

MINUTES OF REGULAR MEETING
April 15, 2021
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
Ted Beckwith, Director of Engineering
Brian Laddusaw, Director of Finance
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 Skerbelis, at 4:00 P.M., Thursday, April 15, 2021, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for April 1, 2021, Board Meeting.

Director Trueba moved, and Director Muniz seconded to approve the April 1, 2021 Regular Board Minutes.

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)
Noes – 0
Abstain – 0
Away – 0

The motion was carried unanimously.

ITEM 5. Consideration to Approve the April 16, 2021 Salaries, Expenses and Transfers.

Consideration to Approve the April 16, 2021 Salaries, Expenses and Transfers.

Director Trowbridge moved, and Director Trueba seconded to Approve the April 16, 2021 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 no correspondence or related information to present.

ITEM 8. MANAGER'S REPORT

Operations Report:

The Production Report was given by Mr. Miguel Valdez. There was an average of 3.38 mg/day with an average of 1.68 mg of wastewater going to the Riverside Treatment Plant. Well No. 1 produced 18% of the potable water; Well No. 2 produced 24% and Well No. 8 produced 58% for the month of March.

Mr. Jeff Sims stated that staff will start reporting monthly water sales. The goal will be to track production against sales (based on meter reads) to see the differential of actual water produced vs. actual water sold. This will enable an understanding of the percent of unaccounted water and introduce discussion on meter replacement and water loss. Water meters are in some respect the District's cash registers and as meters age, the meters read slower, resulting in reduced revenue for water delivered and used by customers.

Emergency and Fire Report:

Station 38 Incidents Reported for the month of March 2021 totaled 213 calls. Of those, 145 calls, 68.1% were medical aides.

Joe Lewis is actively working on weed abatement within the District. The annual grass is browning out much sooner than expected and combining this lower-than-average rainfall may add up to increased fire risk.

Chief Kibby he had met with Brian Laddusaw and Ted Beckwith and did a walkthrough of Station 38 noting items needing repair. The goal of the walkthrough is to confirm budget requirements for ongoing and long-term maintenance.

Ted Beckwith stated the electrical panel needs to be looked at very soon and they already have a call in to Center Electric.

ITEM 9. Consideration to Approve and Authorize Staff to Prepare and Set Solid Waste Hearing Pursuant to Prop. 218 and to Consider Contract Amendment with Burrtec Waste Industries, Inc. DM 2021-19.

BACKGROUND

The Solid Waste (“Trash”) Committee of the Rubidoux Community Services District (“District”) Board of Directors (Directors Trueba and Skerbelis) has met with staff and a representative of Burrtec Industries (“Burrtec”) to discuss Burrtec’s proposed rate increases to the trash rates.

Burrtec proposes a rate increase for District trash services for the upcoming FY 2021-2022. Burrtec attributes the bulk of the increase to:

1. Continued uncertainty and instability related to disposition of recyclables.
2. Increases to tipping fees by the County of Riverside for solid waste and green waste that are being passed through without markup.
3. Increase in pounds per week per residential household of solid waste, recyclables, and green waste being collected by Burrtec.
4. Annual Consumer Price Index (“CPI”) inflator consistent with the District’s agreement with Burrtec negotiated in 2008. Burrtec has elected to forego the CPI inflator of 1.87% for all residential customers in their proposed rate. The CPI inflator will affect all commercial customers.

The District is not proposing an increase to its Administrative Fee of \$0.25/month residential per customer.

On March 30, 2021, at the second of two Solid Waste Committee Meetings, the Solid Waste Committee made a recommendation to present the draft rates to the full board for approval. At the time, Burrtec used an estimated 3% inflator with regards to the Riverside County disposal fee, which is strictly a “pass-through” component of the overall Burrtec rate charged to customers. Subsequent to this meeting and recommendation, the County finalized their rate resulting in an increase of the disposal fee by \$.10 for a 90-gallon barrel, which is reflected in the example table below.

With respect to the residential solid waste rates, a 4.41% rate increase is proposed for 90-gallon customers. This results in a \$1.32 per month increase for District customers that have 90-gallon barrels for FY 2021-2022. Customers with 90-gallon barrels represent the bulk of the District’s Trash customers. Commercial customers will see increases based on their level of service (bin size and pickup frequency).

