

MINUTES OF REGULAR MEETING
June 18, 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: Florence Daly
Guadalupe
Chris Barajas
Nell

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by Director Murphy, at 4:00 P.M., Thursday, June 18, 2020, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for June 4, 2020, Special Board Meeting.

Director Muniz moved and Director Trueba seconded to approve the June 4, 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 19, 2020 the Salaries, Expenses and Transfers.

Consideration to Approve the June 19, 2020 the Salaries, Expenses and Transfers.

Director Muniz moved and Director Skerbelis seconded to Approve the June 19, 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 was no correspondence or related information at this time.

ITEM 8. MANAGER’S REPORT

Operations Report:

Miguel Valdez reported for the month of May, there were 138,000,000 gallons of water produced by the three wells. Half of the water came from Well No. 8, and the other half came from Wells 1 and 2. 52,000,000 gallons of water went to the Riverside Wastewater Treatment Plant. The routine sewer cleanings were being done this week.

Emergency and Fire Report:

Station 38 had a total of 256 calls. Of those 167 calls, 65.2% were medical aides. Additionally, there was a report for the City of Jurupa Valley. For the city, there was a total of 247 calls.

ITEM 9. Receive and File Statement of Cash Asset Report for all District Funds Ending May 2020. DM 2020-43.

BACKGROUND

Attached for the Board of Directors' consideration is the May 2020 Statement of Cash Asset Schedule Report for all District Fund Accounts. Our YTD interest is \$406,989.17 for District controlled accounts. With respect to District "Funds in Trust", \$17,558.92 has been earned and posted. The District has a combined YTD interest earned total of \$424,548.09 as of May 31, 2020.

With respect to the District's Operating Funds (Excluding Restricted Funds and Operating Reserves), there is a balance of \$6,466,951.29 ending May 31, 2020. That's **\$327,959.00 MORE** than July 1, 2019, beginning balance of \$6,139,000.30.

The District's Field/Admin Fund current fund balance is \$578,280.64.

Submitted for the Board of Directors consideration is the *May 2020, Statement of Cash Asset Schedule Report* for your review and acceptance this afternoon.

Director Murphy moved and Director Trueba seconded to Receive and File the Statement of Cash for the Month of April 2020 for the Rubidoux Community Services District.

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 10. Consider Approval of Salary Schedule for FY 2020-2021. DM 2020-44.

BACKGROUND

The Rubidoux Community Services District ("District") and staff entered a Memorandum of Understanding (MOU) effective through June 30, 2021. The MOU applies to all administrative and field employees of the District. Historically management level employees of the District have mirrored aspects of the MOU when it comes to holidays, compensated absences, salary adjustments, benefits, etc.

Pursuant to Article XXIV "Wages and Reopening" of the MOU, at the beginning of each fiscal year, July 1, the District shall increase the wage rate and range by the percentage change to the Consumer Price Index (CPI) for the Riverside-San Bernardino-Ontario area for the proceeding twelve months ending in April. The MOU stipulates each annual cost of living adjustment (COLA) shall range from a minimum of one percent (1%) to a maximum of three percent (3%).

During staff's review of the CPI table for the applicable area published by the US, Bureau of Labor Statistics, CPI data was not made available for the measurable month, April, noted within the MOU. To determine the COLA for FY 2020-2021 staff used an

average of the data noted for March and May 2020, which was determined to be 1.9%. When reviewing this amount, staff considered the significant impact that COVID-19 had on the CPI and felt it would be more equitable to District employees to include measurable data from January 2020, reflective of the CPI before the COVID-19 pandemic was prevalent, and thus perform a three period average. This resulted in a change to the calculated COLA from 1.9% to 2.4%, which remains within the allowable range per the MOU. This methodology was shared with Union Representation and received as acceptable with no objection. The District incorporated the potential maximum 3% COLA adjustment into the annual budget process Using a three-period average rather than a two period average increases the total COLA pool by approximately \$11,000 and remains below the COLA included in the approved budget.

Submitted for your consideration is the proposed Salary Schedule for the Rubidoux Community Services District for Fiscal Year 2020-2021 based upon a 2.4% COLA. Acceptance of the Salary Schedule tonight will have an effective date of 7-1-2020.

Director Muniz moved and Director Murphy seconded approval of the Salary Schedule of the Rubidoux Community Services District for Fiscal Year 2020-2021 based upon a 2.4% COLA with an effective date of 7-1-2020.

