

Board Update Meeting Summary | Friday, October 2, 2015

This summary may not include all agenda items and is not considered official minutes of the meeting.

For complete meeting agenda and video, click [here](#).

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

- Approval was given for an additional expenditure \$99,050 for the Thorne Well Electrical Upgrade Project and the award for the construction contract for \$79,500 to Southern Contracting Company of San Marcos, California.
- Capital expenditure of \$77,124 was approved for new water service installations at Main Street and Iowa Avenue for city provided water construction services associated with the redevelopment of the RDO Equipment facility.
- Approval was given for a capital expenditure of \$123,000 for the construction of the Hedrick Avenue and Crest Avenue Water Main Relocation Project.

Board approves 2016 Annual Resource Adequacy Plan

Power Resources Manager Daniel Garcia clarified terminology relating to the CAISO's requirement for us to file a Resource Adequacy Plan each year and how CAISO defines/rates different aspects of the power supply. Each year RPU is required to file this plan to prove that the utility has procured adequate power supply capacity to serve its projected electric requirements, plus an additional amount to be held in reserve due to unanticipated circumstances. Board approved the plan and directed staff to file the report.

Board receives and files update on planning efforts for the Northside Neighborhood

Emilio Ramirez, the deputy director of the Community Development Department, presented a comprehensive overview of planning activities for the Northside Neighborhood including real property owned by RPU. He gave background and statistical information from the General Plan 2025 policies and provided cost estimates and methodology recommendations for conducting further study in the form of a specific plan. The Board gave feedback and directed staff to provide written comments in response to this presentation that covered the following three areas; ensure value to the rate payer as outlined in the Real Property Principles, consider options for future land use by RPU that include possibilities for building utility infrastructure and lastly, ensure that RPU is engaged as a key stakeholder throughout the process.

Board approved second amendment to Master Agreements for Water Utility Contractor Panel

Interim Assistant General Manager Todd Jorgenson provided background on the need to amend the current contractor's panel for the water utility for another 3 years.

Board gave Conceptual Approval of the Utility 2.0 Strategic Plan representing financial investments of \$500 million to \$1 billion through Fiscal Year 2026.

General Manager Girish Balachandran provided a brief presentation explaining the next steps after the comprehensive planning efforts conducted over the past year. There were 6 strategic planning meetings conducted to formulate the ten year Utility 2.0 Strategic Plan which is aligned with Riverside 2.0 plan. It was created taking a holistic approach to identify current external trends and challenges and create a path that was reflective of RPU's current state. Further explanation was given to the approach to prioritizing funding to support implementation. The priorities are to consider reserves, monetize passive assets and cut expenses, then issue bonds and lastly consider a rate change. General Manager Balachandran indicated that even if a rate change is not needed, that the rate structure will still need to change to accommodate a changing business model. He also provided a timeline for upcoming presentations that will include financial audits, the fiber business plan and costs of service studies that will all inform the implementation phase of Utility 2.0. All of these future items should be complete by late 2016. All Board members supported conceptual approval of the plan.

General Manager's Report: none

Items requested by the Board at Future Meetings:

TED Rate Performance and Recommendations after expiration in December 2015