

## Board of Directors

Gail Barclay  
Armando Muniz  
John Skerbelis  
F. Forest Trowbridge  
Ruth Anderson Wilson



## Secretary-Manager

David D. Lopez

Water Resource Management

Refuse Collection

Street Lights

Fire / Emergency Services

Weed Abatement

September 19, 2013

Honorable Mark Cope, Presiding Judge  
Riverside County Superior Court  
4050 Main Street P.O. Box 431  
Riverside, CA 92501

Don Rapp, Foreperson  
2012/13 Riverside County Grand Jury  
P.O. Box 829  
Riverside, CA 92509

Subject: Comments on Grand Jury Report - ***Riverside County Water and Sanitation Districts, Compensation and Transparency***

Dear Gentlemen:

Rubidoux Community Services District (RCSD) has received and reviewed the Grand Jury Report: ***Riverside County Water and Sanitation Districts, Compensation and Transparency*** (Grand Jury Report) and offer the below factual corrections. Further, the Rubidoux Community Services District offers our comments to the Grand Jury's recommendations in accordance with Penal Code Section 933.5 et. seq.

As a threshold comment and an expression of fact, the RCSD respectfully offers the following information which corrects data reported in the Grand Jury Report.

- The Operating and Capital Improvement Budget for all functions of the Rubidoux Community Services District ending FY 2012/2013 is \$40,239,978.00 (See attached Executive Budget Summary Exhibit "A") and not \$13,300,000.00 as reported in the Grand Jury Report.
- Under General Managers Compensation - Exhibit "B" the Grand Jury Report lists the RSCD general manager's total compensation as \$391,821.00 with a base salary of \$269,108.00. The correct total compensation is \$378,506.00 with an annual base salary of \$255,326.00 (See Exhibit "B" for details).
- On page 25 the Grand Jury Report lists a RSCD population served of 23,000, with 120 employees and an annual operating budget of \$120 million. The correct information is 26,500 population served with 22 employees and an annual operating budget for FY 2012/2013 of \$40 Million.

The Board of Directors appreciates the opportunity to respond and respectfully submits the following comments to the Grand Jury Report Recommendations and Findings below:

**Recommendation One:**

1. Before raising any water and/or sewer rates, water and sanitation district providing insurance and/or retirement benefits to its directors shall reduce or eliminate these full-time packages for part time directors.

*Respondent agrees with the finding.*

The RSCD does not provide any benefits or insurance to its directors, however, the RSCD respects the authority of all independent special agencies to provide benefits and insurance as statutorily allowed.

**Recommendation Two:**

2. Each water and sanitary district shall provide a district website to provide access to public documents including financial, contractual, budget and compensation information for board of directors and general manager. These documents shall include benefits paid by the district on behalf of board members and general managers, and include the general manager's contract.



The districts' shall maintain and update agendas, minutes and financial reports as issued.

*Respondent agrees with the finding.*

Pursuant to the California Public Records Act, the RCSD has always made available public documents including Resolution(s) governing the Board of Directors compensation and the General Manager Employee contract. Further, since inception, the Rubidoux Community Services District has posted compensation of all employees by position and directors on the State Controller's web site. The RCSD was unaware of any statutory requirement to post on our website the Board of Directors' compensation or General Manager's Employee contract. Effective September 2013 such documents have been posted to the RCSD web site.

**Recommendation Three:**

3. Water and sanitation district Board of Directors shall conduct meetings after 6 PM to ensure maximum participation by ratepayers and generate maximum public attendance:

*Respondent respectfully disagrees with the finding:*

Since organized in 1952, the Rubidoux Community Services District held its bimonthly meetings at 7:30 PM on the 1<sup>st</sup> and 3<sup>rd</sup> Thursdays of the month. Our current General Manager has presided over these evening meetings for over 25 years with no or little public participation. In February 2011, the Board of Directors elected to change the meeting times to 4:00 pm in hopes to generate more public participation. There has been no measureable change in public participation at our meetings.

