

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 3, **CHANGE ORDER NO. 9 TO PURCHASE ORDER NO. 115649 FOR CONSTRUCTION OF PHASE 2C OF THE SUB-TRANSMISSION PROJECT AND THE RELOCATION OF THE OVERHEAD ELECTRICAL FACILITIES IN CONFLICT WITH THE CALTRANS 91HOV PROJECT BETWEEN NINTH AND FIFTEENTH STREETS; PARTIAL REIMBURSEMENT BY RCTC**, which was moved to the Discussion Calendar.

Motion – Cash. Second – Ament.

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

Electric Items

3. **MOVED TO DISCUSSION CALENDAR**

4. **ANNUAL REPORT – GENERAL ORDER 165 ELECTRIC SYSTEM INSPECTIONS AND CORRECTIVE ACTIONS**

The Board of Public Utilities received and filed the 2011 Annual Report of Electrical Facilities Inspection.

Water Items

5. **WATER SERVICES RELOCATION PROJECT ON VILLA STREET AND ELECTRIC AVENUE**

The Board of Public Utilities approved the capital expenditure of \$160,000 for Work Order No. 1206403, which includes construction and paving costs for the Villa Street and Electric Avenue Water Service Relocation Project.

6. **REJECTION OF BIDS FOR THE PALMYRITA BOOSTER STATION MODIFICATION PROJECT – BID NO. 7069, WORK ORDER NO. 1214100; TERMINATION OF FUNDING AGREEMENT NO. 5010A103 WITH CALIFORNIA DEPARTMENT OF PUBLIC HEALTH**

The Board of Public Utilities:

1. Rejected all bids for the Palmyrita Booster Station Modification Project, Bid No. 7069; and
2. Recommended that the City Council authorize termination of Funding Agreement No. 5010A103 with the California Department of Public Health in the amount of \$283,500.

Other Items

7. **AMENDMENT OF BOARD STANDING RULES REGARDING DUTIES OF BOARD SECRETARY**

The Board of Public Utilities approved an amendment to the Standing Rules of the Board of Public Utilities of the City of Riverside to address the duties of the Board Secretary.

DISCUSSION CALENDAR

3. CHANGE ORDER NO. 9 TO PURCHASE ORDER NO. 115649 FOR CONSTRUCTION OF PHASE 2C OF THE SUB-TRANSMISSION PROJECT AND THE RELOCATION OF THE OVERHEAD ELECTRICAL FACILITIES IN CONFLICT WITH THE CALTRANS 91HOV PROJECT BETWEEN NINTH AND FIFTEENTH STREETS; PARTIAL REIMBURSEMENT BY RCTC

Board Member Sutter requested this item be placed on the Discussion Calendar for more clarification.

Following discussion, the Board of Public Utilities approved Change Order No. 9 to Purchase Order No. 115649 in the amount of \$12,771.26.

Motion – Sutter. Second – Elliott.

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

8. REPRESENTATIVE FOR THE CITY OF RIVERSIDE/WESTERN MUNICIPAL WATER DISTRICT AD HOC COMMITTEE

The Board requested that staff provide a list of Board Chair appointed committees.

The Board of Public Utilities requested to add to the recommendation the following:
"To amend the Standing Rules to provide that the Chair of the Board of Public Utilities shall be the representative on any City Council ad hoc committees".

Following discussion, the Board of Public Utilities:

1. Nominated the Chair of the Board of Public Utilities to the City of Riverside/Western Municipal Water District Committee; and
2. Requested to amend the Standing Rules to provide that the Chair of the Board of Public Utilities shall be the representative on any City Council ad hoc committees.

Motion – Cash. Second – Scott-Coe.

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

9. CONSTRUCTION OF THE TENTH, TWELFTH AND CRIDGE STREETS BRIDGE WATERMAIN CROSSINGS PROJECT, UTILITY AGREEMENT NOS. 21701, 21700 AND 21218, AS PART OF THE STATE ROUTE 91 HOV LANE WIDENING PROJECT, BID NO. 7047, WORK ORDER NOS. 1112058, 1112057 AND 1112054; REIMBURSEMENT BY RCTC – AUTHORIZATION TO INCREASE CHANGE ORDER AUTHORITY

Following discussion, the Board of Public Utilities:

1. Authorized staff to issue change orders in an additional amount of \$300,000 to the construction contract with Trautwein Construction, Inc. (Bid No. 7047), with such changes reported to the Board at the conclusion of the project; and
2. Increased Work Order No. 1112057 by the amount of \$388,000, for a total Work Order amount of \$2,300,000.

Motion – Scott-Coe. Second – Ament.

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

10. CASA BLANCA SUBSTATION FEEDER RECONFIGURATION PROJECT - PHASE 2
(WORK ORDER NO. 1225820)

Following discussion, the Board of Public Utilities approved the estimated capital expenditure of \$570,000 for the Casa Blanca Substation Reconfiguration Project - Phase 2 (Work Order No. 1225820).

Motion – Cash. Second – Ament.

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

11. PROPOSED TEMPORARY ECONOMIC DEVELOPMENT ELECTRIC RATE SCHEDULE

The Board requested that staff provide a list of businesses who participate in the economic development rate incentives.

Following discussion, the Board of Public Utilities directed staff to set a Public Hearing for consideration of the proposed Temporary Economic Development Rate (Electric Rate Schedule TED).

Motion – Ament. Second – Scott-Coe.

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

12. THIRD ENERGY AGREEMENT BETWEEN UNIVERSITY OF CALIFORNIA RIVERSIDE AND THE CITY OF RIVERSIDE

Following discussion, the Board of Public Utilities recommended to the City Council approval of the Third Energy Agreement between the City of Riverside and the University of California Riverside to provide electric services as stipulated in the Agreement.

Motion – Scott-Coe. Second – Cash.

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

A 5-minute break was taken at this time.

13. PARTICIPATION IN CALIFORNIA AIR RESOURCES BOARD CAP-AND-TRADE PROGRAM INCLUDING GREEN HOUSE GAS ALLOWANCE AUCTIONS; POTENTIAL FISCAL IMPACT

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

1. Direct Riverside Public Utilities to participate in the California Air Resources Board Cap-and-Trade Program to include the quarterly Green House Gas Allowance Auctions and the Secondary Carbon Allowance Market transactions;
2. Authorize and approve the designation of Riverside's Primary and Alternate account representatives and delegate the authority to these Riverside's representatives to designate additional employees to be Alternate Account Representatives and Viewing Agents, conduct transfers, purchases and sales of allowances on behalf of Riverside and effect the associated compliance activities; and
3. Authorize the City Manager, or his designee, to execute the appropriate paperwork to enable Riverside's participation in the Green House Gas Allowance Auctions and Secondary Carbon Allowance Market transactions.

Motion – Elliott. Second – Cash.

14. PURCHASE AND SALE OF CARBON CREDITS UNDER THE CALIFORNIA AIR RESOURCES BOARD CAP AND TRADE PROGRAM REGULATIONS

The Board Members welcomed City Manager Scott Barber who joined the Board meeting at this time as staff presented potentially significant financial impacts to the Electric Utility due to the proposed California Air Resources Board Cap and Trade sale of Carbon Credits which specifically apply to Publicly Owned Utilities that are members of the California Independent Systems Operator. The first auction under this program is scheduled for November 14, 2012.

Following discussion, the Board of Public Utilities:

1. Received and filed this report ;
2. Requested an update as efforts continued with purchase and sale of carbon credits under the California Air Resources Board Cap and Trade Program Regulations; and
3. Gave authorization to the Public Utilities General Manager to by-pass the Board of Public Utilities and go to the City Council for time sensitive decisions regarding the Cap and Trade Program.

Motion – Elliott. Second – Scott-Coe.

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

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

- Jurupa Valley RTRP – will it impact RPU?
- Water General Fund Lawsuit
- Add SONGS Update to General Manager Report

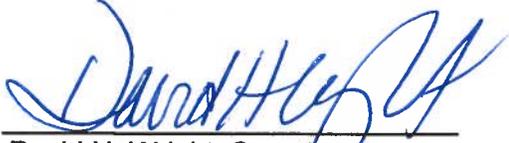
GENERAL MANAGER'S REPORT

16. Green House Gas / AB 32 Status
17. Riverside Transmission Reliability Project (RTRP) Status
18. State and Federal Legislative Update - Update on pending legislation that may impact the Water and/or Electric Utility
19. Systematic Reporting on Conferences/Seminars by Board Members and/or Staff
20. Monthly Power Supply Report – May 2012
21. Monthly Update of Goals
22. Electric / Water Contract Panel Update – July 2012
23. Open and Closed Work Orders – June 2012
24. Water Highlights – June 2012
25. Financial Statements – May 2012
26. City Council Agendas – June 19, 2012, June 26, 2012, and July 10, 2012
27. Upcoming Meetings
28. Electric / Water Utility Acronyms

UPCOMING MEETING

Chair Bernie Titus adjourned the meeting at approximately 10:35 a.m. The next regularly scheduled meeting of the Board of Public Utilities is to be held on **August 3, 2012** at **8:30** a.m. in 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: August 17, 2012