

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: February 26, 2018
Time of Meeting: 6:30 p.m.
Place of Meeting: Art Pick Council Chambers
3900 Main Street (at Main and Tenth Streets)
Riverside, California

DRAFT

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present: Jennifer O'Farrell (arrived late) David Crohn
Jeanette Hernandez Gil Ocegüera
Jo Lynne Russo-Pereyra Elizabeth Sanchez-Monville
Andrew Walcker

Absent: Dave Austin (absence due to business)
Kevin Foust (absence due to business)

Board Member Jo Lynne Russo-Pereyra directed the meeting because Vice Chair Jennifer O'Farrell was to arrive late due to an unexpected business matter and Chair Dave Austin was absent due to business.

PRESENTATIONS

1 EMPLOYEE RECOGNITION AWARD TO THE RESPONSE TEAM THAT COMPLETED THE EMERGENCY REPAIRS AT LINDEN BOOSTER

The Board of Public Utilities recognized the following employees for their dedication and excellent work on successfully completing the emergency repairs at Linden Booster.

- Andy Lindsay – Utilities Water Superintendent
- Rick Small – Utilities Water Superintendent
- Jesse Serna – Utilities Water Supervisor
- Gene Conley – Utilities Water Maintenance Electrician
- Gus Moreno – Utilities Water Apprentice
- Joe Daniel – Utilities Water Works Pipefitter
- Marc Hernandez – Utilities Water Systems Operator II
- John Nicols – Utilities Senior Water Systems Operator
- Mike Perez – Utilities Water Supervisor
- Cliff Bellinghausen – Utilities Chief Water Systems Operator
- David Garcia – Water Quality Manager
- John Farley – Principal Engineer
- Fernando Romero – Utilities Associate Water Engineer
- Simon Lee – Utilities Senior Water Engineer
- Eric Escobar – Principal Engineer
- Matthew Sternisha – Utilities Senior Water Engineer
- Steve Gabrielson – Construction Inspector II
- Blake Yamamoto – Principal Engineer

CITIZENS PARTICIPATION

- 2 Mr. Jason Hunter commented on Item 6 (Dark Fiber), Item 7 (SCPPA), and Item 16 (RPU Financial Results) on this agenda and requested an audit of the Corona Clearwater facility.

Vice Chair O'Farrell arrived to the meeting at this time.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar, with the exception of Item 6, **RE-ROUTE THE FIBER OPTIC CABLE NETWORK FROM MAGNOLIA SUBSTATION TO PLAZA SUBSTATION – APPROVE WORK ORDER NO. 1808927 FOR \$167,000**, and Item 7, **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY BI-ANNUAL EXPENDITURE REPORT FOR THE PERIOD OF JULY THROUGH DECEMBER 2017**, which were placed on the Discussion Calendar.

Motion – Walcker. Second – O'Farrell.

Ayes: O'Farrell, Crohn, Hernandez, Ocegüera, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: Dave Austin (absence due to business)
Kevin Foust (absence due to business)

Minutes

- 3 The minutes from the Board of Public Utilities regular meeting held on February 12, 2018 was approved as submitted.

Board Attendance

- 4 EXCUSE BOARD MEMBER DAVID CROHN'S ABSENCE FROM THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES ON JANUARY 22, 2018

The Board of Public Utilities excused Board Member David Crohn's absence from the Board of Public Utilities meeting of January 22, 2018 because of business.

- 5 EXCUSE BOARD MEMBER ELIZABETH SANCHEZ-MONVILLE ABSENCE FROM THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES ON JANUARY 22, 2018

The Board of Public Utilities excused Board Member Elizabeth Sanchez-Monville absence from the Board of Public Utilities meeting of January 22, 2018 because of personal business.

Electric Items

- 6 MOVED TO DISCUSSION CALENDAR

Other Items

- 7 MOVED TO DISCUSSION CALENDAR

DISCUSSION CALENDAR

6 RE-ROUTE THE FIBER OPTIC CABLE NETWORK FROM MAGNOLIA SUBSTATION TO PLAZA SUBSTATION – APPROVE WORK ORDER NO. 1808927 FOR \$167,000

Board Member Walcker requested this item be placed on the Discussion Calendar for clarification that the conduit was an existing one. Assistant General Manager/Energy Delivery George Hanson confirmed that it was an existing conduit for the re-route of the fiber optic cable network and he also gave background of the Magnolia Substation and answered questions from the Board.

