

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

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Minutes of: Special Meeting of the Board of Public Utilities
Date of Meeting: August 7, 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

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present:	Susan Cash (Chair)	Dave Austin (Vice-Chair)
	Darrell Ament	Nick Ferguson
	Jennifer O'Farrell	Justin Scott-Coe
	Andrew Walcker (left early)	

Absent: Ron Cole (excused absence due to vacation)

PRESENTATION

1 EMPLOYEE RECOGNITION AWARDS

General Manager Balachandran recognized, in general, the 35-40 employees who worked on the July 13 and July 29 Workshop presentation roadmaps.

MINUTES

2 The regular minutes from the Board of Public Utilities meeting held on July 10, 2015 were approved as submitted.

Motion – Austin. Second – O'Farrell.

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

Abstain: Ament and Walcker

Absent: Ron Cole (excused absence due to vacation)

CITIZENS PARTICIPATION

Mr. Jason Hunter reported that the Board meetings should be changed to evening meetings so that more public can attend. Mr. Hunter also reported that he would like Item 8 on this agenda to be placed on the discussion calendar to be discussed in more detail.

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CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 4, **AWARD OF CONTRACT FOR MICROWAVE RADIO SYSTEM REPLACEMENT PROJECT TO PACIFIC SERVICES INC. FOR \$129,679.30 AND INCREASE WORK ORDER NO. 1407582 IN AMOUNT OF \$75,000**; Item 6, **PROTECTIVE DEVICE COORDINATION AND ARC FLASH STUDY – WORK ORDER NO. 1601108 FOR \$146,755**; Item 8, **PURCHASE ORDER WITH WEST COAST ARBORISTS, INC. FOR EMERGENCY UTILITY LINE CLEARANCE AND VEGETATION MANAGEMENT SERVICES FOR \$300,000**; and Item 10, **AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR AN EXAMINATION AND PERFORMANCE AUDIT FOR \$58,335**, which were moved to the Discussion Calendar.

Motion – Scott-Coe. Second – Ferguson.

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

Abstain: None.

Absent: Ron Cole (excused absence due to vacation)

4 MOVED TO DISCUSSION CALENDAR

5 AWARD OF A PURCHASE ORDER TO CROWN TECHNICAL SYSTEMS FOR THE LINE PROTECTION RELAY REPLACEMENT AND SUBSTATION AUTOMATION SYSTEM PROJECT FOR \$97,629 – WORK ORDER NO. 1311245

The Board of Public Utilities awarded a purchase order for \$97,629 to Crown Technical Systems of Ontario, California for relay and substation automation panels in addition to miscellaneous material for the Line Protection Relay Replacement and Substation Automation System Project.

6 MOVED TO DISCUSSION CALENDAR

7 CONDUIT AND CABLE REPLACEMENT AT ALVAREZ COURT AND RANCHO ROAD – WORK ORDER NO. 1514471 FOR \$63,000

The Board of Public Utilities approved the estimated capital expenditure of \$63,000 for Work Order No. 1514471 for conduit and cable replacement at Alvarez Court and Rancho Road.

8 MOVED TO DISCUSSION CALENDAR

Other Items

- 9 SUPPLY OF SPECIALTY GASES FOR CONTINUOUS EMISSIONS MONITORING SYSTEMS AT THE THREE POWER GENERATION FACILITIES FOR \$61,707

The Board of Public Utilities approved the issuance of a purchase order in the amount of \$61,707 with Airgas to supply specialty gases at Riverside's power plants.

- 10 **MOVED TO DISCUSSION CALENDAR**

DISCUSSION CALENDAR

- 4 AWARD OF CONTRACT FOR MICROWAVE RADIO SYSTEM REPLACEMENT PROJECT TO PACIFIC SERVICES INC. FOR \$129,679.30 AND INCREASE WORK ORDER NO. 1407582 IN AMOUNT OF \$75,000

Vice Chair Austin requested this item be placed on the discussion calendar because he had questions if there is cost sharing with other user departments, and the nature of the additional materials required for the project. Assistant General Manager Hohl confirmed the costs are shared with other user departments, and those cost allocations would also be reviewed as part of the upcoming financial audits. He further clarified the major equipment purchases were authorized in an action by the Board on Jan. 23, 2015, and the additional materials for this item were for mounting, cabling, and power supply.

