



CITY OF RIVERSIDE

Forensic Review of City of Riverside's Participation in Southern California Public Power Authority ("SCPPA")

PRESENTERS



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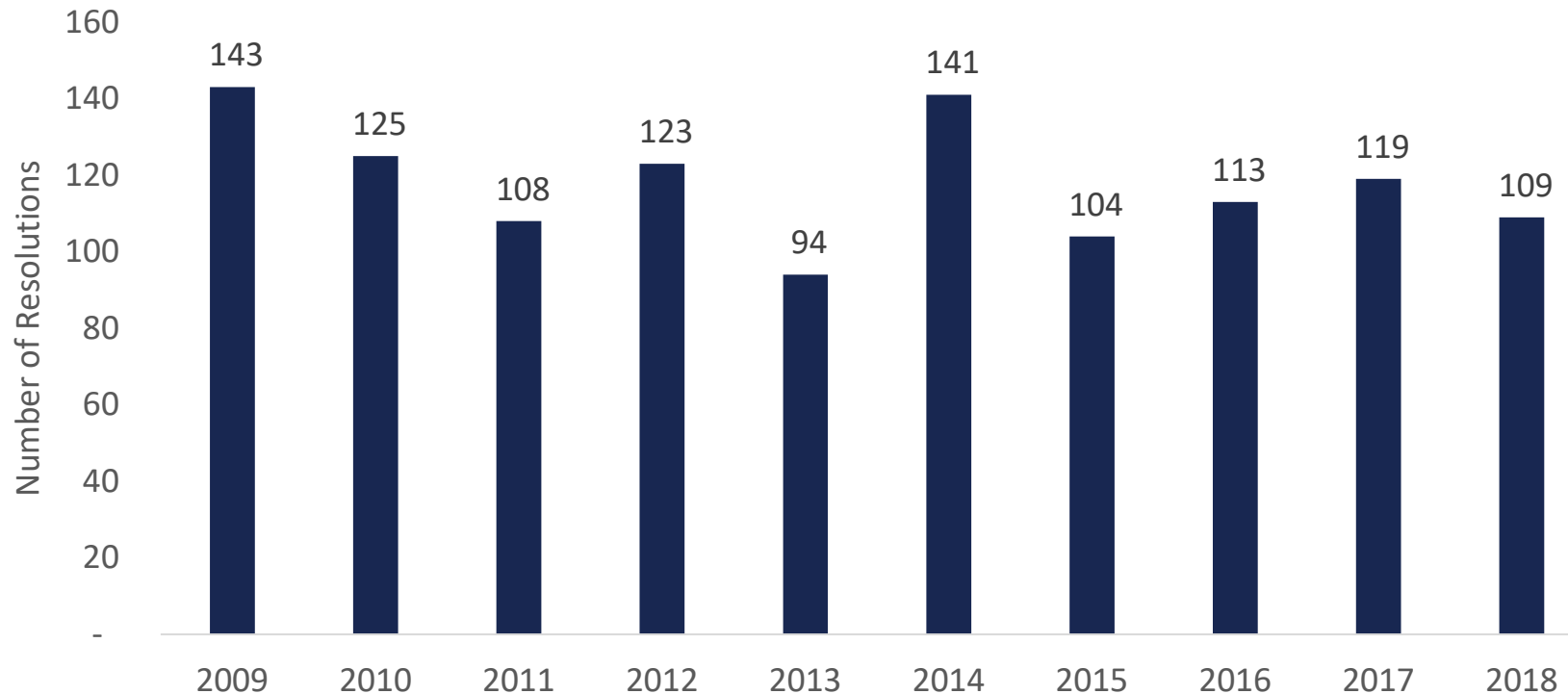
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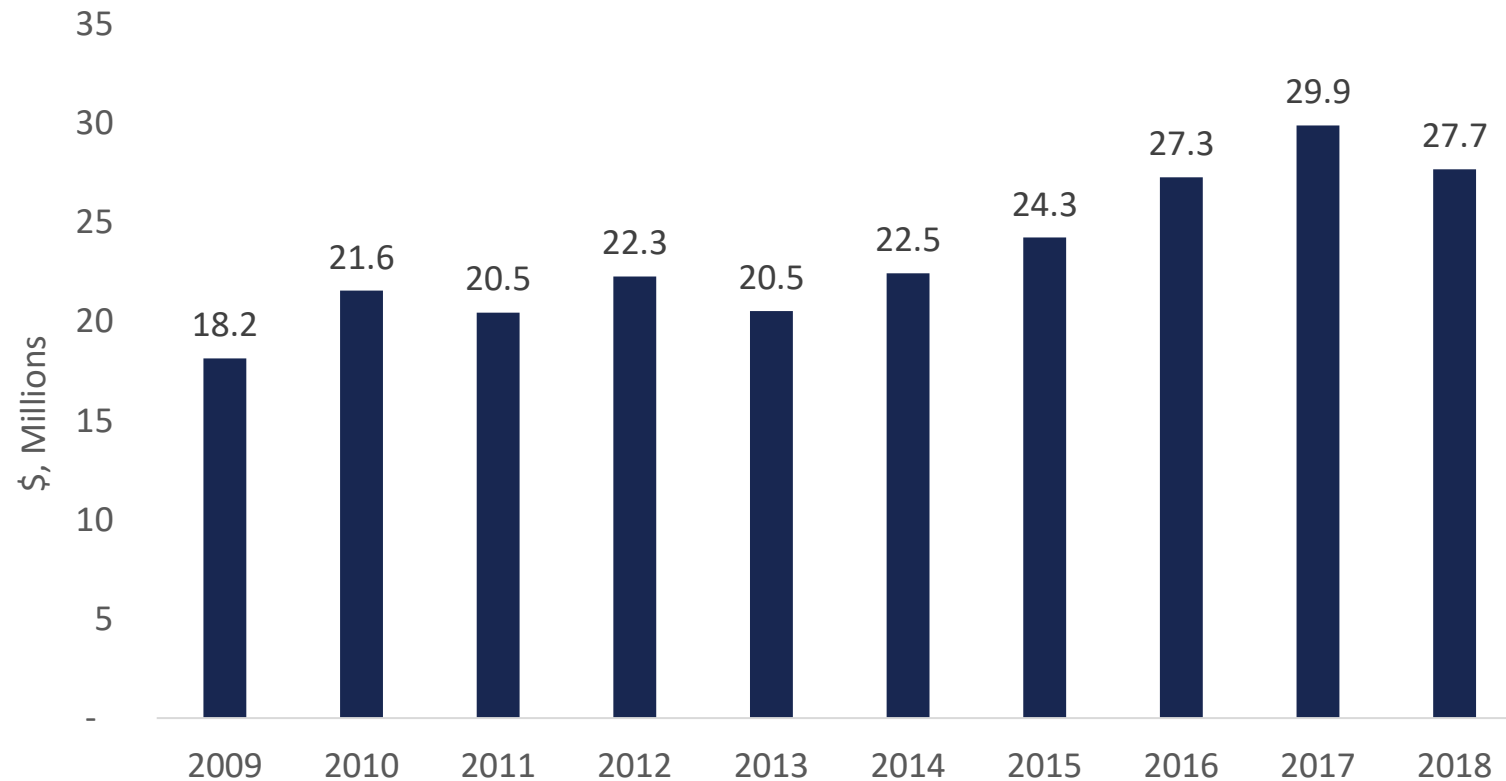
SCOPE OF THE ENGAGEMENT

