

Board Update Meeting Summary | Friday, January 22, 2016

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 approved the following items on the Consent Calendar:

- Fiber Use License Agreement with the County of Riverside for \$325,000, they recommended that the City Council approve the agreement and authorize the City Manager or his designee to execute the agreement.
- Electrical Facilities Relocation on Van Buren Blvd., and Equestrian Dr., in the amount of \$128,000 to for the County of Riverside for a street improvement project.
- First Amendment to the Agreement for Consultant Services for the Examination and Performance Audit with Baker Tilly Virchow Krause to extend the term through May 31, 2016.
- Approval of a resolution authorizing the commencement of the decommissioning of the San Onofre Nuclear Generation Station Units Two and Three. They authorized the commencement, and authorized the City Manager or his designee to execute any documents necessary to draw upon trust funds.

Board approved the work order and construction contract for an Electric Feeder Extension on Diana Avenue between Adams and Monroe Streets
Assistant General Manager Pat Hohl explained that this feeder extension was needed to add capacity to the current system to accommodate plans for the Cal Baptist University (CBU) Event Center. We are carrying the feeder through to Monroe to improve our system. CBU will reimburse us for \$262,000 of the work and the remainder funds are to be spent to complete the part that will improve our system.

Board approved the work order and Design-Build Agreement with Champion Electric for the installation of a Back-Up Generator.

The \$146,000 expenditure will provided back-up power to the Power Resources Division in the Gateway Building in order to insure uninterrupted power for communicating 24/7 with CAISO and other critical power market functions.

Board recommended that the City Council approve a Professional Services Agreement with Newmark Grubb Knight Frank (NGKF) for Third Party Broker Services

Deputy General Manager Kevin Milligan clarified the commission structure and competitive bid process for this agreement before the board recommended that NGKF receive a professional services agreement to provide third-party broker services for the leasing of space in the Mission Square Office Complex on a contingency fee basis.

Board recommended that the City Council approve a Professional Services Agreement for Property Management Services with NGKF

Deputy General Manager Kevin Milligan clarified the competitive bid process for this agreement that will not exceed \$1,087,000 annually and indicated that through the competitive bid process this agreement is fair and reasonable to maintain a Class A office space.

Board approved the Fifth Amendment to lease agreement between Subway Real Estate and City of Riverside – Mission Square Office Complex.

Before the board approved the Fifth Amendment to the lease, and authorized the City Manager or designee to execute the lease for five years and \$246,600 in revenue, Deputy General Manager Kevin Milligan explained that the commission for this lease was paid for by the prior owner as the lease was underway when the City purchased the building.

Board approved the Third Amendment to the Temporary Revocable License Agreement between Best, Best & Krieger, LLP and the City of Riverside – Mission Square Office Complex, Suite 110 for \$31,200 for 12 month period

The board also authorized the City Manager or his designee to execute the lease and other instruments to complete the transaction. Deputy General Manager Kevin Milligan also mentioned that NGKF received 2.5% commission of \$781.

Board approved the Fiber Business Plan

Representatives from Magellan Advisors and Deputy General Manager Kevin Milligan presented a Fiber Business Plan intended to be used as a road map to allow RPU to capitalize on unused (dark) fiber optic cable assets that have been installed alongside electric cable for the past 15 years. The initial intention was to provide communication mechanisms for the utility and city services to communicate however, unused capacity could be made available to private parties. The plan provides three phases of tasks to follow in order to expand from six existing fiber customers that currently provide \$455,000 annual revenue. The three phases include formalizing the existing business, a tactical plan for expansion of current offerings and expansion of the fiber business under a new business model. The board approved receipt of the report, gave feedback, approved a \$300,000 expenditure from the current revenues to begin implementation of phase 1 of the roadmap, directed staff through the upcoming 10-year financial proforma to allocate fiber revenue separately from the electric fund through the budget process, and directed staff to report back detailed status in the next 6 months.

Board approved the Recycled Water Projects – Jackson Street Recycled Water Pipeline Project (Phases I & II), Arlington Avenue Recycled Water Pipeline Project, and work order for \$500,000 for design and potholing for Jackson Street Project, (Phase I)

Assistant General Manager Todd Jorgenson provided a concise presentation that gave the background and timeline related to Recycled Water planning that dates back to 1992. He requested the board to approve the listed projects as necessary for exemption from the State of California Environmental Quality Act (CEQA) in order to gain the exemption due to the Governor's State of Emergency drought declaration. This action will save approximately \$150,000. In addition the Board approved a work order to begin design of the first phase of the Jackson Street portion. When design and construction bids are completed these projects will be brought back to the board again for approval of additional expenditures.

Board discussed and agreed on topics for City Council Meeting presentation by Board Chair Susan Cash on February 23, 2016.

Board Chair Susan Cash led a discussion that identified issues to be shared through the annual activities report presentation to City Council. The board gave support, discussion and new ideas to her that will support the outline to explain significant subject matter which occupied the board's attention over the past year, a look ahead to next year and ways in which the City Council and staff might facilitate the work of the Board of Public Utilities. Deputy General Manager Kevin Milligan indicated that the report and PowerPoint will be drafted for their review before submission to the City Clerk's office next week.

General Manager's Report:

- Community Presentations for Utility 2.0 will be scheduled throughout the next 6 months. The board will be notified of the schedule.
- Cash Reserves Policy will be presented at the City Council's Finance Committee meeting on 2/10/2016.

Items requested by the Board at Future Meetings:

Policy related to long-term sales of water to Western