

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: February 5, 2010
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)
 Robert Elliott Bernie Titus
 Ian Davidson Manny Sanchez
 Justin Scott-Coe Gustavo Segura

Absent: Mary Curtin (absence due to business)

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. Beverly Brown, Summer Delgado, Gayle Gehrman, Marilyn Hagedon, Nichelle Johnson, Jaimie Magby, Max Mendoza, Jared Nerio, Lance Nunez, Efrain Orozco, Raul Ramirez, Lena Raniada, Sandy Roberts, and Lawrence Yao - completed the SOAR Program.
2. Dean Ayer, Mark Connor, Carlos Francisco Fuentes, Gary Hironimus, Lilah Martinez, Jose Solano, and Yumin Wang – completed the SMART Level 1 Program.

B. WESTERN MUNICIPAL WATER DISTRICT QUARTERLY UPDATE

Mr. Tom Evans, Board Member of the Western Municipal Water District (WMWD) Board, spoke on WMWD items that might be of interest to Riverside Public Utilities (RPU). Also in attendance was WMWD Board Member Charlie Field.

MINUTES

1. The approval of the regular meeting minutes from the Board of Public Utilities meeting held on January 15, 2010 was approved as submitted.

Motion – Sutter. Second – Titus.

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

Noes: None.

Abstain: None.

Absent: Mary Curtin (absence due to business)

CITIZENS PARTICIPATION

No comments.

COMMITTEE REPORTS

2. WATER COMMITTEE REPORT - The Water Committee meeting scheduled on January 15, 2010 was cancelled.
3. FINANCE/MARKETING COMMITTEE REPORT - The Finance/Marketing Committee meeting scheduled on January 22, 2010 was cancelled.

CONSENT CALENDAR

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

Motion – Sutter. Second – Scott-Coe.

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

Noes: None.

Abstain: None.

Absent: Mary Curtin (absence due to business)

Electric Items

4. MAGNOLIA SUBSTATION FENCE UPGRADE PROJECT- AWARD OF BID NO. 6806
The Board of Public Utilities awarded a contract for the construction of the Magnolia Substation Fence Upgrade Project, Bid No. 6806 to the lowest responsive bidder, Westbrook Fence Co., of San Bernardino, California, in the amount of \$54,112.30.

Water Items

5. PALMYRITA FILL LINE REPLACEMENT PROJECT
The Board of Public Utilities:
 1. Approved the capital expenditure of \$90,000 for Work Order No. 1019146 which is for the procurement and installation of carbon fill lines at Palmyrita; and
 2. Awarded a contract for the purchase and installation of carbon fill lines at Palmyrita to Calgon Carbon Corporation of Pittsburgh, PA, in the amount of \$81,423.75, which includes tax.
6. CONSTRUCTION OF THE 12th STREET WATER MAIN REPLACEMENT PROJECT, PHASE I – WORK ORDER NO. 1013088
The Board of Public Utilities approved the capital expenditure in the amount of \$120,000 for Work Order No. 1013088, which includes design and construction costs by Water Field Forces for the 12th Street Water Main Replacement Project Phase I.

Other Items

7. EASEMENT ACQUISITION EXPENDITURE FOR THE RELOCATION OF A WATERLINE IN CONNECTION WITH THE PUBLIC WORKS IOWA GRADE SEPARATION PROJECT

The Board of Public Utilities approved the expenditure of up to \$89,000 to cover the costs of the easements and related escrow and title fees.

8. INTEREST RATE PAID ON CUSTOMER DEPOSITS

The Board of Public Utilities approved the annual interest rate applied to customer deposits of 0.16%.

9. AWARD OF BID NO. 6732 FOR THE CONSTRUCTION AND INSTALLATION OF A COMPRESSED NATURAL GAS (CNG) VEHICLE FUELING ISLAND AT THE UTILITIES OPERATIONS CENTER

The Board of Public Utilities:

1. Awarded a contract to Amtek Construction of Santa Fe Springs, California for the construction and installation of a Compressed Natural Gas (CNG) vehicle fueling island at the Utilities Operations Center in the amount of \$66,814; and
2. Authorized the City Manager, or his designee, to prepare and execute all necessary documents.

DISCUSSION CALENDAR

10. AGREEMENT WITH NORTHWEST PIPE COMPANY AND LUCID ENERGY TECHNOLOGIES, LLP

Mr. Greg Smith, representative of Northwest Power Pipe Company and Lucid Energy Technologies LLP, was in attendance to answer any questions presented by the Board Members.

Following discussion, the Board of Public Utilities approved the Field Test Demonstration Agreement for Northwest Power Pipe between the City of Riverside and Northwest Pipe Company and Lucid Energy Technologies LLP.

Motion – Davidson. Second – Elliott.

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

Noes: None.

Abstain: None.