- Conduct interviews with City Council Members, the City Manager, the Public Utilities General Manager, and the Chief Financial Officer to discuss any concerns regarding SCPPA-related matters.
- Review and analyze SCPPA resolutions and associated documents that include participation with Riverside, from January 1, 2009, through December 31, 2018 (the “review period”).
- Review and analyze expenses paid by Riverside for contracts authorized under SCPPA for the review period.
- Analyze previously presented SCPPA audits to verify the information provided and conclusions reached and determine if the reports were appropriate at the time they were provided to the City Council.
- Assist Riverside with distributing a call for public input related to this engagement and investigating and verifying concerns identified by respondents.

SCPPA RESOLUTIONS WITH RIVERSIDE PARTICIPATION, 2009 TO 2018



RIVERSIDE EXPENSES THROUGH SCPPA, 2009 TO 2018



RIVERSIDE EXPENSES THROUGH SCPPA, BY TYPE

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Power Generation and Transmission	\$ 15.6	\$ 17.6	\$ 19.8	\$ 18.1	\$ 17.9	\$ 20.7	\$ 22.5	\$ 24.6	\$ 27.3	\$ 24.1	\$ 208.2
Energy Efficiency Programs	0.2	0.8	0.1	1.4	1.3	1.4	1.5	2.4	2.3	2.3	13.6
Professional Services	0.5	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	1.0	2.7
Legal and Regulatory	0.2	0.3	0.3	0.1	0.2	0.2	0.1	0.1	0.1	0.1	1.6
Training and Working Groups	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.3
Internship Programs	-	-	0.0	0.0	0.1	0.1	0.0	0.0	0.0	-	0.2
Other	1.7	2.7	0.2	2.5	0.6	0.0	0.0	0.0	-	0.3	8.1
Total	18.2	21.6	20.5	22.3	20.5	22.5	24.3	27.3	29.9	27.7	234.7

(dollars in millions)

RIVERSIDE APPROVALS ON SCPPA CONTRACTS

- Signature authorities on SCPPA contracts and task orders executed during the review period were consistent with the requirements in effect at the time of execution.

ements in effect at the time of execution.

Contract	Date	Approved				Approved as to Form		Attest		Avail of Funds
		Mayor	City Manager	Assistant City Manager	General Manager	City Attorney	Assistant City Attorney	City Clerk	Assistant City Clerk	Finance Director
Solar										
Columbia Two	9/19/2013			X	X		X		X	
Kingbird B	9/19/2013			X	X		X		X	
Antelope DSR 1	7/16/2015		X				X	X		
Summer Solar	11/15/2012			X		X		X		
Amendment	3/10/2014			X			X	X		
Antelope Big Sky Ranch	11/15/2012			X			X	X		
Biomass										
ARP Loyalton	11/16/2017		X				X	X		
Energy Efficiency										
Lime Energy Services	6/9/2017		X				X	X		X
Richard Health and Associates	6/26/2017		X				X	X		X
Efficiency Services Group	6/9/2017		X				X	X		X
GreenLite Lighting	6/28/2017		X				X	X		X
Energy Solutions	6/28/2017		X				X	X		X
Synergy Companies	8/9/2016		X				X	X		X
Muni-Fed Partner Energy	6/28/2017		X				X	X		X

SCPPA EXPENSES LEVEL OF APPROVAL, SUMMARY

- Levels of approval on 250 expenses sampled during the review period were consistent with policy.

Year	Wire Transfer Requests	Total Expenses	Certificate of Delivery	Approval by Department or CM/Finance
2009	25	8,869,864	25	25
2010	25	10,739,385	25	25
2011	25	9,022,846	25	25
2012	25	10,246,163	25	25
2013	25	8,867,805	25	25
2014	25	7,575,496	25	25
2015	25	8,314,199	25	25
2016	25	7,077,521	25	25
2017	25	6,266,873	25	25
2018	25	6,702,357	25	25
	250	\$ 83,682,510	250	250

RIVERSIDE COST SAVINGS UNDER SCPPA

- We requested from SCPPA information regarding cost savings such as materials, studies, analyses, and benchmarking, to verify its assertion of cost savings to its members.
- SCPPA responded that it had not conducted formal studies or analyses of member savings, although stated that its position to negotiate preferred terms due in large part to joint purchasing power was expected to result in costs savings.
- We recommend that the members of SCPPA request SCPPA to perform a cost savings analysis for verification and transparency purposes.

FINDINGS FOR THE PREVIOUSLY PRESENTED AUDITS



Applicable audit standards were not stated in three reports.



The 2016 audit, 2016 performance assessment, and the annual financial review did not formally disclose a real or perceived conflict of interest.



Identified a 10% discrepancy between the Small Business Direct Install's general ledger balance and the amount shown in the Office of Organizational Performance and Audit (OoPA).

PUBLIC COMMENTS PROVIDED IN RESPONSE TO CALL FOR PUBLIC INPUT

- Comment 1. Riverside Public Utilities violated the scope of the SCPPA charter.
- Comments 2. RPU exceeded the \$100,000 appropriations limits for conservation and efficiency programs set by the Council in 2007.
- Comment 3. RPU violated both the \$25,000 signature authority limit for the RPU General Manager and the \$50,000 signature authority limit for the City Manager when hiring consultants via task orders.
- These concerns were found to be unsupported.



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