

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

DRAFT

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: September 26, 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

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

MINUTES

- 1 The minutes from the Board of Public Utilities meeting held on September 12, 2016 were approved as submitted.

Motion – O'Farrell. Second – Cole.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

CITIZENS PARTICIPATION

- 2 Two e-comments were submitted - one for Item 4 and one for Item 5 – both were from Mr. Jason Hunter.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar, with the exception of Item 4, **STREETLIGHT METAL POLE PAINTING AT VARIOUS LOCATIONS THROUGHOUT THE CITY AND AWARD OF BID NO. RPU-7397 TO STREETLIGHT RESTORATION SPECIALISTS, INC. FOR \$330,374 – WORK ORDER NO. 1617059 FOR \$392,000**, and Item 5, **SECOND AMENDMENT TO MASTER AGREEMENTS FOR THE WATER DIVISION'S PAVING CONTRACTOR PANEL FOR A THREE-YEAR EXTENSION – ALL AMERICAN ASPHALT OF CORONA, CA, HARDY AND HARPER, INC. OF SANTA ANA, CA, R.J. NOBLE CO. OF ORANGE, CA AND MEDINA CONSTRUCTION OF RIVERSIDE, CA**, which were placed on the Discussion Calendar:

Motion – Scott-Coe. Second – Cole.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

Electric Items

- 3 APPROVE A PURCHASE ORDER TO CROWN TECHNICAL SYSTEMS OF FONTANA, CALIFORNIA, FOR SUBSTATION PROTECTIVE EQUIPMENT FOR THE 69KV BREAKER AND BUS DIFFERENTIAL RELAY REPLACEMENT PROJECT, WORK ORDER NO. 1603079, FOR \$124,546

The Board of Public Utilities approved a purchase order for \$124,546 to Crown Technical Systems of Fontana, California, for system protection relay panels and additional miscellaneous material for the 69kV Breaker and Bus Differential Relay Replacement Project at Springs and Orangecrest Substations.

- 4 **MOVED TO DISCUSSION CALENDAR**

Water Items

- 5 **MOVED TO DISCUSSION CALENDAR**

Other Items

- 6 COMPLIANCE FILING WITH THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR: APPROVAL OF RIVERSIDE PUBLIC UTILITIES ELECTRIC 2017 ANNUAL RESOURCE ADEQUACY PLAN

The Board of Public Utilities:

1. Approved the 2017 Annual Resource Adequacy Plan; and
2. Authorized filing the Annual Resource Adequacy Plan with the California Independent System Operator in compliance with Section 40 of its tariff.

- 7 APPROVAL OF PROPERTY SURPLUS DECLARATION AND PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION OF A PORTION OF RIVERSIDE WATER COMPANY CANAL APN 213-060-004 TO 3RD AVENUE STORAGE LLC FOR \$8,000

The Board of Public Utilities recommended that the City Council:

1. Approve the surplus property declaration of a 1,576 square foot portion of the Riverside Water Company Canal; and
2. Authorize the City Manager, or his designee, to execute the Purchase and Sale Agreement between the City and 3rd Avenue Storage, LLC, for the sale price of \$8,000, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

- 8 FIRST AMENDMENT TO THE AGREEMENT WITH SECURICON, LLC FOR PROFESSIONAL CONSULTANT SERVICES FOR A PHYSICAL AND CYBER SECURITY VULNERABILITY ASSESSMENT EXTENDING THE TERM OF THE AGREEMENT TO JUNE 30, 2017, NO ADDITIONAL FUNDING

The Board of Public Utilities approved the First Amendment to the Professional Service Agreement with Securicon, LLC for the Security Assessment to extend the term through June 30, 2017.

- 9 APPROVE THE LETTER AGREEMENT TO ACT AS SCHEDULING COORDINATOR/AGENT FOR ANTELOPE DSR 2 SOLAR PV PROJECT WITH THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND CITY OF RIVERSIDE – \$36,000 ANNUAL REVENUES

The Board of Public Utilities recommended that the City Council:

1. Approve the Letter Agreement to act as Scheduling Coordinator/Agent for the Antelope DSR 2 Solar Photovoltaic Project between the Southern California Public Power Authority and the City of Riverside;
2. Authorize the City Manager, or his designee, to execute any documents necessary to administer this Letter Agreement;
3. Authorize the City Manager or his designee to terminate the Letter Agreement(s) for circumstances provided in the Agreement; and
4. Authorize the City Manager or his designee to execute documents necessary for future requests for Riverside to provide similar services to joint projects at the Southern California Public Power Authority, under similar terms and conditions as recommended herein.