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 Participation Agreement – Offsite Water System Improvements for Tract 37211. DM 2020-45.

BACKGROUND

Tract 37211 is a proposed 48-lot single family residential development (“Project”) located in Rubidoux Community Services District (“District”) west of Pacific Avenue between State Highway 60 and Canal Street. The owner/developer of the Project at its sole expense will build new water and sewer facilities to District standards to service all 48-lots created. Once accepted, the new facilities will be accepted by the District for ownership and ongoing maintenance.

Staff has reviewed the existing District water system in the area and has determined existing homes along Opal Street and Canal Street are served by small 2” and 4” diameter water pipelines built in the 1950’s. The Project proposes connections to these existing pipelines at the intersections of Canal Street and Opal Street, Opal Street and “C” Street, and Canal Street and the RCFC drainage channel.

Given the small size and age of the existing offsite water pipelines the Project is connecting to, staff has discussed having the owner/developer of the Project provide a cost for the design of replacement pipelines, which the District could consider participating in funding their construction. The three segments of offsite Project water facilities include:

- Segment 1: 8” diameter pipeline in Opal Street from “C” Street to Canal Street (520 L.F.)
- Segment 2: 8” diameter pipeline in Canal Street from Project boundary at Canal Street to Patricia Drive (240 L.F.)
- Segment 3: 8” diameter pipeline in Canal Street from Patricia Drive to Pacific Avenue (515 L.F.)

These three segments total approximately 1,275 L.F. Attached Exhibit 2 shows the location of the three segments.

The owner/developer has provided a Scope of Work to prepare plans, specifications, and bidding schedules to include these offsite Project water improvements with the bidding and construction of Project water improvements. The cost for design is \$19,700. The Scope of Work and Fee is attached as Exhibit 3.

Although these three segments are not in current budgets for replacement, there is an opportunity to have the design done at a relatively minor cost. With design completed, the District can obtain bids for the actual construction combined with the Project work. This may create some economies of scale the District may otherwise not achieve if done separately later. If construction bids are favorable, staff would advise the Board and seek authorization to have the offsite water pipelines replaced.

Staff has prepared a draft participation agreement entitled – “Participation Agreement Offsite Water System Improvements for Tract No. 37211”, attached. This agreement provides basic terms of the relationship between the District and the Developer related to the offsite water improvements. The terms include:

1. Scope of the design work for the offsite water improvements
2. Cost of the design work the District agrees to pay
3. Ability to enter a future agreement if District agrees to have Developer install the offsite water improvements with Project water improvements

The initial commitment of \$19,700 for the design effort will require a budget amendment to the approved District Fiscal Year 2020-2021 Budget. Staff recommends using Water Fund Reserves to amend the Water Replacement Project Budget to create a new line item – Offsite Water System Improvements for Tract 37211 in the amount of \$19,700.

Director Trowbridge moved and Director Muniz seconded the Board of Director of Directors:

- 1. Sign the agreement entitled – “Participation Agreement Offsite Water System Improvements for Tract No. 37211” subject to minor non-substantive changes.**
- 2. Amend the District Fiscal Year 2020-2021 Budget by using Water Fund Reserves to create a new line item – Offsite Water System Improvements for Tract 37211 in the amount of \$19,700.**

Roll Call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 12. Consider Adoption of Resolution No. 869 – a Resolution of the Board of Directors of the Rubidoux Community Services District Appointing and Authorizing Jeffrey D. Sims to File an Application with the United States Department of Interior Bureau of Reclamation’s Watersmart Drought Resiliency Project Grant for Well 18 Rehabilitation. DM 2020-46.

BACKGROUND

In response to lowered notification limits (“NL”) and response limits (“RL”) for PFAS Compounds, specifically PFOA and PFOS by the State Water Resources Control Board Division of Drinking Water (“DDW”), efforts are underway to add treatment at all District potable supply wells to remove PFAS contaminants to below the NL. Based on the completed Basis of Design Memo for PFAS Compound removal, the proposed strategy is to add ion exchange treatment at the District’s Thompson Manganese Removal Plant on 34th Street. This added ion exchange treatment will handle flows from District Wells 1A, 8, and 18 totaling approximately 4,900 gallons per minute (“gpm”).