All water and sanitary districts are required as part of any rate adjustment, to a Proposition 218 Noticing requirement. Such notices shall include justification for rates and charges (See Exhibit "C"). Additionally, the notice shall afford all property owners within service areas (RCSD also notices all renters on accounts) to oppose proposed increases by submitting a "Letter of Protest". The Prop. 218 provides the opportunity to all constituents to support or protest any water or sanitary rate increase by mailing in their protest or support letters. Further, although not required and in an effort to communicate effectively with our constituents, the RCSD provides the Prop. 218 notice in English and Spanish. Ultimately, it is the goal of the RCSD to afford all rate payers the opportunity to voice their protest or support of any water or sanitary rate adjustment.

In closing, again the Rubidoux Community Services District appreciates the opportunity to respond to the Grand Jury Report and values the roll the Grand Jury Panel provides serving the County of Riverside.

Respectfully,



Gail Barclay, President  
Rubidoux Community Services District

XC: File



**Exhibit A**

**Rubidoux Community Services District**

<b>EXECUTIVE SUMMARY - OPERATING BUDGET</b>				
	Actual	Actual	Budget	FY 2012/2013
	Month	Y-T-D	Fiscal Year	Proposed
	Mar-12	Mar-12	End 6/30/12	Revenue
<b>Income &amp; Revenue:</b>				
GENERAL FUND	\$ 1,043	\$ 1,937,887	\$ 3,073,768	\$ 2,686,212
SEWER FUND	176,294	2,130,514	5,910,134	6,383,467
WATER FUND	234,001	5,084,249	7,831,061	7,699,167
COP WATER REVENUE	91,929	864,025	2,526,000	2,436,733
FIRE FUND	-	772,945	1,722,934	1,738,310
TRASH FUND	216,600	1,944,797	2,613,500	2,672,360
WATER REPLACEMENT FUND	13,444	135,094	385,527	530,061
WATER FUND CAPITAL IMPRVMT PRJCTS	-	1,992,027	9,550,000	6,993,668
SEWER IMPRVMT PROJECTS	-	-	430,000	1,100,000
GENERAL FUND CAPITAL IMPROVEMENT	-	-	-	8,000,000
<b>Total Income &amp; Revenue</b>	<b>\$ 733,311</b>	<b>\$ 14,861,538</b>	<b>\$ 34,042,924</b>	<b>\$ 40,239,978</b>
<b>Expenditures:</b>				
GENERAL FUND	\$ 171,491	\$ 1,550,159	\$ 3,073,768	\$ 2,686,212
SEWER FUND	18,977	1,277,628	5,910,134	6,383,467
WATER FUND	216,685	2,507,025	7,831,061	7,699,167
COP WATER REVENUE	-	540,696	2,526,000	2,436,733
FIRE FUND	383,381	784,453	1,722,934	1,738,310
TRASH FUND	135,199	1,987,314	2,613,500	2,672,360
WATER REPLACEMENT FUND	-	26,194	385,527	530,061
WATER FUND CAPITAL IMPRVMT PRJCTS	15,843	1,992,027	9,550,000	6,993,668
SEWER IMPRVMT PROJECTS	-	2,445	430,000	1,100,000
GENERAL FUND CAPITAL IMPROVEMENT	0	0	0	8,000,000
<b>Total Expenditures</b>	<b>\$ 941,576</b>	<b>\$ 10,667,941</b>	<b>\$ 34,042,924</b>	<b>\$ 40,239,978</b>

# GENERAL MANAGERS COMPENSATION

## Exhibit B

	Salary	Retirement	Insurance	Other Compensation	Total Benefits	Total Compensation
Labadoux Community Services District	255,326	56,569	28,192	38,419	123,180	378,506

2011 Calendar year compensation as reported to State Controllers Office

**Notificacion de la Proposicion 218**

**NOTICIA PARA LOS PROPIETARIOS E INQUILINOS LEGITIMOS DE PROPIEDAD REAL LOS CUALES SON RESPONSABLES DIRECTAMENTE DE PAGAR LAS CUENTAS DEL SERVICIO DE AGUA UNA AUDIENCIA PUBLICA SE LLEVARA ACABO EN REFERENCIA AL AUMENTO DEL COSTO PROPUESTO**

**AUMENTO EN EL COSTO DE LA TARIFA DEL AGUA**

Fecha y Hora de la Audiencia: 15 de Marzo del 2012 a las 4:00 p.m.  
Ubicacion de la Audiencia: Rubidoux Community Service District, Sala de Conferencias,  
3590 Rubidoux Blvd., Rubidoux, CA 92509

