

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: March 21, 2014
Time of Meeting: 8:30 a.m.
Place of Meeting: Public Utilities Boardroom
3901 Orange Street
Riverside, California

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present: Justin Scott-Coe (Chair) Ian Davidson (Vice Chair)
Darrell Ament Susan Cash
Andrew Walcker Ron Cole
Dave Austin Nick Ferguson

Absent: David Roberts (excused absence due to vacation)

PUBLIC HEARING

Chair Justin Scott-Coe called the public hearing meeting to order at 8:30 a.m.

Chair Scott-Coe stated to the audience that the Board of Public Utilities was holding a public hearing to receive public input regarding the proposal to renew the Water Conservation Surcharge. 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 except David Roberts, who was on vacation; Vice Chair Davidson arrived a few minutes late.

Staff Presentation

Prior to receiving public input, the Board requested staff to provide a summary of the proposal to renew the Water Conservation Surcharge. RPU General Manager, Girish Balachandran, spoke of the ongoing efforts to look toward water stewardship for the next 100 years in Riverside. The guiding efforts will focus on efficiency, ground water recharge and recycled water, taking into account the Urban Water Management Plan benchmarks on the 25 year horizon. Assistant General Manager/Customer Relations/Marketing, Michael Bacich, provided a presentation explaining efforts and accomplishments made possible by the surcharge funding for the past ten years.

Comments from the Audience

As a result of the mailed written notices, publication notices and community outreach efforts, nine members of the public signed the Speaker/Attendance List at the public hearing. Of the members of the public in attendance, nine offered comments for consideration by the Board with eight in support of the Water Conservation Surcharge and one opposed.

Close Public Hearing

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

Motion – Cole. Second – Austin.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

Noes: None

Abstain: None.

Absent: David Roberts (excused absence due to vacation)

Call on City Clerk of the City of Riverside for tabulation of written comments or objections submitted in opposition to the proposal to renew the Water Conservation Surcharge - Deputy City Clerk Sherry Morton responded that four written protests were received.

Call upon City Attorney to opine if a majority protest has been received to the proposed renewal of the Water Conservation Surcharge - Deputy City Attorney Susan Wilson responded that no majority protest has been received.

Board Chair Scott-Coe noted that there are approximately 64,000 water customers and over half would have to lodge written protests to defeat the renewal.

Comments from Board Members

Board Members Walcker, Austin, Ferguson, and Cash all commented and thanked the public for attending and commenting.

1 PUBLIC HEARING – RENEWAL OF THE WATER CONSERVATION SURCHARGE

Staff stated that "reclamation" was not being excluded from future programs but the title was being shortened to "conservation" which is a broad term inclusive of reclamation, recycled water use, ground water storage, etc.

Also staff stated that Riverside Public Utilities does not sell water to other surrounding cities or agencies.

Board Member Cash requested the following be added to the recommendations:

- That the Water Conservation Surcharge expire ten years from date of approval
- Request that staff provide a triennial report on the disbursement of revenue collected pursuant to the Water Conservation Surcharge

Following discussion and the additions to the recommendations, the Board of Public Utilities:

1. Conducted a public hearing to receive input on the renewal of the Water Conservation Surcharge applicable to all RPU water customers by eliminating the expiration date;
2. Adopted a resolution establishing the revised Schedules WA-1, WA-2, WA-3, WA-4, WA-5, WA-6, WA-7, WA-8, WA-9 and WA-10, effective upon Council approval through ten years thereafter;

3. Recommended that the City Council request that staff provide a triennial report on the disbursement of revenue collected pursuant to the Water Conservation Surcharge; and
4. Recommended that the City Council adopt the appropriate resolution approving the above revised water schedules.

Motion – Cash. Second – Ament.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

The Board of Public Utilities took a five-minute break at this time.

PRESENTATIONS

2 EMPLOYEE RECOGNITIONS

None.

MINUTES

- 3 The regular meeting minutes from the Board of Public Utilities meeting held on March 7, 2014 were approved as submitted.

Motion – Austin. Second – Cole.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

Abstain: None.

Absent: David Roberts (excused absence due to vacation)

CITIZENS PARTICIPATION

None.

CONSENT CALENDAR

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

Motion – Ferguson. Second – Austin.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

Electric Items

- 4 AGREEMENT FOR PROFESSIONAL ENVIRONMENTAL CONSULTING SERVICES WITH HDR, ENGINEERING INC. FOR THE PELLISSIER RANCH SOLAR PHOTOVOLTAIC PROJECT CALIFORNIA ENVIRONMENTAL QUALITY ACT DOCUMENT

The Board of Public Utilities approved a Professional Consultant Services Agreement with HDR Engineering, Inc., of Riverside, California, in a not-to-exceed amount of \$177,714.91 for the preparation of the Pellissier Ranch Solar Photovoltaic Project CEQA document.

Water Items

5 AMENDED AND RESTATED FUNDING AGREEMENT WITH THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR MOCKINGBIRD CANYON RESERVOIR MECHANICAL EXCAVATION PROJECT

The Board of Public Utilities recommended that the City Council:

1. Approve the Amended and Restated Funding Agreement with the Riverside County Flood Control and Water Conservation District for the Mockingbird Canyon Reservoir Mechanical Excavation Project;
2. Authorize the City Manager, or his designee, to execute the Amended and Restated Funding Agreement with the Riverside County Flood Control and Water Conservation District for the Mockingbird Canyon Reservoir Mechanical Excavation Project; and
3. Authorize the City Manager, or his designee, to execute any other amendments to this Funding Agreements between the District and the City.

6 SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR THE PREPARATION OF THE DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE RIVERSIDE NORTH AQUIFER STORAGE AND RECOVERY PROJECT

The Board of Public Utilities approved the Second Amendment to the Professional Service Agreement with RBF Consulting for the DEIR to extend the term through December 31, 2015.

Other Items

7 PUBLIC UTILITIES BOARD COMMITTEE ASSIGNMENTS

The Board of Public Utilities approved the following Board Committee assignments:

- (1) Electric Committee
Darrell Ament (Chair)
David Roberts (Vice Chair)
Ian Davidson
Dave Austin
- (2) Water Committee
Susan Cash (Chair)
Andrew Walcker (Vice Chair)
Ron Cole
Nick Ferguson
- (3) Customer Relations/Finance Committee
Justin Scott-Coe (Chair)
Ian Davidson (Vice Chair)
Darrell Ament (Electric Chair)
Susan Cash (Water Chair)

- (4) Ad Hoc Committee – New Board Members Orientation
Andrew Walcker (Chair)
Ron Cole (Vice Chair)
Dave Austin
Nick Ferguson

DISCUSSION CALENDAR

- 8 THE LINE PROTECTION RELAY REPLACEMENT AND SUBSTATION AUTOMATION SYSTEM UPGRADE PROJECT – WORK ORDER NO. 1311245; LA COLINA SWITCHGEARS 3 & 4 RELAY REPLACEMENT PROJECT –WORK ORDER NO. 1411145; AND, MT. VIEW SUBSTATION PRIMARY LINE PROTECTION RELAY REPLACEMENT PROJECT – WORK ORDER NO. 1417459

Following discussion, the Board of Public Utilities:

1. Approved the estimated capital expenditure of \$1,925,805 for Work Order No. 1311245 for engineering, equipment procurement, construction, testing and contingencies for the Line Protection Relay Replacement and Substation Automation System Upgrade Project at University, La Colina, Springs, Riverside and Orangecrest Substations;
2. Approved the estimated capital expenditure of \$534,051 for Work Order No. 1411145 for engineering, equipment procurement, construction, testing and contingencies for the La Colina Substation Switchgear 3 & 4 Relay Replacement Project; and
3. Approved the estimated capital expenditure of \$192,500 for Work Order No. 1417459 for engineering, equipment procurement, construction, testing and contingencies for the Mt. View Substation Primary Line Protection Relay Replacement Project.

Motion – Cole. Second – Austin.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

- 9 RELOCATE CIRCUITS 1251 & 1253 FOR THE PLAZA SUBSTATION EXPANSION AND RIVERSIDE AVENUE GRADE SEPARATION PROJECTS – AWARD OF BID NO. RPU-7209

Following discussion, the Board of Public Utilities:

1. Approved the estimated capital expenditure of \$1,446,454 for Work Order No. 1326801, to relocate Circuits 1251 and 1253 for the Plaza Substation Expansion Project and Public Works Riverside Avenue Grade Separation Project;
2. Determined that the bid submitted by International Line Builders, Inc. of Riverside, California, in the amount of \$543,667.10, is non-responsive; and

3. Awarded a contract for the installation of conduits and structures to relocate Circuits 1251 and 1253 for the Plaza Substation Expansion and Public Works Riverside Avenue Grade Separation Projects, Bid No. RPU-7209 to the lowest responsive bidder, VCI Construction, of Upland, California, in the amount of \$563,581.

Motion – Austin. Second – Cole.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

10 HARVEY LYNN SUBSTATION POWER TRANSFORMER AND SWITCH GEAR REPLACEMENT – WORK ORDER NO. 1418023 – SUPPLEMENTAL APPROPRIATION

Following discussion, the Board of Public Utilities:

1. Approved the estimated capital expenditure of \$2,700,000 for Work Order No. 1418023 for engineering, equipment procurement, construction, testing and contingencies for the equipment replacement and repair of Harvey Lynn Substation; and
2. Recommended that the City Council approve a supplemental appropriation in the amount of \$2,700,000 from the Electric Fund Balance to the Substation Equipment Replacement Account No. 6130000-470625.

Motion – Cash. Second – Cole.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

11 AMENDMENT TO POWER SALES AGREEMENTS BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND THE CITY OF RIVERSIDE – SILVERADO PROJECTS

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

1. Approve the amendment to two 25-year PSAs between SCPPA and the City of Riverside to provide renewable solar photovoltaic energy and Renewable Energy Credits from the Silverado Solar photovoltaic Projects;
2. Authorize the City Manager, or his designee, to execute the Amended PSAs, as well as any future amendments or extensions to the PSAs under terms and conditions substantially similar or superior to these PSAs;
3. Authorize the City Manager, or his designee, to execute any documents necessary to administer the PSA that are consistent with the established policies by the City Council; and

4. Authorize the City Manager, or his designee, to terminate the PSAs for circumstances provided in the PSA.

Motion – Ament. Second – Austin.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

12 EXTENSION OF EXISTING LETTER OF CREDIT FOR 2008C ELECTRIC REVENUE BONDS AND REMARKETING OF 2011A ELECTRIC REVENUE BONDS

Mr. Brian Thomas from The PFM Group, RPU's financial advisor, was in attendance to answer questions.

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

1. Approve the City's Financing Team as described in this report;
2. Adopt a resolution relating to the plan of finance, specifically authorizing a remarketing of the 2011A Electric Revenue Bonds (including amending Resolution No. 22193 and the related Continuing Covenant Agreement) and authorizing an extension of the existing letter of credit for the 2008C Electric Revenue Bonds (including amending the associated Reimbursement Agreement); and
3. Authorize the City Manager, or designee, to execute all documents related to these actions.

Motion – Ament. Second – Ferguson.

Ayes: Scott-Coe, Davidson, Ament, Cash, Walcker, Cole, Austin, and Ferguson.

BOARD MEMBER/STAFF COMMUNICATIONS

13 SYSTEMATIC REPORTING ON CONFERENCES/SEMINARS BY BOARD MEMBERS AND/OR STAFF

Chair Scott-Coe gave a report on the APPA Legislative Rally in Washington, DC that he attended on March 8-13, 2014. Also attending the Rally was Mayor Rusty Bailey, General Manager Balachandran and Deputy General Manager Badgett.

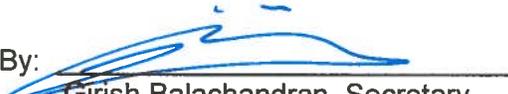
14 ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY A MEMBER OF THE BOARD OF PUBLIC UTILITIES

- Update on Community Engagement Panel for the Decommissioning of SONGS
- RTRP Update
- Recycled Water Update

GENERAL MANAGER'S REPORT

- 15 State and Federal Legislative Update - Update on pending legislation that may impact the Water and/or Electric Utility
- 16 Committee Reports – Electric Committee, Water Committee, Customer Relations/Finance Committee, and Ad Hoc Committee (March 7, 2014)
- 17 Monthly Update of Goals
- 18 Electric / Water Contract Panel Update – March 2014
- 19 Open and Closed Work Orders – February 2014
- 20 Water Highlights – February 2014
- 21 Power Supply Update
- 22 Financial Statements – January 2014
- 23 City Council Agendas – March 11, 2014 and March 18, 2014
- 24 Upcoming Meetings
- 25 Electric / Water Utility Acronyms

Chair Justin Scott-Coe adjourned the meeting at approximately 10:32 a.m. The next regularly scheduled meeting of the Board of Public Utilities is to be held **April 4, 2014** at **8:30 a.m.** in the Public Utilities Boardroom located at 3901 Orange Street in Riverside, California.

By: 
Girish Balachandran, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: April 4, 2014