

EXHIBIT K

**AMENDED
CHARTER REVIEW COMMITTEE
City of Riverside
December 11, 2003, 3 p.m.
Lakeside Room, Fairmount Park Boathouse
2601 Fairmount Boulevard**

MINUTES

PRESENT: Chair Eric Haley and Members Mike Teer, Barry Johnson, Marjorie von Pohle, Gar Brewton, Connie Leach, Damon Castillo, Dale McNair, Ray Higgins, and Rusty Bailey

ABSENT: Ben Johnson (excused), Marcia McQuern (excused), Rose Mayes, Dorothy Bailey, Stan Stosel, William Turpin, and Art Garcia

STAFF PRESENT: Tom Evans, Kelly Palmer, Janis Lowry, Gregory Priamos, Ken Gutierrez, Judith Auth, Tricia Ruiz, Robin Metz, and Rhonda Strout

ALSO PRESENT: Lalit Acharya, David Leonard, James Anderson, Dan Price, Bob Saber, Ron Smith, Krystal Macias, Kristina Blake, Jason Houck, and others

Chair Eric Haley convened the Charter Review Committee meeting at 3:20 p.m.

The Pledge of Allegiance was given to the Flag.

ORAL COMMUNICATIONS FROM THE AUDIENCE

One citizen spoke regarding the schedule of Charter Review Committee meetings. Jim Anderson spoke regarding the Committee members names and background information being available on the City's website.

MINUTES - CONTINUED TO LATER IN THE DAY

Due to lack of a quorum the approval of the Minutes for November 13, 2003, was continued to later in the day (see page CRC-23).

HUMAN RESOURCES BOARD

Chair Haley reviewed the memo submitted by Human Resources Director Art Alcaraz recommending there be no changes to Charter Section 807 relating to the Human Resources Board.

BOARD OF LIBRARY TRUSTEES

Library Director Judith Auth recommended there be no changes to Charter Section 808 relating to the Board of Library Trustees.

Member Higgins arrived during the following discussion providing a quorum for the Charter Review Committee.

PARK AND RECREATION COMMISSION

Park and Recreation Commission Chair Ron Smith concurred with staff's recommendation that there be no changes to Charter Section 809 relating to the Park and Recreation Commission.

Discussion was held regarding ward representation and the role of alternates on the boards and commissions. Committee members indicated their desire that all boards and commissions have alternates and that the roster include the alternates ward numbers. Assistant City Clerk Kelly Palmer reviewed the interview and selection process for the boards and commissions.

Discussion was held regarding the street tree policy including tree trimming which gives the City authority for trees in medians and on public property only with contracts for street tree maintenance (five-year trimming cycle). Planning Director Ken Gutierrez stated there are no laws or ordinances protecting trees on private property with the exception of a new tree protection policy for Victoria Avenue.

MINUTES

Following discussion, motion was made by Member Teer and seconded by Member Castillo approving the minutes of November 13, 2003, as presented. Motion carried unanimously.

PLANNING COMMISSION

Planning Director Ken Gutierrez recommended no changes to Charter Section 806 relating to the Planning Commission. Following discussion, the Committee recommended the City Council explore a broader role for the Planning Commission including more authority over land use matters with diversity and representation from each ward.

Committee Member Rusty Bailey entered the meeting during the following discussion.

BOARD OF PUBLIC UTILITIES

Public Utilities Director Tom Evans summarized the Board of Public Utilities recommended changes to Article XII of the Charter as follows: (1) preference should be given to Riverside-based companies for construction contracts; (2) add to Section 1202 to allow the Board of Public Utilities to award contracts over \$50,000 within the approved City budget, without further City Council approvals; (3) amend Section 1202(b) so that in addition to exceptions for "urgent necessity to preserve life, health, and property" that customer-requested work provided under the rules adopted by the Board of Public Utilities and City Council also be exempt from City Council approval requirements (subject to ratification by the Board after the fact); and (4) add to Section 1202 delegation to the Public Utilities Director, without further City Council authorization or approval, the power and authority to enter into long-term contracts to provide water and power in accordance with approved tariffs based on current cost of service studies up to seven years in length.

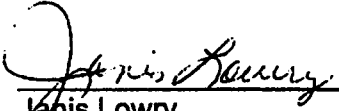
Public Utilities Director Evans indicated staff does not support the first recommendation regarding local preference because bids should be awarded to the low bidders thereby encouraging competition. He also indicated there are added benefits to the City by awarding contracts to outside contractors including money spent on supplies, lodging, and meals within the City during the term of the contract.

