



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: DECEMBER 8, 2025

SUBJECT: BOARD STANDING RULES AND POLICY GUIDE – UPDATES

ISSUE:

Consider updating the Board of Public Utilities' Standing Rules and Board Policy Guide.

RECOMMENDATION(S):

That the Board of Public Utilities:

1. Review and discuss to the Board of Public Utilities Standing Rules and Policy Guide;
2. Review and approve red-line changes from Board meeting on November 17, 2025; and
3. Request staff return to the Board with a red line of recommended changes from this meeting for consideration after priority sections and policies of the Board of Public Utilities Standing Rules and Policy Guide have been reviewed.

BACKGROUND:

The Board of Public Utilities Annual 2025 Work Plan Action Item 1 includes the Board's review of the Standing Rules (Rules) and Board Policy Guide (Policy Guide) over the next year. These are two policy documents adopted by the Board that provide guidance related to the activities of the Board. These documents are attached to the staff report for reference (note that associated and referenced RPU policies are not attached to this report).

The City Charter, Article VIII, Section 804. – Organization; meetings; subpoena power state: "Each board or commission may prescribe its own rules and regulations which shall be consistent with the Charter and copies of which shall be kept on file in the Office of the City Clerk where they shall be available for public inspection." For the Board, its Standing Rules represent these rules and regulations. The Board Standing Rules outline the roles and duties of the Board as well as provide guidance on how the Board conducts meetings, advocates, and holds elections (detailed in the discussion). The Board Policy Guide is a much broader and comprehensive document that provides policies related to RPU's business and operations, board conduct, and provides guidance related to customer relations and finance.

Both the Guide and Rules are to be reviewed and updated by the Board every two years, though they can be amended at any time. The Board Policy Guide was first developed in 2000 and, like

the Rules, has been amended over the years with the last full review and update having been approved by the Board in 2017. The Guide also incorporates the Rules as part of its first policy, Policy A-1. While the Rules were last amended on March 10, 2025, the Board has not undertaken a full review since 2016/2017 when the Guide was last reviewed and amended.

Both policies are due for a full Board review and the Board Work Plan identified the review of these documents as a priority for this next year.

On April 14, 2025, the Board received a presentation providing an overview of both documents. After discussion, the Board unanimously took the following actions:

1. Received and ordered filed a presentation on the Board of Public Utilities Standing Rules and Policy Guide;
2. Requested staff to survey the Board of Public Utilities Members to prioritize the top 3 items from the Board Standing Rules, the top 5 items from the Board Policy Guide, and include any additional policy they would like to discuss; and
3. Requested staff present the priorities at a future Board of Public Utilities meeting.

On June 9, 2025, the Board received a presentation providing the results of the priority times for the review of the Standing Rules and the Board Policy Guide. After discussion, the Board decided to review both policy documents at future meetings of the full Board. The Board's priorities are listed below:

Board Standing Rules

The Board Standing Rules are comprised of twelve sections that address the operational rules of the Board and its members. Board members prioritized their top **three** items to be evaluated and updated, as needed. The following table provides the list with the number of members who voted for each. Top priority sections are highlighted.

Table 2: Survey Results for Top Priority Standing Rule Sections

Count	Section #	Section Title
4	1	Powers, Duties and Functions
4	7	Conduct of Meetings
3	9	Appointment to Committees of Outside Organizations
3	12	Advocacy
2	11	Amendment of Standing Rules
1	8	Committees
1	10	Report to the City
0	2	Members
0	3	Term of Office
0	4	Compensation; Vacancies
0	5	Officers
0	6	Meetings

Board Policy Guide

The Board Policy Guide is comprised of three sections and a total of seventeen policies. Additionally, several RPU policy documents (e.g. RPU Fiscal Policy) are attached by reference to individual policies. Some of the policies are similar to the Rules or provide additional guidance to the Rules. Additionally, the Board Policy Guide is divided into three topical sections. Sections A through C are:

- A. Utility Business Policies
- B. Board Specific Policies
- C. Customer Relations/Finance

Board members prioritized their top **five** items to be evaluated and updated, as needed. The following table provides the list with the number of members who voted for each. Top priority sections are highlighted.

