

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: November 20, 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
	Jennifer O'Farrell	Justin Scott-Coe
	Andrew Walcker	

Absent: Nick Ferguson (excused due to resignation)

PRESENTATION

1 EMPLOYEE RECOGNITION AWARD OF CHRISTINE SPAHR, UTILITIES CUSTOMER SERVICE

The Board of Public Utilities recognized Christine Spahr, Customer Service Manager, for her hard work and dedication as she will be retiring from Riverside Public Utilities after 14 years of service.

MINUTES

2 The regular minutes from the Board of Public Utilities meeting held on November 6, 2015 were approved as submitted.

Motion – Austin. Second – O'Farrell.

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

Abstain: Walcker.

Absent: Nick Ferguson (excused due to resignation)

CITIZENS PARTICIPATION

3 Public Comment

Mr. Jason Hunter spoke regarding water rights, utility financial reserves, tiered water rates and the electric reliability charge.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar.

Motion – Cole. Second – Austin.

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

Absent: Nick Ferguson (excused due to resignation)

Electric Items

- 4 UNDERGROUND ELECTRICAL INSTALLATION AT INDIANA AVENUE BETWEEN LAKEPOINTE DRIVE AND CAPRIOLE ROAD FOR NEW TRACT 34236, SEVEN SINGLE FAMILY RESIDENCES - WORK ORDER NO. 1601381 FOR \$55,000

The Board of Public Utilities approved the estimated capital expenditure of \$55,000 for Work Order No. 1601381 for the installation of underground electrical facilities for Tract 34236.

Water Items

- 5 SINGLE FAMILY RESIDENTIAL DEVELOPMENT TRACT 30473 – INCREASE OF \$29,474 TO WORK ORDER NO. 1325128 FOR A TOTAL OF \$81,966 (LA SIERRA AVENUE AND ORCHARD VIEW LANE)

The Board of Public Utilities approved the increase in capital expenditure of \$29,474 to a total of \$81,966 for Work Order No. 1325128 which includes City-provided construction and inspection services associated with Tract 30473, a single-family residential development.

- 6 NEW WATER SERVICE INSTALLATIONS AND MISCELLANEOUS FACILITY RELOCATIONS AT 4920 LA SIERRA AVENUE – AUTHORIZATION FOR WORK ORDER NO. 1523038 FOR \$71,175 (LA SIERRA AVENUE AND PIERCE STREET)

The Board of Public Utilities approved the capital expenditure of \$71,175 for Work Order No. 1523038 which includes City-provided water construction services associated with the development of 4920 La Sierra Avenue, a commercial/retail development in the City of Riverside located at the northwest corner of La Sierra Avenue and Pierce Street.

DISCUSSION CALENDAR

- 7 PROFESSIONAL SERVICES AGREEMENT FOR THE FINANCIAL AND PERFORMANCE AUDIT PROGRAM FOR THE RIVERSIDE PUBLIC UTILITIES – FOR \$135,000

Assistant City Manager Marianna Marysheva-Martinez gave a presentation of the financial and performance audit that will take place with Baker Tilly.

Vice Chair Austin requested from staff that the policies on the General Fund Transfers be brought back to the Board at a future meeting to discuss and also requested checking with City Council to assure the financial audit reviews go back to three years and not longer.

Chair Cash noted her objection to a process that appeared to differentiate between the three departments being audited, as to the scope of audit, the use of internal versus external auditors, and the funding source of the audits.

The internal City Auditor Cheryl Johannes clarified that after the City Council meeting, it was determined that in this round all departments would use outside auditors, and the scope of the audits were broadened.

Concern was expressed that RPU was solely funding its audit while the other two departments may require the use of reserves to cover their audits.

Deputy Attorney Susan Wilson clarified that the termination date on the Professional Consultant Services Agreement with Baker Tilly Virchow Krause, LLP (first page) would be corrected to show July 31, 2016 instead of June 21, 2016.

Following discussion, the Board of Public Utilities:

1. Approved the expenditure of \$135,000 for the financial and performance audits;
2. Recommended that the City Council approve a Professional Services Agreement with Baker Tilly Virchow Krause, LLP. (Baker Tilley), of Madison, Wisconsin, in an amount not to exceed of \$135,000 to conduct financial and performance audit of Riverside Public Utilities; and
3. Recommended that the City 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 transactions.

Motion – Austin. Second – Cole.

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

Absent: Nick Ferguson (excused due to resignation)

- 8 FIBER BUSINESS PLAN – REVIEW OF MAGELLAN ADVISORS REPORT ON USE OF FIBER FOR ENHANCED COMMUNITY BROADBAND COMMUNICATION INFRASTRUCTURE; \$300,000 IN STARTUP COSTS OFFSET BY CURRENT REVENUES OF \$420,000

This item was CONTINUED to a future Board meeting in 2016.

