

Board Update Meeting Summary | Monday May 23, 2016

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

Trujillo Water Company Annual Shareholders Meeting

The annual shareholder's meeting was held. General Manager/Secretary/Treasurer Kevin Milligan's resignation was accepted, and General Manager/Secretary/Treasurer Todd Jorgenson was appointed. Board member Susan Cash's resignation was accepted and approval of water shares transferred to Kevin Foust and David Crohn was approved. 2.40 shares from Ignacio and Manuela Arroyo were transferred to new owner Amy Console. Board of Director's slate was revised removing David Roberts and adding David Crohn. By-laws were amended to change the annual meeting date of second Monday in April @6:30pm was approved.

Trujillo Water Company Directors Organizational Meeting

New officers were installed which include David Austin as President, Justin Scott-Coe as Vice-President and, Sara Garner as Secretary/Treasurer. An infrastructure report was given, explaining the inoperable pipeline. The per share price of \$4.00 was given by Trujillo General Manager, Todd Jorgenson and approved. The company's assets listed at slightly over \$14,000.

Board received and filed Employee Recognition for their dedication and contributions to developing a Safety for Supervisors Course.

Sam Davis, John Baker, Marc Smith, Paul Delgado and Marsha Williams who have all made contributions to creating more safety programs were recognized.

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

- Approve the expenditure of \$784,060, and first amendment to Professional Consultant Services Agreement with Utiliquest not to exceed \$807,000 and extending term for two years, for RPU undergrounding locating services.
- Purchase Order with One Source Distributors for an electrical generator and trailer for \$126,382.
- Authorize City Manager execution of Professional Services Agreement with Utility System Efficiencies Inc., for the Riverside Transmission Reliability Project and purchase order for \$160,680 to evaluate alternatives for the project.
- Provide \$100,000 grant to UCR through the RPU Energy Innovations Grant Program to research Coordinated Energy Management in Net-Zero Mixed-Use Buildings.
- Board of Public Utilities Committee Assignments were approved:

<u>Electric Committee:</u>	<u>Water Committee:</u>	<u>Customer Relations/Finance Committee:</u>
Jennifer O'Farrell, Chair	Andrew Walcker, Chair	Dave Austin, Chair
Ron Cole	Darrell Ament	Justin Scott-Coe, Vice-Chair
Kevin Foust	David Crohn	Jennifer O'Farrell, Electric Chair
Justin Scott-Coe	Jennifer O'Farrell	Andrew Walcker, Water Chair
- First amendment to the Agreement with Leidos Engineering for the Electric Cost of Service and Rate Design Project extending agreement term to April 30, 2017 and increasing the contract amount by \$21,150 for a revised total amount of \$146,150.
- Approved the Annual Power Source Disclosure Report for calendar year 2015, accuracy attestation and annual Power Content Label.
- Authorized City Manager or designee to grant easements to SanBag in connection with I-215 Improvement Project.
- Approved sixteenth amendment and authorize the City Manager or designee to execute the agreement in the amount of \$1,000,000 this year with an additional 25% if funds are depleted for our low-income utility bill assistance program called SHARE.

Board approved the Riverside Public Utilities Fiscal Policies along with annual review requirements and three year updates, at minimum.

Russ Hissom from Baker-Tilly indicated that his firm was asked to review RPU's existing fiscal policies and prepare a gap analysis comparing existing policies to industry best practices, and then prepare a draft fiscal policy for Board approval. He shared an overview of the elements of the policy, and explained that the new policy will set a model for others and complimented Assistant General Manager Laura Chavez-Nomura for commitment to the project. These new policies guide asset oversight, provide guidance on risk, stewardship of assets on behalf of ratepayers and tools for key performance indicators to measure fiscal performance.

Board approved Purchase Order with Delta Star for a Mobile Substation in the amount of \$2,198,993

Assistant General Manager Pat Hohl provided a presentation that educated the board on the uses of a mobile substation explaining the benefits and purposes of owning them. He indicated that this purchase would add a unit to our two existing units, one of which is almost 55 years old. Mobile units are used in emergency situations or as backups when prolonged maintenance may need to be performed. He indicated that this purchase is also important as we switch the power lines to 12kV capacity, as the oldest unit was only designed to handle 4kV line. Substations are our neighborhood power centers, so having adequate back up when things fail is a critical part of reliability.

Board received and filed the summer 2016 Outlook Report for Water and Electric Resources and Reliability

Assistant General Manager Pat Hohl provided a brief presentation that provided an outlook for the summer of 2016. He shared Riverside’s load pattern and Electric System Peak history which was 612MW in 2014. He indicated that field crews prepare for summer each year by assigning no scheduled outages during 100 degree days, have prolonged stand by after day shifts and have stand by crews on the weekends. The system is ready to respond to peak load days as recent substation upgrades have been performed ahead of schedule and below budget. He indicated that we may have issues this summer due to natural gas shortages caused by the Aliso Canyon natural gas field shut down up in Porter Ranch. Although Riverside is outside the sphere of the Aliso Canyon Gas Delivery Area, we could still be impacted by gas curtailment days and be unable to run our gas-fired internal generation due to the fuel shortage. Because gas travels more slowly, it needs to be stored so that we can use it when needed, so if there is no storage available the fuel source will not be available to us in time. We are working to mitigate this issue as SoCal Gas has identified that there may be 14 potential days of curtailment. We are working on scenario planning for the system, communication protocols for customer notification and refining operating procedures. In addition the Customer Relations group has modified their Power Partner Program that has been in place since 2012, when large customers curtailed load to respond to shortages due to the San Onofre Nuclear Generation Station. This summer they will be asked to do the same in response to this situation. It is expected that through large customer load curtailment we may be able to shed 10-20 MW depending on customer participation. In addition, 10MW of solar has come on line since last year and that will help offset the load too.

Assistant General Manager Todd Jorgenson gave a brief update on the water situation. He indicated that demand has continued to decline since 2013 due to drought and conservation mandates. The anticipated peak demand is 85 million gallons per day this summer. Lower demands may facilitate warm weather wholesale deliveries to Western Municipal Water District.

General Manager’s Report:

Items going to Board/Council are:

Fiscal Policy -	Finance Committee on 7/12,	City Council on 7/26
Performance Audit –	Board on 7/25,	City Council on 7/26
Northside Audit –	City Council on 5/24	
New Assistant General Manager,		
Operational Technology -	City Council on 5/24	

Board requests for future updates:

RTRP Status