

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: June 19, 2009
Time of Meeting: 8:30 a.m.
Place of Meeting: Public Utilities Boardroom
3901 Orange Street (at Ninth & Orange Streets)
Riverside, California

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present: Bob Stockton (Chair) Ken Sutter (Vice Chair)
Mary Curtin Bernie Titus
Manny Sanchez Justin Scott-Coe
Gustavo Segura

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

MINUTES

1. The approval of the regular meeting minutes from the Board of Public Utilities meeting held on June 5, 2009 were approved as submitted.

Motion – Titus. Second – Curtin.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, and Scott-Coe.

Noes: None.

Abstain: Gustavo Segura.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

CITIZENS PARTICIPATION

No comments.

COMMITTEE REPORTS

2. PROPERTY COMMITTEE REPORT - The Property Committee meeting scheduled for June 5, 2009 was cancelled.
3. ELECTRIC COMMITTEE REPORT - The Electric Committee meeting scheduled for June 5, 2009 was cancelled.

4. "SPECIAL" FINANCE/MARKETING COMMITTEE REPORT

The Board of Public Utilities accepted and filed the June 5, 2009 "Special" Finance/Marketing Committee minutes.

CONSENT CALENDAR

8. A motion was made to approve the following items on the Consent Calendar with the exception of Item 7, INCREASE EXPENDITURE FOR MULBERRY WELL REHABILITATION AND MULBERRY WELL DISCHARGE PIPELINE; Item 8, CONSTRUCTION OF THE COLUMBIA AVENUE WATER MAIN REPLACEMENT PROJECT; Item 9, ENERGY MANAGEMENT SERVICE CONTRACT WITH ENERNOC FOR DEMAND MANAGEMENT OF SELECTED CITY PRODUCTION FACILITIES SERVED BY SOUTHERN CALIFORNIA EDISON (SCE); Item 10, AGREEMENTS FOR PROFESSIONAL ENVIRONMENTAL CONSULTANT SERVICES WITH ALBERT A. WEBB ASSOCIATES; HELIX ENVIRONMENTAL PLANNING, INC.; AND LSA ASSOCIATES, INC. FOR THE ESTABLISHMENT OF AN ENVIRONMENTAL CONSULTANTS PANEL FOR FISCAL YEARS 2009 TO 2012; Item 12, LICENSE AGREEMENT WITH WESTMINSTER ARLINGTON, LLC; and Item 13, LOW INCOME UTILITY BILL ASSISTANCE – SHARING HOUSEHOLDS ASSIST RIVERSIDE'S ENERGY (SHARE) PROGRAM CONTRACT AMENDMENT, which were moved to the Discussion Calendar.

Motion – Sutter. Second – Curtin.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: Bernie Titus (Abstained from Item 6 due to financial conflict of interest [property ownership])

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

Electric Items

5. UNDERGROUND ELECTRIC LINE EXTENSION – RIVERSIDE COMMUNITY COLLEGE NURSING AND SCIENCE BUILDING - WORK ORDER NO. 080003-85

The Board of Public Utilities approved the estimated capital expenditure of \$75,000 to install an underground electric line extension to serve Riverside Community College Nursing and Science Buildings located at 4800 Magnolia Avenue.

Water Items

6. CONSTRUCTION OF THE BRONSON WAY WATER MAIN REPLACEMENT PROJECT

The Board of Public Utilities approved the capital expenditure of \$342,000 for Work Order No. 0501566, which includes all design and construction costs for the Bronson Way Water Main Replacement Project.

Motion – Sutter. Second – Curtin.

Ayes: Stockton, Sutter, Curtin, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: Bernie Titus (Abstained from Item 6 due to financial conflict of interest [property ownership])

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

7. **MOVED TO DISCUSSION CALENDAR**
8. **MOVED TO DISCUSSION CALENDAR**
9. **MOVED TO DISCUSSION CALENDAR**
10. **MOVED TO DISCUSSION CALENDAR**

Other Items

11. **CANCELLATION OF JULY 3RD BOARD MEETING**

The Board of Public Utilities canceled the regularly scheduled July 3, 2009 Board meeting because of the holiday.