Following discussion, the Committee requested staff to (a) acquire local preference policies from the League of California Cities of municipalities over 200,000 in population (including

Ontario, San Bernardino, Moreno Valley, and Corona) for continued discussion at a future Committee meeting, (b) investigate video conferencing as a tool to increase the pool of applicants, and (c) research Charter Section 805 relative to the Mayor appointing members to boards or commissions if there is a vacancy over 60 days.

The Committee adjourned at 5 p.m.

Respectfully submitted,



Janis Lowry
Deputy City Clerk

ACCOMPLISHMENTS

1. Reviewed Boards and Commissions

TO DO:

1. Interview Councilmember Hart
2. Interview newly-elected Councilmembers
3. Continue discussion regarding the Board of Public Utilities' recommendation for local preference to Riverside-based companies for construction contracts
4. Begin policy deliberations and formulate positions



People Serving
People

CITY OF RIVERSIDE

COMMITTEE MEMORANDUM



CHARTER REVIEW COMMITTEE

DATE: December 11, 2003

ITEM NO: 9

SUBJECT: CITY CHARTER RECOMMENDATIONS BY THE PUBLIC UTILITIES BOARD

BACKGROUND:

The Department of Public Utilities (PU) is uniquely described in Article XII of the City Charter. The PU Department provides electric service to approximately 100,000 customers and water service to approximately 60,000 customers. The total department budget for FY 2003/04 is over 312 million (55.2 percent of the total City of Riverside's (City) budget).

The PU Department is comprised of approximately 410 employees who are divided into four major divisions:

- Energy Delivery
- Water
- Marketing and Customer Service
- Financial Resources.

The Public Utilities Director reports to the City Manager and the Board of Public Utilities fulfills the functions, specifically outlined in the City Charter, as well as helping set goals for the utilities.

The Public Utilities Board and senior department management developed the following strategic goals:

- *Attract, develop and retain quality employees*
- *Promote the efficient use of water and electricity*
- *Improve and protect the current excellent financial health of Riverside Public Utilities*
- *Build and maintain a safe and reliable infrastructure*
- *Expand the customer base through economic development*
- *Enhance community relations and customer satisfaction*

These goals were a refinement of the goals established for 2001-2004. The strategic goals have been beneficial in focusing the PU Department's efforts for the benefit of all Riverside customers. Each Public Utilities Board member invests approximately 250 hours a year fulfilling board responsibilities, including the following:

- Two board meetings a month
- One committee meeting each month
- Two goal setting meetings a year
- Various ad hoc meetings representing the City with elected officials in Sacramento and Washington, D.C.
- Represents Public Utilities at various community events

The utility enterprise is fiscally sound and has reserves as prescribed by bond covenants as well as reserves based on best management practices. The reserves are:

<u>ELECTRIC</u>		<u>WATER</u>	
	Million		Million
Cash Reserves	\$29.0	Cash Reserves	\$ 9.0
Restricted Cash	\$75.2	Restricted Cash	\$21.1
Operating Cash	\$15.5	Operating Cash	\$11.7

ELECTRIC

Riverside Public Utilities provides electric service to nearly 100,000 customers, with a service area population of approximately 266,000, encompassing over 85 square miles. Riverside Public Utilities owns, maintains, and operates 85.3 circuit miles of transmission lines, 1,126 circuit miles of distribution lines, 50 miles of fiber optic, 14 substations, and 4-10 MW generators.

The Electric Utility contributes 9 percent of operating revenue dollars to the City's General Fund. For FY 2002/03, this is estimated to be over \$16.0 million. This money is essential for providing needed public services, such as library books, street repair, park maintenance, and public safety.

The Electric Utility acts competitively, with a sharp focus on customers, while maintaining a financially sound utility. Compared to other local utilities, Riverside's rates are lower, reliability is higher and more funds are returned to the local community in the way of low-income assistance, rebates and community support. The Electric division is targeting efforts to increase conservation and energy efficiency, and is developing strategies to increase the amount of renewable energy in its portfolio.

WATER

The Water Utility services over 60,000 customers, with a service area population of approximately 245,000, encompassing over 80 square miles. The Water Utility maintains its own distribution system, which contains 938 miles of pipeline ranging from 1-inch to 72-inch in diameter, 47 domestic wells, 16 active reservoirs (with a capacity over 100 million gallons), 12 miles of canals, and seven treatment plants.

