

## Board Update Meeting Summary | Friday, June 20, 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:**

##### **Employee Recognition Presentation**

General Manager Girish Balachandran recognized George Hanson, Engineering Manager, for his efforts while acting as Interim Assistant General Manager, Energy Delivery over the past few months. Clay Monroe, Principal Account Manager, was also recognized for his seven years of service to RPU as he departs July 2. He was praised for his contribution to the development of FreeSprinklerNozzles.com. Mike Torelli, Supervising Engineering Technician, was recognized for his 37 years of dedication to RPU and his ability to take on complicated, multi-phased projects and finish them under budget.

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

- \$150,000 work order for underground electrical equipment installations, near La Sierra and Vista Terrace.
- \$66,000 work order for installation of new underground electrical equipment installation between Vallejo Street and Grande Vista Parkway for 52 new homes.
- Two work orders for the Magnolia Plaza Reliability Project for 69kV circuit switcher and capacitor bank in the amount of \$62,507.16 and \$110,152.44 respectively.
- Bid rejection for detailed inspection of overhead facilities in Areas 2 through 5, due to changes in scope of work to align with estimated costs.
- Second Amendment to Master Agreement with Mariposa Landscapes, Inc., for maintenance at various RPU properties for July 1, 2014 through June 30, 2015 for the amount of \$239,634.16.
- \$57,200 work order for purchase, removal and installation of three tanks at Sixth Street, Gage and Sunnyside Chlorination Stations.
- Cancellation of regularly scheduled Board of Public Utilities Meeting on July 4, 2014, because of holiday.
- Adoption of the Riverside Public Utilities Board Policy Guide and Standing Rules.

##### **Board approves annual purchase order requirements for Fiscal Year 2014-2015**

Approval was given for the estimated amount of \$9,712,909 for annual purchase order requirements contingent upon final budget adoption by the City Council. Assistant General Manager, Laura Chavez-Nomura explained that since the adoption of Measure MM, which gave RPU the purchasing authority of up to \$50,000 it has been the annual practice to bring a list of recurring annual purchase orders over \$50,000 to the Board all at once in order to streamline workflow.

##### **Board approves Harvey Lynn equipment replacement**

The Board approved the purchase orders for \$443,384.28 for a power transformer and associated equipment, as well as \$887,603.40 for a switch gear and equipment as part of the Harvey Lynn Substation Restoration Project, which is needed because of fire damage caused by last March. Interim Assistant General Manager George Hanson explained that these are long lead time items that are needed to ensure the substation will be able to be back on line by next summer.

### **Board approves LED street light replacement pilot project**

Approval was given to provide \$600,000 for a street light replacement pilot project. Interim Assistant General Manager George Hanson presented the plan which will replace high pressure sodium lamps (HPS) with light emitting diode (LED) lamps located in areas that lead to downtown shopping and other main shopping districts throughout the city. The project will replace 782 HPS lamps with LED lamps and is expected to be online prior to the Festival of Lights. The project has a 10 year payback period which spans the life of the lamps. The economics of the project do not, at this point, lend itself for wide scale deployment. The key benefit is the reduction of greenhouse gases saving 259 metric tons of carbon dioxide equivalent annually.

### **Board approves Johnson Well No.4 Equipping and 16-inch Pipeline Project**

Approval was given for construction of the Johnson Well No. 4 Equipment and 16-inch Pipeline Project. The \$604,934 construction contract was awarded and the capital expenditure of \$906,500 which includes design, construction, contract administration, inspection and construction contingency costs. Assistant General Manager Kevin Milligan explained that this well was drilled in 1990 for a project that was scrapped because of economic downturn. When finished, it will yield up to 24 acre feet per year that can be utilized for the Gage Exchange that allows RPU to receive potable water in exchange for recycled water.

### **Board approves software and consultation services for the Operations Data Management System Implementation Project**

Assistant General Manager Kevin Milligan presented the implementation timeline for the first of six major technology projects that will be started over the next two years. The Operations Data Management System will provide near real-time data for operations of both electric and water utilities and data from several systems will be integrated to enable multiple systems to interface with each other, optimizing planning associated with operational data. The board approved the implementation phase of the Operations Data Management System project and the Second Amendment to the Professional Services Agreement with Westin Engineering for \$2,400,000 to assist with data migration as well as a purchase order for \$480,427.50 with OSI Soft for the procurement of Pi Software system.

### **Board receives update on Water Supply Portfolio Planning and approves Recycled Water fund**

The Board received a three part presentation. They were presented with an update on RPU Water Supply Portfolio Planning; they provided feedback on a draft of the Policy Principles for Water Portfolio Management and authorized a \$10,000,000 internally restricted reserve for future recycled water projects based on a presentation given by Assistant General Manager Kevin Milligan.

#### **Part One:**

It was explained that the reason for Integrated Water Supply Planning is to increase local water supply through diversifying the water portfolio to include not just ground water which is currently at 94% but to decrease it to 72% by 2035 by improving groundwater basin management, developing surface water sources like Seven Oaks Dam and others, increase use of recycled water using direct delivery to landscaping to offset potable water demand, and conservation.

#### **Part Two:**

The Board was given the draft of the Policy Principles for Water Portfolio Management to review prior to the meeting and provided feedback based on the presentation and discussion. Kevin explained that when the policy is finalized it will be brought back to the board. Areas of input from the Board were:

- Addressing the green belt and agricultural customers underscoring that recycled water will not be used in the green belt based on community consensus. Even though the Gage Canal would be most feasible to receive it, it will not happen.
- Communicating how our plans relate to the statewide water projects and surrounding utilities. How we are good neighbors because of our position and source.
- Clarifying the monetization of water rights – how we capitalize win-win efforts for the community, developers and surrounding water utilities. In addition, General Manager Girish Balachandran explained that water independence is not as simple as not purchasing imported water. RPU is strategically independent based on pricing. In wet years for instance, price points can dictate the purchase of surface water to be stored so less water would be taken from ground sources.

#### **Part Three:**

Kevin provided a thorough review of water portfolio planning methodology and the history of efforts to procure recycled water expelled into the Santa Ana River from the Riverside Water Quality Control Plant. He explained how changing

physical conditions related to environmental, legislative and natural disasters can dramatically affect the amount of acre feet yield from year to year. The estimated current recycled water yield is 7,500 acre feet per year.

#### **General Manager's Report**

- Application has been made for General Manager, Girish Balachandran to participate in Leadership Riverside next year through the Greater Riverside Chambers of Commerce. He mentioned this to notify the board that he may miss some meetings next year if selected to participate.
- RPU received a Landscape Water Use Efficiency Award from Toro, recognizing us for our effort in developing the Free Sprinkler Nozzle program.

#### **Board requests for future updates**

- Riverside Transmission Reliability Project Update
- Cybersecurity Prevention Efforts