12. **MOVED TO DISCUSSION CALENDAR**

13. **MOVED TO DISCUSSION CALENDAR**

14. **CONSIDERATION OF A NEW LICENSE AGREEMENT WITH GRAND CANAL TOWNHOMES ASSOCIATION LICENSE AGREEMENT AND TERMINATION OF THE DEFAULTED LICENSE AGREEMENT WITH DULCE VIDA, LLC**

The Board of Public Utilities recommended that the City Council:

1. Approve the subject License Agreement with Grand Canal Townhomes; and
2. Terminate the defaulted Dulce Vida LLC license agreement.

DISCUSSION CALENDAR

7. **INCREASE EXPENDITURE FOR MULBERRY WELL REHABILITATION AND MULBERRY WELL DISCHARGE PIPELINE**

Board Member Manny Sanchez requested this item be placed on the Discussion calendar to receive additional information on utility crew scheduling and availability.

Following discussion, the Board of Public Utilities:

1. Approved an increase of \$70,000, from \$50,000 to \$120,000, for Work Order No. 00915170 for Mulberry Well Rehabilitation;
2. Approved an increase of \$60,000, from \$165,000 to \$225,000, for Work Order No. 00910103 for Mulberry Well Discharge Pipeline; and
3. Approved the expenditure of \$168,000 for the Mulberry Well Discharge Pipeline in the amount of \$168,800.

Motion – Titus. Second – Sutter.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

8. CONSTRUCTION OF THE COLUMBIA AVENUE WATER MAIN REPLACEMENT PROJECT

Board Member Manny Sanchez requested this item be placed on the Discussion calendar to receive additional information on utility crew scheduling and availability.

Following discussion, the Board of Public Utilities approved the capital expenditure of \$260,000 for Work Order No. 0501561, which includes all design and construction costs for the Columbia Avenue Water Main Replacement Project.

Motion – Scott-Coe. Second – Segura.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

9. ENERGY MANAGEMENT SERVICE CONTRACT WITH ENERNOC FOR DEMAND MANAGEMENT OF SELECTED CITY PRODUCTION FACILITIES SERVED BY SOUTHERN CALIFORNIA EDISON (SCE)

Board Member Bernie Titus requested this item be placed on the Discussion calendar because she wanted staff to give more details regarding the demand management of selected city production facilities served by SCE. Assistant General Manager/Water Kevin Milligan reported that participation in a demand management program would increase revenue for the water utility while providing flexibility to ensure water supply availability.

Following discussion, the Board of Public Utilities:

1. Approved the Clean Green California Demand Response Sales and Service Agreement with EnerNOC;
2. Authorized the City Manager, or his designee, to sign the agreement; and
3. Authorized staff to manage the agreement by adjusting the Nominated Capacity on a monthly basis and to add or delete selected sites from time to time as appropriate to optimize the program benefits while maintaining adequate water production at all times.

Motion – Curtin. Second – Titus.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

10. AGREEMENTS FOR PROFESSIONAL ENVIRONMENTAL CONSULTANT SERVICES WITH ALBERT A. WEBB ASSOCIATES; HELIX ENVIRONMENTAL PLANNING, INC.; AND LSA ASSOCIATES, INC. FOR THE ESTABLISHMENT OF AN ENVIRONMENTAL CONSULTANTS PANEL FOR FISCAL YEARS 2009 TO 2012

Board Member Manny Sanchez requested this item be placed on the Discussion calendar because he wanted to discuss if these companies were part of the last panel.

Following discussion, the Board of Public Utilities approved the Professional Consultant Services Master Agreements with Albert A. Webb Associates; HELIX Environmental Planning, Inc.; and LSA Associates, Inc., in a not-to-exceed amount of \$250,000 each for the establishment of an environmental consultants' panel for the term July 1, 2009 to June 30, 2012.

Motion – Curtin. Second – Scott-Coe.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

At this time, Board Chair Bob Stockton excused himself from the meeting and sat in the audience due to conflict of interest. Vice Chair Ken Sutter conducted the meeting at this time.

12. LICENSE AGREEMENT WITH WESTMINSTER ARLINGTON, LLC

Board Member Manny Sanchez requested this item be placed on the Discussion calendar because he wanted to know if staff had done an economic analysis of the easement and the license value.

Following discussion, the Board of Public Utilities recommended that the City Council:

1. Approve the License Agreement with Westminster Arlington, LLC; and
2. Authorize the City Manager, or his designee, to accept a Waterline Easement in lieu of rental compensation for the License Agreement.

Motion – Curtin. Second – Segura.

