

MINUTES OF REGULAR MEETING
September 1, 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
Miguel Valdez, Operations 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, September 1, 2022, by teleconferencing at District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for August 18, 2022, Board Meeting.

Director Skerbelis moved, and Director Muniz seconded to approve the August 18, 2022, Regular Board Minutes as presented.

Roll call:

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

Noes – 0

Abstain – 1 (Trueba)

Absent – 0

The motion was carried by majority vote.

ITEM 5. Consideration to Approve the September 2, 2022, Salaries, Expenses and Transfers.

Consideration to Approve the September 2, 2022, Salaries, Expenses and Transfers.

Director Skerbelis moved, and Director Muniz seconded to Approve the September 2, 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

There was an article from WaterWorld regarding research finding a new simple method to destroy PFAS. Secondly there was a letter from WMWD sent to the governor in strong support for California’s Water Supply Strategy. Additionally, there was a historical article on droughts in California being a historical certainty.

ITEM 8. MANAGER’S REPORT

Operations Report:

Presented at the second meeting of the month.

Emergency and Fire Report:

The new Fire Chief that replaced Chief Viek introduced himself to the board. Both Battalion Chiefs have either transferred or promoted. He stated they are in the process of hiring two new Battalion Chiefs for the area.

ITEM 9. Update Board of Directors on Non-Routine Capital Expenditures Associated with Fire Station. DM 2022-81.

BACKGROUND

The Rubidoux Community Services District (“District”) is responsible for providing Fire Protection Services within the District’s Boundary and provides this service through a contract with Riverside County Fire / Cal Fire (“County Fire”) for staffing and equipment. Since 2006, the District has owned Fire Station 38’s property and building and as the owner, the District is responsible for its ongoing upkeep and replacement of long-lived assets. Funding to pay County Fire for contract services and routine recurring expenses related to upkeep of Fire Station 38 comes from the District’s share of property taxes paid by property owners within the District

service boundary. The District retains an operating reserve from this funding source for upkeep and routine recurring expenses.

In May 1988, the Board adopted Ordinance No. 85 establishing certain fire protection mitigation fees to be used by the District to “*construct and/or equip new fire station facilities, or for equipment at existing facilities...*” lived assets. Fire mitigation fees are collected by District personnel at the same time other water and sewer capacity fees are collected. Currently, the District Collects \$815 per single family residence and \$.41 per square foot for each commercial building.

Fire Station 38 Sign

In February 2020 the sign for Fire Station 38 situated in front of the flagpole at the corner of Mission Blvd. And Avalon Street was hit and destroyed by a drunk driver. During the time of the accident, a police report was filed and the driver’s insurance information was gathered by the District. Fire Station 38 personnel took the lead on replacing the sign and contacted various vendors. Shortly after, in March 2020, Governor Gavin Newsom proclaimed a state of emergency to exist in California due to the spread of COVID-19. This was followed by a “stay at home order” for which many non-essential businesses were required to shutter their doors. Given the uncertainty of the COVID-19 pandemic, Fire Station 38 and District personnel shifted its focus away from replacing the sign and onto the core functions of their respective organizations as both were designated as critical infrastructure agencies. Although the sign was not replaced in a timely manner, the initial efforts made by Fire Station 38 personnel to replace the sign allowed for the District to file a claim and seek damages against the driver’s insurance. In June 2020 the District received insurance proceeds of \$7,288.07 for the estimated future cost of replacing the Fire Station 38 sign.