Following discussion, the Board of Public Utilities:

1. Rejected the proposal submitted by GE MDS, LLC as non-responsive;
2. Approved the award of a contract for \$129,679.30 to Pacific Services Inc. of San Clemente, California for the Microwave Radio System Communications Facilities Replacement Project; and
3. Approved the increase of Work Order No. 1407582 in the amount of \$75,000.

Motion – Austin. Second – Scott-Coe.

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

Absent: Ron Cole (excused absence due to vacation)

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6 PROTECTIVE DEVICE COORDINATION AND ARC FLASH STUDY – WORK ORDER NO. 1601108 FOR \$146,755

Vice Chair Austin requested this item be placed on the Discussion Calendar because he wanted to know what was wrong with the 2012 study recommendations? Assistant General Manager Hohl replied that the 2012 study was an Electric System Master Plan that recommended conducting a future protective device coordination study. Transmission line projects that modified the relationships in the electric system made a protection study impractical until the line work was completed. Hohl noted the Sub-Transmission Project (STP) was recently completed, and now it the correct time to undertake the protection study.

Following discussion, the Board of Public Utilities approved the capital expenditure of \$146,755 for Work Order No. 1601108 for a protective device coordination and arc flash study.

Motion – Austin. Second – Scott-Coe.

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

Absent: Ron Cole (excused absence due to vacation)

8 PURCHASE ORDER WITH WEST COAST ARBORISTS, INC. FOR EMERGENCY UTILITY LINE CLEARANCE AND VEGETATION MANAGEMENT SERVICES FOR \$300,000

Vice Chair Austin requested this item be placed on the discussion calendar because he wanted clarification on the timing of this action. Assistant General Manager Hohl said the decision was made late in the fiscal year to get formal proposals for this five year contract rather than rely on the competitive bidding process of another agency as allowed by the Purchasing Resolution. This was done to assure the greatest opportunity for participation and assurance of the best market pricing. The timing necessitated an interim ninety day purchase order to assure continuity of these essential services until a new contract is in place.

Following discussion, the Board of Public Utilities approved a purchase order with West Coast Arborists, Inc., of Anaheim, California, to provide utility line clearance and vegetation management services in an amount not-to-exceed \$300,000.

Motion – Austin Second – Ferguson.

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

Absent: Ron Cole (excused absence due to vacation)

10 AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR AN EXAMINATION AND PERFORMANCE AUDIT FOR \$58,335

Vice Chair Austin requested this item be placed on the Discussion Calendar to note that the Professional Services Agreement, Section 3 – Compensation/Payment needed to be revised to read. ...In the event that the total compensation is expected to exceed this amount, any such exceedance shall be approved by the Board of Public Utilities. (The attached Agreement stated Riverside City Council). Deputy City Attorney Susan Wilson agreed and noted that it would be corrected before it goes to City Council

Also the Board requested staff to include “cost sharing” information in all future reports.

Following discussion, the Board of Public Utilities approved a Professional Services Agreement with Baker Tilly Virchow Krause, LLP. of Madison, Wisconsin, in an amount of \$58,335 for the purpose of conducting an examination and performance audit for Riverside Public Utilities.

Motion – Austin. Second – Scott-Coe.

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

Absent: Ron Cole (excused absence due to vacation)

11 STRATEGIC TECHNOLOGY PLAN UPDATE – CONTINUATION FROM JULY 10, 2015 BOARD MEETING

Steven Rupp, Vice President of Leidos Engineering Solutions, continued his presentation with the Board regarding Leidos recommendations for RPU’s future technology plan. Recommendations include establishing an office of technology to oversee all advancements, expanding mobile offerings, and enhancing customer service through technology.

Following discussion, the Board of Public Utilities received an update on the Strategic Technology Plan including an oral presentation prepared by Leidos Engineering, LLC (Leidos).

Motion – Austin. Second – Ferguson.