Ayes: Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: Bob Stockton (abstained and left dais due to financial conflict of interest [source of income])

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

At this time, Board Chair Bob Stockton returned to the Board meeting and continued to conduct the meeting.

13. LOW INCOME UTILITY BILL ASSISTANCE – SHARING HOUSEHOLDS ASSIST RIVERSIDE'S ENERGY (SHARE) PROGRAM CONTRACT AMENDMENT

Chair Bob Stockton requested this item be placed on the Discussion calendar because it exceeded the \$500,000 amount which should always be on discussion and wanted staff to give more details on the program so the new board members would have a better understanding.

Following discussion, the Board of Public Utilities recommended that the City Council:

1. Approve the expenditure of the Public Benefit Funds for the 2009-2010 SHARE Program in the amount of \$900,000;
2. Grant the City Manager, or his designee, the authority to approve payments up to 25 percent, or \$225,000, above the SHARE contract amount if allocated funds are depleted before the contract term ends; and
3. Approve an eighth amendment to the SHARE agreement with the Community Action Partnership of Riverside County to continue the SHARE program for one additional year.

Motion – Curtin. Second – Sutter.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

15. AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR THE RECYCLED WATER FACILITIES PLAN

Consultant Steve Freidman from HDR Engineering, Inc., was present in the audience.

Board Members requested that staff brief the Water Committee periodically on updates of the Recycled Water Facilities Plan.

Following discussion, the Board of Public Utilities approved a Professional Services Agreement with HDR Engineering, Inc., in a not-to-exceed amount of \$489,400 for professional consultant services for the development of the Recycled Water Facilities Plan.

Motion – Sanchez. Second – Titus.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

16. INCREASE MWH AMERICA, INC. LABORATORY SERVICES CONTRACT BY \$150,000 FOR FY 2008/09 AND INCREASE THE CONTINGENCY TO 20 PERCENT FOR FY 2009/10

Following discussion, the Board of Public Utilities:

1. Approved an increase of \$150,000 to the MWH America, Inc., annual lab contract for Fiscal Year ending June 30, 2009 to cover additional testing expenditure; and
2. Authorized staff to issue change orders not-to-exceed 20 percent of the MWH America, Inc., annual lab contract for Fiscal Year ending June 20, 2010, with compensation not-to-exceed \$840,000 per year.

Motion – Titus. Second – Sutter.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

Vice Chair Ken Sutter left the meeting for a few minutes.

17. TREE POWER PROGRAM UPDATE - 2009

General Manager Dave Wright gave the update on the 2009 Tree Power Program.

Following discussion, the Board of Public Utilities recommended that the City Council:

1. Approve additional funding in the amount of \$50,000 from the Public Benefit Unprogrammed Funds for the 2009 Free Shade Tree Coupon Campaign bringing the total to \$280,000; and
2. Authorize the City Manager, or his designee, the authority to increase change orders for the Tree Power Program's FY 2008-09 and FY 2009-10 Free Shade Tree Campaigns as needed up to \$50,000, for a total of \$100,000 per vendor.

Motion – Curtin. Second – Titus.

Ayes: Stockton, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)
Ken Sutter (left the meeting for awhile)

Vice Chair Ken Sutter returned to the meeting.

18. CONSTRUCTION OF THE JURUPA AVENUE 16-INCH DOMESTIC AND 16-INCH RECYCLED WATER PIPELINE EXTENSION PROJECT (PHASE I) FROM VAN BUREN BOULEVARD TO ABOUT 600 FEET WESTERLY

Board Member Manny Sanchez expressed concern participating with Public Works on this project resulted in higher than needed costs and that a separate bid and contract would result in lower costs. Staff advised that an analysis of projects was ongoing and would be brought back to the Board of Public Utilities in July, but savings from project management, administration, and coordination would likely offset the bid differential of \$40,000.

Following discussion, the Board of Public Utilities approved the total capital expenditure in the amount of \$302,000 for Work Order No. 0912963, which includes all design, construction, change order contingencies, system connections, construction management, inspection and geotechnical testing for the Jurupa Avenue 16-inch Domestic and 16-inch Recycled Water Pipeline Extension Project (Phase I) from Van Buren Boulevard to about 600 feet westerly.

Motion –Curtin. Second – Sutter.

Ayes: Stockton, Sutter, Curtin, Titus, Scott-Coe, and Segura.

Noes: Manny Sanchez.

