

PUBLIC HEARING

Chair Bernie Titus called the public hearing meeting to order at approximately 8:40 a.m.

Chair Titus stated to the audience that the Board of Public Utilities was holding a public hearing to receive public input on the Proposed Recycled Water Charge. Comments of any individual would be limited to three minutes and would be heard in order of sign up.

Roll Call of Board of Public Utilities – All Board Members were present

Staff Presentation

Prior to receiving public input, the Board requested staff to provide a summary of the Proposed Recycled Water Charge, which was presented by General Manager Dave Wright.

Comments from the Audience

1. **Mr. Scott Simpson**, a customer on Orange Street - **Opposed**.
2. **Mr. Jerry P. Diaz**, a customer on Spring Garden Street - **Opposed**.
3. **Mr. James Anderson**, a customer on Via La Paloma Street – **In Favor**.
4. **Ms. Cindy Roth**, President of Chamber of Commerce – **In Favor**
5. **Ms. Karen Doris Wright**, member of Friday Morning Club – **Opposed**
and self-citizen activist
6. **Mr. Jeffrey Sims**, Western Municipal Water District – **In Favor**.
Assistant General Manager

Close Public Hearing

There were no other comments regarding this matter, so the Board of Public Utilities closed the public hearing.

Motion – Scott-Coe. Second – Sutter.

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

Noes: None

Abstain: None.

Absent: None.

Call on Secretary to the Board for tabulation of written comments or objections submitted in opposition to the proposed Recycled Water Charge - 5 written protests, both oral and written, were received.

Call upon City Attorney - Deputy City Attorney Susan D. Wilson opined that a majority protest by ratepayers had not been received to the proposed Recycled Water Charge

Closing Comments from the Board Members – Board members were all in agreement to approve the proposed recycled water charge and many spoke in support of such.

C. PUBLIC HEARING – PROPOSED RECYCLED WATER CHARGE

It was agreed by the Board to add to the recommendation that staff would continue educating the public through public meetings on the proposed Recycled Water Charge for the next 60 days.

Following discussion, the Board of Public Utilities:

1. Conducted a public hearing to receive input on the proposed Recycled Water Charge for residential and non-residential water customers receiving service under Water Residential Meter Service (**Schedule WA-1**), Irrigation Metered Service (**Schedule WA-3**), Riverside Water Company Irrigators (**Schedule WA-4**), General Metered Service (**Schedule WA-6**), Special Metered Service (**Schedule WA-7**), Grove Preservation Service (**Schedule WA-9**), and proposed changes to **Water Rule 1** as outlined in this report.
2. Adopted a Resolution establishing the revised Schedules WA-1, WA-3, WA-4, WA-6, WA-7, WA-9 and Water Rule 1;
3. Directed staff to continue, in the next 60 days, conducting public education meetings to explain the proposed Recycled Water Charge before seeking approval by the City Council of the same; and
4. Recommended that the City Council adopt the appropriate Resolution approving the above.

Motion – Scott-Coe. Second – Ament.

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

Abstain: None.

Absent: None.

A 5-minute break was taken before beginning the regular Board meeting.

MINUTES

1. The approval of the regular meeting minutes from the Board of Public Utilities meeting held on March 2, 2012 were approved as submitted.

Motion – Cash. Second – Segura.

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

Abstain: None.

Absent: Elliott and Davidson (late from break)

CITIZENS PARTICIPATION

None.

COMMITTEE REPORTS

2. Committee Reports– are included as applicable
 - a. Electric Committee – March 2, 2012 meeting was cancelled
 - b. Water Committee – March 16, 2012 meeting was cancelled.
 - c. Customer Relations/Finance Committee – March 23, 2012 meeting was cancelled.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of **Item 3, UNDERGROUND INSTALLATION FOR CIRCLE LAZY J CABLE REPLACEMENT PROJECT – WORK ORDER NO. 1202444**, which was moved to the Discussion Calendar.

Motion – Scott-Coe. Second – Segura.

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

Electric Items

3. MOVED TO DISCUSSION CALENDAR

4. UNDERGROUND INSTALLATION FOR CIRCUIT 1219 SWITCH REPLACEMENT – WORK ORDER NO. 1219072

The Board of Public Utilities approved the estimated capital expenditure of \$271,000 for the Circuit 1219 Switch Replacement Project, which will replace a failing switch and other failing underground infrastructure in the Sycamore Canyon area.