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

Absent: Ron Cole (excused absence due to vacation)

12 CONSTRUCTION OF THE VALVERDA WATER MAIN REPLACEMENT PROJECT – WORK ORDER NO. 1503563 FOR \$1,727,000

Following discussion, the Board of Public Utilities approved a capital expenditure of \$1,727,000 for Work Order No. 1503563, which includes all design, construction, paving, contract administration, inspection and construction contingency costs for the Valverde Water Main Replacement Project.

Motion – Scott-Coe. Second – Austin.

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

Absent: Ron Cole (excused absence due to vacation)

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13 CONSTRUCTION OF THE DWIGHT AVENUE WATER MAIN REPLACEMENT PROJECT – WORK ORDER NO. 1511174 FOR \$1,930,000

Following discussion, the Board of Public Utilities approved a capital expenditure of \$1,930,000 for Work Order No. 1511174, which includes all design, construction, paving, contract administration, inspection and construction contingency costs for the Dwight Avenue Water Main Replacement Project.

Motion – Ferguson. Second – Austin.

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

Absent: Ron Cole (excused absence due to vacation)

14 ADDITIONAL FUNDING AUTHORIZATION OF \$1,042,113 FOR WORK ORDER NO. 1409313 FOR WELLS RAUB 4R AND 5R PER WELL RELOCATION AGREEMENT BETWEEN THE CITY OF RIVERSIDE AND OSR DEVELOPMENT, LLC

Following discussion, the Board of Public Utilities approved additional funding expenditure of \$1,042,113 for Work Order No. 1409313 per Well Relocation Agreement with OSR Development, LLC, dated September 30, 2014.

Motion – Ferguson. Second – Austin.

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

Absent: Ron Cole (excused absence due to vacation)

15 LOW INCOME ASSISTANCE – SHARING HOUSEHOLDS ASSIST RIVERSIDE'S ENERGY PROGRAM CONTRACT AMENDMENT - \$1,000,000

Assistant General Manager Michael Bacich presented a brief history of the SHARE program, which has been in existence for 15 years and helps low income customers with their utility bills.

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

1. Approve a Fifteenth Amendment to the Agreement with the County of Riverside Department of Public Social Services – Department of Community Action to extend the SHARE program from July 1, 2015 through June 30, 2016 in the amount of \$1 million; and
2. Authorize the City Manager, or his designee, to approve payments up to 25%, or \$250,000, above the SHARE contract amount if allocated funds are depleted before the contract term ends.

Motion – Austin. Second – Ferguson.

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

Absent: Ron Cole (excused absence due to vacation)

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16 FUNDING FOR TURF REMOVAL PROGRAMS - \$1,500,000

After some discussion the Board ultimately recommended to remove the original Item 3 (Supplemental appropriation of \$150,000 to the Residential Artificial Turf Incentive Account) and add \$150,000 additional to the Commercial Landscape Demonstration Projects Account. It was also determined that guidelines should exclude new development until the City adopts its new design guidelines for landscaping.

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

1. Authorize a fund transfer in the amount of \$1,500,000 from the 520 Water Fund Balance Account No. 0000520-298000;
2. Authorize a supplemental appropriation in the amount of \$1,000,000 to the Residential Waterwise Landscape Incentive Account No. 6220200-457011 in the 521 Water Conservation Fund;
3. Authorize a supplemental appropriation in the amount of \$200,000 to the Commercial Waterwise Landscape Incentive Account No. 6220200-457024 in the 521 Water Conservation Fund;
4. Authorize a supplemental appropriation in the amount of \$300,000 to the Commercial Landscape Demonstration Projects Account No. 6220200-457032 in the 521 Water Conservation Fund; and
5. Direct staff to modify the program guidelines for turf removal programs to prohibit application of the incentives to new development until revisions are adopted to the City's design guidelines for landscaping to address water wise landscaping.

Motion – Ferguson. Second – Scott-Coe.

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

Absent: Ron Cole (excused absence due to vacation)

At this time the Board called for a 5 minute recess – during this time Board Member Walcker left the meeting.

17 TYLER STREET WIDENING PROJECT – WORK ORDER NOS. 0913192 AND 1518574 FOR \$957,000

Following discussion, the Board of Public Utilities:

1. Approved the estimated capital expenditure of \$816,000 for Work Order No. 0913192 for the Tyler Street Widening Project; and
2. Approved the estimated capital expenditure of \$141,000 for Work Order No. 1518574 for the installation of 12 street lights for the Tyler Street Widening Project.