Below is a breakdown showing the current and proposed rates by cost component for 90-gallon customers:

Cost Component	Current (\$)	Proposed (\$)	Change (\$)	Change (%)
CPI	\$16.88	\$16.88	\$ -	0.00%
Landfill Tipping Fee	\$ 7.67	\$ 8.49	\$ 0.82	10.69%
Recycling	\$ 1.91	\$ 2.01	\$ 0.10	5.24%
Greenwaste	\$ 3.24	\$ 3.64	\$ 0.40	12.35%
RCSDAdmin Fee	\$ 0.25	\$ 0.25	\$ -	0.00%
Total	\$29.25	\$31.27	\$ 1.32	4.41%

If authorized, the following rate increase implementation schedule is proposed:

- April 15, 2021 – Board consideration to authorize staff to initiate Prop 218 process for increase in trash rates
- Present date to April 16, 2021 – Prepare Prop 218 Notice & Rates and update property tax ownership rolls
- No later than April 16, 2021 – Mail Prop 218 Notices to property owners and renters
- April 30, 2021 – Draft Resolution available at the District Office and on the District website
- June 3, 2021 (Board Meeting) – Protest Election and Hearing for the proposed solid waste rates
- June 3, 2021 (Board Meeting) – Adopt the Rate Adjustment Resolution
- July 1, 2021 – New solid waste rates in effect.

Staff has evaluated the impact if customer rates are not adjusted consistent with the proposed Burrtec rate increases. In the absence of adjusting customer rates, the District would experience an approximate \$8,000 per month deficit of revenue versus monthly billing from Burrtec for services provided. Built into the current rate structure is an approximate \$100,000 transfer from the Trash Fund to the General Fund. This transfer covers expenses the District incurs to provide trash service to its customers and street lighting energy bills from Southern California Edison (“SCE”). For example – billing, responding to customer concerns, managing the Burrtec contract, postage, etc. Any prolonged implementation of increasing the trash rates may result in other enterprise funds subsidizing the Trash Fund, which is not recommended.

CONTRACT AMENDMENT:

Currently, the District and Burrtec are obligated under a contract agreement with an original commencement date of January 1, 2008 set to expire December 31, 2022. Pursuant to Section 3.2 ‘Change in Cost of Doing Business’ the service component rate, or the amount kept by Burrtec, is adjusted annually upward or downward to reflect changes in the cost of doing business as measured by the CPI published by the U.S. Department of Labor, Bureau of Labor Statistics (“BLS”), for the Riverside-San Bernardino Standard Metropolitan Statistical Area. The service component is adjusted either up or down based on the net percentage change in the CPI from the prior year as of October 1. Section 3.2 of the original contract is attached for your reference (Attachment 2).

As a result of changes in the data published by the BLS a few years back, Burrtec was unable to use October 1 as its measurement date as the data was no longer available. Therefore, beginning with the Board adopted rates on July 1, 2019, Burrtec began using the % change in the yearly annual rate as published by the BLS for the Riverside-San Bernardino-Ontario area. To conform the original contract with this practice, Burrtec has proposed amending the original contract language under Section 3.2 as follows:

3.2 Change in Cost of Doing Business. Rates ~~in effect at the beginning of the governed by~~ the term of this agreement shall be adjusted annually upward or downward to reflect changes in the ~~service~~ cost ~~componentofdoing business~~, as measured by fluctuations in the Consumer Price Index ~~All Urban Consumers~~ (CPI-U) published by the U.S. ~~Department of Labor~~, Bureau of Labor Statistics, for the Riverside-San Bernardino-~~Ontario, CA Standard~~ Metropolitan Statistical Area. Beginning with July 1, 20~~20~~08, and each year thereafter, said ~~service~~ rates shall be increased or decreased ~~by the in-a~~ percentage ~~amount equal to the net percentage~~ change in ~~the said annual average~~ CPI from the prior year, ~~as of October 1. The percentage Said~~ changes shall be calculated to two decimal places.~~the nearest one percent.~~

At the direction of the Solid Waste Committee, staff performed a roll-forward calculation beginning with July 1, 2019 through the proposed July 1, 2021 rates to determine what financial impact the change in measurement period (from October-over-October to Annual-over-Annual) has had on customers. Prior to Burrtec forgoing the increase in CPI of 1.87% in the proposed July 1, 2021 rate for residential customers, the estimated service cost component for a 90-gallon barrel was to increase from \$16.88 to \$17.20. Using a September measurement date, as October is not available and is the month the original contract language states, staff estimated the service cost component for a 90-gallon barrel to be \$17.23. Thus, Burrtec changing their measurement formula to the annual rate would have resulted in \$.03/month in cost savings for each residential customer with a 90-gallon barrel, or \$.36/year had they not foregone the CPI inflator altogether. Overall, the financial impact due to a change in measurement period appears to have negligible impact to District’s customers.

Director Murphy stated that if there is a CPI adjustment during the year, that it should be during the same month or timeframe for all said adjustments of the year. Mr. Jeff Sims stated that the Burrtec contract was negotiated in 2008 and the terms go until 2022. However, it is an Evergreen contract, so it expires the end of 2025. He stated it is something that can be looked into.

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.**
- 3. Negotiate an amendment with Burrtec for Section 3.2 to the existing Contract Services Agreement based upon the updated language referred to above.**

Roll call:

Ayes – 4 (Muniz, Murphy, Skerbelis, Trueba)

Noes – 0

Abstain – 1 (Trowbridge)

Absent – 0

The motion was carried by majority vote.

