

**RUBIDOUX COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS**

**MINUTES OF REGULAR MEETING
Thursday, April 18, 2024**

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

DIRECTORS VIA ZOOM: Armando Muniz

STAFF PRESENT: Brian Laddusaw, General Manager
Ted Beckwith, Director of Engineering
Miguel Valdez, Director of Operations
Martha Perez, Customer Service/Accounts Payable
Manager
Melissa Trujillo, HR Generalist/Safety and Facilities
Coordinator
Kirk Hamblin, Director of Finance and Administration

VISITORS (SIGNED IN): William Otterman, Chief, Fire Station 38

ITEM 1. 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 18, 2024, in-person and by teleconferencing at the District's Administrative Office, 3590 Rubidoux Boulevard, Jurupa Valley, California.

ITEM 2. PLEDGE OF ALLEGIANCE – General Manager

ITEM 3. ROLL CALL – General Manager

ITEM 4. PUBLIC COMMENTS

No public comments were provided during the meeting.

ITEM 5. CONSENT CALENDAR

A. Approval of Minutes for April 4, 2024, Regular Meeting

- B. Consideration to Approve April 19, 2024, Salaries, Expenses and Transfers
- C. **DM 2024-31:** Receive and File Statement of Cash Asset Schedule Report Ending February 2024

ACTION:

Director Murphy moved, and Director Trueba seconded to approve the Consent Calendar:

Roll call:

Ayes – 5

Noes – 0

Abstain – 0

Absent – 0

The motion was carried 5-0-0-0.

ITEM 6. CORRESPONDENCE AND RELATED INFORMATION

GM Laddusaw included an article from the Riverside Press Enterprise titled, “Sierra Nevada Vital State Snowpack about Average.” The article is about the strong El Nino helping head off snow drought; Mountain’s supply 30% of California’s water. California has entered spring with an above average mountain snowpack and major reservoirs in good shape for a second consecutive year, staving off immediate water supply concerns but not allaying drought worries in a warming world. The California Department of Water Resources measured the water content of the Sierra Nevada snowpack Tuesday at 110% of the April 1 average, a benchmark date because that is when historically been at its peak and helps inform forecasts.

ITEM 7. REPORTS

A. Operations Report (Second Meeting Each Month)

Director of Operations Miguel Valdez reported on the water/wastewater report for the month of March, production was an average of 2.75 mg per day and an average of 1.71 mg/day was the wastewater flow to the City of Riverside. The consumption of JCSD was an average of 0.00. Well No. 18 produced 20.3% of water, Well No. 8 produced 21.6%, Well No. 6 produced 13.2%, Well No. 4 produced 7.2%, Well No. 2 produced 0.0%, and Well No. 1 produced 37.7%. Director Trueba commented on the relationship between the District and the City of Riverside after the litigation. Director Skerbelis asked GM Laddusaw to follow up on the next scheduled Regional Advisory Committee meeting with the City of Riverside.

B. Emergency and Incident Report (Second Meeting Each Month)

Fire Station 38 Chief Otterman presented the month activity report for March 2024. Station 38 received a total of 241 calls. 16 were false alarm calls, 1 Haz Mat, 180 were medical, 4 were other fires, 1 was other miscellaneous, 9 were public service assistant, 1 were rescue fires, 8 were standby, 20 were traffic collision, and 1 vehicle fire. Director Truba commented that members of

the Lions Club found a needle syringe outside their facility and asked Chief Otterman what they should do when individuals find these items. Chief Otterman said they can contact the Riverside County Department of Waste Resources and they can assist with household hazardous waste. Director Murphy also commented the change of the City of Jurupa Valley Council members. Director Skerbelis requested to move that discussion to Directors comments.

C. General Manager and Staff Reports / Updates

GM Laddusaw informed the Board of the Meet the Machines that was scheduled for Saturday, April 13th from 9 am- 1 pm. Staff attended the event. He reminded the Board of the City of Jurupa Valley Public Works Department Open House scheduled for Saturday, May 18, 2024, had a change of date to Saturday, June 1, 2024, from 8 am – 12 pm at the Jurupa Valley Operations Center. He also commented on the 12th Annual Mayor’s Breakfast on May 2nd from 7:30 am – 9:30 am. Director Trueba and GM Laddusaw will be attending the event.

D. Committee Reports

The Solid Waste Committee met on April 11, 2024, at 10am. The committee included Director Skerbelis and Director Trueba. They met to discuss the FINAL FY 2024|2025 Cost Allocation for Solid Waste (Trash) Collection and Disposal as Submitted by Burrtec. The Personnel Committee met on Thursday, April 18, 2024, at 3pm. The Committee includes Director Skerbelis and Director Trowbridge. They met to discuss the labor negotiations with Labors International Union of North America, Local 777 status updates GM Laddusaw had for the Committee. Director Murphy commented on the negotiation’s timeline. He would like the draft Memorandum of Understanding (“MOU”) to be presented to the Board during the first meeting of June. This will give him enough time to review the presented MOU prior to the second meeting in June. The current MOU is in effect until June 30, 2024.

