

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: June 19, 2015

Time of Meeting: 8:30 a.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:	Susan Cash (Chair)	Dave Austin (Vice-Chair)
	Darrell Ament	Ron Cole
	Nick Ferguson	Jennifer O'Farrell
	Justin Scott-Coe	Andrew Walcker

Absent: David Roberts (excused absence due to vacation)

PRESENTATION**1 EMPLOYEE RECOGNITION AWARDS – None.**

General Manager Balachandran reported that RPU received the E.F. Scattergood Award from the American Public Power Association. This is a national award that recognizes outstanding achievements and sustained performance of public power agencies to their customer-owners.

MINUTES**2 The special meeting minutes from the Board of Public Utilities meeting held on June 4, 2015 were approved as submitted.**

Motion – Austin. Second – Ferguson.

Ayes: Cash, Austin, Cole, Ferguson, Scott-Coe, and Walcker.

Abstain: Ament and O'Farrell.

Absent: David Roberts (excused absence due to vacation)

CITIZENS PARTICIPATION**3 Public Comment Period:**

An e-comment was submitted by Mr. Kevin Dawson related to videotaping Board meetings.

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CONSENT CALENDAR

A motion was made to approve the following item on the Consent Calendar with the exception of Item 4, **UPGRADE FIBER OPTIC CABLE NETWORK TO CITY HALL – WORK ORDER NO. 1508419 FOR \$470,000**, and Item 5, **ARC FLASH ENERGY ANALYSIS AT THE THREE POWER GENERATION FACILITIES – REQUEST FOR PROPOSALS NO. 1482**, which were moved to the Discussion Calendar.

Motion – Austin. Second – Scott-Coe.

Ayes: Cash, Austin, Ament, Cole, Ferguson, O'Farrell, Scott-Coe, and Walcker.

Abstain: None.

Absent: David Roberts (excused absence due to vacation)

Electric Items

4 MOVED TO DISCUSSION

Other Items

5 MOVED TO DISCUSSION

6 ANNUAL ELECTRICAL DISTRIBUTION UTILITY USE OF ALLOWANCE VALUE REPORT TO THE CALIFORNIA AIR RESOURCES BOARD, AND ATTESTATION

The Board of Public Utilities:

1. Approved the Electrical Distribution Utility (EDU) Use of Allowance Form;
2. Attested as to the accuracy of the EDU Use of Allowance Form; and
3. Authorized the City Manager or his designee to execute and submit the attestation.

DISCUSSION CALENDAR

4 UPGRADE FIBER OPTIC CABLE NETWORK TO CITY HALL – WORK ORDER NO. 1508419 - \$470,000

Board Member Ferguson requested this item be placed on the Discussion Calendar to address whether other departments would be participating and benefitting from this upgrade network. Assistant General Manager Pat Hohl answered that other departments besides RPU use the network and cost of use is charged back to the other departments.

Following discussion, the Board of Public Utilities approved Work Order No. 1508419 in the amount of \$470,000 for improvements of fiber optic cable network between Riverside substation and City Hall.

Motion – Ferguson. Second – Austin.

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Ayes: Cash, Austin, Ament, Cole, Ferguson, O'Farrell, Scott-Coe, and Walcker.

Abstain: None.

Absent: David Roberts (excused absence due to vacation)

5 ARC FLASH ENERGY ANALYSIS AT THE THREE POWER GENERATION FACILITIES – REQUEST FOR PROPOSALS NO. 1482

Board Member Ferguson requested this item be placed on the Discussion Calendar to discuss the discrepancy of the amount of the purchase order of \$104,011 and the agreement showing \$135,000. Assistant General Manager Reiko Kerr explained that the contract included additional scope of work that RPU will not use, so that the total amount of work to be performed is included in the amount outlined in the Board report.

Following discussion, the Board of Public Utilities approved the issuance of a purchase order in the amount of \$104,011 to Power Engineers from Anaheim, California to conduct an arc flash study at RERC, Springs and Clearwater.

Motion – Ferguson. Second – O'Farrell.

Ayes: Cash, Austin, Ament, Cole, Ferguson, O'Farrell, Scott-Coe, and Walcker.

Abstain: None.

Absent: David Roberts (excused absence due to vacation)

Assistant General Manager Reiko Kerr provided a detail PowerPoint presentation of Items 7 and 8 combined.

7 POWER SALES AGREEMENTS BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND THE CITY OF RIVERSIDE – SPOWER'S ANTELOPE DSR SOLAR PHOTOVOLTAIC PROJECT

Following discussion, the Board recommended that the City Council:

1. Approve the 20-year PSA between SCPPA and the City to provide renewable solar PV energy and Renewable Energy Credits from sPower's Antelope DSR Solar PV Project;
2. Authorize the City Manager or his designee to execute the PSA, as well as future extensions and purchase and/or storage options associated with the PSAs under the terms and conditions substantially similar or superior to this PSA;
3. Authorize the City Manager or his designee to execute any documents necessary to administer the PSA; and
4. Authorize the City Manager or his designee to terminate the PSA for circumstances provided in the PSA.

Motion – Cole. Second – Scott-Coe

Ayes: Cash, Austin, Ament, Cole, Ferguson, O'Farrell, Scott-Coe, and Walcker.

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Abstain: None.

