

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Meeting of the Board of Public Utilities  
Date of Meeting: August 26, 2019  
Time of Meeting: 6:30 p.m.  
Place of Meeting: Art Pick Council Chambers  
3900 Main Street (at Main and Tenth Streets)  
Riverside, California

**PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN**

**PUBLIC COMMENT**

1. Mr. Seth Wilson spoke in support of the WA-12 Agricultural Rate providing background and historical information on agricultural rates in Riverside. Mr. Brian Sheehe voiced his general approval of the WA-12 Agricultural Rate with reservations on the water allocation to trees over the age of eight years.

**Roll Call**

Present: Jo Lynne Russo-Pereyra      Dave Austin  
          David Crohn                      Jeanette Hernandez  
          Ana Miramontes                 Gil Ocegüera  
          Elizabeth Sanchez-Monville

Absent: Andrew Walcker

**Consent Calendar**

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

Motion – Austin    Second – Ocegüera

Ayes: Russo-Pereyra, Crohn, Hernandez, Miramontes, Sanchez-Monville

Absent: Walcker

**Minutes**

2. The minutes of the Board of Public Utilities regular meeting held on August 12, 2019 was approved as submitted.

**Board Attendance**

3. That the Board of Public Utilities excuse the absence of Board Member Jennifer O'Farrell from the Special Board of Public Utilities meeting of August 12, 2019.

4. That the Board of Public Utilities excuse the absence of Board Member Ana Miramontes from the Board of Public Utilities regular meeting on August 12.
5. That the Board of Public Utilities excuse the absence of Board Member Elizabeth Sanchez-Monville from the Special Board of Public Utilities meeting of August 12, 2019.

### **Electric Items**

6. That the Board of Public Utilities:

Approve First Amendment to Professional Consultant Services Agreement to extend the term by two years for RFP No. 1569 Citywide Streetlight Light-Emitting Diode (LED) Conversion Program (Phase One - Design) with Design Services, Inc., dba Benya Burnett Consultancy, of Davis, California.

7. That the Board of Public Utilities:

Award Bid No. RPU-7680 for 69kV Materials Yard to Western Construction Specialist, Inc., of Santa Fe Springs, California, in the amount of \$484,612; approve Work Order No. 2001119 for tracking expenses and invoices associated with the 69kV Materials Yard scope of work; and approve the Reliability Project total capital expenditure of \$585,000.

8. That the Board of Public Utilities:

Reject as non-responsive the proposal submitted by SSP Innovations, LLC; approve a Professional Services Agreement in response to RFP No. 1744 for the Fiber Management System Software and Professional Services with Enghouse Networks, LLC, for a three year term, in the amount of \$334,750; and approve Work Order No. 1711020 for a total expenditure of \$650,000.

9. That the Board of Public Utilities:

Award Bid No. RPU-7663 for landscaping installation for the Harvey Lynn Substation Site Expansion Project to Conserve LandCare in the amount of \$110,500.

10. That the Board of Public Utilities:

Reinstate approved total amount for Work Order No. 1810532 for the Freeman Switchgear and Transformer Upgrade Project from \$3,638,268 to the originally approved amount of \$5,463,000.

### **Other Items**

11. That the Board of Public Utilities:

Authorize staff to reevaluate the menu of proposed Energy Efficiency Programs and issue Requests for Proposals for the administration of the programs that are best suited for City of Riverside Utility Customers for Fiscal Year 2019/20 and rescind the May 13, 2019 recommendation that City Council approve the annual task orders with the Southern California Public Power Authority for the administration of nine (9) energy efficiency programs for Fiscal Year 2019/20, in the total amount of \$3,340,000.

12. That the Board of Public Utilities:

Award Request for Proposal No. 1876 for the agreement with Air Conditioning Service Corporation of Anaheim, CA for air conditioner maintenance and repairs at the Riverside Energy Resource Center, Springs, and Clearwater power plants for air conditioner maintenance and repairs ending on July 1, 2024 for \$366,321.

13. That the Board of Public Utilities:

Approve the Energy Innovations Grant for the University of California, Riverside, in the amount of \$100,000, to fund research for Optimal Placement of Smart Meters to Improve Efficiency and Reliability of Power Distribution Systems.

### **DISCUSSION CALENDAR**

14. That the Board of Public Utilities:

Consider the proposed WA-12 Agricultural Service water rate schedule, as presented.

