

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: February 6, 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: Dave Barnhart (Chair) Bob Stockton (Vice Chair)
Mary Curtin Ken Sutter
Bernie Titus Robert Elliott
Manny Sanchez Joe Tavaglione

Absent: Ian Davidson (absence due to other)
Manny Sanchez (arrived late to meeting)

PRESENTATIONS

A. RECOGNITION BY THE BOARD OF PUBLIC UTILITIES OF THE FOLLOWING PUBLIC UTILITIES EMPLOYEES FOR THEIR ACCOMPLISHMENTS OF COMPLETING THE REQUIREMENTS WITHIN THE CITY OF RIVERSIDE'S M3P HIGH PERFORMANCE LEARNING CENTER:

1. Rosalinda Chaira - completed the SHIELD Program
2. Samuel Davis, Maria Lacson, and Kim Thompson - completed the SOAR Program
3. Kathie Buckley, Samuel Davis, Valorie Goode, Gary Hironimus, Mary Helen Montjoy, Pat Pruitt, and Efrain Orozco - completed the SOAR Technology Program
4. Donna Arrechea, David Hernandez, Sherry Pritikin, Richard Small, and Michael Torelli - completed the SMART Level I Program

MINUTES

1. The approval of the regular meeting minutes from the Board of Public Utilities meeting held on January 16, 2009 were approved as submitted.

Motion – Tavaglione. Second – Titus.

Ayes: Barnhart, Stockton, Curtin, Sutter, Titus, Elliott, and Tavaglione.

Noes: None.

Abstain: None.

Absent: Ian Davidson (absence due to other)
Manny Sanchez (arrived late to meeting)

CITIZENS PARTICIPATION

No comments.

COMMITTEE REPORTS

2. ELECTRIC COMMITTEE REPORT - January 14, 2009
3. WATER COMMITTEE REPORT - The Water Committee meeting scheduled on January 23, 2009 was cancelled.
4. FINANCE/MARKETING COMMITTEE REPORT - The Finance/Marketing Committee meeting scheduled on January 23, 2009 was cancelled.

CONSENT CALENDAR – (Items 5 to 8)

A motion was made to approve the following items on the Consent Calendar:

Motion – Sutter. Second – Tavaglione.

Ayes: Barnhart, Stockton, Curtin, Sutter, Titus, Elliott, and Tavaglione.

Noes: None.

Abstain: None.

Absent: Ian Davidson (absence due to other)
Manny Sanchez (arrived late to meeting)

Electric Items

5. UPGRADE OF CIRCUIT 1572 - WORK ORDER NO. 090024-01
The Board of Public Utilities approved the estimated capital expenditure of \$79,000 to upgrade the 12 kV Feeder 1572 to improve reliability and systems operations.
6. APPROVAL FOR A CONTRACT WITH GENERAL ELECTRIC CORPORATION TO CONDUCT DYNAMIC AND STEADY STATE TESTING OF SPRINGS UNITS 1 – 4 AND RIVERSIDE ENERGY RESOURCE CENTER UNITS 1 AND 2
The Board of Public Utilities approved the issuance of a purchase order to General Electric Corporation in an amount not to exceed \$59,900 for dynamic and steady state testing on Springs Units 1-4 and the Riverside Energy Resource Center Units 1 & 2.

Water Items

7. CONSTRUCTION OF THE GALAXY HEIGHTS WATER MAIN EXTENSION PROJECT (LOCATED ON GALAXY HEIGHTS ROAD)
The Board of Public Utilities approved the capital expenditure in the amount of \$70,000 for Work Order No. 0902912, which includes all design and construction costs for the Galaxy Heights Water Main Extension Project.

8. AUTHORIZATION OF ADDITIONAL FUNDS TO COMPLETE THE CONSTRUCTION FOR PHASE II OF THE DOWNTOWN MALL 12-INCH WATER MAIN REPLACEMENT PROJECT

The Board of Public Utilities approved the additional capital expenditure of \$90,000 for Work Order No. 0706318, which includes all further construction costs to complete the Downtown Mall 12-inch Water Main Replacement Project.

Other Items

Board Member Manny Sanchez arrived at this time.