Table 1: Survey Results for Top Priority Board Policies

Count	Section & Policy #	Policy Title
4	B-1	Role of the Chair for Public Meetings
4	A-3	Annual Goal Setting Process
3	C-2	Pricing of Products and Services
3	A-4	Performance Measure Evaluation
3	B-4	Board Training/Education Policy
3	A-11	Fiscal Policies
2	B-2	Board Committee Structure
2	B-3	Communication and Support of Board
2	A-10	Customer Care
1	A-1	Standing Rules (Standing Rules)
1	A-2	Mission Statement (Mission, Vision, Core Values, and Strategic Plan)
1	A-6	Energy Delivery System
1	A-9	Water Resources: Rights, Protection & Development (Water Portfolio Management Policy)
0	C-2	Board Interaction with the General Manager and Staff
0	A-5	Property Ownership (Real Property Financial Management Policy)
0	A-7	Water Delivery System
0	A-8	Electric Resources: Maintain Obligation to Serve Customers

On October 27, 2025, the Board reviewed and provided their feedback for priority items from the Board Standing Rules, Section 1, Powers, Duties and Functions and Section 7, Conduct of meetings. From the Board Policy Guide, policies B-1: Role of the Chair for Public Meetings, A-3: Annual Goal Setting process and amendments recommended by a Board member during the survey process.

DISCUSSION:

This report and presentation will provide information to facilitate a discussion and recommendation for any amendments to the Board Standing Rules and Policy Guide related to the priorities identified by the Board pursuant to the survey.

From the Board Standing Rules, the priorities were Section 9, Appointment to Committees of Outside Organizations and Section 12, Advocacy. From the Board Policy Guide, policies C-2: Pricing of Products and Services, A-4: Performance Measure Evaluation and A-11 Fiscal Policies

were identified as priorities.

Board Standing Rules, Section 9: Appointment to Committees of Outside Organizations

This policy establishes a transparent and consistent process for appointing members of the Board of Public Utilities to committees or positions within outside organizations. These organizations may include industry associations, governmental committees, and other entities where representation by RPU enhances collaboration, advocacy, and information sharing.

The policy ensures that all Board members have an equal opportunity to express interest in serving on external committees and that appointments are made in a fair and orderly manner. By requiring the General Manager to place such openings on the next available Board agenda, the process maintains accountability and public transparency. Providing a description of the committee's role and responsibilities in advance enables informed decision-making by the Board. Additionally, the requirement that the Board formally request City Council nomination ensures compliance with City procedures for external representation and maintains alignment with the City's governance structure.

Staff has reviewed this policy and determined that it effectively outlines a clear, fair, and transparent process for appointments to outside committees. No changes are recommended at this time.

Board Standing Rules, Section 9

9. APPOINTMENT TO COMMITTEES OF OUTSIDE ORGANIZATIONS

When openings arise on committees for outside organizations (including but not limited to trade organizations, government associations and other outside organizations), the RPU general manager will agendize the item on the next scheduled board meeting. Prior to the meeting, the RPU Board will be provided an outline of the duties and responsibilities of the position and be requested to indicate their interest in serving on the committee. At the scheduled board meeting, the RPU Board will request that the City Council nominate a member.

Board Standing Rules, Section 12, Advocacy

Section 12 of the Board's Standing Rules outlines best practices for Board member representation outside of their official duties.

Board Standing Rules, Section 12

12. ADVOCACY

- A. Board members shall represent the official policies or positions of the Board of Public Utilities when designated as delegates for this purpose.
- B. When representing their individual opinions and positions, Board members shall explicitly state they do not represent the Riverside Board of Public Utilities, nor will they allow the inference that they do.
- C. Board members shall be clear about representing the City or personal interests to members of other agencies.

To further strengthen ethical standards, staff notes that the Board may want to consider language from the City Charter be incorporated to discourage Board members from representing the private interests of third parties while acting in their official capacity.

This addition is recommended for consideration.

City Charter section 2.78.060 – Prohibited conduct.

Advocacy of private interests of third parties in certain circumstances prohibited. No elected official of the City of Riverside shall appear on behalf of the private interests of third parties before the City Council; nor shall any appointed member of a board, commission or committee of the City of Riverside appear before their own body on behalf of the private interests of third parties, except for limited exceptions as provided for in the California Fair Political Practices Commission Regulations or otherwise by law.