Utilities General Manager Todd Corbin started the presentation with the background of the WA-12 rate schedule and fiscal impact within the structure of the approved Cost of Service Study. He explained the methodology, allocation and formulas.

Utilities Fiscal Manager Brian Seinturier continued the presentation and outlined staff modifications to the WA-12 rate schedule such as a new application process, onsite inspections and definitions. General Manager Todd Corbin noted that contiguous parcels less than 1/2 acre may combined to qualify for the rate in order to encourage agricultural growth in the greater community. He explained the limit for participation in the rate is the transfer of existing customers and the addition of new customers.

Utilities Water Superintendent Rick Small then continued the presentation with the new tier structures. He explained each factor in the allocation formula. He showed the Board an example and comparison bill of a WA-3 customer allocation transitioning to the WA-12 rate. General Manager Todd Corbin explained agricultural customers with a residence on the property will be charged the same as other parcels for indoor and outdoor ornamental landscape water usage. He also explained the new application and process.

General Manager Todd Corbin discussed the fiscal impact and Proposition 218 element of the monetary program limit. All assumptions of the 2018 cost of service study are applied to the new WA-12 rate. Gage Canal sources, the lowest cost to the utility, were used for the allocation of agricultural water.

Chair Jo Lynne Russo-Pereyra called for Public Comment and Mr. Brian Sheehe pointed out disparities in the accuracy of the Agricultural Water Allocation formula. Mr. Tom Evans expressed the need for an efficiency factor in the rate formula, the matter of Gage Canal customers and program limit.

Mr. Seth Wilson recommended the need for irrigation efficiency factor in the Agricultural Water Allocation formula. He also urged staff to revise condition #11. Ms. Sue Struthers urged a fair water rate to encourage our agricultural environment. Mr. Scott Bernitt asked for a fair rate to encourage agricultural reinvestment in local area and supporting local school programs.

Chair Jo Lynne Russo-Pereyra initiated comments from the Board. Board Member David Crohn felt that an efficiency factor (</>85%) needs to be included in the rate factor; the data sets used were inaccurate (dry year vs wet year). General Manager Todd Corbin clarified the need for simplicity within the methodology of the rate (crop factor vs irrigation factor) requested by the City Council and asked Water Superintendent Rick Small to clarify irrigation efficiency factor. Chair Jo Lynne Russo-Pereyra asked if efficiency factor could be added for clarification of the application process for the current group of 190 customers. General Manager Todd Corbin commented that the crop factor data has built in allocation for irrigation efficiency.

Board Member Jeanette Hernandez inquired about the water requirements for older trees. Utilities Water Superintendent Rick Small explained existing WA-3 and WA-9 customers should use forced irrigation. His research showed younger tree needs less water than an older tree and the assumption is most RPU customers own older trees.

Board Member Ana Miramontes asked about the built in efficiency factor and asked if it could be 'pulled out' and recalculated. She inquired into the application process, the customer appeals process and how mutually cooperative the process would be.

Board Member Gil Ocegüera inquired on the future plans to increase monetary cap on the program. General Manager Todd Corbin explained if the limit was not met, it would be reviewed during the next cost of service study.

Board Member Jennifer O'Farrell asked about the pros and cons of the efficiency factors and staff needs. She also suggested changing the verbiage to program review from program limits.

Board Member Elizabeth Sanchez-Monville asked why Gage customers will be on the new rate. Water Superintendent Rick Small explained some existing WA-9, WA-8 and WA-3 customers are also Gage shareholders, but that their water allocation would be reduced by their Gage deliveries and may need supplemental water for their agricultural irrigation. The definition of vines under the new rate was clarified for her also.

Board Member Dave Austin asked about WA-8 customers (Gage customers) and application process and staff explained the parameters and timelines and appeals process. Fiscal Manager Brian Seinturier gave examples of customer costs who will be

transitioning to WA-12 rate. He inquired about meeting schedules with regard to City Council. He asked when a review and changes could be made and made a motion to accept the staff recommendation.

Motion: Austin Second: Miramontes

The motion was set aside as Board Member David Crohn asked consideration for the 85% efficiency factor and made a substitute motion moved to accept the rate as put forward by staff but with an 85% factor be added to AWA equation. Board Member Dave Austin questioned the fairness of such a factor and after discussion suggested to accept staff recommendation and come back for review in one year.

Motion: Crohn Second - Miramontes

Aye: Crohn, Hernandez, Miramontes, O'Farrell

Nay: Ocegüera, Austin, Sanchez-Monville, Russo-Pereyra

Absent: Walcker

The motion failed.

