No. 6 produced 8%, Well No. 8 produced 68% and Well No. 18 produced 0% of the water.

Emergency and Fire Report:

Battalion Chief Chris Tate reported the Incidents Reported for the month of March 2023 and Special District Rubidoux CSD. Station 38 had a total of 323 calls. 236 calls, 73.1% were medical aides. Additionally, there was a report for the City of Jurupa Valley. There were 32 False Alarms, 9.9%, 2 Other Misc, 0.6%, 8 Other Fire, 2.5%, 13 Public Service Assist, 4.0%, 2 Standby, 0.6%, 26 Traffic Collisions, 8.0%, 1 Vehicle Fire, 0.2% and 1 Wildland Fires, 0.3%. That was 50 calls over for the month in the last 10 years.

Brian Laddusaw had some updates for the board. The mayor's breakfast: confirmations from Directors Skerbelis, Muniz and Murphy. Director Trueba will be attending via the Lions club. Meet the Machines event was the previous Saturday and Brian felt it was successful. Brian thanked Miguel and his team for attending and being there. He showed some slides from the event. Brian is trying to coordinate some tours with Burrtec at the transfer station and would like to know if any members are interested in attending. Additionally, the City of Riverside Wastewater Treatment Plant have inquired if any board members are interested in touring that facility as well. Lastly, if any board members are interested in touring any of the RCSD facilities, please let staff know.

There was an AD HOC building committee meeting today. Ted Beckwith, District Engineer, gave an update to the board with a power point presentation regarding the new building and what will be going on in the upcoming months.

ITEM 9. Consideration to Approve Solid Waste Rate Increase for FY 2023-2024 and Authorize Staff to Prepare and Set Solid Waste Hearing Pursuant to Proposition 218. DM 2023-39.

BACKGROUND

On March 8, 2023, the Solid Waste ("Trash") Committee of the Rubidoux Community Services District ("District") Board of Directors (Directors Murphy and Skerbelis) met with staff and the District's representative from Burrtec Industries ("Burrtec") to discuss Burrtec's draft proposed rate increases to the trash rates for FY 2023-2024. The District's representative explained for a typical residential customer (90-gallon can), the rate was projected to increase from \$34.09/month to \$37.33/month, a \$3.24/month increase, or 9.50%.

The rates presented to the Trash Committee on March 8, 2023, were in draft form as Burrtec had not yet received the final County of Riverside pass-through landfill "tipping" fee. This fee was finalized by Burrtec on March 28, 2023, and resulted in an additional increase of \$.02/month for a 90-gallon can. At the conclusion of the Trash Committee meeting, both Committee members voted to approve the rate increase knowing the rates were subject to change. At the direction of the Trash Committee on March 8, 2023. As a \$.02/month increase for a 90-gallon can does not represent a material change, the final rates are being agendized at this evenings Board meeting for the full Boards consideration and authorization. If authorized, staff will prepare the necessary Proposition 218 notice to all affected customers and/or property owners.

The example of a residential 90-gallon Can is used as this represents the District's larger customer base. The rate increase for purposes of this example is comprised of the following:

Cost Component	Current FY 22 23 (\$)	Proposed as of 3/8/23			Final as of 3/28/23		
		FY 23 24			FY 23 24		
		(\$)	(\$)	(%)	(\$)	(\$)	(%)
CPI (8.70%)	\$ 17.85	\$ 19.40	\$ 1.55	8.68%	\$ 19.40	\$ 1.55	8.68%
Rate Shortfall (Cap CPI at 6%)	\$ -	\$ (0.48)	\$ (0.48)	0.00%	\$ (0.48)	\$ (0.48)	0.00%
Landfill tipping fee	\$ 8.78	\$ 8.67	\$ (0.11)	-1.25%	\$ 8.69	\$ (0.09)	-1.03%
Recycling	\$ 1.74	\$ 2.05	\$ 0.31	17.82%	\$ 2.05	\$ 0.31	17.82%
Mixed Organics	\$ 4.72	\$ 5.54	\$ 0.82	17.37%	\$ 5.54	\$ 0.82	17.37%
SB 1383 Admin Fee	\$ -	\$ 0.90	\$ 0.90	0.00%	\$ 0.90	\$ 0.90	0.00%
RCSD Admin Fee	\$ 1.00	\$ 1.25	\$ 0.25	25.00%	\$ 1.25	\$ 0.25	25.00%
Total	\$ 34.09	\$ 37.33	\$ 3.24	9.50%	\$ 37.35	\$ 3.26	9.56%

A description of the various cost components of the trash rate is as follows:

- CPI – This cost is the service component of Burrtec which is adjusted via the consumer price index (“CPI”) on an annual basis. This amount is kept by Burrtec.
- Landfill, Recycling, Mixed Organics – These costs are pass-through costs from the County of Riverside for each components’ respective “tipping” fees and are not controlled by Burrtec. Beginning in FY 22-23, Mixed Organics includes green waste and food waste, the latter being a stipulation of SB 1383.
- SB 1383 Admin Fee – This is the District’s customers share of the administrative and compliance components of SB 1383 paid to Burrtec.
- RCSD Admin Fee – This is the District administrative monthly charge per residential customer. This is the amount retained by the District to fund customer service and administrative costs of operating the Solid Waste enterprise.