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

19. SB 261 (DUTTON/DUCHENY) – SUPPORT

Following discussion, the Board of Public Utilities recommended to the City Council a "support" position on SB 261 (Dutton/Ducheny).

Motion – Scott-Coe. Second – Curtin.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

20. OVERHEAD TO UNDERGROUND CONVERSION FOR PUBLIC WORKS STREET IMPROVEMENT PROJECT ON JURUPA AVE. FROM VAN BUREN BLVD. TO APPROXIMATELY 560' WEST (PHASE I)- WORK ORDER NO. 090021-04

Following discussion, the Board of Public Utilities approved the estimated capital expenditure of \$70,000 to install underground structures on Jurupa Avenue from Van Buren Blvd. to approximately 560' west.

Motion – Titus. Second – Sutter.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

21. CONCEPTUAL APPROVAL OF THE ENERGY HIGH EFFICIENCY LOAN PROGRAM (E-HELP)

Following discussion, the Board of Public Utilities recommended that the City Council:

1. Approve funding in the amount of \$1,000,000 for a pilot program with Public Benefits Funds;
2. Conceptually approve the Energy High Efficiency Loan Program; and
3. Direct staff to begin preparation of the program, subject to City Council approval.

Motion – Scott-Coe. Second – Sutter.

Ayes: Stockton, Sutter, Curtin, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)

Board Member Mary Curtin left the meeting early.

22. CONTRACTUAL SERVICE AGREEMENT BETWEEN CITY OF RIVERSIDE AND GE OIL & GAS INC.

Following discussion, the Board of Public Utilities:

1. Authorized the Public Utilities General Manager to provide written notice to terminate the Service Agreement;
2. Increased the related FY 2009/10 annual Purchase Order from \$720,000 to \$1,025,000 to make normal monthly and anticipated termination payments to GE Oil & Gas; and
3. Approved a new Purchase Order for \$100,000 to GE Oil & Gas, Inc. to cover possible expenditures on a time-and-materials basis for services provided during FY 2009/10.

Motion – Titus. Second – Sutter.

Ayes: Stockton, Sutter, Titus, Sanchez, Scott-Coe, and Segura.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to vacation)
Ian Davidson (absence due to business)
Mary Curtin (left meeting early)

23. MEMORANDUM OF UNDERSTANDING BETWEEN CITIES OF COLTON AND RIVERSIDE REGARDING VARIOUS WATER-RELATED ISSUES - UPDATE

DEFERRED – At the request of General Manager, this item was continued to a future Board meeting.

24. RECYCLED WATER - UPDATE

DEFERRED – At the request of General Manager, this item was continued to a future Board meeting.

25. ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY A MEMBER OF THE BOARD OF PUBLIC UTILITIES

None.

GENERAL MANAGER'S REPORT

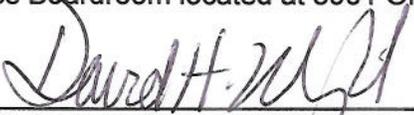
General Manager Wright announced that Assistant General Manager/Water Kevin Milligan recently graduated from the "Leadership Riverside" program.

General Manager Wright also reported that the City Council Land Use Committee meetings would be noted on the upcoming meeting list.

26. State and Federal Legislative Update –
"Update on pending legislation that may impact the Water and/or Electric Utility."
27. ACWA Award – Update
Assistant General Manager/Water Kevin Milligan reported that RPU was a finalist for the ACWA Clair A. Hill Award.
28. Year-End Fiscal Update - discussion of anticipated year-end results
DEFERRED – At the request of the General Manager this item was continued to a future Board meeting.
29. Update on Riverside Transmission Reliability Project Interconnection Facilities Agreement
30. Monthly Update of Goals
31. Electric / Water Contract Panel Update - June 2009
32. Open and Closed Work Orders - May 2009
33. Water Highlights - May 2009
34. Financial Statements - April 2009
35. City Council Agendas - June 9, 2009 and June 16, 2009
36. Upcoming Meetings
37. Systematic Reporting on Conferences/Seminars
38. Electric / Water Utility Acronyms

UPCOMING MEETING

Chairman Bob Stockton adjourned the meeting at 11:15 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, July 17, 2009 at 8:30 a.m.** in the Public Utilities Boardroom located at 3901 Orange Street in Riverside, California.

By: 

David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: July 17, 2009