Motion – Scott-Coe. Second – O’Farrell.

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

Absent: Nick Ferguson (excused due to resignation)

- 9 REVISIONS TO REAL PROPERTY FINANCIAL MANAGEMENT POLICY TO REFLECT COMMERCIAL OPERATION OF THE MISSION SQUARE OFFICE COMPLEX

Chair Cash requested the following be added to the recommendation and to page 12 of the policy under the heading titled “Commercial Operation of Mission Square Office Complex”:

(1) "RPU shall use a professional third-party property manager for commercial management and operation of the building" and (2) "RPU, or the property manager, shall use a professional management company to manage the parking structure."

Following discussion, the Board of Public Utilities adopted revisions to the Riverside Public Utilities Real Property Financial Management Policy to reflect commercial operation of the Mission Square office complex, including adding the following sentences to page 12 of the policy, under the heading titled "Commercial Operation of Mission Square Office Complex": (1) "RPU shall use a professional third-party property manager for commercial management and operation of the building" and (2) "RPU, or the property manager, shall use a professional management company to manage the parking structure."

Motion – Cash. Second – Cole.

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

Absent: Nick Ferguson (excused due to resignation)

At this time the Board took a 5-minute recess and returned at 10:05 am

10 AWARD OF BID NO RPU-7349 - GRANULAR ACTIVATED CARBON REMOVAL AND REPLACEMENT CONTRACT TO CALGON CARBON CORPORATION – IN THE AMOUNT OF \$1,032,000

Assistant General Manager/Water Todd Jorgenson reported on this item.

Following discussion, the Board of Public Utilities:

1. Awarded a three year contract for the Palmyrita Water Treatment Plant Granular Activated Carbon Removal and Replacement, Bid No. RPU-7349 to the lowest responsive and responsible bidder Calgon Carbon Corporation of Pittsburg, Pennsylvania, in the amount of \$1,032,000; and
2. Determined that the bid by Carbon Activated Corporation of Compton, California, in the amount of \$944,666, is non-responsive.

Motion – Scott-Coe. Second – Austin.

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

Absent: Nick Ferguson (excused due to resignation)

11 BOARD OF PUBLIC UTILITIES MEETING SCHEDULE

Following discussion, the Board of Public Utilities:

1. Provided the following guidance and direction to staff on potential changes to its Standing Rules regarding day and time of its Regular Meetings:
 - Evening was agreed to be best for community involvement
 - 6:30 pm best time
 - Prefer the 1st and 3rd Wednesdays of each month – requested staff to check with City Clerk office if those days were available in the Art Pick Council Chambers

- The Board requested this change occur with the March 2016 Board term so the new applicants applying to the three positions opened on the Board will be aware and can adjust their time
- Review new meeting time in December 2016

The Board of Public Utilities approved the intent to move the Board meetings to evenings on the 1st and 3rd Wednesdays of each month at 6:30 pm beginning March 2016, subject to staff checking on availability, and bringing back the results on December 18, 2015 meeting for approval.

Motion – Austin. Second – Scott-Coe.

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

Absent: Nick Ferguson (excused due to resignation)

The Board of Public Utilities

2. Cancelled its Regular Meeting on January 1, 2016 and January 15, 2016;
3. Scheduled a Special Meeting on January 22, 2015; and
4. Acknowledged the Special Joint meeting of the City Council and Board of Public Utilities on January 25, 2016 to receive results of the APPA Hometown Connections Organizational Checkup.

Motion – Scott-Coe. Second – O'Farrell.

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

Absent: Nick Ferguson (excused due to resignation)

BOARD MEMBER/STAFF COMMUNICATIONS

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

NONE.

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

NONE.

GENERAL MANAGER'S REPORT

General Manager Girish Balachandran reported on the following:

- Recognized the Customer Relations staff for their achievements winning Public Relations Society of America awards for their H2O billboard campaign and BlueRiverside.com website redesign in response to the drought and for the most recent Financial Report.
- Read a resignation limerick from Board Member Nick Ferguson who has resigned from the Board due to health reasons.

- 14 Committee Reports – Electric Committee (September 4, 2015), Water Committee and Customer Relations/Finance Committee
- 15 Financial Report – June 30, 2015
- 16 City Council Agendas – November 10, 2015 and November 17, 2015
- 17 Upcoming Meetings
- 18 Electric / Water Utility Acronyms

UPCOMING MEETING

Chair Susan Cash adjourned the meeting at approximately 10:35 a.m. The next scheduled meeting of the Board of Public Utilities is to be held on Friday, December 4, 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: _____