

Board Update Meeting Summary | Friday, October 17, 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](#)

Board Actions:

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

- Approval was given for Professional Services Agreement with OnRamp Wireless, San Diego, CA., for \$96,437.94 to provide communications network for Distribution Automation Program.
- Approval was given for the estimated capital expenditure of \$125,000 for the underground electrical installation near Adams Street and Camellia Drive for new Tract 36654.
- The Board recommended that the City Council approve the expenditure of \$70,000 for the California Solar Initiative incentive application fees. This project relates to PV solar we plan to install at our water facilities in San Bernardino county, thereby reducing our electricity costs related to moving water.
- The Board approved the termination of the San Onofre Nuclear Generating Station (SONGS) Firm Transmission Service Agreement (TSA) following the permanent closure of the SONGS; and authorized the City Manager or his designee to provide written notice to Southern California Edison to terminate the TSA pursuant to Section 5.2 of the Agreement.
- Approval was received for the cancellation of board meetings on 12/5/2014, 12/19/2014 and 1/2/2015. Special meetings on 12/12/2014 and 1/23/2015 were also approved.
- Approval was given to reject bids for the Mission Square, Fifth Floor Tenant Improvements (Bid No. RPU-7266).

Board approves rejection of all bids for Magnolia-Plaza Reliability Project Bid No. 7268

Assistant General Manager, Pat Hohl provided background and justification for rejection of all bids for project demolition and a Site Preparation Contract and release of all bid guarantees. He explained that the contractor's bid was 76% above the engineer's estimate for the work and not financially prudent. To initiate the bids again will represent a three month project delay and city forces will do some of the work to keep the critical path items on track. Staff will revise the scope of work once again to improve the efficacy and number of bids received.

Board approves increase authorization of Work Order No. 642975 for Riverside Transmission Reliability Project (RTRP)

Assistant General Manager, Pat Hohl presented an update on this project. He explained how the project is split up into two parts. Part one involves constructing 230kV lines that will be done when litigation is resolved with the City of Jurupa Valley (estimated in late 2015); and when Southern California Edison (SCE) has the authorization to begin work in partnership with RPU. Based on a recent update from SCE, the California Public Utilities Commission (CPUC) has authorized them to move forward on certain aspects of 230 KV construction. The second part of the project is being worked on now and involves building 69kV lines that are all within city limits. These lines will interconnect with the 230 kV lines, but also as a stand-alone, will serve to improve the ability to provide better distribution from the Riverside Energy Resource Center to the rest of the city through the Harvey Lynn, Freeman and Mountain View substations when generation is needed from the Riverside Energy Resource Center. Current spending for the project has been \$20,600,050 and an additional \$21,000,000 was requested and approved which will be spent from the \$106,245,000 budgeted from Capital Improvement Project funds for the project. \$20,000,000 will be spent on the 69kV part of the project which is in the process of land acquisition and material procurement, and \$1,000,000 will be spent for a combination of internal project management, SCE related payments and both legal and engineering consultants.

Board approves construction of the Brunton 1-R Well Project – Phase 1 – Award of Bid No. 7278

Assistant General Manager, Kevin Milligan asked for approval of the capital expenditure of \$1,128,900 for the complete project design, construction, change order contingencies, construction management and inspection of the project and to award the construction portion of the project to Best Drilling and Pumping of Colton, California for \$917,615. Brunton 1-R is located on the southern portion of the old Riverside Golf Course between Orange Street and Main Street.

Board receives and files reporting of water use to State Water Resources Control Board in compliance with Emergency Water Conservation Regulations

Assistant General Manager, Kevin Milligan shared the information provided to the State Water Resources Control Board as part of the reporting process now in place due to the mandatory water restrictions. The monthly report includes a 12 part questionnaire that requires year over year reporting to measure water conservation by utilizing the gallons per day per capita GPCD measurement. For September 2014, the City reduced water consumption by more than 15 percent compared with usage in September 2013.

Board receives and files an Update on Riverside Public Utilities Space Planning

General Manager, Girish Balachandran provided a detailed presentation that explained the space challenges of having utility staff spread among several facilities all over the city. He gave statistical information for each worksite in to assist the board with providing constructive input about next steps in near and short-term facility upgrades and changes in work locations. He explained that enhancing both the customer and employee experiences of these spaces while maintaining ratepayer value and transparency were all long-term goals to balance with managing risk and bottom line value. He outlined draft recommendations that would be brought back to the Board in November for approval. These draft recommendations include vacating Utilities Plaza, preparing Orange Square for staff who will move from Utilities Plaza and, making changes to workstations on the 3rd and 4th floor at Mission Square to improve employee workflow. He summarized the presentation by presenting financial savings related to the draft recommendations. The payback period associated with vacating Utilities Plaza and moving to Orange Square is less than 4 years. The annualized savings of all the short-term recommendations is estimated at \$250,000 per year. The board requested that the General Manager also prioritize vacating leased office space at the airport that is no longer being utilized for its original purpose. The board will be presented in November these recommendations.

Legislative Update:

Deputy General Manager/Chief Operations Officer, Stephen Badgett gave a detailed presentation of legislative issues impacting the utility during this past session. He explained that at both state and federal levels issues important to RPU are monitored, advocated and influenced through trade associations, professional advocates, staff visits and phone calls. The universal long-term message for RPU is to support local control and protecting utility finances.

Key federal issues are centered around: energy and the drought, local control of distributed generation systems, fixing the CFTC sub-threshold for swaps with municipal utilities, grid security (cyber and physical), nuclear waste disposal, preservation of municipal bonding authority for public power, water resources reform which includes new financing opportunities for water projects.

General Manager's Report:

General Manager Girish Balachandran stated that:

- Water Policies/Principles that were approved by the Board were favorably received by the Land Use Committee and will be moving forward to City Council for adoption.
- Water presentation was provided to Santa Ana Watershed Project Authority
- Quarterly attendance reports for Board Meetings are now in the board packet to comply with new Board Policy.

Board requests for future updates:

- Succession Planning
- Impacts on increased energy costs – covered in presentations for the Integrated Resources Plan and the 10-Year Pro Forma