

**MINUTES OF REGULAR MEETING**  
**May 18, 2017**  
**RUBIDOUX COMMUNITY SERVICES DISTRICT**

**DIRECTORS PRESENT:** Armando Muniz  
Bernard Murphy  
F. Forest Trowbridge  
Christopher Barajas  
Hank Trueba Jr.

**DIRECTORS ABSENT:**

**STAFF PRESENT:** Dave Lopez, General Manager  
Steve Appel, Asst. General Manager  
Krysta Krall, Manager Fiscal Services  
Brian Jennings, Budgeting/Accounting Manager

Call to order: the meeting of the Board of Directors of the Rubidoux Community Services District by Director Muniz, at 4:00 P.M., Thursday, May 18, 2017, at the District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

**ITEM 4. APPROVAL OF MINUTES**

Special Meeting – April 27, 2017, correction to Action Item 2017-23, under Roll Call, should read **Ayes: Director Barajas, not Trueba.**

Regular Board Meeting – May 4, 2017, correction to Action Item 2017-24, under the motion, should read **Ayes: Director Trueba, not Barajas.**

Approval of the Special Board Meeting for April 27, 2017 and May 4, 2017, Regular Board Minutes were unanimously approved with changes.

**The motion was carried unanimously.**

**Ayes – 5 (Barajas, Muniz, Murphy, Trowbridge, Trueba)**  
**Noes - 0**

**ITEM 5. Consider to Approve the May 19, 2017, Salaries, Expenses and Transfers.**

Approve May 19, 2017 Salaries, Expenses and Transfers.

**Director Trowbridge moved and Director Murphy seconded to approve the May 19, 2017, Salaries, Expenses and Transfers.**

**The motion was carried unanimously.**

**Ayes – 5 (Barajas, Trowbridge, Muniz, Murphy, Trueba)**  
**Noes - 0**

## **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**

Staff has nothing to offer at this time.

## **ITEM 8. MANAGER'S REPORT**

### **Operations Report:**

Jurupa is still taking on a continuous basis about 1,700 gpd of water. We are able to provide it fairly easily. Things are running well.

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

The Incident Report for April 1 – April 3, 2017 there were a total of 261 calls, in comparison to the same period in 2016, there were a total of 272 calls. The year to date total is 1,055, compared to 1,055 in 2016.

## **ITEM 9. DM 2017-26. PUBLIC HEARING. Consideration to Adopt Ordinance No. 2017-120, an Ordinance Which Authorizes Sewer Rate Adjustments to Regional Sewer Treatment (RST) Costs for all Residential, Commercial and Industrial Wastewater Customers.**

**Director Muniz opened the PUBLIC HEARING. There were no comments from the public.**

**Director Muniz Closed the PUBLIC HEARING.**

At the May 4, 2017, regular meeting of the Rubidoux Community Services District, Staff presented DM 2017-25 to the Board a Year-to-Date Expenses and Revenues for the Wastewater Operations. Due to the City of Riverside's treatment assessments, which increased 20% over last year, Regional Sewer Treatment (RST) charges necessitate increases to a 5% adjustment. Subject increase to the RST component to the wastewater charge is pursuant to Prop. 218 and compliant with AB 3030. Essentially, Ordinance No. 2017-120 authorizes Regional Sewer Treatment (RST) component of the monthly sewer charges may be adjusted in three (3) subsequent years (a maximum of 5% each year) to keep up with the pass thru costs of treatment at the Regional Treatment Plant. Current wastewater charges for a single resident (Equivalent Dwelling Unit – EDU) are \$23.85 per month. Attached Ordinance No. 2017-120 proposes an adjustment to increase Riverside Treatment Sewer (RST) an additional \$0.89 for each EDU per month. Consequently, the total monthly rate would be adjusted to \$24.74 effective June 1, 2017, per month for each EDU and pro-rated for commercial and industrial accounts.

As presented, wastewater treatment costs which pass thru from the City of Riverside have increased steadily; therefore we cannot assume that treatment costs will remain stable or flat. Treatment costs now make-up 67% of the wastewater annual operational budget.

This afternoon's Public Hearing for Ordinance 2017-120 was posted at our office/web site 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. 2017-120.

**After a unanimous roll call, Adoption of Ordinance No. 2017-120 was approved by the Rubidoux Community Services District Board of Directors. Ordinance No. 2017-120 has an effective date of June 1, 2017.**

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

**Noes – 0**

**Absent – 0**

**ITEM 10. DM 2017-27. Review Fiscal Year 2016-2017 Year-to-Date Expenses and Revenues for the Water Operations Fund.**

On May 4 and 18, 2017, Rubidoux Community Services District Budget Committee conducted Budget workshops for proposed 2017-2018 and 2018-2019 water operational and capital improvement budgets. With respect to the water budget in current FY 2016-2017, the District reduced (with help from seasonal rains) water consumption year over year by 23% in accordance with the Governor's Executive Order B-29-15. Further, the State Water Resources Control Board in conjunction with the Governor's Office declared the Drought over for most of California.