Well 18 is currently out of service and requires rehabilitation. The well was originally drilled and put into service in 2006 and had a production rate of approximately 1,500 gpm. Over the years the well casing and gravel pack fouled, This reduced the production rate to the point where the well could not operate efficiently. The well was taken out of service in April 2018. A rehabilitation plan has been developed for the well. It is necessary to put Well 18 back into service so the District will have greater flexibility and control on flow rates through the ion exchange treatment system. The new treatment system will operate better if ran continuously. Having three wells, 1A, 8 and 18, staff will be able to toggle wells on and off to adjust flows so there is continuous flow through the treatment system while meeting fluctuating customer water demands.

From a timing standpoint, the new treatment system and rehabilitation of Well 18 needs to be completed within the next 12 to 18 months.

As the Board may recall staff was recently authorized to hire Blais and Associates to help the District apply for grants through various state and federal programs to mitigate some of the costs associated with improving overall water supply reliability. Blais has identified a funding opportunity provided by the Bureau of Reclamation (“Reclamation”). The specific Reclamation grant funding program is called “WaterSMART Drought Response Program: Drought Resiliency Projects for FY 2021. Staff and Blais reviewed our Project Description, Attachment 1, with a Reclamation Grant Representative and got positive response indicating the District should apply for a \$750,000 grant. The application due date is July 8, 2020. Expenses incurred by the District after July 1, 2020 are eligible expenses towards the grant. Preliminary estimates for rehabilitation of Well 18 and a proportionate share of the treatment system attributable for Well 18 flows is approximately \$1.85 million.

To submit the Grant Application to Reclamation, there is a requirement for the District to submit with the Application a resolution indicating the following:

1. Board approval to submit the Grant Application.
2. The District will comply with Reclamation deadlines and schedules.
3. The District is capable of funding that portion of the project not funded by the grant.
4. Authorizing the General Manager to conduct negotiations with Reclamation.

Attached proposed Resolution No. 869 has been prepared to meet this requirement.

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

Approve and Adopt Resolution No. 869 – a Resolution of the Board of Directors of the Rubidoux Community Services District Appointing and Authorizing Jeffrey D. Sims to File an Application with the United States Department of Interior Bureau of Reclamation’s WaterSMART Drought Resiliency Project Grant for Well 18 Rehabilitation.

Roll Call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 13. Consider Approval of Expenses Related to Addition of Ion Exchange Treatment for PFAS Contaminants: DM 2020-47.

BACKGROUND

The State Water Resources Control Board Division of Drinking Water (“DDW”) has issued Rubidoux Community Services District (“District”) a Notice of Intent to Issue a New General Order for Monitoring of Perfluoroalkyl Substances (Health and Safety Code Section 116378) starting July 2020, (“NOI”), attached. This NOI describes DDW’s intent to issue the order and establish sampling and testing for PFOA and PFOS beginning the 3rd Quarter of 2020. DDW expects the new order will increase public reporting requirements, guidance on detections, and determination of Response Level exceedances using a running quarterly average. Current notification and response levels for PFAS chemicals are listed below:

<u>PFAS Compound</u>	<u>Notification Level</u> (ng/L)	<u>Response Level</u> (ng/L)
Perfluorooctanic acid (PFOA)	5.1	10
Perfluorooctanesulfonic acid (PFOS)	6.5	40

Sampling results reflect all District wells will have difficulty meeting a running quarterly average for the lowered PFOA Response Level of 10 ng/L. Most District wells currently are at, or just above the PFOA Response Level without treatment.

As the Board may recall, Hazen & Sawyer (“Hazen”) was hired to assist the District with a strategy to address treatment of PFAS Compounds. Hazen has completed a Basis of Design Memorandum addressing treatment requirements for Wells 1A, 8, and 18. The treatment process will use ion exchange and include three trains of six pressure vessels in a lead-lag configuration filled with resin. The treatment process will be located at the Thompson Treatment Plant given there is available space and proximity to Wells 1A, 8, and 18. With the anticipation of sampling and reporting starting in the 3rd Quarter of this year, the District will need to have the treatment in operation by summer 2021 to enable meeting the running quarterly average over four quarters.

The next steps include: 1) hiring Hazen to prepare the final design, specifications, and bidding documents for the treatment system, and 2) purchase of the main components of the treatment system.