5. RELOCATION OF SWITCH GS3-61 AND ASSOCIATED EQUIPMENT IN VAULT V-1139 TO ABOVE GROUND EQUIPMENT IN PREPARATION OF VAULT V-1139 REHABILITATION - WORK ORDER NO. 1203814

The Board of Public Utilities approved the estimated capital expenditure of \$155,898.91 for Work Order 1203814 to relocate Switch GS3-61 and associated equipment in Vault V1139 to above ground location in preparation of Vault V-1139 rehabilitation.

6. UPGRADE OF THE DATA/COMMUNICATION LINK AT SOUTHERN CALIFORNIA EDISON'S VISTA SUBSTATION AND AT OTHER RIVERSIDE PUBLIC UTILITIES FACILITIES

The Board of Public Utilities:

1. Approved the Interconnection Facilities Agreement (Agreement) between City of Riverside and Southern California Edison Company;
2. Authorized the City Manager, or his designee, to execute the Agreement and take the necessary actions to implement the Agreement; and
3. Approved the Work Order No. 0805934 in the amount of \$400,000.

7. CIRCUIT 1551 SWITCH REPLACEMENT PROJECT - WORK ORDER NO. 1104152

The Board of Public Utilities approved the estimated capital expenditure of \$180,000 for Circuit 1551 Switch Replacement Project which will replace a failing switch and other failing underground infrastructure in the Mission Grove area.

8. **MAIN STREET POLE RELOCATION PROJECT - WORK ORDER NO. 1219355**
The Board of Public Utilities approved the estimated capital expenditure of \$62,145 for the Main Street Pole Relocation Project.

9. **UNDERGROUND ELECTRIC LINE EXTENSION – WATER QUALITY CONTROL PLANT EXPANSION - WORK ORDER NO. 1211641**
The Board of Public Utilities approved the estimated capital expenditure of \$237,000 for Work Order No. 1211641 to install an underground electric distribution line extension for the expansion of Riverside Public Works Department's Water Quality Control Plant.

10. **UNDERGROUND ELECTRIC LINE EXTENSION – SUPER WAL-MART - WORK ORDER NO. 1120337**
The Board of Public Utilities approved the estimated capital expenditure of \$91,000 for Work Order No. 1120337 to install an underground electric distribution line extension to serve Super Wal-Mart located on the northeast corner of Campus Parkway and Corporate Centre Place.

11. **CASA BLANCA SUBSTATION FEEDER RECONFIGURATION - INCREASE FOR WORK ORDER NO. 1112780**
The Board of Public Utilities approved the additional estimated capital expenditure of \$118,832 for Work Order No. 1112780 to install the steel pole foundations along Evans Street between Pliny and Madison Streets.

12. **CHANGE ORDER NO. 1 TO PURCHASE ORDER NO. 122064 INSTALLATION OF UNDERGROUND CONDUITS AND STRUCTURES FOR VAULT REHABILITATION OF VAULT V-2426 AT THE CANYON TOWNE CENTER - WORK ORDER NO. 1111433**
The Board of Public Utilities approved Change Order No. 1 to Purchase Order No. 122064 in the amount of \$11,625.98.

Water Items

Other Items

13. **THE 2011-12 TREE POWER PROGRAM**
The Board of Public Utilities recommended that the City Council:
 1. Approve the implementation of the annual Free Shade Tree Coupon Campaign; and
 2. Authorize the Public Utilities General Manager, or his designee, the authority to increase the amounts of the vendor purchase orders for the Free Shade Tree Coupon Campaign, in \$50,000 increments, as needed up to \$150,000 per vendor, with the total amount of the campaign not to exceed \$500,000.

14. PURCHASE AND INSTALLATION OF FURNITURE AT 3750 UNIVERSITY AVENUE

The Board of Public Utilities:

1. Approved the issuance of a Purchase Order for the purchase and installation of office furniture in the amount of \$280,691.84 to G/M Business Interiors of Riverside, California, in accordance with Purchasing Resolution 21182, Section 201 (G); and
2. Approved \$200,000 in change order authority for possible additional furniture and storage requirements.

DISCUSSION CALENDAR

3. UNDERGROUND INSTALLATION FOR CIRCLE LAZY J CABLE REPLACEMENT PROJECT – WORK ORDER NO. 1202444

Board Member Ian Davidson requested this item be placed on the discussion calendar so he could request staff to be cautious with a sycamore tree that is considered a heritage tree in the vicinity where the underground installation is to be done.