- 10 FOURTH AMENDMENT TO THE AGREEMENT WITH BAKER TILLY VIRCHOW KRAUSE, LLP FOR PROFESSIONAL CONSULTANT SERVICES FOR AN EXAMINATION AND PERFORMANCE AUDIT EXTENDING THE TERM OF THE AGREEMENT TO DECEMBER 31, 2016 – NO ADDITIONAL FUNDING REQUIRED

The Board of Public Utilities approved the Second Amendment to the Professional Service Agreement with Baker Tilly Virchow Krause, LLP for the performance audit to extend the term through December 31, 2016.

CORRECTION: There was no presentation for this item - the agenda showed "presentation by Reiko Kerr" – this was a clerical error.

DISCUSSION CALENDAR

- 4 STREETLIGHT METAL POLE PAINTING AT VARIOUS LOCATIONS THROUGHOUT THE CITY AND AWARD OF BID NO. RPU-7397 TO STREETLIGHT RESTORATION SPECIALISTS, INC. FOR \$330,374 – WORK ORDER NO. 1617059 FOR \$392,000

Board Chair Austin requested this item to be placed on the Discussion Calendar for clarification of where the monies come from for the streetlights. Electrical Engineering Manager George Hanson replied that the revenue collected from the LS-1 rate from the Streetlight Assessment District and general fund covers all light operation and maintenance within the City.

Following discussion, the Board of Public Utilities:

1. Approved Work Order No. 1617059 in the amount of \$392,000; and
2. Awarded Bid No. RPU-7397 for the painting of streetlight metal poles at various locations throughout the city, to the lowest responsive bidder Streetlight Restoration Specialists, Inc., Simi Valley, California, in the amount of \$330,374.

Motion – Cole. Second – Crohn.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

- 5 SECOND AMENDMENT TO MASTER AGREEMENTS FOR THE WATER DIVISION'S PAVING CONTRACTOR PANEL FOR A THREE-YEAR EXTENSION – ALL AMERICAN ASPHALT OF CORONA, CA, HARDY AND HARPER, INC. OF SANTA ANA, CA, R.J. NOBLE CO. OF ORANGE, CA AND MEDINA CONSTRUCTION OF RIVERSIDE, CA

Board Chair Austin requested this item be placed on the Discussion Calendar to have it on record "that any contractor can be added to this list at any time, but they need to meet the qualifications".

Following discussion, the Board of Public Utilities approved the Second Amendment to Master Agreements for the Water Division's Paving Contractor Panel for a three-year extension with All American Asphalt of Corona, CA, Hardy and Harper, Inc. of Santa Ana, CA, R.J. Noble Co. of Orange, CA, and Medina Construction of Riverside, CA.

Motion – Scott-Coe. Second – Foustl.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

- 11 CONSTRUCTION OF THE INTERSTATE 215 BARTON ROAD INTERCHANGE 48-INCH WATER PIPELINE RELOCATION AND ENCASEMENT PROJECT – AWARD OF BID NO. RPU-7425 TO TRAUTWEIN CONSTRUCTION CO., INC. OF RIVERSIDE, CALIFORNIA, IN THE AMOUNT OF \$453,768 – WORK ORDER NO. 1703247 FOR \$611,000 – COSTS WILL BE REIMBURSED BY SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION (SANBAG) – UTILITY AGREEMENT NO. 23786 DATED MAY 26, 2016

Assistant General Manager Todd Jorgenson gave an overview of this project.

Following discussion, the Board of Public Utilities:

1. Awarded a contract for the construction of the Interstate 215 Barton Road Interchange 48-inch Water Pipeline Relocation and Encasement Project – Bid No. RPU-7425 to the lowest responsive and responsible bidder, Trautwein Construction Co., Inc., of Riverside, California, in the amount of \$453,768; and
2. Approved the capital expenditure of \$611,000 for Work Order No. 1703247, which includes all design, construction, contract administration, inspection and construction contingency costs for the I-215 Barton Road Interchange 48-inch Water Pipeline Relocation and Encasement Project.

Motion – Scott-Coe. Second – Cole.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

- 12 THREE-YEAR ELECTRIC SERVICE AGREEMENT BETWEEN THE UNIVERSITY OF CALIFORNIA RIVERSIDE AND THE CITY OF RIVERSIDE FOR APPROXIMATELY \$34 MILLION IN ELECTRIC REVENUE AND THE USE OF APPROXIMATELY \$2.5 MILLION IN PUBLIC BENEFIT FUNDS FOR QUALIFIED ENERGY EFFICIENCY PROJECTS

Assistant General Manager Mike Bacich gave a presentation explaining the contract history and an overview of UCR's energy usage accounting for 5% of our total energy used in our service territory. He also introduced Ken Mueller, UCR representative, who spoke in appreciation of RPU staff in regards to this agreement.