Hazen

Hazen proposes an addendum of \$244,288 to its current contract of \$155,444, bringing their total contract value with the District to \$399,732. The addendum, attached as Exhibit 1 has a Scope of Work that includes:

Task 6 – Final Design: this includes approximately 31 sheets of design drawings and preparation of technical specifications to be included with the District’s standard front-end specifications and contracts.

Task 7 – Environmental Documents (CEQA, NEPA): Both CEQA and NEPA categorical exemption filings are anticipated due to the work being done at an existing and operating

District Treatment Facility. NEPA is necessary as part of the application for federal grant funding under the Bureau of Reclamation WaterSMART Program.

Task 8 – As-Needed Construction and Startup Support: This task provides time for Hazen to respond to questions and clarifications during the construction process and startup of the system.

Evoqua Water Technologies

Through the Basis of Design process, staff and Hazen have been coordinating with Evoqua on evaluating use of pressure vessels filled with granulated activated carbon or resin. Staff has also contacted Activated Carbon regarding same. Evoqua has a relatively new, but used system, that has been refurbished and will work for the District's application of ion exchange treatment for Wells 1A, 8, and 18. Evoqua has provided pricing for the system at a discount as compared to purchasing a new system. Besides a lower price, the system is available and avoids a 26 to 36-week manufacturing and delivery period. Evoqua's quote for the treatment system is attached as Exhibit 2. The cost for the six pressure vessels in a three-train, lead-lag configuration is \$800,744.13 including tax. Additional costs include \$20,530 for delivery, \$5,355 for up to 3 days of installation supervision, and \$785,687.14 for the initial resin fill of the six vessels (includes tax). Total initial cost to Evoqua is anticipated to be \$1,612,316.27; a total of \$268,719.38/vessel. The District would issue two Purchase Orders for this: 1) one issued on or before June 30, 2020 for \$800,744.13 and 2) a second issued on or before September 30, 2020 for the balance of \$811,572.14. Other terms include:

- a. Warranty comparable to that of new equipment (Section 7 of Standard Terms of Sale).
- b. Commitment to a three (3) year service contract for resin exchange service linked to a set CPI inflator.
- c. Ten (10) months of storage at no cost.

Between Hazen and Evoqua, the District will invest just over \$2 million towards PFAS contaminant removal. In addition, there will be construction costs, which along with treatment expenses for Wells 4 and 6 may bring a total commitment of \$5 million. With the addition of PFAS removal treatment, the District will also have a higher annual operational expense for resin and GAC exchanges, energy and chemicals, and labor. To mitigate these higher expenses, staff is applying for a \$750,000 grant, sale of water to Jurupa Community Services District and water rate increases. Another strategy is to look at long-term borrowing at low interest rates. Long-term borrowing may smooth out rate impacts and address other costly issues such as building upgrade, and resolution of expenses related to upgrades at the City of Riverside WWTP.

To enable the District to meet the lowered PFAS levels in a timely manner, these expenses are necessary. To proceed a budget amendment of the approved District FY 2020-2021 Budget is necessary by moving \$1.7 million from District Reserves to the Water Capital Improvement Project (CIP) Budget.

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

1. **Amend the approved District FY 2020-2021 Budget by moving \$1.7 million from District Reserves to the Water Capital Improvement Project (CIP) Budget.**
2. **Finalize negotiations with Evoqua Water Technologies for purchase of a refurbished PFAS Treatment System consistent with Terms and Conditions as detailed in Quotation #2004-23/rev 2, dated June 10, 2020 with a not to exceed amount of \$1,615,000.**
3. **Execute an amendment with Hazen in the amount of \$244,238 bringing their total contract value with the District for PFAS Treatment Design to \$399,732.**

Roll Call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 14. Consideration to Adopt Resolution No. 2020-866, a Resolution Adjusting the Solid Waste Collection and Disposal Charges for Residential, Commercial, and Industrial Customers. DM 2020-48.

BACKGROUND

As authorized by the Board of Directors and attached for your review and consideration is Resolution No, 2020-866, which if adopted, will result in rate adjustments to all RCSD residential, commercial, and industrial solid waste collection and disposal services. Prior to consideration by the Board, Proposition 218 notice requirements must be satisfied. Those requirements include the following:

- All affected property owners and tenants received the Prop. 218 notification (see attached notification);
- Prop 218 notifications were mailed on April 3, 2020, at least 45-days before the public protest hearing date;
- The notice was provided in English and Spanish (not a Prop. 218 requirement); and
- Identified the public protest hearing location, time, and date affording all parties the ability to file their protests up to and including the hearing date.