The Water Utility is responsible for providing adequate water supplies to its customers. Compared to other utilities, Riverside's water rates are significantly lower. This includes assuring continued access to water resources while maintaining a high quality water supply and reliable water distribution system. The Water Utility has made significant strides in water treatment, with seven new treatment plants placed in service over the last several years. In addition, several significant water line replacements have been completed, ensuring improved reliability.

The Water Utility contributes 11.5 percent of operating revenues to the City's General Fund, which will amount to nearly \$3.1 million for FY 2002/03.

The Board of Public Utilities has reviewed the City Charter and at its November 21, 2003 board meeting adopted the following recommended changes, which will benefit Riverside customers:

- Preference should be given to Riverside-based companies for construction contracts.
- Add to Section 1202 to allow the Board of Public Utilities to award contracts over \$50,000 within the approved City budget, without further approvals.
- Amend Section 1202(b) so that in addition to exceptions for "urgent necessity to preserve life, health, and property" that customer-requested work provided under the rules adopted by the Board of Public Utilities and City Council also be exempt from approval requirements (subject to ratification by the Board after the fact)

- Add to Section 1202 delegation to the Public Utilities Director, without further authorization or approval, the power and authority to enter into long-term contracts to provide water and power in accordance with approved tariffs based on current cost of service studies up to seven years in length.

FISCAL IMPACT:

None.

ALTERNATIVES:

The alternative is not to revise Article XII of the City Charter but this is not recommended.

RECOMMENDATIONS:

That the City Charter Review Committee:

1. Approve the Board of Public Utilities' recommendations regarding Article XII of the City Charter pertaining to the Department of Public Utilities; and
2. Recommend appropriate changes to the City Council.

Prepared by:


Thomas P. Evans
Public Utilities Director

TPE/cef
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Attachment: Board of Public Utilities minutes of November 21, 2003

DISCUSSION CALENDAR

➔ (9) CITY CHARTER RECOMMENDATIONS BY THE PUBLIC UTILITIES BOARD

The Board of Public Utilities moved the meeting to the Art Pick Council Chamber Board Room at 8:40 a.m. to discuss this item.

Troy Brown, Assistant to the City Manager, and Ray Higgins, a member of the Charter Review Committee, attended this meeting as guests.

Director Tom Evans explained each suggestion to the Board members and staff and advised what City Manager George Carvalho's input was for each suggestion. Each suggestion was thoroughly discussed and approved by simple majority and the motions were recorded as follows (NOTE: Items 2 (c) and (d) were not approved for recommendation to the Charter Review Committee):

The Board of Public Utilities:

(1) Established that items referred to the Charter Review Commission would be approved by simple majority;

(2) Concurred with the suggested changes;
(**BOLDED** print shows the addition to the original suggestion)
(~~STRIKEOUT~~ shows the deletion of the original suggestion)

(a) Preference should be given to Riverside-based companies for construction contracts.

(NOTE – 3 Board Members agreed and 2 Board Members disagreed – majority ruled)

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

Ayes: Newberry, Jr., P.E., Tavaglione, and Gage.

Noes: Acharya and Barnhart

Abstain: None

Absent: Jim Anderson
Peter Hubbard

(b) Add to Section 1202 to allow the Board of Public Utilities to award contracts over \$50,000 within the approved City budget, without further approvals.

Motion – Gage. Second – Tavaglione.

Ayes: Acharya, Barnhart, Newberry, Jr., P.E.,
Tavaglione, and Gage.

Noes: None

Abstain: None

Absent: Jim Anderson
Peter Hubbard

- ~~(c) Change Section 1203 to authorize alternative administrative support services providers and not be limited to city services.~~

Motion – Gage. Second – Tavaglione.

Ayes: Acharya, Barnhart, Newberry, Jr., P.E.,
Tavaglione, and Gage.

Noes: None

Abstain: None

Absent: Jim Anderson
Peter Hubbard

- ~~(d) Clarify Section 1200 to indicate that the appointment and termination of the Utilities Director is the responsibility of the Board and the City Manager.~~

Motion – Gage. Second – Tavaglione.

Ayes: Acharya, Barnhart, Newberry, Jr., P.E.,
Tavaglione, and Gage.