Following discussion, the Board of Public Utilities:

1. Approved and recommended that the City Council approve a three-year Electric Service Agreement between the City of Riverside and the University of California Riverside to provide electric services as stipulated in the agreement; and
2. Authorized the City Manager, or his designee, to execute the agreement.

Motion – O'Farrell. Second – Crohn.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

- 13 APPROVAL OF COMMUNICATIONS SYSTEM FROM THE DESIGN BUILD PROPOSAL NO. 1558, WITH MOTOROLA SOLUTIONS, INC., OF SAN DIEGO, CA, FOR THE LAND MOBILE RADIO PROJECT FOR \$2,479,852 AND APPROVAL OF WORK ORDER NO. 1524282 FOR \$3,000,000

Electrical Engineering Manager George Hanson gave a background of RPU's communications system and introduced Tony McIntosh (Motorola representative) who also answered questions from the Board.

Following discussion, the Board of Public Utilities:

1. Approved Communications System Agreement to Motorola Solutions, Inc., of San Diego, California, for the Land Mobile Radio Project for \$2,479,852; and
2. Approved Work Order No. 1524282 for \$3,000,000.

Motion – Scott-Coe. Second – Cole.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

- 14 ACTION PLAN IN RESPONSE TO RECOMMENDATIONS FROM THE RECENTLY PRESENTED PUBLIC UTILITIES PERFORMANCE AND FINANCIAL AUDITS

Deputy General Manager Kevin Milligan gave an overview and answered questions.

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

1. Receive, review, and provide input on the Action Plan to implement recommendations from the recently presented Performance Audit of the Public Utilities Department;
2. Receive, review, and provide input on the Action Plan to implement recommendations from the recently presented Financial Expenditure Review of the Public Utilities Department; and
3. Direct staff to return in six months with a status update on the Action Plans.

Motion – Cole. Second – O'Farrell.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

- 15 ACTION PLAN IN RESPONSE TO RECOMMENDATIONS FROM THE HOMETOWN CONNECTIONS ORGANIZATIONAL REVIEW

Deputy General Manager Kevin Milligan gave an overview and answered questions.

Following discussion, the Board of Public Utilities:

1. Received, reviewed, and provided input on the Action Plan to implement recommendations from the Hometown Connections Organizational Review of the Public Utilities Department; and
2. Directed staff to return in six months with a status update on the Action Plans.

Motion – O'Farrell. Second – Cole.

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

Absent: Andrew Walcker (excused absence)
Darrell Ament (resigned from Board on 9/22/2016)

BOARD MEMBER/STAFF COMMUNICATIONS

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

Board Member Crohn and Vice Chair Scott-Coe reported on the APPA Business & Financial Conference in San Antonio, Texas, that they attended with staff on September 17 to 21, 2016.

Vice Chair Scott-Coe also reported that he attended the San Bernardino Valley Municipal Water District meeting of the Advisory Commission on Water Policy on September 22, 2016.

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

None.

GENERAL MANAGER'S REPORT

- 18 Aliso Canyon Update
- 19 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for August 2016
- 20 Electric / Water Contract Panel Update as of September 2016
- 21 SCPPA Miscellaneous Billings – August 2016
- 22 City Council Agendas – September 13, 2016 and September 20, 2016
- 23 Upcoming Meetings
- 24 Electric / Water Utility Acronyms

CLOSED SESSION

- 25 **CANCELLED** / Pursuant to Government Code §54956.9(d)(1) to confer with and/or receive advice from legal counsel concerning City of Riverside v. Mitsubishi Heavy Industries, et al., USDC Case No. 13-CV-1724-BEN (KSC); SCE, et al. v. Mitsubishi Nuclear Energy Systems, et al., International Chamber of Commerce International Court of Arbitration, Case No. 19784/AGF; Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison and San Diego Gas & Electric Associated with the San Onofre Nuclear Generating Station Units 2 and 3; CPUC Investigation 12-10-013

COMMUNICATIONS

- 26 **CANCELLED** / City Deputy Attorney Report on Closed Session Discussions

UPCOMING MEETING

Chair Dave Austin adjourned the meeting at approximately 7:41 p.m. The next scheduled meeting of the Board of Public Utilities is to be held on Monday, October 24, 2016 at 6:30 p.m. in the Art Pick Council Chamber, Riverside, California and the October 10, 2016 meeting has been cancelled.

By: _____
Girish Balachandran, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: _____