**Porque es Necesario un Aumento en el Costo de la Tarifa del Agua**

El Distrito no habria tenido un aumento en el costo del agua desde 1 Enero, 2009. Durante este tiempo el distrito a implementado mejoras significativas y eficientes en el sistema para la produccion y distribution. Despues de mantenerse en la linea de costos y proveer el menor costo del agua en el area por anos, El Distrito encontro que es tiempo ahora de aumentar la tarifa para asegurar el suplemento y cantidad disponible de agua. Por algun tiempo, energia, los materiales, quimicos, mano de hobra, combustible y los servicios de laboratorio an estado aumentando consecutivamente. Por lo tanto, las tarifas existentes no son adecuadas para mantener nuestras obligaciones financieras.

**Audiencia**

El requerimiento del proceso de la Proposicion 218 requiere que el Distrito le provea con una noticia de cuarenta-y-cinco (45) dias antes de realizar la Audiencia Publica en el aumento de la tarifa a todos los propietarios e inquilinos legitimos que sean responsables de pagar las cuentas del agua. En orden para que el aumento de tarifa "no tenga efecto," una mayoría de los propietarios e inquilinos legitimos de la propiedad real que son los responsables directos de pagar las cuentas del agua deberan archivar un documento de oposicion al aumento del costo en la tarifa.

**Los propietarios e inquilinos legitimos de la propiedad que son responsables de pagar las cuentas del agua podran archivar una protesta en contra del aumento propuesto por escrito y firmada con el Manager General en la Audiencia o antes de que termine la Audiencia Publica.** La protesta tendra que proveer la descripcion suficiente de la propiedad de la cual es dueno o renta para que pueda ser identificada. (El servicio de domicilio que se muestra en este correo sera suficiente.) Si usted es propietario o inquilino de mas de una propiedad o parcela, usted puede archivar una sola protesta, pero tendra que identificar cada una de las propiedades de las cuales es dueno o inquilino que esten localizadas en nuestra area de servicio. Si el nombre escrito en la protesta no es igual al evaluado por la lista que tiene El condado que lo muestra como el propietario legitimo, la protesta firmada debera ser acompanada por evidencia escrita que muestre que usted es el propietario legitimo o el inquilino legitimo. En la Audiencia Publica, La Junta Directiva escuchara todas las protestas para clasificar y sortear los votos. En este caso los votos seran las protestas escritas en contra del aumento en el costo de la tarifa.

La Junta Directiva sostendra una Audiencia Publica por el propuesto aumento en costo de tarifa el Jueves, 15 de Marzo a las 4:00 p.m. en el Rubidoux Community Service District, Sala de Conferencias, 3590 Rubidoux Blvd., Rubidoux, CA 92509.

**Las protestas por escrito podran ser enviadas por correo o entregadas en person a: Rubidoux Community Service District, 3590 Rubidoux Blvd., Rubidoux, CA 92509 Attention: Manager General**

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**Impacto del Aumento en el costo de la Tarifa Propuesta** El aumento propuesto se estaría implementando a principios del 1 de Abril del 2012. El aumento propuesto sumaria aproximadamente 10% mas en el costo residencial mensual del agua. (asumiendo 22 unidades o 17,204 galones de uso de agua por mes). Un promedio de aproximadamente \$ 0.13 por día. El costo para clientes o grupos de clientes es proporcionado por los radios establecidos en la estructura existente de tarifas del Distrito. Costos de Tarifas propuestas por cada una de las categorías de clientes se describen detalladamente en la tabla de tarifas siguiente.

