

**MINUTES OF REGULAR MEETING
October 6, 2022
RUBIDOUX COMMUNITY SERVICES DISTRICT**

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

DIRECTORS ABSENT:

STAFF PRESENT: Jeff Sims, General Manager
Brian Laddusaw, Finance Director
Ted Beckwith, District Engineer
Brian Jennings, Customer Service 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, October 6, 2022, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for September 15, 2022, Board Meeting.

Director Skerbelis moved, and Director Muniz seconded to approve the September 15, 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 October 7, 2022, Salaries, Expenses and Transfers.

Consideration to Approve the October 7, 2022, Salaries, Expenses and Transfers.

Director Trowbridge moved, and Director Muniz seconded to Approve the October 7, 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

Western Municipal Water District will be hosting an annual retail water agency roundtable meeting on November 17, 2022. Director Trowbridge should have received an email for the meeting, as well as a calendar invite.

Brian Laddusaw reported that the new water heater was installed at the fire station. The sign is still being worked on. Ted Beckwith reported that the security fencing improvement plan is done and we are getting the cost estimates put together.

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.

***Mr. Jeff Sims requested that Item 14 be moved to after Item 9.**

ITEM 9. Rubidoux Community Services District Cost of Service Study Update and Schedule. DM 2022-88.

BACKGROUND

Periodically utilities like Rubidoux Community Services District (“District”) perform a cost of services study (“COSS”) to evaluate needed revenue against anticipated expenses. This effort provides the nexus to establish proposed rates and fees charged. In 2019 the District completed its last COSS and adopted a five-year rate plan after proper notice and conducting of a public hearing consistent with Proposition 218 requirements.

Since the 219 COSS, staff has identified substantive issues related to the District’s water and sewer enterprises. These include in part added treatment expense for PFAS contaminant removal, and major maintenance/asset replacement costs associated with both enterprises. These identified expenses create added revenue requirements unaccounted for in the current five-year rate plan. To address, approximately a year ago, staff began the process of updating the District COSS with a goal of adopting a new five-year rate plan. Below is a table showing the schedule of events done to date and going forward:

Date	Event
10/7/2021	Board Authorized Hire of Water Resources Economics to assist with Rate Study process
10/20/2021	Issued RFP for Cost-of-Service Study
12/3/2021	Proposal Due
12/15/2021	Interviewed Prospective Consultants
12/22/21	Selected/Negotiated with IB Consulting
1/6/2022	Board Approved IB Consulting
2/9/2022	Kick off meeting with IB Consulting – Staff and WRE
3/17/2022	Board Workshop – Rates 101 Workshop
4/21/2022	Board Workshop – Financial Planning and Reserves Workshop
6/16/2022	Board Workshop – Long Term Financial Plans Workshop
9/14/2022	Board Workshop – Long Term Financial Plans and Proposed Rates Workshop
Next Steps	
10/20/2022	Board Meeting – Receive Administrative Report on the Rate Study/Issue Prop 218 Notice
12/15/2022	Public Hearing on Adopting Rates
July-23	Rates Implemented

IB Consulting has assisted the District with the COSS and to date has held four Board workshops to keep the Board apprised of the COSS process and of the proposed rate plan.

This Director Memorandum is informational only. The Board of Directors will on October 20, 2022, receive the Administrative Report supporting the proposed rate plan and authorizing the Proposition 218 Notice. The public hearing notice for Prop 218 requires the Administrative Report shall be posted, and the public hearing noticed a minimum of 45-days prior to the public hearing date. To be able to hold the public hearing on December 15, 2022, it is staff’s intent to have IB Consulting present the Administrative Report supporting the proposed rates – water enterprise, sewer enterprise, and drought rates on October 20, 2022.

General Manager Sims gave a presentation with the Cost of Services Study Update and Schedule. Sanjay added that the drought rates will be presented later on, it will be another aspect of the study; it will be very important. Later on, we will also be looking at capacity fees. The administrative record will be presented at the next board meeting.

No Action, Information Item only.

ITEM 10. Consideration to Adopt Resolution No. 2022-898, a Resolution Regarding the Disposal of Surplus District Personal Property. DM 2022-89.

