

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: June 3, 2005

Time of Meeting: 8:15 a.m.

Place of Meeting: Utilities Plaza Conference Room
3460 Orange Street (at Fifth and Orange Streets)
Riverside, California

PLEDGE OF ALLEGIANCE WAS GIVEN TO THE FLAG

INTRODUCTON:

Staff introduced newly appointed City Manager Brad Hudson who said he would be intermittently attending future Board meetings.

Staff also introduced Public Utilities Assistant Director/Finance and Customer Relations Jerry Rogers who gave a brief introduction of his business history.

Roll Call

Present: Peter Hubbard (Chair)	Jim Anderson (Vice Chair)
David Barnhart	Bob Stockton
Conrad Newberry, Jr., P.E.	Ken Sutter
Lalit Acharya	

Absent: Joe Tavaglione (absence due to business)

MINUTES

(1) The regular meeting minutes from the Board of Public Utilities meeting held on May 20, 2005 was approved as submitted.

Motion – Anderson. Second – Acharya.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Sutter, and Acharya.

Noes: None

Abstain: Hubbard

Absent: Tavaglione. (absence due to business)

CITIZENS PARTICIPATION

No comments were made.

COMMITTEE REPORTS

WATER COMMITTEE REPORT

The Board of Public Utilities accepted and filed the May 20, 2005, Water Committee minutes.

FINANCE/MARKETING COMMITTEE REPORT

The Finance/Marketing Committee meeting scheduled for May 27, 2005 was cancelled.

CONSENT CALENDAR

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

Motion – Barnhart. Second – Anderson.

Ayes: Hubbard, Anderson, Acharya, Barnhart, Stockton, Sutter, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Tavaglione. (absence due to business)

The Board of Public Utilities:

ELECTRIC ITEMS

(2) **12 kV UNDERGROUND LINE EXTENSION WORK ORDER 644092**

Approved the estimated expenditure in the amount of \$300,000 to install underground primary line extensions and services to 6250, 6300, 6400, and 6450 Sycamore Canyon (3-2000A services and 1-1500A service).

Funds are budgeted and available in the Distribution Line Extensions account for this project.

(3) **PUBLIC WORKS STREET IMPROVEMENT WORK ORDER 641011**

Approved the estimated expenditure OF \$145,000 for the installation of streetlights on Marlborough Avenue from Iowa Avenue passed Northgate Street.

This work is part of the Street Improvement Project.

Funds are budgeted and available in the Street Light account for this project.

WATER ITEMS

(4) **WATER MAIN REPLACEMENT
WORK ORDER 0501192**

Subject to the City Council approval of the 2005/06 Capital Improvement Program, approved the estimated capital expenditure of \$119,255 to install 662 feet of twelve-inch water main, 13 one-inch water services, and 2 two-inch water service in Indiana Avenue from Washington Street to 650 easterly.

Work will be performed by City Forces in the 2005/06 Fiscal Year. This project is part of the Public Utilities Board and City Council mandated replacement program. Funds will become available in the 2005/2006 fiscal year.

(5) **GARNER 5 & 6, RAUB 5, AND WARREN 4 WELL REHABILITATIONS
AWARD OF BID NO. 6256**

1. Approved the estimated capital expenditure of \$360,000 for Work Order 0500872, which includes all design, contract administration, inspection and change order contingencies for the Garner 5 & 6, Raub 5, and Warren 4 Well Rehabilitations (this amount includes sufficient funds for award to the lowest responsive bidder);
2. Approved a budget transfer of \$360,000 from the Water Capital Sewer Mitigation–Placentia Lane Account No. 6230000-470796 to the Water Capital Well Additions and Betterments Account No. 6230000-470722;
3. Awarded a contract for Garner 5 & 6, Raub 5, and Warren 4 Well Rehabilitations, Bid No. 6256, to the lowest responsive bidder, Tri County Pump Company, San Bernardino, California, in the amount of \$286,202; and
4. Authorized the City Manager, or his designee, to execute the necessary contract documents.

NOTE: Assistant Director/Water Dieter Wirtzfeld brought attention a historic moment that Item 5 above is the first contract that the Board approved since the City Charter Measure MM has gone into effect.

OTHER ITEMS

(6) **ANNUAL PURCHASE ORDER REQUIREMENTS FOR FISCAL YEAR 2005-06**

Approved the annual purchase order requirements for fiscal year 2005-06 in the estimated amount of \$9,487,546.

DISCUSSION CALENDAR

(7) **LICENSE AGREEMENT TO CITY WORKS LLC, ELEVENTH STREET WELL SITE APN (215-143-010)**

Principal Water Engineer Kevin Milligan reported that City Works LLC (Licensee) has acquired ownership of the Market Place Theatre to convert to a vocational college. The Licensee is requesting to use the surface of a portion of the City owned well site for the purpose of constructing a parking area in connection with their proposed development of another parking lot located at 4040 Vine Street. Mr. Milligan stated that staff has negotiated an Agreement that meets the Licensee's needs and protects Riverside's interests for current and future operations.

Vice Chair Anderson stated his concern with the 2% increase maximum per year in the lease agreement and suggested staff to look into a variable increase for future agreements.

The Board of Public Utilities:

1. Approved the subject License Agreement with City Works, LLC, for use of a portion of the Eleventh Street Well Site adjacent to 4040 Vine Street; and
2. Authorized the City Manager, or his designee, to execute the subject License Agreement and related documents.

Motion – Newberry, Jr., P.E. Second – Anderson.