Absent: Mary Curtin (absence due to business)

11. FIELD TO OFFICE INTERNSHIP PROGRAM

Following discussion, the Board of Public Utilities approved, and recommended that the City Council approve the establishment of the Field to Office Administrative Internship Program within Riverside Public Utilities.

Motion – Elliott. Second – Segura.

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

Noes: None.

Abstain: None.

Absent: Mary Curtin (absence due to business)

12. RIVERSIDE ENERGY RESOURCE CENTER (RERC) UNITS 1 AND 2 TURBINE REPAIRS – ADDITIONAL FUNDING

Following discussion, the Board of Public Utilities approved additional funding of up to \$154,000 for repairs to the RERC Unit 1 and 2 turbines.

Motion – Davidson. Second – Elliott.

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

Noes: None.

Abstain: None.

Absent: Mary Curtin (absence due to business)

13. CLEARWATER POWER PLANT ASSET PURCHASE AND SALE AGREEMENT – SUPPLEMENTAL APPROPRIATION

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

1. Approve the proposed Clearwater Power Plant Asset Purchase and Sale Agreement ("Purchase Agreement") between Riverside and the City of Corona, for the approximate purchase price of \$49,300,000, plus up to an additional five percent for purchase price adjustments as set forth in the Purchase Agreement;
2. Approve the Commercial Lease with Ron and Kathryn Judd for shop and office space in the vicinity of Clearwater, and authorize the City Manager, or his designee, to execute extensions thereof;
3. Approve creation of the Utilities Generation Plant Manager classification and the addition of the staff positions set forth in Attachment 4;
4. Approve a supplemental appropriation in the amount of \$51,765,000 for the Clearwater asset purchase and \$520,000 for anticipated expenses ancillary thereto, for a total of \$52,285,000 funded from a combination of primarily bond proceeds and the Electric Fund balance to an account as established by the Finance Division; and
5. Authorize the City Manager, or his designee, to execute the Purchase Agreement and other necessary documents.

Motion – Elliott. Second – Scott-Coe.

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

Noes: None.

Abstain: None.

Absent: Mary Curtin (absence due to business)

14. **LOW INCOME ASSISTANCE – SHARING HOUSEHOLDS ASSIST RIVERSIDE'S ENERGY (SHARE) PROGRAM CONTRACT AMENDMENT**

Following discussion, the Board of Public Utilities recommended that the City Council approve a Ninth Amendment to the Agreement with the County of Riverside for the SHARE program in the amount of \$1 million for the remainder of Fiscal Year 2009-10.

Motion – Scott-Coe. Second – Segura.

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

Noes: None.

Abstain: None.

Absent: Mary Curtin (absence due to business)

15. **AB 32 IMPLEMENTATION PROCESS – UPDATE**

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

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

Board Member Segura requested that a discussion of Street Lights be presented to the Board.

GENERAL MANAGER'S REPORT

17. State and Federal Stimulus Fund Update - Discussion of any potential benefits to Riverside Public Utilities
18. State and Federal Legislative Update - Update on pending legislation that may impact the Water and/or Electric Utility
19. Monthly Power Supply Report – December 2009
20. Financial Statements – September 2009
21. City Council Agendas - January 19, 2010, January 26, 2010, and February 2, 2010
22. Upcoming Meetings
23. Systematic Reporting on Conferences/Seminars
24. Electric / Water Utility Acronyms

At this time the Board took a 5 minute recess before commencing the Workshop.

WORKSHOP

25a. PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROJECTS (CIP) REVIEW (FY 2010-2015)

Assistant General Managers Kerr, Badgett, and Milligan updated the Board with the proposed five-year capital improvement projects (CIP).

Board Member Bob Elliott left the meeting at this point.

25b. PROPOSED FISCAL YEAR 2010-2011 OPERATING BUDGET

Board Member Segura abstained to the motion of approval because he was concerned that the Board should of received the information weeks ahead so they could review thoroughly.

Following discussion the Board of Public Utilities approved and recommended that the City Council approve the Fiscal Year 2010/11:

1. Proposed \$378.0M Electric Operating & CIP Budget;
2. Proposed \$86.3M Water Operating & CIP Budget;
3. Proposed \$341.2M Electric Revenues Budget; and
4. Proposed \$69.5M Water Revenues Budget.

Motion – Sutter. Second – Titus.

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

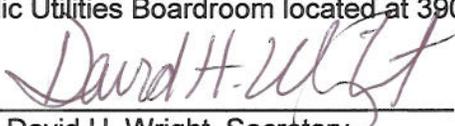
Noes: None.

Abstain: Gustavo Segura.

Absent: Mary Curtin (absence due to business)
Robert Elliott (left the meeting early)

UPCOMING MEETING

Chairman Bob Stockton adjourned the meeting at 11:25 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, February 19, 2010 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 19, 2010