<b>Residencial Escala</b>			
<b>Escala Actual Por Unidad*</b>	<b>Cosco Actual</b>	<b>Propuesto Escala Por Unidad*</b>	<b>NINGUN CAMBIO Costo Actual</b>
0 - 5	\$ 0.90	0 - 5	\$ 0.90
6 - 18	\$ 1.01	6 - 12	\$ 1.01
19 - 36	\$ 1.13	13 - 20	\$ 1.13
37 - 72	\$ 1.24	21 - 29	\$ 1.24
73 - 9999	\$ 1.41	30 - 9999	\$ 1.41
<b>Residencial Recurso</b>			
<b>Recurso</b>	<b>Costo Actual</b>	<b>Costo Propuesto</b>	<b>Diferencia</b>
5/8" Medidor	\$ 17.25	\$ 20.00	\$ 2.75
3/4" Medidor	\$ 20.70	\$ 24.83	\$ 4.13
1" Medidor	\$ 26.45	\$ 33.33	\$ 6.88
1 1/2" Medidor	\$ 32.20	\$ 45.95	\$ 13.75
2" Medidor	\$ 43.70	\$ 65.70	\$ 22.00
<b>Comercial Escala</b>			
<b>Escala Actual Por Unidad*</b>	<b>Costo Actual</b>	<b>Propuesto Escala Por Unidad*</b>	<b>NINGUN CAMBIO Costo Actual</b>
0 - 5	\$ 0.912	0 - 5	\$ 0.912
6 - 18	\$ 1.022	6 - 12	\$ 1.022
19 - 36	\$ 1.142	13 - 20	\$ 1.142
37 - 72	\$ 1.252	21 - 29	\$ 1.252
73 - 9999	\$ 1.422	30 - 9999	\$ 1.422
<b>Comercial Recurso</b>			
<b>Recurso</b>	<b>Costo Actual</b>	<b>Costo Propuesto</b>	<b>Diferencia</b>
5/8" Medidor	\$ 20.45	\$ 23.20	\$ 2.75
3/4" Medidor	\$ 26.45	\$ 30.58	\$ 4.13
1" Medidor	\$ 36.55	\$ 43.43	\$ 6.88
1 1/2" Medidor	\$ 46.58	\$ 60.33	\$ 13.75
2" Medidor	\$ 66.70	\$ 88.70	\$ 22.00
3" Medidor	\$ 76.80	\$ 118.05	\$ 41.25
4" Medidor	\$ 86.83	\$ 155.58	\$ 68.75
6" Medidor	\$127.08	\$ 300.33	\$ 173.25
<b>Muestra de impacto en el aumento al cliente residencial con un medidor de 5/8": (la facture bariara dependiendo del uso)</b>			
<b>Muestra promedio de uso de agua mensual = 23 Unidades</b>			
	<b>Costo Actual</b>	<b>Costo Propuesto</b>	<b>Diferencia</b>
Escala de uso	\$ 23.28	\$ 24.33	\$ 1.05
Recurso	\$ 17.25	\$ 20.00	\$ 2.75
<b>Total</b>	<b>\$ 40.53</b>	<b>\$ 44.33</b>	<b>\$ 3.80</b>
<i>* Una "Unidad" equivale a 100 pies cubicos, o 748 galones de agua.</i>			



## Proposition 218 Notification

**NOTICE TO PROPERTY OWNERS AND TENANTS OF REAL PROPERTY WHO ARE DIRECTLY LIABLE TO  
PAY WATER BILLS OF PUBLIC HEARING ON PROPOSED  
WATER RATE INCREASE**

Hearing Date and Time: March 15, 2012 at 4:00 PM

Hearing Location: Rubidoux Community Services District, Board Room,  
3590 Rubidoux Blvd., Rubidoux, CA 92509

### Why a Water Rate Increase is Needed

The District has not had a Water rate increase since January 1<sup>st</sup>, 2009. During that time, the District has made significant improvements and implemented efficiencies to the water production and distribution system. After holding the line on costs and providing the least expensive water service in the region for years, the District has found that it must now raise rates to ensure adequate and safe water supplies and availability. For some time now, energy, materials, chemicals, labor, fuel and lab service fees have been steadily climbing. Existing rate structures, therefore, are not adequate to meet our financial obligations.

### Hearing

The procedural requirements of Proposition 218 require that the District provide notice of the proposed rate schedule to all property owners and tenants of real property who are directly liable to pay water bills forty-five (45) days prior to holding a Public Hearing. In order for the increase to “not take effect,” a majority of the property owners and tenants of real property who are directly liable to pay water bills are required to file opposition to the increase.