The budget impacts of the Governor's and State reduction goals coupled with one of the wettest seasons recorded in California significantly reduced water sales for all suppliers. Reduced water sales equal less revenue. In our case, a 23% reduction in water sales was mitigated by a onetime transfer of \$500,000.00 from the COP's to Water Operations. To offset the water revenue losses Staff proposes a 6.5% water increase for FY 2017-2018 and have Drafted Ordinance No. 2017-121 with an effective date of July 1, 2017, and presented for your review this afternoon. Based upon an average household consumption of 16 units, the proposed adjustment would calculate to \$2.10 per month increase.

**Presentation by Staff**

As the Board is well aware, Prop 218 requires public agencies to mail notices to all customers and property owners for all proposed water, sewer and/or trash charges. Requirements state a 45 day public comment period must be maintained prior to scheduling a public hearing and concluding with a protest voting public hearing. AB 3030 attempts to simplify property related fees or charges by allowing implementation of multi-year rate schedules for water, sewer and trash rates. AB 3030 was created for those public agencies that have very little to no control with pass-thru charges over wholesale water agencies, like the Metropolitan Water District of Southern CA, which is not subject to Prop. 218. AB 3030 attempts to correct this disadvantage wholesalers have upon retail agencies by establishing a maximum fee schedule for up to five years. Any adjustment in

subsequent years cannot exceed the pricing schedule established within the five year projections. Further, annual adjustments require a 30 day notice period before adoption. Thus, public agencies can react and capture sudden uncontrollable pass-thru charges effectively.

AB 3030 does not circumvent the public's right to know and participate or to protest annual adjustments. On the contrary, AB 3030 requires a 30 day notice period concluding with a public hearing prior to adoption of any annual increase to water, sewer or trash rates.

Finally, adoption of AB 3030 does not overstep the Board's review or authority over annual rate review. Any increases to water rates must be reviewed by the Board of Directors. The Board, in turn, must provide the general public the opportunity to review, input or protest before adoption consideration.

Mr. Dave Lopez gave a detailed presentation on the 2016-2017 Year-to-Date Expenses and Revenues for water operations fund.

**Presentation only.**

**ITEM 11. DM 2017-28. Completion of the Tilton Avenue Sewer Pipeline Construction and Consideration to File a "Notice of Completion".**

At the September 1, 2016, regular meeting of the Rubidoux Community Services District, the Board approved DM 2016-58 which awarded the construction of the Tilton Avenue Sewer Improvement Project to E.J. Meyer Company, Inc. in the amount of \$669,699.00.

The improvements replaced approximately 2,100 LF of existing 8" and 10" sewer mains with 12" and 15" pipes in Tilton Avenue from Rubidoux Boulevard to Riverview Drive.

The work performed by E. J. Meyer is now complete. There were two Change Orders resulting in a contract decrease of \$78,791.44. The reason for the substantial decrease was the District coordinating work with the City of Jurupa Valley and their repaving efforts. The District removed the paving effort from E. J. Meyer's contract and will pay the City the \$78,791.44 to cover our portion of the repaving work. The net result is a zero cost change to the total project cost. E. J. Meyer completed the work in a safe and efficient manner. The adjusted contract amount (with Change Orders) is \$590,907.56.

To date, the contractor has been paid \$561,362.18 (including a check being processed at tonight's Board meeting). This amount represents 100% for the contract less retention.

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

- 1. Accept the work performed by E. J. Meyer Company, Inc. on the Tilton Avenue Sewer Improvement Project as complete and conforming to the bid specifications.**

2. **Authorize the execution and filing of the Notice of Completion for the project in the amount of \$590,907.56 which starts the 35-day lien period for the contractor (E. J. Meyer Company, Inc.).**

**The motion was carried unanimously.**

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

**Noes - 0**

**ITEM 12. DM 2017-29. Receive and File Cash Asset Report Ending April 2017 for All District Fund Accounts.**

The year-to-date Interest ending April 30, 2017 is \$113,620.00 for District controlled accounts. With respect to District "Funds in Trust", we show \$4,741.00 which has been earned and posted. The District has a combined YTD total of \$118,361.74 as of April 30, 2017.

With respect to the District's Operating Funds (Excluding Operating Reserves), we show a balance of \$3,983,879.00 ending April 30, 2017. That is **\$858,119.00 LESS** than July 1, 2016, beginning balance of \$4,841,998.00.

The District's Field/admin Fund continues to grow and current fund balance nears \$257,970.00.

Submitted for the board of directors consideration is the April 2017, *Statement of Cash Asset Schedule Report* for your review and acceptance this evening.

**Director Barajas moved and Director Trueba seconded to Receive and File the Statement of Cash for the Month of April 2017 for the Rubidoux Community Services District.**

**The motion was carried unanimously.**

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

**Noes - 0**

**ITEM 13. Directors Comments – Non action.**

Director Muniz adjourned the May 18, 2017 Regular Board meeting.