On April 3, 2020, the District mailed 8,942 notices. Of those, 597 were returned as non-deliverable notices from the post office, thereby adjusting the total mailed to 8,345. Prop 218 requires 50% plus 1 vote protests to defeat such proposed rates. As of the writing of this Memorandum, the District has received 3 written protests against the proposed increase, well below the required 4,174.

Finally, Prop 218 requires the public agency to conduct a Protest Hearing. At the conclusion of the Public Protest Hearing, the Board will tally all protests submitted (written or oral) as part of the protest vote, determining if the required 50% plus 1 vote protest threshold is met. The Board will be asked to approve the Solid Waste rate adjustment should the protest vote count be below 4,4174.

The notice of pending adoption of Resolution No. 2020-866 is posted on the District website and available for inspection at the District office front counter. (Currently our Lobby is closed due to Covid-19 safety precautions, customers may call the office and have a copy mailed to them or they can download a copy from the District website.

Mr. Jeff Sims gave a detailed presentation and explanation regarding the Solid Waste, Sewer and Adjustment of certain Water Rates for delivery of Potable Water to residential, commercial and industrial customers.

Director Murphy opened the Public Hearing.

Nell, a member of the public inquired to the Board as to why the rates are going up. Mr. Jeff Sims explained to her how Burrtec adjust rates to the District including a CPI inflator by contract. Also, County of Riverside increased the tipping fee, and how Burrtec passes that fee on to the District. Recyclable costs are the largest component of costs now due to having to pay to get rid of the recyclable material. It was also brought up that within the next few years there will be additional costs being mandated by the state for food waste recycling.

Director Muniz stated that a customer opposed the rate increase and had written a letter.

Director Murphy closed the Public Hearing.

There were three (3) written protests and two (2) additional protests from the audience, for a total of five (5). This is well below the required 4,174 protests required to defeat the rate increase.

Director Murphy moved and Director Trueba seconded adoption of Resolution No. 2020-866, a Resolution Adjusting the Solid Waste Collection and Disposal Charges for Residential, Commercial and Industrial Customers.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 15. PUBLIC HEARING - Consideration to Adopt Ordinance No. 2020-125, an Ordinance Authorizing the Adjustment of the Riverside Sewage Treatment (RST) Cost Component of the Wastewater Charges. DM 2020-49.

BACKGROUND

At the March 7, 2019 regular meeting of the Rubidoux Community Services District (RCSD) Board of Directors (Board), Staff presented DM 2019-08 to the Board outlining the need to maintain a fiscally sustainable water and wastewater rate plan (Rate Plan). The Rate Plan allows for maximum annual increases to the Riverside Sewage Treatment (RST) portion of the wastewater charges beginning in FY 2019-2020 through FY 2023-2024. At their May 16, 2019 regular meeting, the RCSD Board noticed, called, and conducted a Public Hearing and Protest Vote for said charges pursuant to Proposition 218 and compliant with AB 3030.

Due to the City of Riverside's increasing treatment costs, it is necessary to increase the RST portion of the wastewater charge for FY 2020-2021. At the May 7, 2020 regular meeting of the RCSD Board, staff presented three options to the Board with regards to increasing or not increasing the District's water and wastewater rates. Based upon Board action taken at the May 7, 2020, meeting, the Board directed staff to prepare DRAFT Ordinance No. 2020-125, to increase the RST portion of the wastewater charge by the maximum allowed, 5%, under the prior year Proposition 218 notice with an effective date for billing periods beginning after August 1, 2020. As a result of this increase, the total monthly rate would be adjusted to \$27.70/month for each residential EDU and pro-rated for commercial and industrial accounts. The First Reading of Ordinance No. 2020-125 was presented to the Board at the May 21, 2020, regular meeting with no modifications noted by the Board.

This Public Hearing for Ordinance No. 2020-125 was posted at the District office on the District 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. 2020-125.

Director Murphy opened the Public Hearing.

There were no comments written or in person from the public at this time.

Director Murphy closed the Public Hearing.

