

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

DRAFT

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: January 23, 2017
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
	Elizabeth Sanchez-Monville	Andrew Walcker

Absent: None.

PRESENTATIONS

- 1 EMPLOYEE RECOGNITION AWARD OF HEATHER RAYMOND, UTILITY CUSTOMER COMMUNICATIONS MANAGER

The Board of Public Utilities recognized Heather Raymond, Utility Customer Communications Manager for her hard work and dedication to Riverside Public Utilities and the City of Riverside.

CITIZENS PARTICIPATION

- 2 None.

CONSENT CALENDAR

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

Motion – Walcker. Second – Cole.

Ayes: Austin, Cole, Crohn, Foust, O'Farrell, and Walcker.

Abstain: Item 6 - Sanchez-Monville abstained due to financial conflict of interest (source of income)
Item 3 – Scott-Coe abstained

Absent: None.

Minutes

- 3 The minutes from the Board of Public Utilities regular meeting held on January 9, 2017 were approved as presented.

Board Attendance

- 4 EXCUSE BOARD VICE-CHAIR JUSTIN SCOTT-COE'S ABSENCE FROM THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES ON JANUARY 9, 2017

The Board of Public Utilities excused Board Vice-Chair Justin Scott-Coe's absence from the Board of Public Utilities meeting of January 9, 2017 because of vacation.

Other Items

- 5 NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION-WESTERN ELECTRICITY COORDINATING COUNCIL INTERNAL COMPLIANCE PROGRAM UPDATE

The Board of Public Utilities recommended that the City Council:

1. Adopt a resolution approving the attached third Amendment to the Riverside Public Utilities Internal Compliance Program; and
2. Authorize the City Manager, or his designee, to approve substantive modifications to the Riverside Public Utilities Internal Compliance Program which are necessary to comply with additional or revised Federal Energy Regulatory Commission, North American Electric Reliability Corporation, and/or the Western Electricity Coordinating Council regulations.

- 6 FIFTH AMENDMENT TO LEASE AGREEMENT WITH RAINCROSS HOSPITALITY CORPORATION – MISSION SQUARE OFFICE BUILDING, 3750 UNIVERSITY AVENUE, SUITE 175 – THREE YEAR TERM FOR \$227,662 IN REVENUE

The Board of Public Utilities recommended that the City Council:

1. Approve the Fifth Amendment to Lease with Raincross Hospitality Corporation dba Riverside Convention & Visitors Bureau; and
2. Authorize the City Manager, or his designee, to execute the Fifth Amendment to Lease, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction

DISCUSSION CALENDAR

- 7 LONG-TERM LEASE AND INDUSTRIAL DEVELOPMENT OF WATERMAN GOLF COURSE LOCATED AT 1494 S. WATERMAN AVENUE, SAN BERNARDINO, CALIFORNIA; GROUND LEASE AGREEMENT WITH GSW#4 DEVELOPMENT LLC OF ONTARIO CALIFORNIA, FOR A TERM OF 55 YEARS; WELL RELOCATION AGREEMENT WITH HILLWOOD ENTERPRISES, L.P. OF DALLAS TEXAS; TERMINATION OF LEASE WITH J.G. GOLFING ENTERPRISES, INC.; PURCHASE AND SALE AGREEMENT WITH HILLWOOD ENTERPRISES, L.P. - 55 YEAR LEASE FOR \$1,113,500 IN ANNUAL LEASE REVENUE

Deputy General Manager Kevin Milligan gave an update of the history and the future of this development project and answered questions from the Board.

Deputy General Manager Milligan acknowledged that Mr. Ned Sciortino, Vice President of Development with Hillwood Enterprises, L.P., who are the developers of this project, was in the audience should there be a need for answers from the developer. Also Chief Assistant City Attorney Kristi Smith was acknowledged for the great work she did documenting the ground lease agreement for this project.

The Board requested when reviewing the fiscal policies in the future to look at the 55 year old building as an asset or a liability.

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

1. Approve the 55-year term Ground Lease with GSW#4 Development, LLC, for the use of the Waterman Golf Course parcels for an annual rental revenue of approximately \$1,113,500, escalating over the term of the agreement, offset in the first 15 years by certain rental credits;
2. Approve the Well Relocation Agreement with Hillwood Enterprises, L.P. for the relocation of certain city owned water production and conveyance facilities;
3. Approve in concept the draft Termination Agreement to terminate the current ground lease agreement with J.G. Golfing Enterprises, Inc. and assign the agreement to Hillwood Enterprises, L.P.;
4. Approve the Purchase and Sale Agreement with Hillwood Enterprises, L.P. to transfer a 1.722 acre parcel within the Waterman Golf Course to the City of Riverside Public Utilities for the sum of \$1.00; and
5. Authorize the City Manager, or his designee, to execute Ground Lease with GSW#4 Development, LLC, the Well Relocation Agreement with Hillwood Enterprises, L.P. and the Purchase and Sale Agreement with Hillwood Enterprises, L.P., including making minor and non-substantive changes, and execute any documents necessary to administer these agreements.

Motion – Cole. Second – Walcker.

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

Absent: None.

8 ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAMS UPDATE

Assistant General Manager/Marketing Mike Bacich gave an update on the following:

- Background of Public Benefits Surcharge and Water Conservation Surcharge
- Public Benefit Fund Allocation
- Energy Efficiency Programs / Water Efficiency Programs
- Renewable Energy
- Low-Income Assistance Programs
- Research, Demonstration and Development (RD&D) Programs
- The Purpose of Rebate Programs
- Four Main Factors Considered During a New Program Development
- Energy Savings by Sector
- Direct Installation Programs
- Customer Engagement Programs
- Programs for Unique Customer Sectors
- Select Programs with Greatest Energy Savings
- Cost Effectiveness of Programs
- Energy Program Reporting / Water Program Reporting

Following discussion, the Board of Public Utilities received and filed this report.

Motion – Cole. Second – Crohn.

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

Absent: None.

9 2016 STATE LEGISLATIVE UPDATE

Legislative Affairs Manager Robert Ennis reported on the California energy and water legislation that was chaptered in the year 2016.

The Board requested staff to bring back to the Board the authors of the 2016 Bills that were discussed in this update.

Following discussion, the Board of Public Utilities received and filed a legislative update covering state legislative matters.

Motion – Cole. Second – Scott-Coe.

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

Absent: None.

BOARD MEMBER/STAFF COMMUNICATIONS

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

None.

- 11 ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION
AS REQUESTED BY A MEMBER OF THE BOARD OF PUBLIC UTILITIES
- Renewable Resources Vetting and Selection

GENERAL MANAGER'S REPORT

- 12 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for December 2016
- 13 SCPPA Miscellaneous Billings – November 2016
- 14 SCPPA Monthly Agenda I Minutes – December 15, 2016
- 15 City Council / Committee Agendas – January 10, 2017 and January 17, 2017
- 16 Monthly Power Supply Report – November 2016
- 17 Upcoming Meetings
- 18 Electric / Water Utility Acronyms
- 19 Financial Report – October 31, 2016
- 20 Quarterly Board of Public Utilities Attendance Report – October, November, and December 2016

UPCOMING MEETING

Chair Dave Austin adjourned the meeting at approximately 8:54 p.m. The next scheduled meeting of the Board of Public Utilities is to be held on Monday, February 13, 2017 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: _____