

HOME GARDENS SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OCTOBER 24, 2023

The Regular Meeting of the Board of Directors of the Home Gardens Sanitary District was called to order by the President, Efrain Barajas, at 7:30 p.m. at the office of the District, 13538 Magnolia Ave., Corona, CA 92879.

Directors present were: Barajas, Garrison, Samson Runion, Serrato and Cacho. Also present were: Alan Burns, District Counsel; Tracey LaBonte, General Manager and Tania Duarte, Administrative Assistant.

Minutes of the Regular Meeting of September 26, 2023 were Presented for approval. Motion was made by Director Serrato, seconded by Director Garrison, and unanimously carried to approve the minutes as presented.

Expenditures for the month of October 2023 were presented and discussed. Motion was made by Director Cacho, seconded by Director Samson Runion, and unanimously carried to approve the monthly expenditures as presented.

Manager LaBonte presented the Budget Efficiency and Income/Revenue reports. Discussion followed.

Staff Report:

1. Engineering Mapping Solutions updated the District's GIS system to the latest version of software. Some of the new updates include a search bar that can be used to find properties through addresses, APN numbers, and manhole

numbers. All the sewer videos from Houston Harris have been included also.

2. On Saturday, October 7th the Board of Directors, General Manager LaBonte, District Counsel Burns and others within WRCRWA's boundaries including HGSD customers attended the WRCRWA Treatment Plant Tour. There was a big showing for the event. Tony Pollack from Western Water gave the tour, it was very informative and educational.

WRCRWA Regular Meeting of the Board of Directors

September 28, 2023

4A. Adopt Resolutions 23-005 and 23-006 Updating Authorized Staff Positions that can Approve WRCRWA Financial Transactions

The Board of Directors approved the proposed resolutions to add Western's AGM and Controller positions to the authorized positions to make WRCRWA Financial Transactions (LAIF R 23-005, and other transactions R 23-006). The positions added are all leadership positions in Western's organization and must comply with both Western and WRCRWA adopted purchasing policies.

4B. Consider Adoption of Resolution 23-004, Updating the Authority's Investment Policy

The Board of Directors approved the updated investment policy with the main changes being an increase to the maximum maturity of Municipal Securities, US Treasuries, and Federal agencies from 5 to 10 years. This allows for greater portfolio diversification and is consistent with Gov. Codes. The last update was in June of 2019.

4C. Approve an Amendment to the Professional Services Contract with Webb for the Anaerobic Digester No. 3 Project for Engineering Support During Construction

The Board of Directors approved an Amendment to Webbs contract in the amount of \$24,050 to a total of \$479,433 (design and engineering support). Due to delays in procurement of materials and equipment, the duration of the construction process was extended by 7 months. The project is currently 90% complete and this should be sufficient to complete the project.

4D. Approve Professional Services Contract with Lee & Ro, Inc. for the Design of the Emergency Bypass Pump at WRCRWA's SRPS

Orange County Sanitation District ("OCSD") owns and operates the Inland Empire Brine Line ("IEBL"). WRCRWA has an emergency connection to the IEBL at the SRPS. The SRPS was originally designed and permitted for this emergency connection to the IEBL. This connection has since the late 1990's enabled flows to go into the IEBL when there have been power interruptions to the SRPS or equipment failures. Of these "emergencies" power interruptions have become an issue as the WRCRWA has done a good job at maintaining the pumps and motor controls at SRPS to avoid failures that would lead to IEBL discharges. Given the increasing number of SCE power shutoffs, planned and unplanned, OCSD has mandated WRCRWA come up with a way to reduce/eliminate emergency WRCRWA discharges to the IEBL.

Staff sought and received a \$0.938 M grant fund through the Local Hazard Mitigation Grant Program to address this issue. The solution is to add a diesel generator at the SRPS to back up SCE Power. Also, City of Norco flows can be diverted to City of Corona, thus limiting SRPS flows to only Western and HGSD during an emergency. During "emergencies" from power outage,

the diesel generator will provide power. During an emergency caused by SRPS equipment failure, or Treatment Plant failure, Western and HGSD would have to discharge to the IEBL. The later failure potential has been greatly reduced with redundant processes at the plant and multiple pumps at SRPS.

Staff issued an RFP and received two proposals. Lee and Ro, Inc. were selected after a panel review. Their professional services contract is \$384,095. The grant funding covers this cost. It is anticipated all costs associated with this effort not covered by the grant funding will be paid on a proportionate basis by WRCRWA Members with conveyance capacity.