In early 2022, the height of the pandemic was over and District staff resumed communications with Fire Station 38 personnel to get the sign rebuilt. Locating a vendor to perform the work proved tough but Fire Station 38 personnel found a local vendor from Jurupa Valley, Precision Sign and Graphics, who provided two options for the District to consider. District personnel discussed the two options with Fire Station 38 personnel and both parties agreed on Option 1 (Exhibit A). The design was modest but yet had a personal touch to the District by incorporating its logo. The estimate provided by the vendor for this work was \$8,608.21 (Exhibit B) which was \$600 less than the estimate for Option 2. Additionally, before the new sign can be set, the District requires the removal of the old sign’s pillars left standing after the accident. The estimate for this work is \$1,500 (Exhibit C). Combined, the total estimated cost to the District for rebuilding the sign at Fire Station 38 is \$10,108.21. This cost, mitigated by the insurance proceeds received in 2020 results in an “out-of-pocket” expense to the District of \$2,820.14. The lead time for the sign is estimated at 6-9 weeks and due to material and production costs, the vendor requires a 50% deposit at the time of order with the remaining paid at time of installation. Included in tonight’s ‘AP Enter Bills Edit Report’ under Agenda Item 5 is a check payable to Precision Sign and Graphics for \$5,054.11 which represents 50% of the total cost.

Fire Station 38 Water Heater

The commercial grade water heater at Fire Station 38 is the original from 2006. Fire Station 38 personnel began experiencing issues with the water heater in early 2021. As a result, the District’s plumber was called to assess and repair the problem. During the service call, the District’s plumber made the water heater operational but informed staff the water heater was near the end of its useful life. On August 18, 2022, District staff received a call from Fire Station 38 personnel the water heater had failed. As hot water is a health and safety measure for Fire Station

38 personnel, an urgent solution was needed. District staff coordinated a service call with its plumber to assess the condition. The District's plumber confirmed the water heater's failure. District personnel was presented with four options for replacement (Exhibit D). District and Fire Station 38 personnel discussed the four options and both sides agreed Option B to be the preferred choice with an "all-in" cost of \$15,449.50. As of the writing of the Memorandum, District personnel began coordination efforts with its plumber to replace the failed water heater. In the meantime, Fire Station 38 was outfitted with a temporary water heater until the replacement is installed.

*Director Murphy would like to staff prior to installation to look into making sure the Option B water heater will be adequate, if in the future the fire staff will grow to a maximum of 10 personnel. Additionally, if we could make clear that we don't want code style strapping, we want a real strap.

Budget and Cash Considerations

The combined cost of replacing the sign and water heater at Fire Station 38 is estimated at \$25,557.71. Factoring in insurance proceeds, the net cost to the District for the two asset replacements is \$18,269.64. The District budgeted \$250,000.00 in its FY 22-23 Fire/Weed Abatement Fund Budget In. 18 'Misc. Asset Acq./Replacements' specifically for expenditures like these. Additionally, as of the writing of this Memorandum, the District has approximately \$2.061 million in its Fire Mitigation cash account, which serves as the funding source for Fire Station 38 asset replacements. District staff determined the FY 22-23 Fire/Weed Abatement Fund Budget and Fire Mitigation cash account to have sufficient capacity for these expenditures and will continue working with its vendors to get these two new assets installed.

No Board action is required, informational only.

ITEM 10. Consider Reimbursement Agreement with Century Communities of California, LLC for Construction of Master Planned Water Transmission Pipelines. DM 2022-82.

BACKGROUND

Century Communities of California, LLC ("Developer") is developing a project within Rubidoux Community Services District's ("District") service area commonly called Emerald Ridge South ("Project"). The Project encompasses multi-and single-family residences in the area bounded approximately by Kenwood Place on the northeast, Canal Street on the northwest, the 60 Freeway on the southwest, and Avalon Street on the southeast. This is depicted in Exhibit 1 of the attached agreement.

The District's 2022 Water Master Plan was adopted by the Board of Directors on June 16, 2022. The 2022 Water Master Plan was adopted by the Board of Directors on June 16, 2022. The 2022 Water Master Plan includes the construction of an 18" diameter water transmission pipeline to replace an existing 12" diameter water transmission pipeline in Alta Street. This replacement pipeline is hereinafter referred to as the "District Water Facility". These District Water Facilities are shown on Exhibit 3 of the attached agreement.

The Developer proposes to abandon a portion of Alta Street for in-tract circulation improvements and to enable more lots to be built.

The length of the District Water Facility as shown in the 2022 Water Master Plan is 700 lineal feet. To match the proposed configuration of streets in the Project the Developer proposes building the District Water Facilities in the new alignment, making it longer than the 700 lineal feet shown in the 2022 Waster Master plan.

