

UTILITY UPDATE

RIVERSIDE PUBLIC UTILITIES



Board Update Meeting Summary | Thursday, April 2, 2015

This summary may not include all agenda items and is not considered minutes of the meeting. For complete meeting agenda, click [here](#).

Employee Recognition Presentation:

General Manager Girish Balachandran recognized Principal Engineer, Oscar Khoury for his role in managing the Water Planning functions of his division since 2006. He was instrumental in ensuring that a portion of the Riverside Canal was refurbished in conjunction with CAL-TRANS and that the project was done correctly and on budget. Utilities Project Assistant, Christina Guerrero was also recognized for her work in coordinating the renovation and relocation projects at several employee work sites since 2008. He appreciated her level of service to other employees with her can-do and upbeat attitude. She is currently on the renovation team for the Orange Square Customer Service Relocation Project and the Mission Square 5th floor Multi-Purpose Room Project.

Board Actions:

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

- The Board approved a \$55,000 work order for the installation of electrical distribution facilities for the new Brunton Well on Garner Road.
- A work order for \$76,000 was approved for underground electrical distribution facilities for the Canyon Bluff Apartments located near Canyon Crest and El Cerritos Drives that will serve 88 new housing units.
- The Board approved the expenditure of \$78,000 for acquiring an easement to facilitate a portion of the Riverside Transmission Reliability Project 69kV lines and recommended that the City Council approves the Agreement for Conveyance of Easement with the K.J.P. & F. Reference Supervision General Management Service Company, LLC.
- Approval was given for the capital expenditure of \$85,000 for pole replacement of four poles that have decay that were set in the 1970's, along the Vista-Mountain View 60kV Transmission Line.
- Approval was given for capital expenditure of \$325,000 for the construction of the Tyler and Hole Water Main Replacement Project. It is part of RPU's on-going water main replacement program to replace old and high priority leaky mains. The project area consists of existing 12-inch asbestos cement and steel water mains that were installed in 1959.
- A work order for \$325,500 was approved for the La Sierra Pressure Reducing Station Replacement Project to mitigate corrosion from the first installation in the 1980's and to upgrade capacity.
- Board of Public Utilities Committee assignments are as follows:
Electric Committee: Justin Scott-Coe (Chair), Ron Cole, Nick Ferguson, Andrew Walcker
Water Committee: David Roberts (Chair), Dave Austin, Darrell Ament, Jennifer O'Farrell
Customer Relations/Finance Committee: Susan Cash (Chair), Dave Austin (Vice-Chair), Justin Scott-Coe (Electric Chair), David Roberts (Water Chair)
- The Board approved the sale of 7,115 square feet along Indiana Avenue east of Buchanan Avenue, producing revenue of \$2,900. The sale was in order to provide improved access for the Karger Corporation to divide the property into seven residential lots for a new housing development.

Board approves Magnolia 4kV to 12 kV Underground Conversion

Assistant General Manager Pat Hohl explained that approval of a \$2,250,000 work order is for the continuation of the next phase of the Magnolia Plaza Reliability Project, to complete the last four circuits to be converted from 4kV to 12kV to expand capacity for the Plaza Substation and to begin the next steps toward decommissioning the Magnolia Substation located on Central Avenue by the 91 freeway. Work will be performed at night to minimize the traffic impacts.

WATER | ENERGY | LIFE



Board approves Mission Square Multi-Purpose Room Improvements

Assistant General Manager Laura Nomura provided the background on space planning implementation and explained the purpose and need for the new Multi-Purpose Room that will be located on the 5th floor of Mission Square. The Board rejected a non-responsive bidder and awarded a construction bid for \$393,744 and additional expenditures of \$117,371 for furnishings. These costs will be offset by a \$425,000 rent credit so net cost for the improvement which will include a flexible meeting space and modern training room will be \$205,034.

Board authorizes the City Manager to execute a Power Purchase Agreement between Solar Star California XXXIX, LLC and the City of Riverside

Deputy General Manager Kevin Milligan and Assistant General Manager Reiko Kerr gave a presentation explaining how this Power Purchase agreement which entails building a solar photovoltaic power project to power operational needs at RPU wells located in SCE service territory will save the water utility an estimated \$1,000,000 annually. The power purchase agreement will provide a cumulative 5.5MW of power at a cost of \$53.50 per MWh versus \$125 per MWh spent with SCE on a time-of-use rate. With the solar installation operation times will be modified to capture as much solar power as possible. They both indicated that this project is a perfect demonstration of water/energy nexus for RPU and how during a time of drought operational savings will help lower costs. Contract term with Solar Star is 25 years with buy-out options in year 6 or 10. Commercial operation date is April 1, 2016.

Board discusses processes for communications with City Council

Board Chair Susan Cash led a discussion about current communication processes with City Council Members. She provided a forum for the board to gain understanding of what communication tools were available to them and how to use them. This discussion was born from the importance of the Board to be able to define and communicate their role, relevance and contributions instead of having board critics define the validity of their actions. Deputy City Attorney Susan Wilson provided advice and guidance about appropriate communication paths and boundaries. When communications are needed, the Board's appropriate communication options are no response, annual report, to direct the Chair to make public comments at a City Council Meeting, write letters to City Council, or individual direct contact with their specific Council Member. General Manager Girish Balachandran also indicated that City Council Members will be meeting alongside the Board in future Strategic Planning meetings and this will also aid communication efforts and mutual understanding.

General Manager's Report:

- At the next meeting the Board will be presented with a high level schedule of the information and action items that relate to Utility 2.0 for the next 8-10 months.
- A Board Governance presentation will be arranged through APPA to assist with more training for Board best practices.
- Tequesquite solar project is under construction. Interpretative signage will also be developed to explain the benefits when it is complete.
- Fitch ratings have been updated and our new ratings are AAA for the Water Utility and AA+ for the Electric Utility.
- Governor signed an Executive Order related to the drought on Tuesday, March 31, mandating a 25% potable water reduction over 2013 levels. There are 31 items on the order and meetings are being held within the City to anticipate next steps in advance of the next State Water Resources Board meeting that determines the regulatory aspects of the Executive Order.

Board requests for future updates:

None at this time