

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: February 17, 2012
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 Elliott (Chair) Bernie Titus (Vice Chair)
Ken Sutter Mary Curtin
Ian Davidson Gustavo Segura
Darrell Ament

Absent: Justin Scott-Coe (excused absence due to vacation)
Susan Cash (excused absence due to other)

PRESENTATIONS

A. EMPLOYEE RECOGNITION AWARDS

The following employees were presented with a SPAM award from General Manager Wright:

Sam Zanini – Utility Surveyor/Installer
Gerardo Rodriquez – Inventory Control Specialist

MINUTES

1. The approval of the regular meeting minutes from the Board of Public Utilities meeting held on February 3, 2012 were approved as submitted.

Motion – Curtin. Second – Segura.

Ayes: Elliott, Titus, Curtin, Davidson, Segura, and Ament.

Abstain: Ken Sutter.

Absent: Justin Scott-Coe (excused absence due to vacation)
Susan Cash (excused absence due to other)

CITIZENS PARTICIPATION

MOVED TO THE END OF DISCUSSION CALENDAR

COMMITTEE REPORTS

2. Committee Reports– are included as applicable
 - a. Electric Committee – February 3, 2012
Motion – Titus. Second – Ament.
Ayes: Elliott, Titus, Sutter, Curtin, Davidson, Segura, and Ament.
 - b. Water Committee – None.
 - c. Finance/Marketing Committee – None.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 5, **PURCHASE OF SPARE PARTS FOR THE RIVERSIDE ENERGY RESOURCE CENTER CONTROL SYSTEM**, which was moved to the Discussion Calendar.

Motion – Curtin. Second – Titus.

Ayes: Elliott, Titus, Sutter, Curtin, Davidson, Segura, and Ament.

Absent: Justin Scott-Coe (excused absence due to vacation)
Susan Cash (excused absence due to other)

Electric Items

3. **OVERLOOK PARKWAY FEEDER RELIEF AND SWITCH REPLACEMENT - WORK ORDER NO. 1202317**

The Board of Public Utilities approved the estimated capital expenditure of \$225,000 for Work Order No. 1202317 to install underground conduits, structures, cables, and a pad-mount switch with junction cabinets.

Water Items

4. **AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES FOR THE MOCKINGBIRD CANYON LAKE DREDGING PROJECT**

The Board of Public Utilities:

1. Authorized the capital expenditure in the amount of \$209,858 for Work Order No. 1111607 for the Mockingbird Canyon Lake Dredging Project; and
2. Approved a Professional Services Agreement with MNS Engineers Inc., of Ventura, California, in a not-to-exceed amount of \$209,858 for engineering design and surveying services for the Mockingbird Canyon Lake Dredging Project.

Other Items

5. **MOVED TO DISCUSSION CALENDAR**

6. **INTEREST RATE PAID ON CUSTOMER DEPOSITS**

The Board of Public Utilities approved the annual interest rate of 0.07 percent for customer deposits.

DISCUSSION CALENDAR

5. PURCHASE OF SPARE PARTS FOR THE RIVERSIDE ENERGY RESOURCE CENTER CONTROL SYSTEM

Vice Chair Bernie Titus requested this item be placed on the discussion calendar for clarification as to why the warranty wasn't extended. Assistant General Manager/Interim Resources Kerr explained that the warranty that came with construction is set to expire and would be extremely costly to extend. Ms. Kerr stated there is a need to have long-lead time spare parts in inventory to ensure timely replacement in order for the units to be available during summer peak periods when RPU's demand exceeds the import capacity of the Vista Substation.

Following discussion, the Board of Public Utilities approved the purchase of control system spare parts from GE Packaged Power Inc., of Houston, Texas, in the amount of \$237,022 to support the continued reliable operation of the RERC generation facility.

Motion – Titus. Second – Ament.

Ayes: Elliott, Titus, Sutter, Curtin, Davidson, Segura, and Ament.

7. CONSTRUCTION OF TENTH, TWELTH AND CRIDGE STREETS BRIDGE WATERMAIN CROSSINGS PROJECT UTILITY AGREEMENTS 21701, 21700 AND 21218, AS PART OF THE STATE ROUTE 91 HOV LANE PROJECT - BID NO. 7047, WORK ORDER NO. 1112058, 1112057 AND 112504; REIMBURSEMENT BY RCTC

Board members requested that staff present pictures of pipeline construction using the bore and jack method at a future meeting.

Following discussion, the Board of Public Utilities:

1. Authorized the additional capital expenditure in the amount of \$1,100,000 for Work Order No. 1112054, Cridge Street Bridge Crossing, UA 21218;
2. Awarded a contract for the construction of the Tenth, Twelfth, and Cridge Streets Bridge Watermain Crossings Project (UA 21701, 21700 and 21218), Bid No. 7047, to the lowest responsive bidder, Trautwein Construction, Inc., of Riverside, California, in the amount of \$3,280,040; and
3. Authorized the issuance of change orders to the purchase order of up to 20% of the original amount for Bid No. 7047 with such changes reported to the Board of Public Utilities at the conclusion of the Project.

Motion – Davidson. Second – Sutter.

Ayes: Elliott, Titus, Sutter, Curtin, Davidson, Segura, and Ament.

8. AUTHORIZATION TO DESIGNATE AUTHORIZED REPRESENTATIVES IN COMPLIANCE WITH AB32 CAP-AND-TRADE REGULATIONS

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

1. Designate Riverside's Authorized Representative (AR) and Alternate Authorized Representative (AAR) to be the Riverside Public Utilities' (RPU) General Manager and the RPU Assistant General Manager – Resources, respectively, in accordance with AB32 Cap-and-Trade regulations;
2. Authorize the AR and the AAR to perform additional activities as may be required to comply with AB32 associated regulations that may be modified from time to time; and

3. Authorize further delegations from the AR/AAR to designated RPU staff members to perform AB32 Cap-and-Trade compliance activities in accordance with said regulations.

Motion – Curtin. Second – Titus.

Ayes: Elliott, Titus, Sutter, Curtin, Davidson, Segura, and Ament.

9. ENERGY STORAGE SYSTEMS – AB 2514 COMPLIANCE PROCESS

The Board members requested that staff bring back target updates in August 2014 before the October 1, 2014 update is due.

Following discussion, the Board of Public Utilities opened a proceeding to determine appropriate targets, if any, for Riverside Public Utilities to procure viable and cost-effective energy storage systems.

Motion – Titus. Second – Sutter.

Ayes: Elliott, Titus, Sutter, Curtin, Davidson, Segura, and Ament.

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

- Public Benefit Update
- IPP Update
- History of Gage Canal and RPU's responsibility in it
- Pictures of pipeline construction using the bore and jack method

CITIZENS PARTICIPATION

Chair Elliott requested to open the Citizens Participation at this time as Janessa Stemke from the public wanted to speak regarding a matter not on the printed Agenda and had arrived late.

Motion – Davidson. Second – Ament.

Ayes: Elliott, Titus, Sutter, Curtin, Davidson, Segura, and Ament.

Ms. Jenessa Stemke first suggested that whenever Public Utilities is aware of construction ahead of time and a bike lane is near that construction area that they should update the public before the time of construction so bikers can change their route during construction to prevent accidents.

Secondly, Ms Stemke updated the Board of the many ventures that the UCR Green Energy Team has been involved recently in:

- Building Blocks for Sustainability Summit
- Colleges and Universities Alliance to Save Energy Community Support
- Green Restorations
- Energy Efficiencies in apartments

Lastly, Ms. Stemke thanked RPU for the Green Leadership Summit and encouraged RPU's ongoing leadership.

GENERAL MANAGER'S REPORT

11. RPU Board Member Website
General Manager Wright advised the Board that staff could establish a website access for the Board members to download PowerPoint presentations that are presented at each of the Board meetings – the Board decided it would be best not to establish a website but email presentations on a as needed basis and eventually archive them.
12. Green House Gas / AB 32 Status
13. Riverside Transmission Reliability Project (RTRP) Status
14. State and Federal Legislative Update - Update on pending legislation that may impact the Water and/or Electric Utility
15. Systematic Reporting on Conferences/Seminars by Board Members and/or Staff
16. Monthly Update of Goals
17. Electric / Water Contract Panel Update – February 2012
18. Open and Closed Work Orders – January 2012
19. Water Highlights – January 2012
20. Financial Statements – December 31, 2011
21. City Council Agendas – February 7, 2012, February 14, 2012, and "Special" February 17, 2012
22. Upcoming Meetings
23. Electric / Water Utility Acronyms

At this time the Board took a 10 minute recess before commencing the Workshop.

WORKSHOP

24. PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROJECTS (CIP) REVIEW (FY 2012-2017)
Assistant General Managers Milligan, Kerr, Badgett, and Khoury updated the Board with the proposed five-year capital improvement projects (CIP).

Board Member Mary Curtin left the meeting at this time.

25. PROPOSED FISCAL YEAR 2012-2013 OPERATING BUDGET
Following discussion the Board of Public Utilities approved and recommended that the City Council approve the Fiscal Year 2012/13:
 1. Proposed \$384.4M Electric Operating & CIP Budget;
 2. Proposed \$100.8M Water Operating & CIP Budget;
 3. Proposed \$345.9M Electric Revenues Budget; and
 4. Proposed \$79.7M Water Revenues Budget.

Motion – Titus. Second – Davidson.

Ayes: Elliott, Titus, Sutter, Davidson, Segura, and Ament.

Absent: Justin Scott-Coe (excused absence due to vacation)
Susan Cash (excused absence due to other)
Mary Curtin (left the meeting early)

UPCOMING MEETING

Chair Bob Elliott adjourned the meeting at approximately 10:20 a.m. The next regularly scheduled meeting of the Board of Public Utilities is to be held on **March 2, 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: March 2, 2012