In the proposed residential rates for FY 23-24, the largest components of the increase relate to:

- CPI (service charge) – The increase in this cost component correlates to the overall CPI increase based upon Riverside-San Bernardino-Ontario index as published by the U.S. Bureau of Labor Statistics. Current year CPI was calculated at 8.70%. To offset the financial burden a high inflation period has placed on the District’s residential customers, Burrtec capped the CPI component at 6.0%, resulting in a cost savings for a typical residential customer with a 90-gallon can of \$.48/month.
- Recycling – The recyclables industry has continued to struggle over the last couple of years with declining global and domestic commodity values which are used to help offset recyclables processing costs. Some developing and emerging countries who used to accept recyclables in the past are now capping the import of certain recyclables or no longer receiving them all together. This has shifted the need to market recyclables domestically.
- Mixed Organics – In the prior year rate, mixed organics included food waste for the first time. The prior year tipping fee was estimated at \$80.00 per ton as actuals were not known at the time. With data actuals over the last year, the tipping fee was adjusted upwards to a more accurate amount.

- SB 1383 – New fee in the current year. Paid to Burrtec to help the District administer and remain compliant with many but not all of the requirements of SB 1383. Key elements include education and outreach, procurement of renewable organic waste products, annual contamination monitoring, changes to new and existing equipment including bin colors and labeling requirements, waste generator site visits and waiver/alternative service verifications, documentation and recordkeeping and annual reporting.

Full illustration purposes, District staff has highlighted the impacts the rate increase will have on a typical residential customer (90-gallon can). A full list of the services provided by Burrtec and the new proposed rates for those services for FY 2023-2024 are attached to this Director's Memorandum.

If authorized by the full Board, the following rate implementation schedule is proposed:

- April 20, 2023 – Board consideration to authorize staff to initiate Proposition 218 process for increase in solid waste rates.
- No later than May 1, 2023 – Mail Proposition 218 notices to property owners and renters.
- April 27, 2023 – Draft resolution available at the District office and on the District website.
- June 15, 2023 (Board Meeting) – Protest Election and Hearing for the proposed solid waste rates.
- June 15, 2023 (Board Meeting) – Adopt the Rate Adjustment Resolution.
- July 1, 2023 – New solid waste rates in effect.

Director Murphy moved, and Director Trueba seconded the Board of Directors authorize the General Manager to:

1. **Prepare and set the Solid Waste Protest Hearing pursuant to Proposition 218 for consideration of increased Solid Waste customer rates.**
2. **Prepare a draft resolution for the solid waste rate increases for the Board to consider and adopt subsequent to the Protest Hearing.**

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 March 2023. DM 2023-40.

BACKGROUND

Attached for the Board of Directors' consideration is the February 2023 Statement of Cash Asset Schedule Report for all District Fund Accounts. Our YTD interest is \$230,768.17 for District controlled accounts. With respect to District "Funds in Trust", we show \$9,107.66 which has been earned and posted. The district has a combined YTD interest earned total of \$239,875.83 as of March 31, 2023.

The District's Operating Funds (Excluding Restricted Funds and Operating Reserves), we show a balance of \$13,366,394.33 ending March 31, 2023. That's **\$4,356,208.08 MORE** than July 1, 2022, beginning balance of \$9,010,186.25.

Further, the District's Field/Admin Fund current fund balance is \$729,755.77.

Submitted for the Board of Directors consideration is the *March 2023, Statement of Cash Asset Schedule Report* for your review and acceptance this afternoon.

Director Muniz moved, and Director Murphy seconded to Receive and File the Statement of Cash for the Month of March 2023 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 12. Directors Comments

Director Muniz inquired as to when his term expires.

Director Murphy thanked staff for coming out to the Meet the Machines event.

Some time in May there will be a Closed Session to discuss the information in the envelopes that were handed out.

Director Trowbridge moved and Director Murphy seconded the Board of Directors reconsider Item 4, the Minutes for April 6.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

Director wanted to change the approval for the March 16, 2023 Minutes. Director Murphy clarified and GM Laddusaw concurred that the proposed Minutes were being approved on April 6.

Director Muniz moved and Director Trueba seconded the Board of Directors approve the Minutes as presented.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

Director Trowbridge requested staff agendaize the director's stipend. He would like it to be on the May meeting and agendaized for a vote. He would like to eliminate the provision for automatic increases. Director Murphy directed staff to re-agendaize the rate increase for action for the May 4th meeting. It will be the same proposal without the automatic increases.

Director Murphy adjourned the meeting at 5:24 PM.