Absent: David Roberts (excused absence due to vacation)

8 POWER PURCHASE AGREEMENT BETWEEN IBERDROLA RENEWABLES, LLC
AND THE CITY OF RIVERSIDE

Following discussion, the Board recommended that the City Council:

1. Approve the 11-year PPA between Iberdrola and the City to provide Portfolio Content Category 1 (PCC-1) and Portfolio Content Category 2 (PCC-2) project energy and associated renewable energy credits (**RECs**) from Iberdrola's pool of Pacific Northwest wind resources;
2. Authorize the City Manager or his designee to execute the PPA;
3. Authorize the City Manager or his designee to execute any documents necessary to administer the PPA; and
4. Authorize the City Manager or his designee to terminate the PPA for circumstances provided in the PPA.

Motion – Scott-Coe. Second – Walcker.

Ayes: Cash, Austin, Ament, Cole, Ferguson, O'Farrell, Scott-Coe, and Walcker.

Abstain: None.

Absent: David Roberts (excused absence due to vacation)

9 ANNUAL PURCHASE ORDER REQUIREMENTS FOR FISCAL YEAR 2015/16

Following discussion, the Board of Public Utilities (Board) approved the annual purchase order requirements for Fiscal Year 2015/16 in the estimated amount of \$8,824,580, contingent upon final budget adoption by the City Council.

Motion – Austin. Second – Scott-Coe.

Ayes: Cash, Austin, Ament, Cole, Ferguson, O'Farrell, Scott-Coe, and Walcker.

Abstain: None.

Absent: David Roberts (excused absence due to vacation)

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10 PROPOSED PURCHASE AND SALE AGREEMENT WITH NNN MISSION SQUARE, LLC FOR THE ACQUISITION OF THE MISSION SQUARE OFFICE BUILDING LOCATED AT 3750 UNIVERSITY AVENUE FOR \$37,995,000

The Board requested a "quick fact sheet" be created to distribute to the public and City Council should they have questions in regards to this purchase.

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

1. Approve the expenditure of \$37,995,000 inclusive of the purchase price, due diligence, title and escrow fees and related miscellaneous closing costs;
2. Approve the supplemental appropriation in the amount of \$37,950,000 from the unappropriated Electric Fund balance (Fund 510) to the Building and Improvements Account No. 6000010-462050;
3. Approve the supplemental appropriation in the amount of \$1,200,000 from the unappropriated Electric Fund balance to the Building Maintenance Account No. 6000010-424130, representing the net cost between the first year operating expenses and the amount already budgeted for Mission Square lease costs included in the proposed FY 2015/16 Operating Budget;
4. Approve an increase in estimated revenues for the proposed FY 2015/16 budget in the amount of \$2,200,000 to the Electric Fund Land and Building Rental Account No. 0000510-373100 to reflect tenant income from commercial operation of the building;
5. Adopt the appropriate reimbursement resolution to provide the future option of using bond funds instead of operating funds for the capital financing requirements;
6. Approve the purchase and sale agreement with NNN Mission Square, LLC for the purchase of the Mission Square Office Building and parking structure; and
7. Authorize the City Manager or his designee to execute the Agreement, including making minor non-substantive changes and to sign all documents and instruments necessary to complete the transaction.

Motion – Scott-Coe. Second – Austin.

Ayes: Cash, Austin, Ament, Cole, Ferguson, O'Farrell, Scott-Coe, and Walcker.

Abstain: None.

Absent: David Roberts (excused absence due to vacation)

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BOARD MEMBER/STAFF COMMUNICATIONS

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

Board Members Ferguson and O'Farrell reported on the 2015 APPA Annual Conference that they attended in Minneapolis, MN on June 6-10, 2015 with staff.

Board Member Cole reported that he attended the San Bernardino Valley Municipal Water District Advisory Commission on Water Policy meeting.

Board Vice Chair Austin thanked Utilities Public Benefit/Customer Relations Manager Kevin Palmer and Mr. Greg Miller of Ice Bear for speaking at his Kiwanis Club.

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

- Presentation on current accounting check and balances (internal processes)
- Presentation on changes to internal processes after audits are performed

GENERAL MANAGER'S REPORT

General Manager Balachandran provided an update on the next set of planning meetings listed below:

- July 13 – RPU Board 1st Workshop / Infrastructure Roadmaps
8 am to 1 pm (location TBD)
- July 29 – RPU Board 2nd Workshop / Workforce Development, Strategic Technology, and Financial Roadmaps
8 am to 1 pm (location TBD)
- August 26 – Organizational checkup audit begins by Hometown Connections
- August 28 – next Joint City Council/Board Meeting – Governance/Utility 2.0
8 am to 12 noon (Mayor's Ceremonial Room – City Hall)

13 Safety Update

14 State and Federal Legislative and Regulatory Update - Update on pending legislation that may impact the Water and/or Electric Utility

15 Committee Reports – Electric Committee (June 4, 2015), Water Committee and Customer Relations/Finance Committee

16 Electric / Water Contract Panel Update – June 2015

17 Open and Closed Work Orders – May 2015

18 Water Highlights – May 2015

19 Monthly Update of Goals

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- 20 City Council Agendas – June 9, 2015 and June 16, 2015
- 21 Upcoming Meetings
- 23 Electric / Water Utility Acronyms

UPCOMING MEETING

Chair Susan Cash adjourned the meeting at approximately 10:15 a.m. The next scheduled meeting of the Board of Public Utilities is to be held on Friday, July 10, 2015 at 8:30 a.m. in the Art Pick Council Chamber, Riverside, California.

By: _____
Girish Balachandran, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: _____