The Board of Directors approved the proposed Professional Services Contract with Lee & Ro, Inc. for the Design of the Emergency Bypass Pump at WRCRWA's SRPS in the amount of \$384,095.

4E. Award Construction Contract to Mike Prlich and Sons, Inc. for the WRCRWA Temescal Siphon Improvements

The inlet structure to the Temescal Siphon is corroded and needs to be replaced. CDM Smith prepared the plans, and the approved plans were publicly bid. Mike Prlich and Sons, Inc. was the lowest bid at \$869,500. CDM Smith has an additional request of \$46,320 for engineering support during construction. The total project cost including past expenses is \$1,142,000. This cost was budgeted in the WRCRWA Conveyance Asset Replacement Reserve Fund and will be shared on a proportionate basis by WRCRWA Members with conveyance capacity. Initially Board Member Aleman and Speake did object to the shared costs, stating that the City of Norco and the City of Corona don't use this portion of the conveyance system. The rest of the Board

members believe SAWPA turned over the conveyance system to WRCRWA and WRCRWA owns the entire physical conveyance system (pipes and SRPS) with agencies only owning a discharge capacity right in the conveyance system. All fixed costs for the conveyance system, which includes replacement reserve funding, are paid based on the amount of discharge capacity right ownership regardless of where the individual agency connects to the system. Craig Miller from Western Water cautioned the others that segmenting up the conveyance system would greatly complicate things. With the bid from Mike Prlich and Sons, Inc. expiring in 20 days the Board members did not want to lose the very competitive bid, so they voted to award the Construction Contract to Mike Prlich and Sons, Inc. for the WRCRWA Temescal Siphon Improvements with the authorization for the Administrator to commission a study and to possibly develop a new policy for funding future projects on any line segments.

4F. Adopt Resolution 23-997 Establishing Policy to Regularly Rotate the Officer Positions Among Board Members

Resolution 23-997 codifies in writing the rotation process for WRCRWA Board Positions - chair, vice-chair, and secretary treasurer. Formalization of this process was requested at the June 1, 2023, Board Meeting and the proposed process is consistent with Subsection B of Section 5 of the WRCRWA JPA. Each position will serve one-year (max 2) and the Board will consider rotations during its June Meeting each year.

The Board of Directors adopted Resolution 23-997 Establishing Policy to Regularly Rotate the Officer Positions Among Board Members.

**4G. Public Hearing to Consider Adopting the Directors
Compensation and Expense Reimbursement Policy by Ordinance**

Since September 2022 the discussion of Director compensation has been underway. At the June 1, 2023, Board Meeting the Board directed staff to finalize a Director Compensation Policy and to schedule a public hearing on September 28, 2023, to consider adopting Ordinance 2023-10 codifying the policy.

The policy proposes:

1. \$100 per compensable event
2. Not more than 6 compensable events per month
3. Agencies can opt in by May 1 of each calendar to participate.
4. Agencies participating will reimburse WRCRWA for actual Director costs. WRCRWA billings to participating agencies will be on quarterly basis.
5. Listing of compensable events
6. Lodging reimbursement
7. Meal expenses
8. Reporting requirements

The policy is written such that agencies who have a higher stipend (compensation) for compensable event attendance can opt out. It also equitably bills those agencies for the direct cost for a WRCRWA stipend payment plus WRCRWA Administrative Costs which total approximately \$6300. Agencies who do not participate will see no budgetary impact as written. Director Aleman made a motion to approve but there was no second of the motion. The Board then decided to table the Ordinance at this time.

5. Updates

5A. Capital Projects - Anaerobic Digester #3 and Odor Mitigation

Anaerobic Digester #3:

- Expected Completion Date January 2024.
- 243 calendar days added to original schedule due to weather delays and supply chain issues.
- Original Contract Amount \$6,719,380
- Change Orders (0.18%) \$12,038

Odor Mitigation Project:

- Expected Completion Date-December 2023 (2 months past original date)
- Original Contract Amount \$4,351,203
- Change Orders (0.5%) \$22,000

5B. Whole Effluent Toxicity Testing

Effluent wastewater toxicity testing is testing high. The limit is 1.0 TUC. WRCRWA is testing from 1.2 to 1.7 TUC. The NPDES Permit has no numeric limit therefore there is no violation but there is a trigger limit of 1.0 TUC or above biweekly testing must be done. Testing and analysis is still being conducted to find out the reason for the high toxicity in the effluent wastewater.