BACKGROUND

Pursuant to Water Code Section 71690, the Rubidoux Community Services District (“District”) is authorized to hold, use, enjoy, lease, or dispose of real and personal property of every kind. The District does not routinely surplus real property due to the expectation of future development and the anticipated need for additional water, sewer, and/or fire infrastructure. Real property is generally understood to consist of owned property, grants of easements, or licenses in favor of the District.

The District regularly purchases personal property based upon the needs of the District and its staff. Personal property consists of equipment and materials purchased by the District to enable the District to accomplish its mission. Over the years, as equipment becomes worn, outdated, inadequate, or near the end of its useful life, the District will replace the personal property and surplus the existing. It has been District practice to identify, catalog, and store unused property until there is an accumulation of equipment and materials where storage is no longer practical and surplusing is necessary. This is accomplished via Director’s Memorandum at a regularly scheduled Board meeting.

The District has never adopted via resolution a formal policy establishing procedures under which the District may dispose of surplus personal property. District staff believes adopting a resolution, establishing specific surplus personal property criteria and parameters is a necessary and prudent business practice. This will alleviate the administrative burden of preparing new Director’s Memorandums each time the District intends to surplus personal property.

Staff recommends the Board consider and adopt Resolution No. 2022-898, “A Resolution Regarding the Disposal of Surplus District Personal Property.” Resolution No. 2022-898 addresses the following:

- Authority to dispose of surplus personal property
- Maximum values for which personal property may be surplused under the Resolution
- Methods in which personal property may be surplused
- Prohibited participation

Financial Consideration

Substantially all District personal property utilized to the end of its useful life will likely have minimal to no salvage value with the exception being District vehicles. It has been District practice to surplus aged vehicles to dealerships for trade-in credits against new vehicle purchases.

For monies received on capitalized assets, the surplused sales price in excess of the net book value (original cost – accumulated depreciation) will be recorded as a gain to the respective fund “carrying” the asset. Alternatively, a capitalized asset sold for less than its current net book value will be recorded as a loss on the District’s General Ledger. Monies collected from surplusing of non-capitalized assets, including scrap metals, will be recorded as other income in its respective fund.

Director Murphy moved, and Director Trueba seconded the Board of Directors to amend the language in Section 7 Prohibited Participation first sentence from any immediate family **add the phrase or “any co-habiting individual of any such person”.**

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

Director Murphy moved, and Director Skerbelis seconded the Board of Directors adopt Resolution No. 2022-898, a Resolution Regarding the Disposal of Surplus District Personal property.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 11. Consider Award of Professional Services Contract to Webb and Associates for the Design of the Avalon Street Sewer from Raye to Mission Blvd. DM 2022-90.

BACKGROUND

There are two developments on the northeast side of the 60 Freeway under active development by Century Communities and Highpointe Development (collectively, the Developers). These new developments will create new sewer flows proposed to be collected by a new sewer under design and construction along Avalon Street from the intersection of Alta Street and Avalon Street under the 60 Fwy to Raye Street. This sewer is being constructed under a previous reimbursement agreement between Century Communities and the District.

Once the sewer flows from the Developers is south of the 60 Freeway in Avalon Street the path of travel will be through existing sewer piping in Raye Street to Pontiac Street to a connection at the intersection of Pontiac Street and Mission Blvd. This flow path will only allow a limited amount of new development sewer flow due to size, slope, and current flows within the existing pipes. Once the limited amount of flow is reached, new master planned sewer improvements are required.

The Rubidoux Community Services District (“District”) in its 2022 Wastewater Master Plan (WWMP) shows new sewer pipeline in Avalon Street between Raye Street and 34th Street, and from the intersection of Avalon Street and Mission Blvd northeasterly about 1,000 lineal feet in Avalon Street. This is a change from the prior 2015 WWMP. In the 2015 WWMP the District proposed new sewer pipeline being built in Pontiac Street between 34th Street and Mission Blvd.

to handle sewer flows from the Developers developments north of the 60 Freeway. During preparation of the 2022 WWMP it was decided to move this was proposed master planned sewer pipeline in Pontiac Street to Avalon Street as Pontiac Street was recently repaired by the City of Jurupa Valley, and due to construction difficulties expected in a narrow street, with on-street parking and narrow lot widths. Installing new sewer pipeline in Avalon Street should be less difficult.