Director Murphy moved and Director Muniz seconded adoption of Ordinance No. 2020-125, an Ordinance Authorizing the Adjustment of the Riverside Sewage Treatment (RST) Cost Component of the Wastewater Charges.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 16. PUBLIC HEARING – Adoption of Ordinance No. 2020-126, an Ordinance Authorizing the Adjustment of Certain Water Rates for the Delivery of Potable Water to Residential, Commercial and Industrial Customers. DM 2020-50.

BACKGROUND

At the March 7, 2019 regular meeting of the Rubidoux Community Services District (RCSD) Board of Directors (Board), staff presented DM 2019-08 to the Board outlining the need to maintain a fiscally sustainable water and wastewater rate plan (Rate Plan). The Rate Plan allows for maximum annual 6% increases to the water rates beginning in FY 2020-2021 through FY 2023-2024 (no water rate increase during first year of adopted Rate Plan). At its May 16, 2019 regular meeting, the RCSD Board noticed, called, and conducted a Public Hearing and Protest Vote for said charges pursuant to Proposition and compliant with AB 3030.

Since Board approval of the Rate Plan, the District has seen significant changes impacting its operating environment and future economic stability with regards to the water enterprise. The District, along with the entire water industry, is dealing with the emergence of new threatening contaminants, PFOS/PFOA, in addition to existing water quality issues within the District’s drinking water wells, such as 1,2,3-TCP and relatively high ambient TDS levels. Over the last couple of months, staff has developed a response/mitigation plan to combat these drinking water issues which will result in significant capital expenditures over the next 12 to 18 months while also increasing routine Operating & Maintenance Expenses (O&M). As a result of these increased expenditures, it is necessary to increase the water rates for FY 2020-2021. At the May 7, 2020 regular meeting of the RCSD Board, staff presented three options to be considered by the Board with regards to District’s water and wastewater rates. Based upon Board action taken at the May 2020 meeting, the Board directed Staff to prepare DRAFT Ordinance No. 2020-126, to increase the water rates by the maximum allowed, 6%, under prior year Proposition 216 notice. To mitigate impacts of the proposed water rate increase, DRAFT Ordinance No. 2020-126 has an effective date for billing periods beginning after January 1, 2021. The delay in effective date provides time for the COVID-19 event to subside, and to start the increase in cooler months when customer water usage is lower.

The District’s residential and commercial potable water “stand-by” charge is based on the customers meter size. For example, the typical residential customer with a ¾” meter would see an increase in their “stand-by” charge of \$1.52, to \$33.85 per month. A typical District customer with a family of four, using a ¾” meter and 18 units of water, would see an increase in their monthly bill of \$2.96, to \$63.00 per month. The First Reading of Ordinance No. 2020-126 was presented to the Board at the May 21, 2020, regular meeting, with no modifications noted by the by the Board.

This afternoon's Public Hearing for Ordinance No 2020-126 was posted at the District office, 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. 2020-126.

Director Murphy opened the Public Hearing.

There were no comments from the public at this time.

Director Murphy commented that the whole idea behind these proposed rates with the tiered structure is to encourage conservation. What our rate structure tiering does is it reduces the marginal rate per consumption. We will be looking at this issue again within the next two (2) years. If we could maybe get the rates a little more uniform, a little more increasing for the large water users. The differential between commercial and residential varies from the beginning to the end. If we could have the differential be constant, that would be good. It seems like we are increasing the rates disproportionately for people who are using less water. The whole purpose behind this tiered rate structure is to encourage water conservation, which means people use less water so there is an emphasis on getting the money where you can. We have a program for seniors where we give them some assistance with water. "Is anyone here who is a senior citizen who might be interested in that?" We have some forms that we can get to you. The forms were handed out.

Director Murphy closed the Public Hearing.

There were not written or in person protests from the public.

Director Murphy moved and Director Trueba seconded adoption of Ordinance No. 2020-126, an Ordinance Authorizing the Adjustment of Certain Rates for the Delivery of Potable Water to Residential, Commercial and Industrial Customers.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 18. Directors Comments.

Director Murphy commented for Mr. Barajas. One of his neighbors was trying to get a parking permit but couldn't go to city hall because of COVID, so they couldn't get the permit, then he got a ticket for not having the permit. He stated that he thinks it's important for public agencies have their front door open.

Director Muniz adjourned the meeting at 5:43 pm.