DISCUSSION CALENDAR

At this time, Board Vice Chair Bob Stockton and Board Member Joe Tavaglione excused themselves from the meeting regarding Item 9 and sat in the audience due to conflict of interest.

9. CONSTRUCTION OF A 30-INCH TECHITE WATER TRANSMISSION MAIN REPLACEMENT PROJECT NEAR 3477 ARLINGTON AVENUE

Following discussion, the Board of Public Utilities

1. Approved the capital expenditure of \$494,000 for Work Order No. 0905166, which includes all design, material purchase, construction, change order contingencies, construction management, and inspection for the 30-inch Techite Water Transmission Main Replacement Project; and
2. Approved the issuance of a purchase order to Imperial Pipe from Riverside, California in an amount of \$76,933.31, for the procurement of pipe material for this project.

Motion – Titus. Second – Curtin.

Ayes: Barnhart, Curtin, Sutter, Titus, Elliott, and Sanchez.

Noes: None.

Abstain: Stockton and Tavaglione.

Absent: Ian Davidson (absence due to other)

At this time, Board Vice Chair Stockton and Board Member Tavaglione returned to the Board meeting.

10. CONSTRUCTION OF CASA BLANCA 8-INCH DISTRIBUTION MAIN PROJECT – PHASE I

Following discussion, the Board of Public Utilities approved the capital expenditure of \$838,000 for Work Order No. 0908031, which includes all design and construction costs for the Casa Blanca 8-inch Distribution Main Project Phase I.

Motion – Elliott. Second – Stockton.

Ayes: Barnhart, Stockton, Curtin, Sutter, Titus, Elliott, Sanchez, and Tavaglione.

Noes: None.

Abstain: None.

Absent: Ian Davidson (absence due to other)

At this time, Board Vice Chair Bob Stockton excused himself from the meeting regarding Item 11 and sat in the audience due to conflict of interest.

11. COOPERATIVE AGREEMENT FOR WATER PRODUCTION AND CONVEYANCE – WESTERN MUNICIPAL WATER DISTRICT

Present at the meeting from Western Municipal Water District (WMWD) were Mr. Jeff Sims and Mr. Tom Evans, who spoke with great enthusiasm of this cooperative agreement and reported that the WMWD Board had approved this agreement on February 4, 2009.

Following discussion, the Board of Public Utilities:

1. Recommended that the City Council approve the Cooperative Agreement for Water Production and Conveyance with Western Municipal Water District of Riverside County; and
2. Approved the capital expenditure of \$165,000 for Work Order No. 00910130 which includes all design, materials and construction for the Mulberry Well discharge pipeline replacement project.

Motion – Curtin. Second – Tavaglione.

Ayes: Barnhart, Curtin, Sutter, Titus, Elliott, Sanchez, and Tavaglione.

Noes: None.

Abstain: Stockton.

Absent: Ian Davidson (absence due to other)

At this time, Board Vice Chair Stockton returned to the Board meeting.

At this time, Board Member Elliott left the Board meeting for a few minutes.

12. APPROVAL TO UTILIZE PURCHASING RESOLUTION NO. 21182 AND ISSUE PURCHASE ORDERS TO BRAGG CRANE, MR. CRANE, ALL STAR CRANE, AND HILL CRANE

Following discussion, the Board of Public Utilities:

1. Approved the issuance of purchase orders to Bragg Crane, Mr. Crane, All Star Crane, and Hill Crane in individual amounts not to exceed \$250,000, with the collective amount not to exceed \$350,000; and
2. Approved an increase in Work Order No. 0703511 of \$350,000.

Motion – Tavaglione. Second – Titus.

Ayes: Barnhart, Stockton, Curtin, Sutter, Titus, Sanchez, and Tavaglione.

Noes: None.

Abstain: None.

Absent: Ian Davidson (absence due to other)
Robert Elliott (was absent from the meeting at this time for a few minutes)

13. APPROVAL TO PURCHASE FOUR AUXILIARY TRANSFORMERS FOR THE RIVERSIDE ENERGY RESOURCE CENTER UNITS 3 AND 4

Following discussion, the Board of Public Utilities:

1. Approved the procurement of four auxiliary transformers including spare parts from Virginia Transformer Corporation in the amount of \$459,200 plus sales taxes; and
2. Approved an increase in Work Order No. 0703511 in the amount of \$459,200 plus sales taxes.

