

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Meeting of the Board of Public Utilities
Date of Meeting: May 9, 2016
Time of Meeting: 6:30 p.m.
Place of Meeting: Art Pick Council Chambers
3900 Main Street (at Main and Tenth Streets)
Riverside, California

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PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present: Dave Austin (Chair) Justin Scott-Coe (Vice Chair)
David Crohn Kevin Foust
Jennifer O'Farrell Andrew Walcker

Absent: Darrell Ament (unexcused absence)
Ron Cole (excused absence due to sick)

CITIZENS PARTICIPATION

- 1 Public Comment:
- Marie Duval commented on her utility bill charges.
 - Jason Hunter read an excerpt from the Press Enterprise and requested Item #6 move to discussion calendar.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar, with the exception of Item 2, **POLE ATTACHMENT AND CONDUIT 10-YEAR LICENSE AGREEMENT BETWEEN EXTENET SYSTEMS, INC. AND THE CITY OF RIVERSIDE PUBLIC UTILITIES FOR AN ESTIMATED 10 YEAR INCOME OF \$6,040** and Item 6, **APPROVAL OF PUBLIC UTILITIES DEPARTMENT 23.6% SHARE OF THE CITY FACILITY WI-FI IMPROVEMENT PROJECT, PROJECT TOTAL NOT TO EXCEED IS \$291,682.11, UTILITIES SHARE NOT TO EXCEED \$68,836.98**, which were moved to the Discussion Calendar.

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

Ayes: Austin, Scott-Coe, Crohn, Foust, O'Farrell, and Walcker.

Absent: Darrell Ament (unexcused absence)
Ron Cole (excused absence due to sick)

Electric Items

- 2 **MOVED TO DISCUSSION CALENDAR**

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Water Items

- 3 CONSTRUCTION OF THE MAGNOLIA AVENUE TECHITE PIPE REPLACEMENT PROJECT - BID NO. RPU-7346 – AUTHORIZE A CHANGE ORDER IN THE AMOUNT OF \$167,000 THUS INCREASING WORK ORDER NO. 1406072 IN THE AMOUNT OF \$104,804

The Board of Public Utilities:

1. Approved an increase of \$104,804 for Work Oder No. 1406072 for the Magnolia Avenue Techite Replacement Project – Bid No. RPU-7346; and
2. Authorized the issuance of a change order in the amount of \$167,000 (26.85%) to Trautwein Construction, Inc. of Riverside, California.

Other Items

- 4 FIRST AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR WATER COST OF SERVICE AND RATE DESIGN PROJECT EXTENDING THE TERM OF THE AGREEMENT TO DECEMBER 31, 2016 AND INCREASING THE CONTRACT AMOUNT BY \$24,462 TO A TOTAL REVISED CONTRACT AMOUNT NOT TO EXCEED \$149,835

The Board of Public Utilities approved the First Amendment to the Professional Service Agreement with Carollo Engineers, Inc., of Riverside, California, for the Water Cost of Service Analysis and Rate Design, extending the term of the Agreement to December 31, 2016 and increasing the Agreement by \$24,462 from the original contract agreement of \$125,373 to a total amount not to exceed \$149,835.

- 5 CONSENT AND AGREEMENT REGARDING CITY OF RIVERSIDE GROUND LEASE WITH OSR DEVELOPMENT, LLC FACILITATING TENANT LEASE WITH GOLDEN STATE FC, LLC A SUBSIDIARY OF AMAZON.COM – 555 E. ORANGE SHOW ROAD, SAN BERNARDINO, CA; NO CHANGE TO TERM OR GROUND LEASE VALUE

The Board of Public Utilities recommended that the City Council:

1. Approve the Consent and Agreement Regarding Ground Lease Agreement between the City of Riverside and OSR Development, LLC; ("Landlord") and
2. Authorize the City Manager, or his designee, to execute the Consent and Agreement Regarding Ground Lease, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

- 6 **MOVED TO DISCUSSION CALENDAR**

DISCUSSION CALENDAR

- 2 POLE ATTACHMENT AND CONDUIT 10-YEAR LICENSE AGREEMENT BETWEEN EXTENET SYSTEMS, INC. AND THE CITY OF RIVERSIDE PUBLIC UTILITIES FOR AN ESTIMATED 10 YEAR INCOME OF \$6,040

Board Member Walcker requested this item be placed on the Discussion Calendar for more clarification.

Assistant General Manager Pat Hohl addressed questions from the Board.

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

1. Approve the 10-year Pole Attachment and Conduit License Agreement between ExteNet Systems, Inc. and the City of Riverside; and
2. Authorize the City Manager, or his designee, to execute the necessary documents.

Motion – Walcker. Second – O'Farrell.

Ayes: Austin, Scott-Coe, Crohn, Foust, O'Farrell, and Walcker.

