

Board Update Meeting Summary | Friday, December 12, 2014

This summary may not include all agenda items and is not considered minutes of the meeting. Click on the link below for complete meeting agenda items.

[LINK TO COMPLETE AGENDA ITEMS & MINUTES](#)

Employee Recognition and Retirements:

General Manager Girish Balachandran presented City Manager Scott Barber and Assistant City Manager Belinda Graham with retirement gifts showing appreciation for their support of our department and honoring their collective commitment to service to the City of Riverside. He also presented Deputy General Manager Steve Badgett with proclamations from elected officials and read the proclamation from Mayor Rusty Bailey honoring Steve's more than 24 years of service to Riverside Public Utilities. Former General Manager's Dave Wright and Bill Carnahan praised Steve for his dedication to the job. He also received accolades from Stan Stossel representing the IBEW and from Lana Haddad at Western Municipal Water District. Steve has postponed his retirement from the City, at the request of the City Manager, in order to step into a new role as Interim Assistant City Manager on December 22.

Deputy General Manager Steve Badgett gave Employee Recognition Awards to Energy Risk Manager, LeAnne Uhler, Workforce Development Manager, Dora Burns, Administrative Assistant, Gayle Gehrmann, Deputy City Attorney Susan Wilson, Senior Administrative Assistant, Cathy Ference and Administrative Assistant Lorelei Gjelhaug for their dedication and service to Riverside Public Utilities.

Board Actions:

Board of Public Utilities approves Consent Calendar Items without comment as listed below:

- Approval was given for the capital expenditure of \$225,000 for Sub-Transmission and Substation Protection Improvement Study.
- Received and filed the Energy Delivery Annual Inspection Summary.
- Approval was given for an estimated capital expenditure of \$95,000 for the installation of electrical distribution facilities near Kingdom Drive and Mountain House Drive for Tract 32787.
- An estimated capital expenditure of \$430,000 was approved for domestic well rehabilitation projects at Van Buren Wells 1 and 2 as well as a Professional Services Agreement with Geoscience Support Services for Fiscal Year 2015.
- Approval was given for the capital expenditure of \$150,000 to purchase six large diameter butterfly valves and related materials for water main maintenance.

Board approves bid for construction of Water Main Replacement Project at California and Monroe Avenue

Assistant General Manager Kevin Milligan clarified that the project requires a capital expenditure of \$973,500 which includes the \$623,154 contract for construction awarded to David T. Wasden, Inc. The remaining funds go toward the labor of in-house staff that will perform the design, contract administration, inspection and contract contingency. The project is part of the on-going water main replacement program.

Board approves bid for construction of Water Main Replacement Project at Sunnyside and Central Avenues

Assistant General Manager Kevin Milligan explained that the project requires a capital of expenditure of \$1,795,000 which will cover the design, construction, paving, contract administration, inspection, and construction contingency costs. Work will be performed by Water Field Forces and paving will be procured through RPU's Paving Contractor Panel. The project is part of the on-going water main replacement program.

Board approves Western Municipal Water District (WMWD) - Water Service Provisional Boundary Modification

Assistant General Manager, Kevin Milligan provided historical background relating to when service territory boundaries between RPU and WMWD were last decided. In 2004, council approved current boundaries with the provision that boundary changes could be made on a case by case basis, dependent upon what type of development would take place on land adjacent to boundaries. In this case modifying the Memorandum of Understanding between the two agencies for RPU to gain customers on a large parcel near the boundary was determined based on available pressure and flow to the site.

Board approves the Third Amendment to the Professional Consultant Services Agreement for the Customer Information System Replacement Project

The third amendment to the Professional Consultant Services Agreement with Milestone Software Solutions, Inc. in the amount of \$200,000 was approved with a contract term expiration of August 31, 2015. General Manager Girish Balachandran gave a brief update on the progress of this project. The projected go-live date for the new customer billing system is February 17, 2015. This date will stand only if process and testing milestones are met January.

Board approves Energy Delivery Replacement Vehicle Leases

The board approved nine lease agreements with Altec Capital Services, LLC, for the lease of nine vehicles in an amount not to exceed \$3,500,000 over the seven-year term. Assistant General Manager Pat Hohl explained the purchasing process for these vehicles is lengthy because the vehicles are built especially for the industry. They will be put into service beginning in July 2015 and the leases will expire in June 2022. These trucks are used every day and are an integral part of our reliability and safety record. Cost studies were done on the benefits of leasing versus buying the trucks and leasing was determined to be more financially sound. Lease terms also help ensure regularized replacement of these vehicles before wear can become a safety or reliability issue.

Board received and filed an update on the Decommissioning of the San Onofre Nuclear Generating Station (SONGS) Units 2 and 3

Assistant General Manager Reiko Kerr provided a detailed update on the decommissioning process for SONGS Units 2 and 3 and the potential long-term impacts of the process, as well as the actual process of moving spent fuel to storage. RPU has fully funded the portion of the decommissioning costs of \$78 million. RPU has also put aside restricted assets of \$1.6 million per year as a safeguard to future unknown economic impacts related to decommissioning. Negotiations for the decommissioning agreement with SCE is expected early next year.

Board received and filed the 2014 year-end Financial Report

Assistant General Manager Laura Chavez-Nomura presented the Financial Report for fiscal year 2013-2014. She explained the independent audit process and differences in the process that were experienced this year. Electric highlights included strong operating results with a 1.7% decrease in retail sales, \$38.7 million transferred to the General Fund, refinance of \$80 million in bonds, continued low rates (23% lower than SCE), maintenance of 20% Renewable Portfolio Standard and AA- rating from both Standard & Poors and Fitch. Water highlights included strong financial ratios, \$6.9 million transferred to the General Fund, \$63 million net retail revenues that were 1.5% higher than previous year, 6th year of water independence, and continued Standard & Poors AAA rating. For complete Financial Report go to www.RiversidePublicUtilities.com/annualreports

General Manager's Report:

General Manager, Girish Balachandran announced that the next Board Meeting will take place at the Utilities Operations Center located at 2900 Adams Street, due to construction at Orange Square. He also mentioned that the strategic planning process is being planned for the coming year for board input to help determine new goals.

Items for Future Board Meetings:

- Explanation of financial impacts of declining water revenue due to watering restrictions.
- Board procedures related to what is placed on the consent calendar along with formalizing procedures for public comment periods.
- Annual calendar was requested for conferences and education opportunities for 2015.