Motion – Tavaglione. Second – Sutter.

Ayes: Barnhart, Stockton, Curtin, Sutter, Titus, Sanchez, and Tavaglione.

Noes: None.

Abstain: None.

Absent: Ian Davidson (absence due to other)
Robert Elliott (was absent from the meeting at this time for a few minutes)

At this time, Board Member Elliott returned to the Board meeting.

14. APPROVAL TO PURCHASE OFFSET CREDITS AND INCREASE THE RIVERSIDE ENERGY RESOURCE CENTER 3 & 4 BUDGET

Deputy General Manager Badgett reported that there needed to be corrections to the report to read as the following:

SOx	4 lbs/day ERC	\$317,000.00
VOC	11 lbs	91,500.00
Filing Fee		11,148.00
Broker Fee		14,297.50
Total		<u>\$ 433,945.50</u>

The recommendation amounts changed because of these corrections.

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

1. Approve an expenditure of ~~\$437,000~~ \$433,945.50 to procure air quality offset credits for the operation of Riverside Energy Resource Center (RERC) Units 3 & 4; and
2. Increase the budget for RERC Units 3 & 4 by ~~\$437,000~~ \$433,945.50 to a total of ~~\$113,437,000~~ \$113,433,945.50 to pay for an unanticipated increase in the cost of such credits.

Motion – Tavaglione. Second – Titus.

Ayes: Barnhart, Stockton, Curtin, Sutter, Titus, Elliott, Sanchez, and Tavaglione.

Noes: None.

Abstain: None.

Absent: Ian Davidson (absence due to other)

15. DISASTER/EMERGENCY TRANSPORT VEHICLES

The Board stated their support for ALL future replacement vehicles in Public Utilities should be replaced with a disaster/emergency transport vehicle to benefit the community should there be a disaster/emergency.

Following discussion, the Board of Public Utilities approved the capital expenditure of \$163,000 annually for four years for the purchase of replacement vehicles necessary for the Disaster/Emergency Transportation Vehicle Program.

Motion – Stockton. Second – Curtin.

Ayes: Barnhart, Stockton, Curtin, Sutter, Titus, Elliott, Sanchez, and Tavaglione.

Noes: None.

Abstain: None.

Absent: Ian Davidson (absence due to other)

16. STATE AND FEDERAL STIMULUS FUND UPDATE

General Manager Wright provided the latest information on the State and Federal Stimulus Fund and reassured the Board that staff is constantly watching and ready with a list of projects that are ready to begin should we receive stimulus funding.

Board Member Tavaglione suggested that staff write letters now to officials from Riverside Public Utilities with our list of projects that can help create jobs.

Following discussion, the Board of Public Utilities received and filed this update.

17. CALIFORNIA ENERGY COMMISSION (CEC) RENEWABLE REPORT

Following discussion, the Board of Public Utilities received and filed this oral report.

18. UPDATE OF THE CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION (CMUA) CAPITOL DAY ON JANUARY 26, 2009

Legislative Analyst Elizabeth Sanchez reported that she, General Manager Dave Wright, Deputy General Manager Steve Badgett, Council Member Rusty Bailey, and Board Vice Chair Bob Stockton attended this event and that the main focus while speaking to officials were (1) Reliability (2) Local Control, and (3) Conservation.

Following discussion, the Board of Public Utilities received and filed this update.

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

None.

GENERAL MANAGER'S REPORT

Assistant General Manager/Water Kevin Milligan and Customer Relations/Marketing Manager Mike Bacich introduced several new staff.

20. State and Federal Legislative Update
21. Monthly Power Supply Report - December 2008
22. Financial Statements - November 2008
23. Monthly Update of Goals
24. City Council Agendas - January 20, 2009, January 27, 2009 and February 3, 2009
25. Upcoming Meetings
26. Systematic Reporting on Conferences/Seminars
27. Electric / Water Utility Acronyms

UPCOMING MEETING

Chairman Dave Barnhart adjourned the meeting at 10:13 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, February 20, 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: February 20, 2009