Following discussion, the Board of Public Utilities approved Work Order No. 1808927 for re-routing the fiber optic cable network from Magnolia Substation to Plaza Substation in the amount of \$167,000.

Motion – Walcker. Second – Crohn.

Ayes: O'Farrell, Crohn, Hernandez, Oceguela, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: Dave Austin (absence due to business)
Kevin Foust (absence due to business)

7 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY BI-ANNUAL EXPENDITURE REPORT FOR THE PERIOD OF JULY THROUGH DECEMBER 2017

Board Member Sanchez-Monville requested this item be placed on the Discussion Calendar to discuss in detail the expenditure report to give new Board Members more background and understanding. Assistant General Manager/Finance Laura Nomura provided a brief history of participation in SCPPA and answered questions from the Board.

Following discussion, the Board of Public Utilities recommended that the City Council receive and file this Southern California Public Power Authority bi-annual expenditure report for the period of July through December 2017.

Motion – O'Farrell. Second – Oceguela.

Ayes: O'Farrell, Crohn, Hernandez, Oceguela, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: Dave Austin (absence due to business)
Kevin Foust (absence due to business)

8 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) PENSION COSTS UPDATE

Chief Financial Officer Adam Raymond gave a presentation on the City of Riverside's pension (CalPERS) costs, past and future, and provided the cost impacts to RPU. He and Assistant Chief Financial Officer Edward Enriquez answered questions from the Board and also distributed a handout entitled "CalPERS 101: How Does It Work?"

Following discussion, the Board of Public Utilities received and filed this update on the City's past and future CalPERS retirement costs.

Ayes: O'Farrell, Crohn, Hernandez, Ocegüera, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: Dave Austin (absence due to business)
Kevin Foust (absence due to business)

9 ENGINEERING, DESIGN AND CONSTRUCTION LETTER AGREEMENT BETWEEN SOUTHERN CALIFORNIA EDISON COMPANY AND THE CITY OF RIVERSIDE FOR WORK ASSOCIATED WITH EXISTING METERING PULSE TOTALIZER AND CALIFORNIA INDEPENDENT SYSTEM OPERATOR METERING AT VISTA SUBSTATION - WORK ORDER NO. 1817274, FOR \$881,745

Assistant General Manager/Energy Delivery George Hanson first explained the cost revisions to the report and then gave a presentation of the background, project description, and the long term plan regarding the project and answered questions.

Following discussion, the Board of Public Utilities:

1. Approved the capital expenditure of \$881,745 for Work Order No. 1817274;
2. Recommended that the City Council approve the Engineering, Design and Construction Letter Agreement with Southern California Edison Company for the work associated with existing metering pulse totalizer units and California Independent System Operator metering at Vista Substation in the amount of \$782,757.04; and
3. Recommended that the City Council authorize the City Manager, or his designee, to execute the Engineering, Design and Construction Letter Agreement with Southern California Edison Company, including making minor non-substantive changes, and to sign all documents necessary to complete the transaction for filing with the Federal Energy Regulatory Commission by Southern California Edison Company.

Motion – O'Farrell. Second – Sanchez-Monville.

Ayes: O'Farrell, Crohn, Hernandez, Ocegüera, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: Dave Austin (absence due to business)
Kevin Foust (absence due to business)

10 SECOND AMENDMENT TO THE INTERCONNECTION FACILITIES AGREEMENT BETWEEN SOUTHERN CALIFORNIA EDISON COMPANY AND THE CITY OF RIVERSIDE INCREASING PAYMENT TO SOUTHERN CALIFORNIA EDISON TO CONTINUE WORK ON THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT -WORK ORDER NO. 642975, FOR \$1,500,000

Assistant General Manager/Energy Delivery George Hanson gave a presentation on the project's background and milestones, and expressed the importance of amending the Agreement so SCE can continue licensing and permitting work on the project.