**Property owners and tenants of real property who are directly liable to pay water bills may file a written and signed protest against the proposed increases with the General Manager at or before the close of the Public Hearing.** A protest must contain a description of the property owned or being rented sufficient to identify the property. If you own or rent more than one parcel, you may file a single protest, but it must identify each parcel you own or rent that is located in our service area. If the name on the written protest is not shown on the last equalized assessment roll of the County as the owner of the property, the signer of the protest must also submit written evidence of ownership or tenancy. At the Public Hearing, the Board of Directors shall hear all protests and tabulate the ballots. The ballots in this case are written protests against the increase.

The Board of Directors will hold a Public Hearing on the proposed increase on Thursday, March 15, 2012 at 4:00 PM at the Rubidoux Community Services District, Board Room, 3590 Rubidoux Blvd., Rubidoux, CA 92509.

**Written protests may be mailed or delivered in person to: Rubidoux Community Services District, 3590 Rubidoux Blvd., Rubidoux, CA 92509 Attention: General Manager**

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**Impact of Proposed Rate Increase**

The proposed increase would be implemented effective April 1<sup>st</sup>, 2012. The proposed increase would add approximately 10% to the residential monthly water bills (assuming 23 units or 17,204 gallons of water usage per month). On average about \$ 0.13 per day. The rate for other customer groups is proportionate to the ratios established in the District's existing rate structure. Proposed rates for each customer category are detailed in the Water Rate Table below.

<b>Residential Tier</b>			
<b>Current Tier Per Unit*</b>	<b>Current Rate</b>	<b>Proposed Tier Per Unit*</b>	<b>NO CHANGE Current Rate</b>
0 - 5	\$ 0.90	0 - 5	\$ 0.90
6 - 18	\$ 1.01	6 - 12	\$ 1.01
19 - 36	\$ 1.13	13 - 20	\$ 1.13
37 - 72	\$ 1.24	21 - 29	\$ 1.24
73 - 9999	\$ 1.41	30 - 9999	\$ 1.41
<b>Residential Standby</b>			
<b>Standby</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Difference</b>
5/8" Meter	\$ 17.25	\$ 20.00	\$ 2.75
3/4" Meter	\$ 20.70	\$ 24.83	\$ 4.13
1" Meter	\$ 26.45	\$ 33.33	\$ 6.88
1 1/2" Meter	\$ 32.20	\$ 45.95	\$ 13.75
2" Meter	\$ 43.70	\$ 65.70	\$ 22.00
<b>Commercial Tier</b>			
<b>Current Tier Per Unit*</b>	<b>Current Rate</b>	<b>Proposed Tier Per Unit*</b>	<b>NO CHANGE Current Rate</b>
0 - 5	\$ 0.912	0 - 5	\$ 0.912
6 - 18	\$ 1.022	6 - 12	\$ 1.022
19 - 36	\$ 1.142	13 - 20	\$ 1.142
37 - 72	\$ 1.252	21 - 29	\$ 1.252
73 - 9999	\$ 1.422	30 - 9999	\$ 1.422
<b>Commercial Standby</b>			
<b>Standby</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Difference</b>
5/8" Meter	\$ 20.45	\$ 23.20	\$ 2.75
3/4" Meter	\$ 26.45	\$ 30.58	\$ 4.13
1" Meter	\$ 36.55	\$ 43.43	\$ 6.88
1 1/2" Meter	\$ 46.58	\$ 60.33	\$ 13.75
2" Meter	\$ 66.70	\$ 88.70	\$ 22.00
3" Meter	\$ 76.80	\$ 118.05	\$ 41.25
4" Meter	\$ 86.83	\$ 155.58	\$ 68.75
6" Meter	\$127.08	\$ 300.33	\$ 173.25
<b>Sample impact of proposed rate on a residential customer with a 5/8" meter: (Actual billing will vary with usage)</b>			
<b>Sample Average Monthly Water Usage = 23 Units</b>			
	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Difference</b>
Tier Usage	\$ 23.28	\$ 24.33	\$ 1.05
Standby	\$ 17.25	\$ 20.00	\$ 2.75
Total	\$ 40.53	\$ 44.33	\$ 3.80
* A "Unit" is equal to 100 cubic feet, or 748 gallons of water.			