Absent: Darrell Ament (unexcused absence)
Ron Cole (excused absence due to sick)

- 6 APPROVAL OF PUBLIC UTILITIES DEPARTMENT 23.6% SHARE OF THE CITY FACILITY WI-FI IMPROVEMENT PROJECT, PROJECT TOTAL NOT TO EXCEED IS \$291,682.11, UTILITIES SHARE NOT TO EXCEED \$68,836.98

Board Member Walcker requested this item be placed on the Discussion Calendar for more clarification.

Deputy General Manager Kevin Milligan explained this item had been previously scheduled in error for City Council consideration prior to Riverside Public Utilities Board approval. Upon identification of the error the item was continued by Council to provide review by the Board. Chief Innovation Officer Lea Deesing addressed questions from the Board.

Ward 1 resident Jason Hunter addressed the Board.

Following discussion, the Board of Public Utilities approved the one-time expenditure not to exceed of \$68,836.98 (\$62,579.08 plus 10% contingency) plus and the annual recurring amount for maintenance of \$7,679.46 for the Public Utilities share of the Agreement with Vector USA for the City Facility Wi-Fi Improvement Project

Motion – Scott-Coe. Second – Crohn.

Ayes: Austin, Scott-Coe, Crohn, Foust, O'Farrell, and Walcker.

Absent: Darrell Ament (unexcused absence)
Ron Cole (excused absence due to sick)

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- 7 FIRST AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR FINANCIAL AND PERFORMANCE AUDIT INCREASING THE AGREEMENT BY \$19,874 FOR A TOTAL NOT TO EXCEED AMOUNT OF \$154,874

Audit Project Manager Lee McDougal provided an update on the status of the audits and addressed questions from the Board.

Ward 1 resident Jason Hunter addressed the Board.

Following discussion, the Board of Public Utilities (Board) recommended the City Council approve the First Amendment to the Professional Service Agreement with Baker Tilly Virchow Krause, LLP (Baker Tilly) for Financial and Performance Audits of RPU, increasing the agreement by \$19,874 for a total not to exceed amount of \$154,874.

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

Ayes: Austin, Scott-Coe, Crohn, Foust, O’Farrell, and Walcker.

Absent: Darrell Ament (unexcused absence)
Ron Cole (excused absence due to sick)

- 8 OPERATIONAL DATA MANAGEMENT SYSTEM PROJECT; MODIFY SCOPE OF PROJECT, APPROVE ENTERPRISE SOFTWARE AGREEMENT WITH OSISOFT, AND APPROVE PROFESSIONAL SERVICES AGREEMENT WITH INDUSTRIAL EVOLUTION – IN THE AMOUNT OF \$3,557,000

Deputy General Manager Kevin Milligan provided an overview presentation of the staff recommendations and addressed questions from the Board.

Ward 1 resident Jason Hunter addressed the Board.

Following discussion, the Board of Public Utilities:

1. Approved the Enterprise Agreement with OSIsoft, LLC and authorize the City Manager or his designee to execute the agreement in the amount of \$2,079,832;
2. Approved the Professional Services Agreement with Industrial Evolution and authorize the City Manager or his designee to execute the agreement in the amount of \$698,000;
3. Approved Work Order No. 1619634 in the amount of \$3,557,000; and
4. Reduced Work Order No. 1424073 from \$4,430,427 to \$2,530,400.

Motion – Scott-Coe. Second – Austin.

Ayes: Austin, Scott-Coe, Crohn, Foust, O’Farrell, and Walcker.

Absent: Darrell Ament (unexcused absence)
Ron Cole (excused absence due to sick)

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BOARD MEMBER/STAFF COMMUNICATIONS

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

Vice-Chair Scott-Coe provided a brief update on the ACWA Spring Conference that he attended in Monterey, California, the week of May 2, 2016.

10 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 RPU may lower the drought target due to new governmental guidelines.
- He also reported, RPU won several awards in areas of sustainability.
- Finance Committee will review Service Line Warranties for City of Riverside customers and Land Use Committee will receive PACE Programs presentation in the coming weeks.

11 Aliso Canyon Update

General Manager Girish Balachandran will bring an update to Board on May 23, 2016 regarding Southern California Gas shortage (leak at Porter Ranch).

12 Financial Report – February 29, 2016

13 Electric / Water Contract Panel Update – April 2016

14 Water Highlights – March 2016

15 Monthly Power Supply Report – March 2016

16 SCPPA Monthly Agenda / Minutes – March 17, 2016

17 SCPPA Miscellaneous Billings – April 2016

18 City Council Agendas – April 19, 2016 and April 26, 2016

19 Upcoming Meetings

20 Electric / Water Utility Acronyms

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UPCOMING MEETING

Chair Dave Austin adjourned the meeting at approximately 8:14 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, May 23, 2016 at 6:30 p.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 _____