Ayes: Hubbard, Anderson, Acharya, Barnhart, Stockton, Sutter, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Tavaglione. (absence due to business)

(8) **WATERMAN AVENUE PIPELINE CAPACITY PURCHASE AGREEMENT (OVERSIZING) – WESTERN MUNICIPAL WATER DISTRICT**

Assistant Director/Water Dieter Wirtzfeld reported that the Western Municipal Water District has requested an option to purchase capacity in the Waterman Avenue Pipeline, which is scheduled for construction this winter. The main points of the agreement are the following:

- Western wants to oversize the pipeline with a 54-inch pipeline and will pay the difference in cost of the bid that was for a 48-inch pipeline.
- Western will pay the full cost of capacity in the future if they need to use the pipeline.
- Western has agreed that the City of Riverside will have complete control of the pipeline and complete control of the water quality.

The Board of Public Utilities:

1. Approved and recommended that the City council approve the Pipeline Funding and Capacity Purchase Agreement Between City of Riverside Public Utilities and Western Municipal Water District of Riverside County; and
2. Recommended that the City Council authorize the City Manager, or his designee, to execute the necessary documents.

Motion – Barnhart. Second – Stockton.

Ayes: Hubbard, Anderson, Acharya, Barnhart, Stockton, Sutter, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Tavaglione. (absence due to business)

(9) MEASURE MM IMPLEMENTATION: CONTRACTING RULES AND PROCEDURES

Supervising Deputy City Attorney Eileen Teichert gave a detailed report how Measure MM will be implemented by the Board of Public Utilities and the contracting rules and procedures applicable to Public Utilities Department contracts and procurements. Ms. Teichert also reported on the background, types of contracts and procurements impacted by Measure MM (construction, goods, non-professional services, and professional services), competitive procurement procedures, qualifications-based selection procedures, limits of authority, and types of contracts not impacted by Measure MM. The Purchasing Resolution No. 20942, Administrative Manual Resolution No. 20943, and the Charter Section 1202 were distributed to the Board Members and staff, as was a board report with detailed information. Ms. Teichert stated she will be training staff on implementing the procedures required by Measure MM.

City Manager Hudson suggested that he may have Director Wright prepare a report on change orders on construction projects that are approved by Public Utilities Board to be presented to City Council each year so the public will be aware.

Director Wright stated that all Board reports regarding purchases will be signed off by Assistant Director/Finance Jerry Rogers to certify availability of funds, Legal Department for approval as to form, and Purchasing Department to concur. Also, if applicable, the contract/agreement will be attached to the report in final version with signatures.

Ms. Teichert stated that it is important that each Board Member be aware of conflict of interest projects so they abstain from the motion of vote. Also any political sensitive issues the Board may want to send to City Council or Council Committee for approval.

The Board of Public Utilities received and filed this report.

(10) ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS

REQUESTED BY MEMBER OF THE BOARD OF PUBLIC UTILITIES

None.

DIRECTOR'S REPORT

Board Member Stockton requested that the Western Municipal Water District (WMWD) & City of Riverside Ad Hoc Committee meeting updates be placed on the Board of Public Utilities' agenda, under committee reports or director's report, so the entire Board of Public Utilities is updated on discussions at the meetings.

Director Wright gave background on what has happened at these monthly meetings previously and that Councilman Art Gage and Board Member Bob Stockton, as well as Dieter Wirtzfeld, Kevin Milligan, and himself attend these monthly meetings. Because these meetings are not open to the public, minutes are not taken. Mr. Wright stated that the agenda from the ad hoc committee will now be included under the director's report so they can verbally update the Board.

- (A) State and Federal Legislative Update
- (B) Monthly Power Supply Report — April 2005
- (C) Financial Statements – April 2005
- (D) Rolling Calendar Outlining Future Utility Projects as of May 27, 2005
- (E) City Council Agendas – May 24, 2005

SYSTEMATIC REPORTING ON CONFERENCES/SEMINARS

CLOSED SESSION

The public left the meeting room at 9:30 a.m. so the Board could discuss Items 11 and 12 listed below and then reconvened for the workshop:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

- (11) Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9. (One case)

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

- (12) Conference with Real Property Negotiators Government Code §54956.8
Property: 5901 Peyton Avenue
City Negotiator: Steven Badgett
Negotiating Parties: Jim Michaels for Alliance Power Inc.
Under negotiation: Price and terms of payment

The Board of Public Utilities recessed at 10:10 a.m. and reconvened at 10:15 a.m.

WORKSHOP

Present: Peter Hubbard (Chair) Conrad Newberry, Jr., P.E.
 David Barnhart Bob Stockton
 Jim Anderson Ken Sutter

Staff: Dave Wright Steve Badgett
 Dieter Wirtzfeld Eileen Teichert
 Gary Nolff MJ Abraham
 Reiko Kerr Kevin Milligan
 Jerry Rogers Cathy Ference
 Susan Wilson Dave Redding

Absent: Tavaglione. (absence due to business)
 Acharya. (left at 10:10 a.m.)

(13) LONG TERM STRATEGIC PLANNING WORKSHOP

The Board of Public Utilities held a workshop to discuss long-term strategic planning.

The following handouts were distributed:

- a. Long Term Strategic Plan – Goals Only
- b. Long Term Strategic Plan – Detailed Version

Director Wright requested that the Board Members review these handouts, possibly jot down any comments and bring them back to the next Board meeting on June 17th to discuss.

UPCOMING MEETING

Chair Peter Hubbard adjourned the meeting at 10:30 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, June 17, 2005**, at 8:15 a.m. in the Art Pick Council Chamber at City Hall located at 3900 Main Street in Riverside, California.

By: _____
 David H. Wright, Secretary
 Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: June 17, 2005