Webb and Associates (Webb) prepared the District's 2022 WWMP. Webb also reviewed actual monitored sewer flow rates along Avalon Street to compare with the sewer system hydraulic model and provide recommendations of when the existing sewer piping in Pontiac Street would be exceeded and thus triggering the need to build the proposed master planned sewer in Avalon Street. Webb's analysis concluded up to 140 (First Trigger) houses could flow to Pontiac Street sewer until the sewer piping in would exceed safe flow capacity. When sewer flows exceed a pipelines' limit sewer can discharge through a manhole lid which is a condition the District must avoid. Webb's hydraulic analysis further concluded once an additional 119 (259 total, Second Trigger) houses from these developments are connected to the Avalon Street sewer, the existing sewer pipeline in Avalon Street near Mission Blvd. would be similarly impacted in a negative way.

The new sewer and replacement sewer in Avalon Street needs to be designed now so the plans are ready for construction, and construction can be completed before these new development connection trigger limits occur. The Developers of these tracts will be conditioned to build the new sewer on behalf of the District. As this work is in the District's 2022 WWMP, the District anticipates entering into reimbursement agreements with the constructing Developer(s) and credit the cost of the construction of the new sewer against Sewer Capacity Fees due for the development.

The District requested proposals from three consultants: Webb, K&S, and TKE Engineers (TKE). TKE was non-responsive and of the two other consultants, Web's proposal at \$59,003 was more competitive than K&S' proposal at \$75,000. Both Webb and K&S do extensive work for the District and are capable at providing design services to the District for this sewer. As both are considered competent and capable, Staff recommends having Webb perform the design services for this project for the District.

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

- 1. Transfer \$59,003 from the Sewer Reserve Fund to the Sewer Capital Improvement Fund for preparation of the plan to construct a new sewer and replace an existing sewer in Avalon Street.**
- 2. Authorize the General Manager to sign a Task Order in the amount of \$59,003 with Webb and Associates to prepare the plans.**

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 12. Consider Award of Professional Services Contract to Webb and Associates for Landscape Design Services for the Goldenwest Booster Replacement Site. DM 2022-91.

BACKGROUND

The Rubidoux Community Services District (“District”) was successful in securing a grant in the amount of \$300,000 procure three generators under the CalOES FY 20-21 Community Power Resiliency (“CPR”) Program. Purchase orders for the generators have been issued with expected delivery dates in 2023. Additionally, the Board of Directors recently approved the District’s 2022 Water Master Plan (“Waster Master Plan”). Within the Waster Master Plan, the refurbishment and expansion of the aged booster station on Golden West Avenue, commonly called the “Golden West Booster Station” is identified. Installation of a generator and expansion of the Golden West Booster Station is critical to the District’s continued ability to reliably provide water service to the Hunter Pressure Zone and Skyline Pressure Zone.

There is inadequate space at the existing Golden West Booster Station to add a generator, so staff has started negotiations with the City of Jurupa Valley to lease land within the public right-of-way owned by the City of Jurupa Valley between the roadways of Golden West Avenue and Limonite Avenue. The space sought for acquisition will be sufficient in size for the replacement pump station and generator. To install the generator as expeditiously as possible the plan is to lease the land from the City of Jurupa Valley until purchase terms can be negotiated and finalized. As a part of the lease and eventual purchase transaction, the City wants the site landscaped to shield it from view of the residents. The District needs to engage the services of a Landscape Architect to prepare the landscape plans.

Webb and Associates is working with the District on the plans and contract documents and has provided the District a legal description and plat map to describe the lease area and the placement of the generators and future booster pumps at the new Golden West Booster Site. Webb and Associates also completed the recently adopted 2022 Water Master Plan as well as the 2022 Wastewater Master Plan. As Webb has been working on this project and is familiar with it, Staff requested Webb to provide the landscape plans. Staff has received a proposal from Webb Associates to prepare the landscape plans for the lease area in the right-of-way between Golden West Avenue and Limonite Avenue. This proposal is in the amount of \$12,224. Line 76 of the Water Fund Budget in the approved 2022-23 Fiscal Year Budget includes \$100,000 for the CalOES Generator Project. Staff proposes using \$12,224 of this appropriation for the preparation of landscape plans per the City’s requirements for the lease of this land.