Board Policy Guide, Policy C-2, Pricing of Products and Services

Board Policy C-2 establishes the foundational principles governing RPU's pricing practices for products and services. The policy ensures that all pricing and rate-setting activities remain consistent with RPU's Electric and Water Rules and Rates, applicable bond covenants, and relevant legal and regulatory requirements and in accordance with the City's Purchasing Resolution 24101.

This policy underscores RPU's responsibility to maintain fair and sustainable pricing practices that support operational reliability, financial integrity, and long-term value for its customer-owners. It also guides staff in aligning pricing decisions with sound business and economic practices, ensuring that revenues are sufficient to fund the safe and dependable delivery of utility services. In practice, Policy C-2 is reflected through the annual rate-setting and cost-of-service review processes, which are subject to public review and Board approval. These processes ensure transparency and accountability while maintaining compliance with bond covenants and the City's financial policies. The policy also emphasizes the importance of maintaining strong bond ratings through prudent financial management and timely engagement with rating agencies.

Upon review, staff has determined that Policy C-2 continues to effectively guide RPU's pricing and rate-setting activities. The policy remains aligned with industry standards, best financial practices, and the City's overall fiscal objectives. Therefore, staff does not recommend any changes to Board Policy C-2 at this time.

Board Policy Guide, Policy C-2

BOARD POLICY GUIDE: POLICY C-2. PRICING OF PRODUCTS AND SERVICES

Riverside Public Utilities (RPU) shall not adopt pricing practices or rate setting that are inconsistent with the established Electric and Water Rules and Rates, bond covenants, and the law.

Accordingly RPU shall:

1. Ensure pricing practices that result in revenues that are sufficient to provide safe, reliable utility services to its customers/owners.
2. Ensure pricing practices that result in the use of resources in a manner consistent with sound business and economic practices.

Board Policy Guide, Policy C-2

3. Ensure pricing practices that maximize long-term the value for our customer-owners, recognizing that this will generally occur by enhancing our operational effectiveness and customer loyalty.
4. Ensure pricing practices maintain the separate financial integrity and viability of the individual services provided by Riverside Public Utilities.
5. Ensure accounting and cost or service records demonstrate the financial viability of each of the individual services provided by Riverside Public Utilities.
6. Work to maintain and improve bond ratings including necessary rating agency related presentations on an annual basis or as needed.

Board Policy Guide: Policy A-4. Performance Measure Evaluation

Board Policy A-4 establishes the framework by which Riverside Public Utilities (RPU) develops, monitors, and reports on performance measures that reflect the success, efficiency, and quality of utility services. The policy emphasizes transparency and accountability by ensuring that customers and stakeholders can understand how RPU performs in relation to established goals and comparable utilities.

Over the past several years, staff have implemented performance measurement practices consistent with Policy A-4. These include the development of quantifiable benchmarks tied to RPU's strategic objectives, participation in industry surveys, and the use of standardized reports required by local, state, and federal agencies. Performance metrics are used to assess operational effectiveness, resource management, customer satisfaction, and the outcomes of public benefits and conservation programs.

The Board's Annual Work Plan and associated progress updates have further strengthened the connection between policy direction, measurable outcomes, and staff accountability. This alignment ensures that RPU's performance measures remain relevant, data-driven, and consistent with industry's best practices.

At this time, staff have reviewed Policy A-4 and determined that it continues to effectively guide RPU's performance evaluation processes. The policy remains aligned with organizational goals, reporting standards, and the City's emphasis on measurable results. Therefore, staff do not recommend any revisions to Board Policy A-4.

Board Policy Guide, Policy A-4

BOARD POLICY GUIDE: POLICY A-4. PERFORMANCE MEASURE EVALUATION

It is important that customers are able to measure the success and quality of service by easy-to-understand performance measures. Riverside Public Utilities (RPU) shall set forth performance measures, also known as "benchmarks," wherever possible to evaluate comparison with other utilities and the achievement of goals and objectives. These performance measures shall be selected based upon available industry data. Where benchmarks do not already exist, staff will work to create performance measures by providing an evaluative process to the Board for its approval. This process shall also include participation rates and measured savings of public benefits and conservation related programs offered by RPU. Where possible,

Board Policy Guide, Policy A-4

benchmarks will not require duplicate efforts. Reports that are prepared for local, state and federal reporting requirements shall be utilized by RPU as appropriate benchmarks wherever possible. It is considered reasonable to purchase, through participation in industry surveys, etc., performance measure or benchmark information. Performance measures may be obtained annually, biannually, or on some other frequency as the Board deems necessary. Selected benchmarks shall be published in various publications as appropriate for customer communication and education.

