CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Meeting of the Board of Public Utilities

Date of Meeting: March 4, 2011

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, Bernie Titus, Justin Scott-Coe, Susan Cash, Robert Elliott, Ian Davidson, Darrell Ament

Absent: Mary Curtin (excused absence due to business)
Gustavo Segura (unexcused absence)

PRESENTATION

A. INTRODUCTION OF NEW BOARD MEMBER

General Manager Dave Wright introduced newly elected Board Member Susan Cash (Ward 2) who replaced Manny Sanchez.

B. ELECTION OF PUBLIC UTILITIES BOARD OFFICERS

(1) Chair

Board Member Sutter nominated Robert Elliott to the position of Chairman of the Board of Public Utilities. The Board of Public Utilities approved the nomination of Robert Elliott to the position of Chairman of the Board of Public Utilities.

Motion – Sutter. Second – Davidson.

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

Noes: None.

Abstain: Susan Cash and Bob Elliott.

Absent: Mary Curtin (excused absence due to business)
Gustavo Segura (unexcused absence)

(2) Vice Chair

Newly appointed Board Chair Robert Elliott nominated Bernie Titus to the position as Vice Chairman of the Board of Public Utilities. The Board of Public Utilities approved the nomination of Bernie Titus to the position of Vice Chairman of the Board of Public Utilities.

Motion – Elliott. Second – Sutter

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

Noes: None.

Abstain: Susan Cash and Bernie Titus.

Absent: Mary Curtin (excused absence due to business)
Gustavo Segura (unexcused absence)

C. PUBLIC UTILITIES BOARD COMMITTEE ASSIGNMENTS

Newly appointed Chairman Elliott requested the committee assignments be deferred to the next board meeting.

A break was taken at this time for the Board Members to view the new Chevy Volt parked in front of the lobby.

D. VIEWING OF THE NEW CHEVY VOLT

MINUTES

1. The approval of the regular meeting minutes from the Board of Public Utilities meeting held on February 18, 2011 was approved as submitted.

Motion – Titus. Second – Davidson.

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

Noes: None.

Abstain: Susan Cash.

Absent: Mary Curtin (excused absence due to business)
Gustavo Segura (unexcused absence)

CITIZENS PARTICIPATION

None.

COMMITTEE REPORTS

2. Committee Reports
   a. Electric Committee
      None.

   b. Water Committee
      February 18, 2011 Water Committee minutes were approved.

      Motion – Davidson. Second – Scott-Coe.

c. Finance/Marketing Committee
February 25, 2011 meeting was cancelled.

CONSENT CALENDAR

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

Motion – Davidson. Second – Sutter

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

Electric Items

Water Items

3. REFURBISHMENT OF FIRST STREET WELL - WORK ORDER NO. 1107625

The Board of Public Utilities approved the expenditure of $70,000 for Work Order No. 1107625 to refurbish First Street Well.

4. INSTALLATION OF GAGE WELL 66-1 TO SUNNYSIDE REGIONAL TREATMENT FACILITY TRANSMISSION MAIN

The Board of Public Utilities approved the expenditure of $106,260 for Work Order No.1112272 for the installation of 495 feet of 12-inch Ductile Iron Pipeline by City Forces.

Other Items

DISCUSSION CALENDAR

5. SEIZING OUR DESTINY - APPROVAL TO PARTICIPATE IN THE ENERGY EFFICIENCY AND WATER CONSERVATION LOAN PROGRAM FOR WESTERN RIVERSIDE COUNTY

Barbara Spoonhour, program manager at WRCOG (Western Riverside Council of Governments), answered any questions related to the program. The majority of related questions were in regards to the seniority of their loan relative to the banks' loan as the mortgage.

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

1. Approve participation in the Energy Efficiency and Water Conservation Loan Program for Western Riverside County;
2. Adopt a Resolution consenting to the inclusion of properties within the City of Riverside into the Energy Efficiency and Water Conservation Loan Program and its jurisdictional boundaries; and
3. Approve the Implementation Agreement with WRCOG for administration of the Energy Efficiency and Water Conservation Loan Program.

Motion – Scott-Coe. Second – Ament.

6. CONSTRUCTION OF THE MAGNOLIA AVENUE 12-INCH WATER DISTRIBUTION MAIN REPLACEMENT PROJECT – BID No. 6928, WORK ORDER NO. 1103510

Following discussion, the Board of Public Utilities:

1. Approved the capital expenditure of $1,244,000 for Work Order No.1103510, which includes all design, construction, change order contingencies, construction management and inspection for the Magnolia Avenue12-Inch Water Distribution Main Replacement Project, Bid No. 6928;

2. Authorized staff to issue changes orders in an amount not to exceed 15% of the contract amount for the Magnolia Avenue 12-Inch Water Distribution Main Replacement Project, Bid No. 6928; and

3. Approved and recommended that the City Council award a contract for the construction of the Magnolia Avenue 12-Inch Water Distribution Main Replacement Project, Bid No. 6928, to the lowest responsive bidder, T.A. Rivard, Inc., of Riverside, California, in the amount of $794,012.

Motion – Davidson. Second – Titus.

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

7. TERMINATION OF AMENDED AND RESTATED SHOSHONE RENAISSANCE LLC GEOTHERMAL POWER PURCHASE AGREEMENT I

Following discussion, the Board of Public Utilities:

1. Approved termination of the PPA following a failure by Shoshone Renaissance LLC to achieve a performance milestone specified in the PPA; and

2. Authorized staff to provide written notice to Shoshone Renaissance LLC of Riverside's intent to terminate the PPA for failure to achieve a performance milestone.

Motion – Titus. Second – Scott-Coe.

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

8. PUBLIC UTILITIES NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION-WESTERN ELECTRICITY COORDINATING COUNCIL INTERNAL COMPLIANCE PROGRAM (ICP)

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

1. Adopt a resolution approving the attached Amendment to the Internal Compliance Program; and

2. Approve that substantive modifications to the ICP which are necessary to comply with additional or revised FERC, NERC, and/or WECC regulations may be approved by the Public Utilities General Manager and the Public Utilities Assistant General Manager-Finance/Administration in consultation with the Regulatory Compliance Manager and the City Attorney's Office.

Motion – Ament. Second – Davidson.

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

9. APPROVE THE ISSUANCE OF 2011 ELECTRIC AND WATER REFUNDING REVENUE BONDS

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

1. Approve the City's Financing Team;
2. Delegate to the City's Financing Team adjustments to the proposed structure for City Council approval;
3. Conduct a public hearing to consider the issuance of Electric and Water Refunding/Revenue Bonds of an amount estimated not-to-exceed $205 million; and
4. Authorize the City Manager, or his designee, to execute all documents related to these transactions.

Motion – Davidson. Second – Sutter

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

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

- Update of Renewable Sources
- Update on the La Paz Renewables
- Legislative Update on the New Bills

GENERAL MANAGER'S REPORT

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

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

13. Monthly Power Supply Report – January 2011

14. City Council Agendas – February 22, 2011, February 25, 2011 (Special Meeting) and March 1, 2011

15. Upcoming Meetings

16. Systematic Reporting on Conferences/Seminars
General Manager Dave Wright reported that he, Mike Bacich, Paul Davis, and Kevin Milligan went to Washington DC to attend the APPA Legislative Rally and the ACWA Legislative Conference on February 28 to March 3, 2011.

17. Electric / Water Utility Acronyms

WORKSHOP– If Time Permits

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

This workshop item was DEFERRED to a future Board meeting

UPCOMING MEETING

Newly appointed Chair Robert Elliott adjourned the meeting at 10:20.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, March 18, 2011** 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: March 18, 2011