Noes: None

Abstain: None

Absent: Jim Anderson
Peter Hubbard

- (e) Amend Section 1202(b) so that in addition to exceptions for "urgent necessity to preserve life, health, and property" that customer-requested work **provided under the rules adopted by the Board of Public Utilities and City Council** also be exempt from approval requirements (subject to ratification by the Board after the fact).

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

Ayes: Acharya, Barnhart, Newberry, Jr., P.E.,
9-5 Tavaglione, and Gage.

Noes: None

Abstain: None

Absent: Jim Anderson
Peter Hubbard

- (f) Add to Section 1202 delegation to the Public Utilities Director, without further authorization or approval, the power and authority to enter into long-term contracts to **provide water and power** in accordance with approved tariffs based on current cost of service studies up to seven years in length.

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

Ayes: Acharya, Barnhart, Newberry, Jr., P.E.,
Tavaglione, and Gage.

Noes: None

Abstain: None

Absent: Jim Anderson
Peter Hubbard

- (3) Authorized the Public Utilities' Director and Board of Public Utilities' Chairman to present the recommendations to the Charter Review Committee.

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

Ayes: Acharya, Barnhart, Newberry, Jr., P.E., Tavaglione, and Gage.

Noes: None

Abstain: None

Absent: Jim Anderson
Peter Hubbard

DIRECTOR'S REPORT

- (A) Open and Closed Work Orders – October 2003
- (B) Draft Monthly Benchmark Report Cards – October 2003
- (C) Financial Statements – October 2003
- (D) Water Highlights – October 2003
- (E) Rolling Calendar Outlining Future Utility Projects as of November 14, 2003

Section CH.1201 Board of public utilities—Composition; applicability of Article VIII of Charter.

There shall be a board of public utilities. All of the provisions of Article VIII of this Charter relating to boards and commissions generally, to the organization, meetings, conduct of proceedings, and expenses thereof, and to the appointment, qualifications, term of office, removal, compensation and powers of members thereof, where not inconsistent with the provisions of this Article, shall apply to the board of public utilities.

PUBLIC UTILITIES BOARD OF Charter - Sections 1201 & 1202; O-963NS and O-4978. (Meetings: 1st & 3rd Fridays of each month at 8:15 a.m., Art Pick Council Chamber)

☞ Citizens wishing to leave messages for any of the 7 Board members may call Cathy Ference at 828-5197.

Chairperson – Lalit N. Acharya
Vice Chairperson – Peter Hubbard

Alternate – None

<u>MEMBER</u>	<u>WARD</u>	<u>TERM BEGAN</u>	<u>TERM EXPIRES</u>
James W. Anderson	2	03-01-2000	03-01-2004
Joe Tavaglione	4	03-01-2001	03-01-2005
David E. Barnhart	5	10-18-2003	03-01-2005
Conrad Newberry Jr.	1	03-25-1997	03-01-2006*
Arthur Gage	3	03-29-2002	03-01-2006
Peter Hubbard	1	02-11-1999	03-01-2007*
Lalit N. Acharya	4	03-01-1999	03-01-2007*

*Second full term

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ORDINANCE NO. 4978

AN ORDINANCE OF THE CITY OF RIVERSIDE, CALIFORNIA,
ESTABLISHING THE NUMBER OF MEMBERS OF THE VARIOUS
BOARDS AND COMMISSIONS ESTABLISHED BY THE CHARTER
OF THE CITY OF RIVERSIDE.

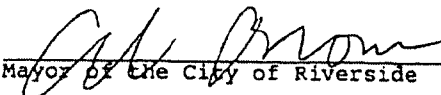
The City Council of the City of Riverside does ordain
as follows:

Section 1: Pursuant to Sections 700, 703 and 1201 of
the Charter of the City of Riverside, the number of members
of the following boards or commissions shall be as follows:

- a. The Board of Public Utilities shall have
seven members.
- b. The Board of Library Trustees shall have
seven members.
- c. The Personnel Board shall have seven members.
- d. The Park and Recreation Commission shall have
nine members.
- e. The Planning Commission shall have nine
members.

Section 2: The City Clerk shall certify to the adoption
of this ordinance and cause publication once in a newspaper of
general circulation in accordance with Section 414 of the
Charter of the City of Riverside. This ordinance shall become
effective on the 30th day after the date of its adoption.

ADOPTED by the City Council and signed by the Mayor and
attested by the City Clerk this 5th day of January, 1982.