Board Policy Guide: Policy A-11. Fiscal Policies

Board Policy A-11 establishes the guiding framework for Riverside Public Utilities' (RPU) fiscal management practices. The policy defines the principles and parameters that ensure financial stability, transparency, and accountability in managing RPU's resources. It supports the City Council's and Board of Public Utilities' shared goal of maintaining the long-term financial health and sustainability of the utility.

Policy A-11 provides direction for maintaining clear and consistent financial reporting, establishing reserve and budgeting policies, and ensuring prudent investment and capitalization practices. It also links strategic financial planning to daily operations, reinforcing RPU's commitment to strong internal controls and sound fiscal stewardship. Through these practices, RPU is able to maintain adequate funding for infrastructure investment, safeguard its assets, and enhance both short- and long-term credit quality.

The policy further emphasizes the importance of providing both the Board and City Council with tools to evaluate RPU's fiscal performance against established benchmarks and parameters. This ensures informed decision-making, effective rate recovery, and alignment with RPU's cost-of-service and ratemaking philosophy.

Upon review, staff finds that Policy A-11 continues to provide a comprehensive and effective framework for RPU's financial management and oversight. The policy remains aligned with best practices in public utility finance, City Council fiscal policies, and applicable state laws. Therefore, staff does not recommend any revisions to Board Policy A-11 at this time.

Board Policy Guide, Policy A-11

BOARD POLICY GUIDE: POLICY A-11. FISCAL POLICIES

Riverside Public Utilities (RPU), pursuant to policies adopted by the City Council of the City of Riverside (City Council) and the Board of Public Utilities (Board), is responsible for managing RPU's finances. Fiscal policies shall be designed to establish guidelines for the fiscal stability of RPU and provide guidance to staff in carrying out their fiscal responsibilities.

Accordingly, RPU shall:

1. Promote long-term financial stability by establishing clear and consistent financial reporting guidelines.
2. Ensure that RPU will maintain its financial health in order to meet its strategic goals
3. Development of cash reserve and budgeting policies.
4. Provide guidelines for capitalization of RPU assets.

Board Policy Guide, Policy A-11

5. Provide funds to maintain and invest in its utility infrastructure.
6. Enhance short and long-term financial credit quality by helping to achieve the highest possible credit and bond ratings.
7. Provide guidance and controls for effective investment of RPU funds in accordance with City investment policies and State law.
8. Provide the Board and City Council with a framework for measuring fiscal performance of RPU against established parameters and guidelines.
9. Link long-term financial planning with day-to-day operations.
10. Document the Board and City Council philosophy for effective ratemaking and recovery of RPU costs of electric and water service.

The Board adopted Fiscal Policies are attached.

Next Steps

The following is the anticipated schedule for the Board's review of the prioritized Standing Rules and Board Policy items:

January 12, 2026	<ul style="list-style-type: none">• Board Policies B-2: Board and Committee Structure, B-3: Communication and Support of the Board and B-4: Board Training and Education• Standing Rules Sections 11: Amendment of Standing Rules and 8: Committees
January 26, 2026	<ul style="list-style-type: none">• Board Policies A-10: Customer Care• Standing Rules Section 10: Report to the City

Review of the Standing Rules and Board Policy items not prioritized will be presented at future Board meetings in 2026.

FISCAL IMPACT:

There is no fiscal impact from this item.

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Approved as to form:	Rebecca Mckee-Reimbold, Interim City Attorney

Attachments:

1. Board Standing Rules, Amended March 10, 2025
2. Board Policy Guide, Amended May 22, 2017
3. Fiscal Policies, Approved August 6, 2024
4. Proposed Fiscal Policies (Redlined) November 17, 2025
5. Red-line Board Standing Rules, November 17, 2025
6. Red-line Board Policy Guide, November 17, 2025
7. Presentation