5D. Property Insurance Renewal

The cost of the Annual Property Insurance Renewal is \$45,000 higher than budgeted. The Administrator believes that they won't have to ask for additional money.

5E. Possible Development of a Rotation Policy for WRCRWA Executive Committee Chair and Vice Chair

The administrator asked the Executive Committee if they would like a similar Rotation Policy as the Board of Directors for Chair and Vice Chair. The Committee was not particularly concerned with having a Policy.

5F. WRCRWA Community Tour, Saturday, October 7, 2023, 9:00 a.m. to 11:00 a.m.

The Administrator and Operator discussed the tour and extended the invitation to the other agencies. They also stated that once the projects are finished, they intend on doing a ribbon cutting event at the Treatment Plant.

7A. Closed Session

Conference with Real Property Negotiators (Government Code Section 54956.8)

Property: Recycled Water

Under Negotiation: Price and Payment Terms

President Barajas moved back to Item II on the agenda.

Public Comment: None.

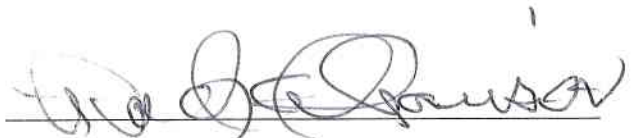
HGSD Items for Discussion and Consideration:

1. The Board discussed September's Monthly Status Report from G & G Environmental Compliance.
2. A motion was made by Director Serrato, seconded by Director Samson Runion and unanimously carried to approve amending Ordinance No. 517 and adopt new Ordinance No. 521 An Ordinance of the Board of Directors of the Home Gardens Sanitary District Correcting Sewer Rates.
3. After considering Pedro Navarro's request to suspend billing for 3945 Davidson St. A motion was made by Director Cacho, seconded by Director Garrison and unanimously carried to suspend billing for October and November.
4. After reconsidering Rafaela Lira Lira's request for a refund. A motion was made by Director Serrato, seconded by Director Samson Runion and unanimously carried to affirm the denial of the refund.
5. The Board discussed September and October's WRCRWA Monthly Executive Summary.
6. The Board discussed current delinquent accounts.

Closed Session: None.

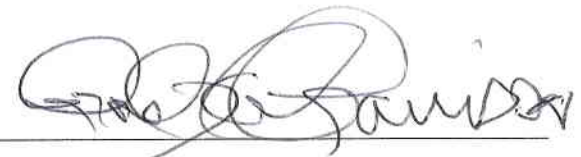
Directors Comments: None.

There being no further business, President Efrain Barajas adjourned the meeting at 8:18 p.m.


Grady Garrison, Secretary

The foregoing minutes were approved by the Board of Directors of the Home Gardens Sanitary District at the regularly scheduled meeting of said Board November 28, 2023.

Signed: 
Efrain Barajas, President


Grady Garrison, Secretary

ORDINANCE NO. 521

An Ordinance of the Board of Directors of the Home Gardens Sanitary District
Correcting Sewer Rates

WHEREAS, the Board of Directors undertook a study to justify rate increases in accordance with Proposition 218;

WHEREAS, the Board then conducted a public hearing to consider protests to the proposed rates;

WHEREAS, the Board adopted the new rates after the protest failed;

WHEREAS, after the adoption of the ordinance, staff determined there were errors in the ordinance that needed to be corrected; and

WHEREAS, the Board does hereby desire to re-adopt the rates and amend the Operations Code as follows:

Section 1. That the sewer rates set forth in District Operations Code Section 4.01.010 shall be as follows:

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| | Current: | 7/1/2023 | 7/1/2024 | 7/1/2025 | 7/1/2026 | 7/1/2027 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Single Family Dwelling | \$36.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| Apartment Unit | \$36.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| Hotel, motel, auto court with cooking facilities | \$36.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| Hotel, motel, auto court w/o cooking facilities | \$18.00 | \$20.00 | \$22.50 | \$25.00 | \$28.00 | \$31.00 |
| Hotel, motel, auto court water closet | \$24.74 | \$20.00 | \$22.50 | \$25.00 | \$28.00 | \$31.00 |
| Rooming house, plus | \$36.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| -each room | \$9.01 | \$10.00 | \$11.25 | \$12.50 | \$14.00 | \$15.50 |
| Restroom in cemetery or park | \$54.00 | \$60.00 | \$67.50 | \$75.00 | \$84.00 | \$93.00 |
| Laundromat, plus | \$36.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| -each washing machine | \$9.01 | \$10.00 | \$11.25 | \$12.50 | \$14.00 | \$15.50 |
| Trailer park, plus | \$36.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| Office within the park | \$22.50 | \$25.12 | \$28.26 | \$31.40 | \$35.17 | \$38.94 |
| Laundry room | \$22.50 | \$25.12 | \$28.26 | \$31.40 | \$35.17 | \$38.94 |
| Washing machine | \$9.01 | \$10.00 | \$11.25 | \$12.50 | \$14.00 | \$15.50 |
| Additional room with water service | \$18.00 | \$20.00 | \$22.50 | \$25.00 | \$28.00 | \$31.00 |
| Beauty shop, plus | \$54.00 | \$60.00 | \$67.50 | \$75.00 | \$84.00 | \$93.00 |
| -each employee | \$9.01 | \$10.00 | \$11.25 | \$12.50 | \$14.00 | \$15.50 |
| Café or restaurant w/seating of 30 or less | \$112.50 | \$125.11 | \$140.74 | \$156.38 | \$175.14 | \$193.91 |
| -each additional 5 seats or part thereof | \$18.00 | \$19.90 | \$22.39 | \$24.88 | \$27.86 | \$30.85 |
| Commercial establishment | \$36.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| -each employee | \$5.41 | \$6.08 | \$6.84 | \$7.60 | \$8.51 | \$9.42 |
| Service station w/convenience store | \$117.01 | \$130.40 | \$146.70 | \$163.01 | \$182.57 | \$202.13 |
| Service station w/o convenience store | \$72.00 | \$80.00 | \$90.00 | \$100.00 | \$112.00 | \$124.00 |
| Industrial establishment or manufacturing business | \$72.00 | \$80.00 | \$90.00 | \$100.00 | \$112.00 | \$124.00 |
| -each employee (domestic sewage only) | \$5.41 | \$6.08 | \$6.84 | \$7.60 | \$8.51 | \$9.42 |
| Schools - per pupil | \$0.30 | \$0.33 | \$0.37 | \$0.41 | \$0.46 | \$0.51 |
| Schools - per employee | \$0.30 | \$0.33 | \$0.37 | \$0.41 | \$0.46 | \$0.51 |
| Bar, tavern, cocktail lounge, billiard hall, pool parlor, or game room serving beverages and/or sandwiches or snack foods w/seating of 30 or less | \$72.00 | \$80.00 | \$90.00 | \$100.00 | \$112.00 | \$124.00 |
| -each additional 5 seats or part thereof | \$2.24 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Car Wash, automatic (\$/CCF) | | \$3.04 | \$3.42 | \$3.80 | \$4.26 | \$4.72 |
| -per bay | \$51.84 | \$60.87 | \$68.48 | \$76.09 | \$85.22 | \$94.35 |
| Gym or training Facility (\$/CCF) | | \$60.00 | \$67.50 | \$75.00 | \$84.00 | \$93.00 |
| -per 1,000 sqft over 2,500 | \$36.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| Medical/Dental, plus | \$54.00 | \$40.00 | \$45.00 | \$50.00 | \$56.00 | \$62.00 |
| -each employee | \$9.01 | \$6.08 | \$6.84 | \$7.60 | \$8.51 | \$9.42 |

Section 2. Should any part, clause or section of this Ordinance be declared by any Court of competent jurisdiction to be invalid, the remaining provisions of this Ordinance shall nevertheless be and remain in full force and effect and the Board of Directors of the Home Gardens Sanitary District of Riverside County, California, hereby declares that each and every section, clause, provision or part of this Ordinance would have been adopted and made a part of this Ordinance without the adoption of any portion thereof and that the invalidity of any part or provision hereof shall not in any way affect the validity or enforcement of the remaining provisions of this Ordinance that may stand on their own.

Section 3. The District shall cause this ordinance to be posted in three public places for one week in accordance with Health and Safety Code Section 6490 and it shall be effective thereafter.


PASSED AND ADOPTED this 24TH day of October, 2023.


Secretary/Treasurer


President

APPROVED AS TO FORM:

HARPER & BURNS LLP


Alan Burns, DISTRICT COUNSEL