Chair Jo Lynne Russo-Pereyra suggested a new vote to accept staff recommendation. Board Member Dave Austin continued dialog regarding review opportunities and scheduling with advice from the Assistant City Attorney and General Manager. Board Member Ana Miramontes raised the efficiency equation issue and Assistant City Attorney Anthony Beamon explained that the 85% figure could not be supported in documentation presented. General Manager Todd Corbin suggested a transition rate equal to 85% efficiency factor for one year. Board Member Dave Austin urged the Board to accept and move forward.

Board Chair called for a vote.

Motion: Austin Second: Sanchez-Monville

Aye: Russo-Pereyra, Sanchez-Monville, Austin, Ocegüera

Nay: Crohn, Hernandez, Miramontes, O'Farrell

Absent: Walcker

The motion failed.

Board Member David Crohn discussed with Assistant City Attorney the possibility of General Manager Todd Corbin's proposal to which Susan Wilson pointed out the record needs to contain data to support the inclusion of an efficiency factor adjustment, and that staff was unsure of the record contained such information.

Board Chair re-opened Public Comment by the following vote:

Motion – Austin Second – O'Farrell

Aye: Russo-Pereyra, Sanchez-Monville, Austin, Crohn, Hernandez, Miramontes,  
Ocegüera, O'Farrell

Absent: Walcker

Mr. Seth Wilson asked the Board to review documents he submitted to Board before the meeting which included support for an irrigation efficiency factor. Mr. Tom Evans suggested the Board had ability to consider multiple options for review at the subsequent public hearing.

Board Chair reminded the Board Members the length of time and effort put into the WA-12 Agricultural service rate schedule and made a motion to approve the staff recommendation.

Motion: Russo-Pereyra      Second: Sanchez-Monville

Aye: Russo-Pereyra, Sanchez-Monville, Austin, Ocegueda

Nay: Crohn, Hernandez, Miramontes, O'Farrell

The motion failed.

General Manager Todd Corbin and Board Members, Assistant City Attorney discussed again transitional rates. The Board then took a short recess to review data provided in the meeting package and by Mr. Seth Wilson.

After a five minute break, the meeting was reconvened. Board Member Ana Miramontes questioned whether a subset of customers are being subsidized through the new rate. Fiscal Manager Brian Seinturier explained how the costs and revenues were allocated on the 2018 Cost of Service study to comply with Proposition 218.

Dave Austin made a motion to accept staff's motion as stated but including an option to add an .85 efficiency factor to the stated rate formula.

Motion – Austin      Second – Ocegueda

Ayes: Russo-Pereyra, Crohn, Hernandez, Miramontes, Sanchez-Monville

Absent: Walcker

15. That the Board of Public Utilities:

Approve the issuance of a purchase order with Trane U.S. Inc. Of Brea, California for the emergency repairs on the air inlet chiller at Riverside Energy Resource Center Units 1 and 2 for \$322,538.

Utilities Assistant General Manager/Resources Daniel E. Garcia introduced Utility Generation Manager Chuck Casey who made the presentation to the Board explaining the emergency repairs required to the equipment at Riverside Energy Resource Center

That the Board of Public Utilities:

Approve the issuance of a purchase order with Trane U.S. Inc. of Brea, California for the emergency repairs on the air inlet chiller at Riverside Energy Resource Center Units 1 and 2 for \$322,538.

Motion – Sanchez-Monville Second – Ocegüera

Ayes: Russo-Pereyra, Sanchez-Monville, Austin, Crohn, Hernandez, Miramontes, Ocegüera, O'Farrell

Absent: Walcker

#### **BOARD MEMBER/STAFF COMMUNICATIONS**

16. Systematic reporting on meetings, conferences, and seminars by Board members and/or staff - No reported items.
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. Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for July 2019
19. Electric / Water / Consultant Contract Panel Update as of July 1, 2019
20. Contracts Executed Not Requiring Board Approval – July 2019
21. City Council/Committee Agendas – August 6, 2019
22. City Council/Committee Agendas – City Council July 2, 2019 and July 16, 2019
23. Upcoming Meetings
24. Electric / Water Utility Acronyms

Chair Russo-Pereyra adjourned the meeting at approximately 9:42 a.m. The next regular meeting of the Board of Public Utilities will be on Monday, September 23, 2019 at 6:30 p.m. in the Art Pick Council Chamber, Riverside, California.

By: 

Todd M. Corbin, Secretary  
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated September 23, 2019