Motion – Scott-Coe. Second – Austin.

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

Absent: Ron Cole (excused absence due to vacation)
Andrew Walcker (left the meeting early)

18 PLANNED ROUTINE PROJECTS OVER \$500,000 FOR ELECTRIC AND WATER CAPITAL PROJECTS FOR FISCAL YEAR 2015/16 – \$27,692,000

Due to time constraints, Board Chair Cash removed this item from the agenda to be placed on a future Board agenda.

19 2015 MID-YEAR LEGISLATIVE UPDATE

Due to time constraints, Board Chair Cash removed this item from the agenda to be placed on a future Board agenda.

20 REVIEW OF CITY OF RIVERSIDE CODE OF ETHICS

Following discussion, the Board of Public Utilities directed Board Chair Susan Cash to express the same suggested modifications it provided to the City Council at the last review as follows:

1. The chairs of boards and commissions should not be used as members of hearing panels.
2. There needs to be adequate grievance processes for city employees, other than their utilization of the Code of Ethics procedures.

The RPU Board also chose to submit an additional recommendation as follows:

3. The responsibility for civility in public meetings should also include the public as well as elected and appointed officials.

Motion – Ferguson. Second – O'Farrell.

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

Absent: Ron Cole (excused absence due to vacation)
Andrew Walcker (left the meeting early)

21 BOARD OF PUBLIC UTILITIES INPUT ON PROPOSED FINANCIAL, PERFORMANCE AND BUSINESS PROCESS AUDITS TO BE CONSIDERED BY CITY COUNCIL ON AUGUST 11, 2015

General Manager Girish Balachandran shared with the Board that as part of the performance and financial audits proposed by the City, each department will undergo an internal audit. RPU, City Finance and Human Resources will be the first departments to participate. RPU management has met with the City's internal auditor. The audit should begin on January 16, 2016, and Girish informed the Board that he made a recommendation that whoever completes the audit have some utility experience.

Following discussion, the Board of Public Utilities discussed the upcoming audit and had the following comments that they wanted Board Chair Cash to pass along to the City Council

- Supportive of utilizing internal auditor and self-assessment to augment the external auditor scope
- Utilize an auditor/consultant that has specific utility experience

- Request that the Board discuss the scope of the audit after the City Council determines what areas are to be audited
- Board to review and approve the cost related to RPU audit

Motion – Austin. Second – Scott-Coe.

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

Absent: Ron Cole (excused absence due to vacation)
Andrew Walcker (left the meeting early)

BOARD MEMBER/STAFF COMMUNICATIONS

- 22 SYSTEMATIC REPORTING ON CONFERENCES/SEMINARS BY BOARD MEMBERS AND/OR STAFF
- 23 ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY A MEMBER OF THE BOARD OF PUBLIC UTILITIES
- Update on Community Works
 - City Landscape Ordinance Update
 - CIS Update

GENERAL MANAGER'S REPORT

- 24 Drought Update
- 25 Safety Update
- 26 State and Federal Legislative and Regulatory Update - Update on pending legislation that may impact the Water and/or Electric Utility
- 27 Committee Reports – Electric Committee, Water Committee and Customer Relations/Finance Committee
- 28 Monthly Power Supply Report – June 2015
- 29 Electric / Water Contract Panel Update – July 2015
- 30 Water Highlights – June 2015
- 31 Monthly Update of Goals
- 32 SCPA Monthly Agenda / Minutes – May 21, 2015
- 33 City Council Agendas – July 14, 2015 and July 28, 2015
- 34 Upcoming Meetings
- 35 Electric / Water Utility Acronyms
- 36 Quarterly Board of Public Utilities Attendance Report – April 1, 2015 to June 30, 2015

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UPCOMING MEETING

Chair Cash adjourned the meeting at approximately 11:52 a.m. The next regular meeting of the Board of Public Utilities is to be held on Friday, September 4, 2015 @ 8:30 a.m. at the Utilities Operation Center at 2911 Adams Street in Riverside, California.

By: _____
Girish Balachandran, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated _____