

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: March 7, 2008
Time of Meeting: 8:30 a.m. (began at 8:35 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: Dave Barnhart (Chair) Bob Stockton (Vice Chair)
Mary Curtin Ken Sutter
Bernie Titus Joe Tavaglione
Manny Sanchez

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

Assistant City Manager Michael Beck was in attendance.

PRESENTATIONS

A. OATH AND INTRODUCTION OF NEW BOARD MEMBER – Juan “Manny” Sanchez
City Clerk Colleen Nicol swore the newly appointed Board Member Manny Sanchez into office.

B. ELECTION OF PUBLIC UTILITIES BOARD OFFICERS

(1) Chair

Board Chairman Joe Tavaglione nominated Board Member Dave Barnhart to the position of Chairman of the Board of Public Utilities. No other Board Members were nominated so the election of the Chairman was officially closed and the Board of Public Utilities approved the nomination of Dave Barnhart to the position of Chairman of the Board of Public Utilities.

Motion – Tavaglione. Second – Titus.

Ayes: Tavaglione, Barnhart, Curtin, Stockton, Sutter, Titus, and Sanchez.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

(2) Vice Chair

Newly appointed Chairman Dave Barnhart nominated Board Member Bob Stockton to the position as Vice Chairman of the Board of Public Utilities. No other Board Members were nominated so the election of Vice Chairman was officially closed and the Board of Public Utilities approved the nomination of Bob Stockton to the position of Vice Chairman of the Board of Public Utilities.

Motion – Barnhart.

All Ayes: Barnhart, Tavaglione, Curtin, Stockton, Sutter, Titus, and Sanchez.

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

C. PUBLIC UTILITIES BOARD COMMITTEE ASSIGNMENTS

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

MINUTES

1. The approval of the regular meeting minutes from the Board of Public Utilities meeting held on February 15, 2008 were approved as submitted.

Motion – Curtin. Second – Tavaglione.

Ayes: Tavaglione, Barnhart, Curtin, Stockton, Sutter, and Titus.

Noes: None

Abstain: Sanchez.

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

CITIZENS PARTICIPATION

No comments.

COMMITTEE REPORTS

2. "SPECIAL" PROPERTY COMMITTEE REPORT

The Board of Public Utilities accepted and filed the February 15, 2008 Electric Committee Minutes.

- 2b. WATER COMMITTEE REPORT – The Water Committee scheduled on February 15, 2008 was cancelled.

3. FINANCE/MARKETING COMMITTEE REPORT

The Board of Public Utilities accepted and filed the February 29, 2008 Finance/Marketing Committee Minutes.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exceptions of Item 11, **NORTH AMERICAN ENERGY STANDARDS BOARD CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS**, and Item 12, **UPGRADE THE CUSTOMER SERVICE UTILITY BILLING SYSTEM (CIS) TO THE 3.2 VERSION**, which were moved to the Discussion Calendar:

Motion – Tavaglione. Second – Curtin.

Ayes: Tavaglione, Barnhart, Curtin, Stockton, Sutter, Titus, and Sanchez.

Noes: None

Abstain: **Stockton (abstained on Item 9 only)**

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

Electric Items

4. UNDERGROUND ELECTRIC LINE EXTENSION –TRACT 31502
WORK ORDER NO. 070003-184

The Board of Public Utilities approved the estimated capital expenditure of \$75,000 to install an underground line extension to serve 11 residences located at Spencer Court and Green Orchard Parkway.

5. UNDERGROUND ELECTRIC LINE EXTENSION – ORANGEWOOD CENTER
WORK ORDER NO. 070003-159

The Board of Public Utilities approved the estimated capital expenditure of \$80,000 to install an underground electric line extension to serve three new commercial buildings located between Dauchy Avenue and Winchester Way, northerly of Van Buren Boulevard.

6. UNDERGROUND ELECTRIC LINE EXTENSION – REGENCY SQUARE DEVELOPMENT
– WORK ORDER NO. 080003-37

The Board of Public Utilities approved the estimated capital expenditure of \$96,000 to install an underground electric line extension to serve a new ten-story commercial building located between Ninth and Tenth Streets, easterly on Orange Street.

7. UNDERGROUND ELECTRIC LINE EXTENSION - AT&T LIGHTSPEED SERVICES –
WORK ORDER NO. 080003-47

The Board of Public Utilities approved the estimated capital expenditure of \$300,000 to install underground electric line extensions to serve new AT&T Lightspeed cabinets at various locations.

8. UNDERGROUND ELECTRIC LINE EXTENSION – TRACT 31859
WORK ORDER NO. 080016-04

The Board of Public Utilities approved the estimated capital expenditure of \$80,000 to

install an underground line extension to serve 14 custom lots located at Via Montecito Drive, southwesterly of Overlook Parkway.

9. **ELECTRICAL VAULT REPLACEMENT IN MARKET STREET AT SECOND STREET – WORK ORDER NO. 0807147**

The Board of Public Utilities approved the estimated capital expenditure of \$107,000 for electrical vault replacement located at Market and Second Streets, Work Order 0807147.

Motion – Tavaglione. Second – Curtin.

Ayes: Tavaglione, Barnhart, Curtin, Sutter, Titus, and Sanchez.

Noes: None

Abstain: **Stockton.**

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

Water Items

10. **HUNTER PARK ASSESSMENT DISTRICT – WATER TRANSMISSION MAIN PROJECT – BID NO. 6311 – CHANGE ORDER TO PURCHASE ORDER**

The Board of Public Utilities authorized the additional capital expenditure of \$45,000 for the construction of Hunter Park Water Main Replacement Project on Marlborough Avenue.

Other Items

11. **MOVED TO DISCUSSION**

12. **MOVED TO DISCUSSION**

DISCUSSION CALENDAR

11. **NORTH AMERICAN ENERGY STANDARDS BOARD CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS**

Vice Chairman Bob Stockton requested this item be placed on the discussion calendar because he wanted the record to indicate that the Finance/Marketing Committee approved this contract on January 25, 2008, rather than a simple review as mentioned in the report.

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

1. Approve the North American Energy Standards Board (NAESB) Contract for use by Public Utilities in procuring natural gas under the terms and conditions stated therein;
2. Authorize the City Manager, or his designee, to execute individual enabling agreements incorporating the terms and conditions of the NAESB Contract, subject to their review and approval by the City Attorney's Office; and

3. Authorize the Public Utilities General Manager, or his designee, to execute subsequent transaction confirmations for sales and purchases of natural gas, subject to the terms and conditions of the individual NAESB enabling agreement and consistent with the Council-approved Financial Risk Management Policy.

Motion – Stockton. Second – Curtin.

Ayes: Tavaglione, Barnhart, Curtin, Stockton, Sutter, Titus, and Sanchez.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

12. UPGRADE THE CUSTOMER SERVICE UTILITY BILLING SYSTEM (CIS) TO THE 3.2 VERSION

Vice Chairman Bob Stockton requested this item be placed on the discussion calendar to discuss why the contract does not set a limit of \$138,530 as the recommendation states. Deputy City Attorney Susan Wilson informed the Board that by approving the recommendation with specific amount of \$138,530 will effectively cap that amount in the contract.

Following discussion, the Board of Public Utilities approved a software license and services agreement with Ventyx, Inc., for an upgrade to the Customer Information and Billing System Application system in the amount of \$138,530.

Motion – Stockton. Second – Titus.

Ayes: Tavaglione, Barnhart, Curtin, Stockton, Sutter, Titus, and Sanchez.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

13. CONSTRUCTION CHANGE ORDER HISTORY FOR RIVERSIDE PUBLIC UTILITIES' WATER CAPITAL IMPROVEMENT PROJECTS

Principal Water Engineer Arshad Syed reported on the Riverside Public Utilities' Water Capital Improvement Projects (CIP) construction change order history. Chairman Barnhart requested that the Board receive updates of the construction change orders on a periodic basis.

Following discussion, the Board of Public Utilities received and filed this report.

14. EXTENSION OF MWH AMERICA, INC. LABORATORY SERVICES FOR TWO YEARS –
FY 08/09-09/10

Principal Water Engineer David Ferguson reported on the two-year contract extension for water laboratory services with MWH America, Inc.

Following discussion, the Board of Public Utilities approved the Second Amendment to Agreement for Professional Services with MWH America, Inc., for an additional two years of services, with compensation not-to-exceed \$700,000 per year for services provided from July 1, 2008 to June 30, 2010.

Motion – Titus. Second – Sutter.

Ayes: Tavaglione, Barnhart, Curtin, Stockton, Sutter, Titus, and Sanchez.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

15. RESIDENTIAL PHOTOVOLTAIC INCENTIVE FOR HABITAT FOR HUMANITY

Utility Public Benefits/Business Relations Manager Mike Bacich reported on the residential photovoltaic incentive for Habitat for Humanity and made note that the Interim Director of Habitat for Humanity, Karen Roberts, was in the audience to answer any questions.

Following discussion, the Board of Public Utilities approved and recommended that the City Council approve the rebate of \$25,740 to Habitat for Humanity for the purchase and installation of 4.8 kilowatts of photovoltaic (PV) panels.

Motion – Curtin. Second – Tavaglione.

Ayes: Tavaglione, Barnhart, Curtin, Stockton, Sutter, Titus, and Sanchez.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

16. ACQUISITION EXPENDITURE IN CONNECTION WITH THE SAN BERNARDINO
TRANSMISSION MAIN REPLACEMENT PROJECT

Assistant General Manager/Resources Gary Nolff noted that there was a typo in the dollar figure amount on the report in the "Issue" section that should read "Consideration of a not to exceed **\$560,000**...." not the \$1,100,000.

Following discussion, the Board of Public Utilities approved the expenditure of up to \$560,000 to cover the costs of the easements and related escrow and title fees associated with the acquisitions.

Motion – Tavaglione. Second – Curtin.

Ayes: Tavaglione, Barnhart, Curtin, Stockton, Sutter, Titus, and Sanchez.

Noes: None

Abstain: None.

Absent: Robert Elliott (absence due to business)
Ian Davidson (absence due to business)

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

None.

GENERAL MANAGER'S REPORT

18. State and Federal Legislative Update
19. Financial Statements - December 2007
December 2007 financial statements were deferred to the next board meeting.
20. Monthly Power Supply Report - December 2007
21. Monthly Update of Goals
22. City council Agendas - February 19, 2008, February 26, 2008, and March 4, 2008
23. Upcoming Meetings
24. Systematic Reporting on Conferences/Seminars
25. Electric / Water Utility Acronyms

The Board took a 10-minute recess and resumed the meeting at 9:15 a.m.

WORKSHOP

26. UPDATE PRESENTATION AND DISCUSSION OF THE BLACK & VEATCH RIVERSIDE PUBLIC UTILITIES DEPARTMENT MANAGEMENT REVIEW – PHASE I and II
A PowerPoint presentation regarding the Riverside Public Utilities Management Review was made by Tom Resh, Black & Veatch showing highlights of Phase I and I of the review.

Following discussion, the Board of Public Utilities received and filed this update.

UPCOMING MEETING

Chairman Dave Barnhart adjourned the meeting at 10:00 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, March 21, 2008** 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 21, 2008