Following discussion, the Board of Public Utilities approved the estimated capital expenditure of \$321,000 for the Circle Lazy J Cable Replacement Project, which will replace transformers and failing underground infrastructure in the Fairmont Park area.

Motion – Elliott. Second – Sutter.

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

15. BID NO. 7024 – AWARD OF CONTRACT FOR CONDUIT AND STRUCTURE INSTALLATION FOR UNDERGROUND CABLE AND INFRASTRUCTURE REPLACEMENT - WORK ORDER NO. 1108341

Mr. James Anderson, customer on Via La Paloma Street and representing his homeowners' association, spoke to thank water and electric staff for diligently working with the homeowners to complete this project in a timely and efficient manner.

Following discussion, the Board of Public Utilities:

1. Approved the award of a contract for the Canyon Crest Cable Replacement Project, Bid No. 7024, to the lowest responsive bidder, Herman Weissker, Inc. of Riverside, California, in the amount of \$572,121;
2. Authorized the General Manager, or his designee, to issue change orders for the construction contract awarded in an amount not-to-exceed 10% of the original contract amount;
3. Rejected the bid of Asplundh Construction Corp. as non-responsive; and
4. Approved a decrease in the total for Work Order No. 1108341 from \$1,052,000 to \$791,808 as a result of favorable construction bids.

Motion – Davidson. Second – Cash.

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

16. APPROVE THE REMARKETING OF 2011A WATER REFUNDING REVENUE BONDS WITH A NEW INDEX INTEREST RATE PERIOD

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 authority to make adjustments to the proposed structure of the Index Interest Rate Period ;
3. Approve and adopt the SIFMA Remarketing Management Policy;
4. Adopt the appropriate resolution to approve the preparation of future Reoffering Statements consistent with the initial authorization approving the 2011A Water Revenue Bond Index Interest Rate Period(s); and
5. Authorize the City Manager, or his designee, to execute all documents related to this transaction.

Motion – Elliott. Second – Sutter

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

17. AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR THE DESIGN AND CONSTRUCTION OF THE EXPANDED GAGE EXCHANGE BOOSTER STATION PROJECT

Following discussion, the Board of Public Utilities approved a Professional Services Agreement with Krieger & Stewart, Inc., in a not-to-exceed amount of \$616,000 for engineering design and construction management services for the Expanded Gage Exchange Booster Station Project.

Motion – Scott-Coe. Second – Segura.

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

18. WESTERN MUNICIPAL WATER DISTRICT – WATER SERVICE PROVISIONAL BOUNDARY MODIFICATION MEMORANDUM OF UNDERSTANDING

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

1. Approve the Water Service Provisional Boundary modification Memorandum of Understanding with Western Municipal Water District.
- ** The Board declined Recommendation No. 2, which would have authorized the City Manager, or his designee, to execute any and all future Water Service Provisional Boundary Modifications.

Motion – Scott-Coe. Second – Elliott.

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

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

- Electric Cars Update
- Smart Meters Update
- SONGS update

GENERAL MANAGER'S REPORT

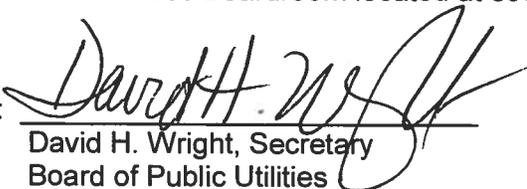
20. Green House Gas / AB 32 Status
21. Riverside Transmission Reliability Project (RTRP) Status
22. State and Federal Legislative Update - Update on pending legislation that may impact the Water and/or Electric Utility
23. Systematic Reporting on Conferences/Seminars by Board Members and/or Staff
24. Monthly Power Supply Report – February 2012
25. Monthly Update of Goals
26. Electric / Water Contract Panel Update – March 2012
27. Open and Closed Work Orders – February 2012
28. Water Highlights – February 2012
29. Financial Statements – January 31, 2012
30. City Council Agendas – March 6, 2012; March 20, 2012; March 27, 2012; and April 3, 2012.
31. Upcoming Meetings
32. Electric / Water Utility Acronyms

WORKSHOP

33. IPAD INSTRUCTIONS were provided to the Board members.

UPCOMING MEETING

Chair Bernie Titus adjourned the meeting at approximately 11:00 am. The next regularly scheduled meeting of the Board of Public Utilities is to be held on **April 20, 2012** 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: April 20, 2012