

**MINUTES OF REGULAR MEETING
March 7, 2019
RUBIDOUX COMMUNITY SERVICES DISTRICT**

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

DIRECTORS ABSENT: Armando Muniz

STAFF PRESENT: Dave Lopez, General Manager
Steve Appel, Assistant 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 President Trueba, at 4:00 P.M., Thursday, March 7, 2019, at the District Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 4. APPROVAL OF MINUTES

Approval of Minutes for February 21, 2019, Regular Board Meeting.

Director Skerbelis moved and Director Trowbridge seconded to approve the February 21, 2019 Minutes with the correction on page 2, Item 9 to read Principles, not Principals; and again on the top of page 3, paragraph 1 with the same correction.

Ayes – 3 (Skerbelis, Trueba, Trowbridge)

Noes – 0

Abstain – 1 (Murphy)

The motion was carried with a majority vote, with Director Murphy abstaining.

ITEM 5. Consideration to Approve the March 8, 2019 the Salaries, Expenses and Transfers.

Consideration to approve March 8, 2019, Salaries, Expenses and Transfers.

Director Murphy moved and Director Skerbelis seconded Approve the March 8, 2019, Salaries, Expenses and Transfers.

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

Noes - 0

The motion was carried unanimously.

ITEM 6. PUBLIC ACKNOWLEDGE OF NON-AGENDA MATTERS

There were no members of the public in the audience.

ITEM 7. CORRESPONDENCE AND RELATED INFORMATION

The first article was from the California Daily News regarding Los Angeles Mayor Garcetti announcing a goal to recycle 100% of the city's wastewater by 2035. The second article, also from the California Daily News, was regarding EMWD, who is part of a co-sponsor legislation for tax-free safe drinking water needs. This will address the safe water drinking needs for the water purveyors who are having difficulty meeting the Title 22 and drinking water standards.

ITEM 8. MANAGER'S REPORT

Operations Report:

Presented at the second board meeting of the month.

Emergency and Fire Report:

Presented at the second board meeting of the month.

ITEM 9. Consideration to Develop a Fiscally Sustainable Water and Wastewater. DM 2019-08.

BACKGROUND

Staff monitors year-to-date revenues and expenses on a continuous basis for all District fund accounts. One purpose of this monitoring is to allow Staff time to make minor adjustments and course-corrections on an as-needed basis. When we forecast revenues and expenses to the end of the fiscal year, we need to recommend to the Board formal adjustments to future year revenues and expenses. Since we are nearing the budget time of year, it is appropriate to provide the Board with a year-to-date and forecast year end status of revenues and expenses for water and sewer operating funds.

While the water fund revenues and expenses are currently stable, the challenge in future years is the uncertainty of declining water sales due to water conservation efforts, emerging regulations, economic fluctuations, or excessively wet years. These challenges are not exclusive to the Rubidoux CSD, but rather industry wide. Last year, the District

has had to construct unanticipated treatment facilities to remove 1,2,3-TCP from one of the District groundwater Wells. Later this year, we will need to add the same treatment at one other District Well.

Regarding the wastewater fund, the largest component to our structure is our payment obligation to the City of Riverside for sewage treatment (RST). Currently almost 70% of the sewer fund operations budget goes to pay the RST. Given the imbalance between sewer fund revenues versus expenses, Staff will be proposing a 5% increase to the RST portion of the rate, while all other sewer charges will remain the same.

Mr. Steve Appel gave a detailed presentation to the Board regarding a fiscally sustainable water and wastewater rate plan.

For future years, Staff recommends adoption of a five-year rate structure compliant with AB 3030. The fee schedule may include formulas for adjusting charges based upon inflation, material costs, energy increases and other pass-thru charges. Approval of a five-year rate structure does not minimize the Board's authority over annual rate reviews. Any proposed increases to water or wastewater rates are presented to the Board for review and adoption.

Director Murphy moved and Director Skerbelis seconded authorization to prepare, develop and draft necessary Notices for Water and Wastewater Rate adjustments with a five-year fee schedule.

**Ayes – 4 (Murphy, Skerbelis, Trowbridge, Trueba)
Noes - 0**

The motion was carried unanimously.

**ITEM 10. Consideration to Approve and Authorize Staff to Prepare and Set Water and Wastewater Protest Hearing Pursuant to Prop. 218 and AB 3030.
DM 2019-09.**

BACKGROUND

In anticipation of the Board approval of the proposed water and wastewater sustainability rate plan, Staff now requests approval and authorization to prepare a water and wastewater protest hearing in accordance with Proposition 218 and compliant with AB 3030 (five-year rate).

While no water rate increase is proposed for ordinary water charges in FY 2019-2020, Staff is proposing increases not to exceed 6.0% per annum for each of the following fiscal years (FY 20-21 – 23-24). The reason for these possible increases is due to the uncertainty in additional regulations which would have a negative impact on the District's water operations and budget.

With respect to the wastewater rates, a proposed increase of 5.0% on the Riverside Sewage Treatment (RST) portion of the rate is proposed for FY 2019-2020, and not to

exceed 5% increase (again for RST only) for the subsequent 4 years (FY 20-21 – 23-24). If approved, the wastewater rate would increase \$0.98 per month for the typical residential customer in July 2019.

Finally, the adoption of the proposed water and wastewater 5-year cost schedule may be flexible enough to accommodate a lease/purchase of the field and administration facilities.

Mr. Steve Appel, District Engineer, gave a presentation to the Board of Directors outlining the above information.

The tentative implementation schedule is as follows:

- Present date to March 18, 2019 – Prepare Prop 218 Notice & Rates and update property tax ownership roles;
- No later than March 18, 2019 – Mail Prop 218 Notices (English and Spanish) to property owner and renters;
- May 16, 2019 (Board Meeting) – Protest Election and Hearing for the Proposed water and wastewater rates;
- May 16, 2019 (Board Meeting) – Adopt Ordinance for a July 1, 2019 effective date;
- June 6, 2019 (Board Meeting) – Adopt the 2019-2020 and 2020-2021 budget; and
- August 1, 2019 – New wastewater rates are billed for July usage.

Director Trowbridge moved and Director Murphy seconded authorization and approval to prepare and set the water and wastewater Protest Hearing pursuant to Proposition 218 and compliant with AB 3030.

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

Noes - 0

The motion was carried unanimously.

ITEM 11. Directors Comments.

Director Trueba adjourned the meeting at 4:37 pm.