CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of:	Regular Meeting of the Board of Public Utilities
Date of Meeting:	October 15, 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:	Ken Sutter (Chair)	Bob Elliott (Vice Chair)
	Mary Curtin	Bernie Titus
	Ian Davidson	Justin Scott-Coe
	Darrell Ament	

Absent: Manny Sanchez (excused absence due to other)
Gustavo Segura (excused absence due to business)

PRESENTATION

A. EMPLOYEE RECOGNITION AWARDS

The following were each presented with a SPAM award from General Manager Wright as Honoree Awards to express thanks to Western Municipal Water District (WMWD):

Charlie Field – WMWD Board Member
Tom Evans – WMWD Board Member

B. WESTERN MUNICIPAL WATER DISTRICT (WMWD) QUARTERLY UPDATE

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

MINUTES

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

   Motion – Titus. Second – Davidson.

   Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

   Noes: None.

   Absent: Manny Sanchez (excused absence due to other)
   Gustavo Segura (excused absence due to business)

CITIZENS PARTICIPATION

If you would like to speak regarding a matter not on the printed Agenda, please come forward and stand until recognized by the Chair – ***Public Participation is limited to 3 minutes on all items included in the agenda.***

None.

COMMITTEE REPORTS

2. Committee Reports– are included as applicable
   1. Electric Committee
      The Board of Public Utilities accepted and filed the October 1, 2010 Electric Committee minutes.
   2. Water Committee
      None.
   3. Finance/Marketing Committee
      None.

CONSENT CALENDAR

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

Motion – Curtin. Second – Scott-Coe.

Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

Electric Items

Water Items

3. 2011 ANNUAL SHAREHOLDERS MEETINGS VOTING PROXIES - MUTUAL COMPANIES (VOTING REPRESENTATION AND APPOINTMENT OF ALTERNATES)

   The Board of Public Utilities recommended to the City Council that the recommended voting representatives and current designated alternate for the 2011 Annual Shareholders Meetings be appointed.

4. CONSTRUCTION OF THE RANDOLF STREET - RUTLAND AVENUE 8-INCH WATER DISTRIBUTION MAIN REPLACEMENT PROJECT

   The Board of Public Utilities approved the capital expenditure of $160,500 for Work Order No. 1104234, which includes all design and construction costs for the Randolf Street - Rutland Avenue 8-Inch Water Distribution Main Replacement Project.

Other Items

5. PUBLIC UTILITIES ELECTRIC ANNUAL RESOURCE ADEQUACY PLAN FOR 2011

   The Board of Public Utilities recommended that the City Council approve the attached Annual Resource Adequacy Plan for 2011.

DISCUSSION CALENDAR

6. INCREASE IN CONTRACT AMOUNT WITH ARB, INC., G.E. PACKAGE POWER, G.E. MOBILE WATER, AND WUNDERLICH MALEK; ASSIGN INTERNAL LABOR AND CONSTRUCTION INTEREST COSTS; AND MISCELLANEOUS ADJUSTMENTS TO THE WORK ORDER FOR THE RIVERSIDE ENERGY RESOURCE CENTER UNITS 3 AND 4

Following discussion, the Board of Public Utilities:

1. Authorizedstaff to issued change orders to the contract with ARB, Inc. of Lake Forest, CA for the construction of the Riverside Energy Resource Center Units 3 and 4 in an amount not-to-exceed $2,137,750.84, for a total contract amount of $23,008,381.84, with an additional change order authority, if needed, of $300,000; and

2. Authorized staff to issued change orders to the contract with GE Package Power, Inc. of Houston, TX for the generation turbines for the Riverside Energy Resource Center Units 3 and 4 in an amount not-to-exceed $500,000 for a total contract amount of $50,102,732.97; and

3. Authorized staff to issued change orders to the contract with G.E. Mobile Water, Inc. of Houston, TX for the water system requirements for the Riverside Energy Resource Center Units 3 and 4 in an amount not-to-exceed $60,000 for a total contract amount of $659,107.01; and

4. Authorized staff to issued change orders to the contract with Wunderlich Malek of Phoenix, AZ for the Balance of Plant software and hardware system requirements for the Riverside Energy Resource Center Units 3 and 4 in an amount not-to-exceed $95,000 for a total contract amount of $1,092,968; and

5. Increased Work Order No. 0703511 to $112,500,000.

Motion – Curtin. Second – Scott-Coe.

Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

7. RIVERSIDE ENERGY RESOURCE CENTER UNIT 3 INCIDENT – WORK ORDER NO. 1105647

Following discussion, the Board of Public Utilities:

1. Authorized staff to issue change orders to the contract with GE Packaged Power, Inc. of Houston, TX for the repair of RERC Unit 3 turbine and related contingencies in an amount not to exceed $1,000,000 for a total contract amount of $51,102,732.97;

2. Authorize d staff to issue a change order to the Purchase Order with ModSpace of Fontana, CA by the amount of $7,500 for a total purchase order amount of $57,051.94;

3. Approved an Second Amendment to the Professional Services Agreement with Henry R. Fine Enterprises, Inc. dba HRF III Enterprises, increasing the amount of that agreement in an amount not to exceed $200,000 for a total contract amount of $2,700,000; and

4. Approved Work Order No. 1105647 for $1,250,000.

Motion – Davidson. Second – Elliott.

Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

8. APPROVE THE ISSUANCE OF 2010 NEW ELECTRIC REVENUE BONDS AND POTENTIAL ELECTRIC REFUNDING/REVENUE BONDS – SUPPLEMENTAL APPROPRIATION

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

1. Approve the City's Financing Team;
2. Conduct a public hearing to consider the issuance of Electric Refunding/Revenue Bonds and the issuance of an amount estimated not-to-exceed $180 million of new Electric Revenue Bonds;
3. Consider and adopt resolutions for the issuance of Electric Refunding/Revenue Bonds and the issuance of an amount estimated not-to-exceed $180 million of new Electric Revenue Bonds, either as Taxable Direct Subsidy – Build America Bonds ("BABs"), and/or fixed-rate, tax exempt bonds;
4. Delegate to the City's Financing Team, at the time of issuance, the determination of specific maturities to be refunded and the form of new bonds as outlined in Recommendation No. 3 above;
5. Adopt a Reimbursement Resolution to repay operating funds used for eligible bond financed projects prior to issuance of the 2010 Electric Revenue Bonds;
6. Approve a supplemental appropriation from the unappropriated Electric Fund balance in the amount of $4 million to the Debt Service Interest Expense Account No. 612500-482000 to pay additional debt service expenses; and
7. Authorize the City Manager, or his designee, to execute all documents related to these transactions.

Motion – Elliott. Second – Titus.

Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

9. CREATION OF AN AD HOC COMMITTEE TO REVIEW PROGRAMS AND CUSTOMER SERVICE OUTREACH REGARDING EFFICIENCY, CONSERVATION AND OTHER REBATE AND COMMUNITY RELATIONS PROGRAMS

Following discussion, the Board of Public Utilities directed staff to return to the Board at a future meeting with a "job description " type document for the creation of an Ad Hoc Committee to review programs and customer service outreach regarding efficiency, conservation and other rebate and community relations programs

Motion – Scott-Coe. Second – Davidson.

Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

10. DISSOLUTION OF PROPERTY COMMITTEE

This item was deferred to the next meeting so all the Board Members could be present.

Motion – Davidson. Second – Scott-Coe.

Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

11. RENEWABLE ELECTRIC RESOURCE PROCUREMENT UPDATE

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

Motion – Elliott. Second – Curtin.

Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

12. MODIFICATION OF SHOSHONE RENAISSANCE LLC GEOTHERMAL POWER PURCHASE AGREEMENTS

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

1. Approve the Amended and Restated Unit Contingent Power Purchase Agreement ("Amended PPA") between Riverside and Shoshone Renaissance LLC;

2. Approve the Termination Agreement to Unit Contingent Power Purchase Agreement II ("Termination Agreement") between Riverside and Shoshone Renaissance LLC;

3. Authorize the City Manager, or his designee, to execute both agreements; and

4. Authorize the City Manager, or his designee, to execute any necessary documents to modify the project development milestones contained in the Amended PPA, and to terminate the Amended PPA as provided therein if any such milestones, including those milestones modified by the City Manager or his designee, are not met.

Motion – Davidson. Second – Titus.

Ayes: Sutter, Elliott, Curtin, Titus, Davidson, Scott-Coe, and Ament.

Board Vice-Chair Bob Elliott left the meeting at this time.

13. 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 reported that RPU received five honors from the Inland Empire chapter of the Public Relations Society of America (PRSA) at its 2010 Polaris Awards dinner.

14. State and Federal Stimulus Fund Update - Discussion of any potential benefits to Riverside Public Utilities

15. State and Federal Legislative Update - Update on pending legislation that may impact the Water and/or Electric Utility

16. Monthly Update of Goals

17. Electric / Water Contract Panel Update - October 2010

18. Open and Closed Work Orders - September 2010

19. Water Highlights - September 2010

20. City Council Agendas – October 5, 2010 and October 12, 2010

21. Upcoming Meetings

22. Systematic Reporting on Conferences/Seminars by Board Members and/or Staff

23. Electric / Water Utility Acronyms

Board Member Ian Davidson left the meeting at this time.

WORKSHOP

24. PURCHASING AUTHORITY – BOARD OF PUBLIC UTILITIES

This workshop item was deferred to the next meeting so all the Board Members could be present.

25. DISCUSSION OF VARIOUS GENERAL CITY OPERATIONS AND THEIR INTERRELATION WITH RIVERSIDE PUBLIC UTILITIES' OPERATIONS

This workshop item was deferred to the next meeting so all the Board Members could be present.

UPCOMING MEETING

Chairman Ken Sutter adjourned the meeting at approximately 10:36 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **November 5, 2010** at **8:30** a.m. in the Public Utilities Boardroom located at 3901 Orange Street in Riverside, California.

By: David H. Wright

David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: November 5, 2010