ITEM 10. Receive and File the Statement of Cash Asset Schedule Report Ending March 2021. DM 2021-20.

BACKGROUND

Attached for the Board of Directors' consideration is the March 2021 Statement of Cash Asset Schedule Report for all District Fund Accounts. Our YTD interest is \$127,623.27 for District controlled accounts. With respect to District "Funds in Trust", we show \$5,372.22 which has been earned and posted. The District has a combined YTD interest earned total of \$132,995.49 as of March 31, 2021.

The District's Operating Funds (Excluding Restricted Funds and Operating Reserves), we show a balance of \$7,139,595.59 ending March 31, 2021. That's **\$268,431.97 MORE** than July 1, 2020, beginning balance of \$6,871,163.62.

Further, the District's Field/Admin Fund current fund balance is \$639,469.29.

Submitted for the Board of Directors consideration is the ***March 2021, 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 March 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. Acceptance of Contract Work for Well 18 and File Notice of Completion. DM 2021-21.

BACKGROUND

At the December 3, 2020, regular meeting of the Rubidoux Community Services District (District), the Board of Directors approved DM 2020-87, attached, awarding a contract to Best Drilling (Best) for the Well 18 Rehabilitation Project. The total funding approval was \$141,563 compromised of the contract amount of \$117,969 plus a contingency of 20%, or \$23,594.

The refurbishment was successful and Well 18 is projected to produce approximately 1,000 gallons per minute (GPM) equating to 1,000 acre-feet per year at 60% run time. Well 18 along with Wells 1A and Well 8 will supply raw water to the new ion exchange treatment system being built at the Thompson Treatment Plant. The ion exchange treatment is being added to remove PFAS contaminants.

The work performed by Best is now complete. There was one Change Order to the contract resulting in a net contract increase of \$14,050. Best completed the work in a safe and efficient manner and in accordance with District specifications. The adjusted total contract amount is \$132,019.00, \$9,549 below the total authorized construction funding.

To date, Best has been paid \$118,817.10 (\$71,238.75 paid as of 4-9-2021 and an additional \$47,578.35 by a check being processed at tonight's Board meeting). This amount represents 100% of the contract less the 10% retention.

A final step in the construction process is for the District to accept the work as complete and file/record a Notice of Completion (NOC) with the County of Riverside. Once executed and recorded, the NOC starts a 35-day period before the District pays the remaining held contract retention.

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

- 1. Accept the work performed by Best Drilling, Inc. for the Well 18 Rehabilitation Project as complete and conforming to the bid specifications.**
- 2. Authorize the General Manager or designee to execute and file the Notice of Completion for the project in the amount of \$132,019.00.**

Roll call:

Ayes – 5 (Muniz, Murphy, Skerbelis, Trowbridge, Trueba)
Noes – 0
Abstain – 0
Absent – 0

The motion was carried unanimously.

ITEM 12. Consider Letter of Support for Jurupa Community Services District Grant Application to USBR. DM 2021-22.

BACKGROUND

Jurupa Community Services District (“Jurupa”) has requested Rubidoux Community Services District (“District”) to prepare and send a Letter of Support for its grant application to the U.S. Bureau of Reclamation and Reuse Projects Grant Program for Fiscal Year 2021. The attached letter is the proposed Letter of Support.

Jurupa collects wastewater within its service area and sends flow collected in the City of Jurupa Valley to the City of Riverside and flows generated within the City of Eastvale to Western Riverside County Regional Wastewater Authority (“WRCRWA”). WRCRWA’s Joint Powers Agreement provides discharging members a right to use recycled water in volumes equal to the amount of wastewater discharged, less minor losses and environmentally required discharges to the river. With a goal to reduce use of potable water for non-potable purposes and to augment recharge of Chino Groundwater Basin, Jurupa has developed a long term Regional Recycled Water Program which includes in part reuse of recycled water from WRCRWA. This Regional Recycled Water Program necessitates significant investments in pipelines, pumps, and recycled water programmatic processes to implement. The USBR Grant Program is making funding available for projects such as Jurupa’s Regional Recycled Water Program.

Jurupa has already successfully completed a Feasibility Study for the Regional Recycled Water Program and it has been reviewed by USBR, approved by Congress, and is on the Title XVI WIIN Eligible Project list. Jurupa continues to move the project along in design and hopes to secure additional grant funding to construct and implement the project.

Given the District and Jurupa share common boundaries and an interagency connection for potable water, it makes sense to enthusiastically support Jurupa’s efforts to reduce use of potable water for non-potable purposes. The attached Letter of Support if approved and signed would be included with Jurupa’s application to USBR.

Director Trowbridge moved, and Director Trueba seconded the Rubidoux Community Services District Board of Directors approve the Letter of Support for the JCSD Grant Application to the USBR.

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 stated that if there is a public hearing, there needs to be face masks available for the public. Mr. Sims confirmed the District has plenty of masks to distribute if necessary.

Director Skerbelis adjourned the meeting at 4:52 PM.