ITEM 8. ACTION/DISCUSSION ITEMS.

- A. DM 2024-32:** Consideration to Approve Solid Waste Rate Increases for FY 2024|2025 and Authorize Staff to Prepare and Set Solid Waste Public Protest Hearing Pursuant to Proposition 218

BACKGROUND:

On March 19, 2024, the Solid Waste (“Trash”) Committee and staff met with Richard Nino and Michael Heftman of Burrtec Waste Industries, Inc. (“Burrtec”), the District’s exclusive waste hauler, to discuss Burrtec’s draft proposed rate increases to the trash rates for FY 2024|2025. The County of Riverside’s pass-through rates (“tipping fees”) were finalized on March 28, 2024. On April 11, 2024, a second Trash Committee was scheduled to review the final FY 2024|2025 rate tables. At the conclusion of the second Trash Committee, both Committee members concurred on the following motion: 1) Approve the FY 2024|2025 rate tables (Attachment 1) and initiate the Proposition 218 rate increase implementation schedule; and 2) Agendize for full Board of Directors (“Board”) consideration at the April 18, 2024, regular meeting.

More than 90% of the District’s trash customers are classified as residential customers. Residential trash rates, most notably those with the 90-gallon can, have been utilized by the Board as the baseline for discussing rate adjustments each year. Burrtec is proposing rate increases across all service areas and customer classifications. Table 1 details the proposed rate increase (itemized) for a residential customer with a 90-gallon can:

For residential customers with a 90-gallon can, Burrtec is proposing a rate of \$40.14/month, a \$2.79/month increase, or 7.47%.

A description of the various cost components of the trash rate is as follows:

TABLE 1				
Cost Component	Current	Proposed		
	FY 23 24	FY 24 25		
	(\$)	(\$)	(\$)	(%)
CPI (4.65%)	\$ 18.92	\$ 19.80	\$ 0.88	4.65%
Landfill tipping fee	\$ 8.69	\$ 9.08	\$ 0.39	4.49%
Recycling	\$ 2.05	\$ 2.37	\$ 0.32	15.61%
Mixed Organics	\$ 5.54	\$ 5.99	\$ 0.45	8.12%
SB 1383 Admin Fee	\$ 0.90	\$ 0.90	\$ -	0.00%
RCSD Admin Fee	\$ 1.25	\$ 2.00	\$ 0.75	60.00%
Total	\$ 37.35	\$ 40.14	\$ 2.79	7.47%

- CPI – This cost is the service component of Burrtec which is adjusted via the consumer price index (“CPI”) on an annual basis. Last year, the CPI was 8.70% but Burrtec capped the service cost increase at 6.0%. In the current year, although inflation is appearing to subside, the increase was calculated at 4.65%. The CPI values for purposes of calculating the percentage are included as the last page of Attachment 1. This amount is kept by Burrtec.
- Landfill, Recycling, Mixed Organics – These costs are pass-through costs from the County of Riverside for each component’s respective “tipping fee” and are not controlled by Burrtec. The recyclables commodity market declined during 2023 resulting in a recycling processing cost increase for the 2024 rate year. Further, mixed organics includes food waste recycling.
- SB 1383 Administrative Fee – This fee covers the ongoing costs of implementation including tracking and recordkeeping, annual reporting, contamination monitoring, education and outreach, procurement, container labeling and other required items. The fee remains unchanged from the previous year.
- RCSD Administrative Fee – This is the District administrative monthly charge per residential customer.

The service cost (CPI) is contractually allowed for in the Agreement. Further, the “tipping fees” are pass-through costs from the County of Riverside. The service costs and “tipping fees” are effectively “non-negotiable” by the District.

The District's has at its discretion the ability to adjust the 'RCSD Admin Fee'. For the District's commercial customers, this would be considered the 'Franchise Fee'. From 2008-2022, the District's Admin. Fee and Franchise Fee were \$0.25/month per customer and 10%/month per customer, respectively. The Board is conscious of rate adjustments every year and since other cost components have increased over the years, an effort was made to keep the District's fees low to lessen the overall impact to the District's customers.

In 2022, the District had approximately 6,300 residential trash customers and 400 commercial trash customers. A \$0.25/month per customer fee would have generated approximately \$19,000 in revenue from residential customers and a 10%/month per customer fee would have generated approximately \$120,000 in revenue from commercial customers over the course of a year. In total, the District would have generated approximately \$139,000 in revenue in 2022 from its District charged fees. Further, the District receives other miscellaneous revenues in the form of container "roll-off" revenue and a District billing fee, which has been \$3,000/month since the inception of the Agreement.