Following discussion, the Board of Public Utilities:

1. Approved the expenditure of \$1,500,000 for Work Order 642975;
2. Recommended that the City Council approve the Second Amendment to the Interconnection Facilities Agreement between Southern California Edison Company and the City of Riverside revising the cost and payment schedule and increasing the amount of the agreement by \$1,500,000; and
3. Recommended that the City Council authorize the City Manager, or his designee, to execute the Second Amendment to the Interconnection Facilities Agreement including making minor non-substantive changes, and to sign all documents necessary to complete the transaction for filing with the Federal Energy Regulatory Commission by Southern California Edison Company.

Motion – Walcker. Second – Ocegüera.

Ayes: O'Farrell, Crohn, Hernandez, Ocegüera, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: Dave Austin (absence due to business)
Kevin Foust (absence due to business)

11 AWARD RFQ-802 FOR FURNISHING AND DELIVERING SUBSTATION AUTOMATION SYSTEM EQUIPMENT TO ROYAL INDUSTRIAL SOLUTIONS OF RIVERSIDE, CALIFORNIA, IN THE AMOUNT OF \$789,344.19 FOR THE SUBSTATION AUTOMATION UPGRADE PROJECT - APPROVE WORK ORDER NO. 1816163 FOR \$2,027,679

Assistant General Manager/Energy Delivery George Hanson explained what Substation Automation System (SAS) Upgrade Project consists of, the project scope of work, and the benefits of the upgrade.

Following discussion, the Board of Public Utilities:

1. Awarded RFQ-802 for furnishing and delivering substation automation system equipment to the lowest local responsive bidder Royal Industrial Solutions of Riverside, California, in the amount of \$789,344.19; and
2. Approved Work Order No. 1816163 in the amount of \$2,027,679 for the Substation Automation Upgrade Project.

Motion – Crohn. Second – Sanchez-Monville.

Ayes: O'Farrell, Crohn, Hernandez, Ocegüera, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: Dave Austin (absence due to business)
Kevin Foust (absence due to business)

12 **MAGNOLIA AVENUE TECHITE PIPE AND PRESSURE REDUCING STATION REPLACEMENT PROJECT – SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$5,216,000**

Interim Assistant General Manager/Water Michael Plinski gave a presentation and answered questions from the Board.

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

1. Authorize a supplemental appropriation in the amount of \$5,216,000 from the Water Fund Balance to fund the design and construction of the Magnolia Avenue Techite Pipe and Pressure Reducing Station Replacement Project; and
2. Appropriate expenditures in the amount of \$4,646,000 to the Public Utilities' Transmission Mains Account No. 6230000-470735 for pipeline construction, and in the amount of \$570,000 to the Public Utilities' Facility Rehabilitation Account No. 6230000-470803 for the design and construction of the pressure reducing station.

Motion – Walcker. Second – Ocegüera.

Ayes: O'Farrell, Crohn, Hernandez, Ocegüera, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: Dave Austin (absence due to business)
 Kevin Foust (absence due to business)

BOARD MEMBER/STAFF COMMUNICATIONS

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

Board Member Gil Ocegüera reported that he attended the San Bernardino Valley Municipal Water District's East Branch Extension II of the State Water Project and construction of the Citrus Reservoir and Pump Station on February 22, 2018.

Board Member David Crohn reported that he recently took a tour of the Riverside Wastewater Treatment facility.

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

- SONGS Update
- Santa Ana Discharge Update
- Workforce Development Update

GENERAL MANAGER'S REPORT

15 Safety Update

16 RPU Financial Results – December 31, 2017

17 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for January 2018

- 18 City Council / Committee Agendas – February 13, 2018 and February 20, 2018
- 19 Upcoming Meetings
- 20 Electric / Water Utility Acronyms
- 21 Electric / Water / Consultant Contract Panel Update as of February 1, 2018

UPCOMING MEETING

Board Member Jo Lynne Russo-Pereyra adjourned the meeting at approximately 9:15 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, March 12, 2018 at 6:30 p.m. in the Art Pick Council Chamber, Riverside, California.

By: _____
Todd L. Jorgenson, Interim Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: _____