This District Water Facility is included in the 2022 Water Master Plan its cost is considered in the calculation of the District’s Water Capacity Fee. The Developer has requested a credit equaling the cost of the District Facility against Water Capacity Fees due for the Project. Staff has reviewed this credit request and has proposed the credit amount be based on the incremental difference in cost carried in the 2022 Water Master Plan between a 12” diameter and an 18” diameter water pipeline for 700 lineal feet. This equates to \$175,000.

Staff and District Counsel have coordinated with Century Communities of California, LLC in the development of the attached Agreement and recommend the Board of Directors consider its approval.

Director Trowbridge moved, and Director Muniz seconded the Board of Directors authorize the General Manager to sign the agreement entitled: “Reimbursement Agreement – Master Planned Sewer System Improvements, Tract No. 37640 (Century Communities).”

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 11. Consider Adopting Resolution No. 2022-897, a Resolution Rescinding Resolution No. 2019-884, and Adopting a Revised Discontinuation of Residential Water Services for Non-Payment Policy. DM 2022-83.

BACKGROUND

Senate Bill 998 (“SB 998”) requires retail water agencies, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service of residences for non-payment. The policy requires a customer to be delinquent for a period of at least 60 days before water service to the customer can be shut off by the water agency. SB 998 further provides that if the customer is willing to sign an alternative payment arrangement to pay the delinquent balance amount on their account over a series of payments while keeping their recent balances on their account current, they would avoid being shutoff.

SB 998 went into effect February 1, 2020. Shortly thereafter through a series of executive orders and senate bills related to COVID-19, a water shutoff moratorium was put into place on March 4, 2020 and remained in place until December 31, 2021. For a period of twenty-two months the District was unable to shut off customers water meters for non-payment.

- Starting January 1, 2022, delinquent customers no longer were provided the protection of a water shutoff moratorium, and the District began to implement its written shutoff policy.
- In preparation of the moratorium ending, staff reviewed the policy adopted by the Board on December 5, 2019. Staff determined the policy could use some modifications to better align it with existing District procedures regarding mailing final notices and the posting of red cards while remaining compliant with requirements of SB 998. In addition, the District created forms customers can complete when certifying medical and/or financial hardship, or when applying for a payment arrangement. On February 3, 2022 the Board of Directors adopted Resolution No. 2022-884 to update the policy and to rescind Resolution No. 2019-859 the District’s original water shut-off policy adopted on December 5, 2019.

In Section 4.6 – Disconnection Deadline of the current shut-off policy (Resolution No. 2022-884) language indicates customer payment must occur at the District Office no later than 4:00 PM on the date specified in the notice. The issue of the cut-off being 4:00 PM has created some concerns so it is suggested this language be modified to indicate the customer payment must occur at the District Office no later than the regular close of business on the date specified in the notice. The revised water shut-off policy is attached.

To implement, the Board will need to consider adopting Resolution No. 2022-897, a Resolution Rescinding Resolution No. 2022-884 and Adopting a Revised Discontinuation of Residential Water Service for Non-Payment Policy.

Director Skerbelis moved, and Director Muniz seconded the Board of Directors adopt Resolution No. 2022-897.

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 12. Consider Agreement with Lennar Homes of California, LLC Regarding Water and Sewer Capacity Fees for the Shadow Rock Development. DM 2022-84.

BACKGROUND

Lennar Homes of California, LLC (“Developer”) is in the process of building its Shadow Rock Development (“Development”) of which 315 single-family residential homes will be provided services from Rubidoux Community Services District’s (“District”). Of the 315 homes in the Development, approximately 213 have already been built and receiving services from the District.

The Developer was required to construct master planned water pipeline in Pacific Avenue, which has been completed. The Pacific Avenue Pipeline is included in the District's water master plan and as such, the Developer can elect to use the value of the eligible costs paid to build the Pacific Avenue Pipeline as credits in-lieu of water capacity fees due for the Development. Currently the water capacity fee for a ¾" water meter (considered 1 EDU) is \$6,800. The in-lieu water capacity fees credit available to the Developer for the value of the Pacific Avenue Pipeline covers 211.59 EDUs. Currently around 213 homes have been built and another 35 or so in various stages of construction.