These four revenue components: 1) residential admin. fee, 2) commercial franchise fee, 3)"roll-off" revenue, and 4) billing fee are combined to offset the administrative costs incurred by the District to manage the trash enterprise. Administrative costs include but are not limited to a pro-rata allocation of salaries, benefits, and overhead costs of the District's customer service staff and management staff who have an active role in the trash enterprise. Historically, administrative costs not covered by this revenue must be subsidized from discretionary property tax revenues. For FY 2022|2023, this subsidy was estimated to be \$273,800. In other words, the District's trash enterprise was not generating enough revenue to cover its costs and required funds from other sources which is not a sustainable business model as discretionary property tax revenues fluctuate from year-to-year. Further, offsetting solid waste administrative costs with discretionary property tax revenues reduces the District's ability to use those monies for more pressing operational challenges or reserving those monies for future unforeseen costs.

Understanding this, beginning in FY 2022|2023 the Board adopted a five-year rate plan to increase the District's residential Admin. Fee and commercial Franchise Fee with the purpose of reducing and eventually eliminating the trash enterprises need for a discretionary property tax revenue subsidy. The five-year rate plan is summarized in Table 2 below:

TABLE 2						
District Fee's	2008-2022	FY 22 23	FY 23 24	FY 24 25	FY 25 26	FY 26 27
Residential Administrative Fee	\$ 0.25	\$ 1.00	\$ 1.25	\$ 1.50	\$ 1.75	\$ 2.00
Commercial Franchise Fee	10%	13%	14%	15%	16%	17%


Trash Committee Recommendation

Keeping with the five-year rate plan above, staff proposed a \$0.25 increase to the monthly residential Admin. Fee and 1.0% increase to the commercial Franchise Fee. Combined, these increases were anticipated to generate an additional \$35,000 in revenues for FY 2024|2025. This was projected to leave a discretionary property tax offset of approximately \$78,000.

On April 11, 2024, the Trash Committee unanimously moved to adjust the Admin. Fee from \$1.25 to \$2.00 and commercial Franchise Fee from 14% to 17% (Year 5) beginning FY 2024|2025 as opposed to the original proposal of \$0.25 and 1.00%, respectively. The purpose

being to eliminate the discretionary property tax offset in FY 2024|2025 and not wait until FY 2026|2027.

For reference, the City of Jurupa Valley currently charges its residential customers a franchise fee of \$4.88/month.

In December 2022, the Board adopted a five-year rate plan for its water and wastewater enterprises effective July 1, 2023, and allowing for rate increases every July 1 until July 1, 2027. Historically, due to the volatility of the solid waste enterprise, the District has authorized single year adjustments. The same is proposed this year. Rate adjustments are subject to the requirements of Proposition 218. The most notable requirements of Proposition 218 include:

1. Hold noticed public hearing.
2. Notice of public hearing must be mailed to property owners of record and tenants directly responsible for the fee at least 45 days prior to the public hearing.
3. The notice must contain the following information:
 - a. The amount of the fee or charge proposed to be imposed.
 - b. The basis upon which it was calculated.
 - c. The reason for the fee or charge.
 - d. The date, time, and location of the public hearing.

With a goal of having the rates in effect by July 1, 2024, and understanding the requirements above, staff proposes the following FY 2024|2025 rate increase implementation schedule:

- April 18, 2024 (Board Meeting) – Board consideration to authorize staff to initiate Proposition 218 process for increase in solid waste rates.
- April 25, 2024 – Draft Resolution available at the District office and on the District website.
- No later than May 6, 2024 – Mail Proposition 218 notices to property owners and renters.
- June 20, 2024 – Protest Hearing for the proposed solid waste rates. Adopt the rate adjustment Resolution.
- July 1, 2024 – New solid waste rates in effect.

ACTION:

Director Murphy moved, and Director Trowbridge seconded to authorize the General Manager to the following items:

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. Director Murphy requested District personnel on or about May 2026 to provide a before and after graph of the mixed organic waste density numbers. He would like a comparison of the numbers once the SB1383 pails are distributed to customers.

Roll call:

Ayes – 5

Noes – 0

Abstain – 0

Absent – 0

The motion was carried 5-0-0-0.

ITEM 9. DIRECTOR'S COMMENTS AND REQUESTS

Director Muphy commented on the City of Jurupa Valley City Council change. The new City Council announced they would be reviewing the employee contracts in place. Director Skerbelis asked GM Laddusaw to provide the article from the Press Enterprise. Director Murphy also commented on the elections that took place in Canada. Director Muniz apologized for not attending the meeting in person but via Zoom. No other Directors had comments or any other item to report on.

ITEM 10. NEXT MEETING

Thursday, May 2, 2024, at 4:00 P.M.

ITEM 11. ADJOURNMENT

President Skerbelis adjourned the meeting at 4:35 P.M.