Mayor of the City of Riverside

Attest:


City Clerk of the City of Riverside

12/21/81
JW/jm

CITY ATTORNEY
RIVERSIDE
CALIFORNIA

1 I, Alice A. Hare, City Clerk of the City of Riverside,
2 California, hereby certify that the foregoing ordinance was
3 duly and regularly introduced at a meeting of the City Council
4 on the 22nd day of December, 1981, and that thereafter
5 the said ordinance was duly and regularly adopted at a meeting
6 of the City Council on the 5th day of January, 1982, by
7 the following vote, to wit:

8 Ayes: Councilmembers Loveridge, Shepard, Mansfield,
9 Bowers, Buster, Digati and Frizzel.

10 Noes: None.

11 Absent: None.

12 IN WITNESS WHEREOF I have hereunto set my hand and
13 affixed the official seal of the City of Riverside, California,
14 this 5th day of January, 1982.

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18 Alice A. Hare
19 City Clerk of the City of Riverside
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CITY ATTORNEY
RIVERSIDE
CALIFORNIA

ORDINANCE NO. 963 (NEW SERIES)

AN ORDINANCE OF THE CITY OF RIVERSIDE, CALIFORNIA,
GIVING THE BOARD OF PUBLIC UTILITIES OF THE CITY OF
RIVERSIDE CHARGE OF THE FIRE AND POLICE TRAFFIC AND
ALARM SYSTEMS, THE ELECTRIC STREET TRAFFIC SIGNALS,
AND THE WAR EMERGENCY AIR-RAID ALARM SYSTEMS.

- - -

The Mayor and Council of the City of Riverside do
ordain as follows:

Section 1: The Board of Public Utilities of the
City of Riverside is by this ordinance given charge of the
fire and police traffic alarm systems, together with the
charge, oversight and upkeep of the electric street traffic
signals and the charge, oversight and upkeep of the war emer-
gency air-raid alarm systems, in accordance with the provisions
of Section 136 of Article VIII of the Charter of the City of
Riverside.

Section 2: Ordinance No. 617 (New Series) is
hereby repealed.

Section 3: The City Clerk shall certify to the
adoption of this ordinance and shall cause the same to be
posted on the bulletin board in the City Hall in said City.

I, G. Albert Mills, City Clerk of the City of
Riverside, California, hereby certify that the foregoing
ordinance was duly and regularly introduced on the 31st day
of March, 1942, and was adopted by the Council of said City
at its meeting held on the 7th day of April, 1942, by the
following vote:

Ayes: Councilmen Rawlings, Williams, Carter,
Barger, Dales, Rathgeber and Harris.

Noes: None.

Absent: None.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed the official seal of the City of Riverside, California,
this 7th day of April, 1942.

CITY ATTORNEY
RIVERSIDE
CALIFORNIA

G. Albert Mills
City Clerk of the City of Riverside

I hereby approve the foregoing ordinance this 7th day

CERTIFICATE OF THE CITY CLERK

STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } ss.

I, G. Albert Mills, City Clerk of the City of
Riverside, California, hereby certify that the foregoing ordinance
is a full, true and correct copy of Ordinance No. 963 (New Series)
of the City of Riverside, entitled:

AN ORDINANCE OF THE CITY OF RIVERSIDE, CALIFORNIA, GIVING
THE BOARD OF PUBLIC UTILITIES OF THE CITY OF RIVERSIDE
CHARGE OF THE FIRE AND POLICE TRAFFIC AND ALARM SYSTEMS,
THE ELECTRIC STREET TRAFFIC SIGNALS, AND THE WAR EMERGENCY
AIR-RAID ALARM SYSTEMS.

adopted by the Council of said City, at its meeting held on the 7th
day of April , 1942 , by the following vote:

Ayes: Councilmen Rawlings, Williams, Carter,
Barger, Dalee, Rathgeber and Harris.

Noes: None.

Absent: None.

which ordinance is now on file and of record in my office; that the
said ordinance was submitted to the Mayor of said City on the 7th day
of April , 1942 , who, within ten days thereafter, to-wit: on the
7th day of April , 1942 , endorsed his approval thereon; that the
said ordinance was in every respect passed and adopted, approved by the
Mayor, and ^{posted} ~~published~~ according to the provisions of the Charter of the
City of Riverside.


City Clerk of the City of Riverside