Jurupa Unified School District ("JUSD") acted as the lead agency in the formation of JUSD CFD No. 14 to fund various Development expenses including water and sewer capacity fees to be paid to the District. The District is to receive \$3,780,000 in water and sewer capacity fees for the 315 homes in the Development. JUSD has sold the bonds and the District's share of the bond proceeds (\$3,780,000) is available for disbursement to the District. This amount is based on the current District capacity fees - \$6,800 (¾" water meter) and \$5,200 for sewer.

The District soon plans to submit a disbursement request to JUSD for the entire \$3,780,000 and will receive the funds prior to all 315 lots being completed.

Recently the District adopted and updated water and sewer master plans and is underway with completion of a Cost-of-Service Study ("COSS"). Included with the scope of work for the COSS is a review of the District's current monthly rates and capacity fees. An outcome of the COSS is the District seeking to adjust the water and sewer capacity fees. Any adjustment of District water and sewer capacity fees would be done through a noticed and transparent process consistent with Prop 218 requirements. This process is estimated to be completed in the next 6 to 12 months.

In the event District capacity fees are increased prior to Developer completing all 315 lots in the Development, the funds collected by the District from JUSD CFD No. 14 will not be sufficient to cover all the capacity fees due the District. For example, if the District capacity fees increase by \$300 per lot and 50 lots remain to be built, JUSD CFD No. 14 funds would be short \$15,000.

The purpose of the *Agreement Regarding Water and Sewer Capacity Fees For Tract No. 31894 & 37470 (Lennar – Shadow Rock Development)*, ("Agreement") memorializes:

1. Developer has 211.59 EDUs of in-lieu water capacity fees credit for eligible expenses paid to construct the Pacific Avenue Water Pipeline.
2. With receipt of the \$1,638,000 of the total \$3,780,000 from JUSD CFD No. 14 for sewer capacity fees the District will release the letter of credit posted by the Developer for sewer capacity fees.
3. The Developer agrees to pay for incremental increases in capacity fees, if any, beyond the JUSD CFD No. 14 funding of \$3,780,000 should the District increase the capacity fees. This requirement would be only for those lots not already connected to the District's water and sewer systems.

It is anticipated the Developer will have all 315 lots connected by next summer under current capacity fees. But in the event a housing slow down occurs, and the District adopts new capacity fees amounts, this Agreement insures payment of the then current capacity fees for those remaining lots.

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

- 1. Approve the Agreement – *Agreement Regarding Water and Sewer Capacity Fees for Tract No. 31894 & 37470 (Lennar – Shadow Rock Development)***
- 2. Sign the same on behalf of the District.**

Roll call:

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

Noes – 0

Abstain – 0

Absent – 0

The motion was carried unanimously.

ITEM 13. CLOSED EXECUTIVE SESSION – Pursuant to Government Code 54956.8:

Real Property Negotiations

Property: 5473 Mission Blvd., Jurupa Valley, CA

Agency Negotiator: Jeff Sims, General Manager

Under Negotiation: Purchase Contract Terms, Financing

There was no reportable action.

ITEM 14. CLOSED EXECUTIVE SESSION – Pursuant to Government Code Section 54957(b)(1): General Manager Position

There was no reportable action.

ITEM 15. Directors Comments

Director Murphy would like staff to verify why the 399,999 BTU 100 gallon was originally installed at Fire Station No. 38 and if with replacement can be downgraded to 199,999 BTU 100 gallon. He is concerned at some point with full staffing of the fire station the 199,999 BTU unit would need to be replaced.

Director Murphy asked if there is a security guard at the building located at 5473 Mission? Staff indicated no there isn't.

Director Murphy requested when the Auditor presents to the Board the presentation is done in-person.

Director Trueba adjourned the meeting at 6:45 PM.