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

- 1. Expend \$12,224 from Line 76 of the Water Fund Budget for preparation of the landscape plans.**
- 2. Sign a Task Order in the amount of \$12,224 with Webb and Associates to prepare the landscape plans.**

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 13. Distribution for Review and Discussion – Rubidoux Community Services District Draft Financial Statements for Fiscal Year Ending June 30, 2022. DM 2022-92.

BACKGROUND

Attached for the Board of Director’s review and discussion is Rubidoux Community Services District’s draft financial statements for the fiscal year ending June 30, 2022. The financial statements were prepared by the CPA firm of Rogers, Anderson, Malody, and Scott (RAMS). The financial statements include RAMS independent auditor’s report and contains management’s discussion and analysis, government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, other information, and the independent auditor’s report on internal control.

As has been the District’s practice, staff is presenting the Board with an advance copy to review at your leisure. An audit engagement member from RAMS will present on the financial statements and answer any questions from the Board at the next Board meeting (October 20, 2022).

If you have any comments, questions, or concerns about anything in the draft financial statements, please bring it to staffs or the auditor’s attention anytime between now and Monday, October 17, 2022, to present a final version of the draft financial statements for the Board’s acceptance and filing.

This is a non-action item.

ITEM 14. Consider Professional Services Agreement with DeGraves Communications. DM 2022-93.

BACKGROUND

Historically Rubidoux Community Services District (“District”) has maintained a very modest approach towards communications with the public. Efforts include maintaining a District website, holding public meetings via zoom and in-person, and use of bill stuffers. Although this communication approach has and continues to suffice, this approach does not take advantage of current technology such as Facebook, Twitter, etc., which customers use routinely to get information.

As the District continues to expand use of industry standard technologies, whether in communication or operation, will need to be implemented. For example, on the operational side the District should implement automated meter reading (“AMR”), which is a common technology. With replacement of customer meters, the meters will be able to communicate automatically enabling meters to be read remotely and customers having real time data to evaluate their water

usage and bills. This would enable the District to avoid hiring more staff to read meters, and help the customers reduce water waste which would be helpful during times when drought rates are in use.

On the communication side, the District is faced with helping customers knowing information about District services. Examples include:

- SB 1383 requirements – organic waste reduction
- Drought issues
- Rate implications
- All the services the District provides
- Updates on service interruptions (when needed)
- District projects; new projects
- General information such as a quarterly newsletter

Given the District’s modest historical approach towards communication, staff invited DeGraves Communications (“DeGraves”) to hold a workshop with the Board of Directors to discuss the value of communication and how the District may want to proceed. The first step to consider taking is to develop a District Communication Strategic Plan. DeGraves has provided a proposal to do this with the following steps.

1. Hold a kickoff meeting
2. Perform a communication and media audit (determine the as-is condition)
3. Develop and deploy a stakeholder survey (find out what customers want)
4. Interview Board Members and District Leadership
5. Hold focus group meetings (Staff, customer, partners)
6. Share findings and refine direction
7. Prepare the Communication Strategic Plan (plan for the to-be condition)

The cost proposal has a total of \$15,050. In the approved FY 2022-23 Budget – General Fund Operating Expense Line 32 the Board authorized \$25,000, which is sufficient to cover this cost proposal.

With the District engaged with drought concerns, SB 1383 implementation, fire implementation, fire protection, new administrative building purchase, and various other programs and projects, it seems appropriate to expend the effort to develop a communications strategic plan. This plan will enable the Board and staff to work together in identifying the level of communication services the District should and will provide its customers. Having a strategic plan will set agreed upon expectations – outcomes and schedule, which will help achieve a successful outcome.

Liselle DeGrave explained via the Zoom call that the plan would be designed exclusively for RUSD and the customers etc.

Director Muniz moved, and Director Murphy seconded the Board of Directors authorize the General Manager to execute a contract and purchase order with DeGraves Communications in the amount of \$15,050 using funding approved in the FY 2022-23 Budget – General Fund Operating Expense Line 32.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 15. CLOSED EXECUTIVE SESSION – Pursuant to Government Code Section 54957(b)(1): General Manager Position

The Board of Directors approved an Employment Contract for General Manager with Brian Laddusaw effective December 30, 2022.

ITEM 16. Directors Comments

Director Trueba adjourned the meeting at 5:19 PM.