

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Meeting of the Board of Public Utilities
Date of Meeting: April 10, 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

DRAFT

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present: Dave Austin (Chair) Jennifer O'Farrell (Vice Chair)
Kevin Foust Gil Oceguela
Jo L. Russo-Pereyra Elizabeth Sanchez-Monville

Absent: Andrew Walcker
David Crohn

PRESENTATIONS

- 1 EMPLOYEE RECOGNITION AWARD TO THE PROJECT TEAM FOR THE WATER ASSET MANAGEMENT PROJECT - CONTINUED

The Board of Public Utilities recognized Toni Redman, Senior Engineering Aide, Paul Shouse, Senior Business Systems Support Analyst, and Marc Smith, Utilities Analyst for their excellent work on the Water Asset Management Project.

CITIZENS PARTICIPATION

- 2 None

CONSENT CALENDAR

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

Motion – O'Farrell. Second – Sanchez-Monville.

Ayes: Austin, Foust, Oceguela, O'Farrell, Russo-Pereyra, and Sanchez-Monville.

Abstained: None.

Absent: Andrew Walcker
David Crohn

Minutes

- 3 The minutes from the Board of Public Utilities regular meeting held on March 13, 2017 were approved as submitted.

Board Attendance

- 4 EXCUSE BOARD CHAIR DAVE AUSTIN'S ABSENCE FROM THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES ON FEBRUARY 27, 2017

The Board of Public Utilities excuse Board Chair Dave Austin's absence from the Board of Public Utilities meeting of February 27, 2017 due to his attendance at the APPA 2017 Legislative Rally in Washington DC on behalf of the Board.

Electric Items

- 5 AWARD BID NO. 1319813-17RPU FOR THE CONDUIT AND CABLE REPLACEMENT CANYON CREST AREA CIRCUIT 1218 AREA 1D PROJECT TO ASPLUNDH CONSTRUCTION CORPORATION OF ANAHEIM, CALIFORNIA, IN THE AMOUNT OF \$329,738.50 - APPROVE WORK ORDER NO. 1319813 FOR \$967,000

The Board of Public Utilities:

1. Awarded Bid No. 1319813-17RPU for the Conduit and Cable Replacement Canyon Crest Area Circuit 1218 Area 1D Project, to the lowest responsive bidder Asplundh Construction Corp., Anaheim, California, in the amount of \$329,738.50; and
2. Approved Work Order No. 1319813 in the amount of \$967,000.

- 6 CHANGE ORDER TO PURCHASE ORDER NO. 171202 WITH CG POWER SYSTEMS OF WASHINGTON, MISSOURI FOR ADDITIONAL STOCK OF DISTRIBUTION TRANSFORMERS FOR \$347,535

The Board of Public Utilities approved the change order and capital expenditure of \$347,535 for Purchase Order No. 171202, to purchase 24 pad-mounted, distribution transformers of various sizes to replenish stocking levels for summer 2017.

Water Items

- 7 CONSTRUCTION OF THE MAGNOLIA AVENUE AND RAMONA DRIVE WATER DISTRIBUTION MAIN REPLACEMENT PROJECT – AWARD OF BID NO. RPU-7464 TO SULLY-MILLER CONTRACTING CO. OF BREA, CALIFORNIA, IN THE AMOUNT OF \$1,984,777 – APPROVE WORK ORDER NO. 1107917 FOR \$2,704,000

The Board of Public Utilities:

1. Awarded a contract for the construction of the Magnolia Avenue and Ramona Drive Water Distribution Main Replacement Project – Bid No. RPU-7464 to the lowest responsive and responsible bidder, Sully-Miller Contracting Co. of Brea, California, in the amount of \$1,984,777; and
2. Approved the capital expenditure of \$2,704,000 for Work Order No. 1107917, which includes all design, construction, paving, contract administration, inspection and construction contingency costs for the Magnolia Avenue and Ramona Drive Water Distribution Main Replacement Project.

8 SHAREHOLDER PROXY AUTHORITY FOR THE TRUJILLO WATER COMPANY

The Board of Public Utilities approved and recommended that the City Council confirm the voting representatives and alternates outlined in the report and delegate authority to any designated representative or alternate to vote the City's shares as the City's proxy at all meetings of the Trujillo Water Company.

Other Items

9 APPROVE THE EXPENDITURES FOR THE CITY OF RIVERSIDE'S COMPUTRONIX PERMIT SOFTWARE UPGRADE PROJECT, INITIAL ALLOCATION OF \$135,915 FROM WATER AND \$332,756 FROM ELECTRIC, AND AN INCREASED AMOUNT FOR ADDITIONAL SOFTWARE SERVICES FOR THE WATER DEPARTMENT NOT TO EXCEED \$119,050

The Board of Public Utilities approved the initial expenditures for the City Computronix permit software upgrade project, of which the Water and Electric Department's initial share allocation was \$135,915 and \$332,756, respectively; and an increased amount, not to exceed \$119,050, for additional software services for the Water Department.

10 THREE-YEAR SOFTWARE SERVICE AGREEMENT WITH BABCOCK & WILCOX POWER GENERATION GROUP, INC. FOR TECHNICAL SOFTWARE SUPPORT SERVICES IN THE AMOUNT OF \$86,790

The Board of Public Utilities:

1. Approved the three-year software service agreement (S2016_115r5) with Babcock & Wilcox Power Generation Group, Inc. in the amount of \$86,790 for technical software support;
2. Authorized the City Manager, or his designee, to execute the software service agreement S2016_115r5 with Babcock & Wilcox Power Generation Group, Inc.; and
3. Authorized the City Manager, or his designee to execute any future amendments or extensions to the Service Agreement under the same price and terms and conditions.

11 ACTION PLAN UPDATE FOR THE FISCAL YEAR 2016 PERFORMANCE ASSESSMENT AND FINANCIAL EXPENDITURE AUDIT BY BAKER TILLY AND ORGANIZATIONAL ASSESSMENT BY HOMETOWN CONNECTIONS

The Board of Public Utilities received and filed this report updating the action plans for:

1. Fiscal Year 2016 Performance Assessment and Financial Expenditure Audit by Baker Tilly; and
2. Organizational Assessment by Hometown Connections.

12 FOURTH AMENDMENT TO TEMPORARY REVOCABLE LICENSE AGREEMENT WITH BEST BEST & KRIEGER LLP – MISSION SQUARE OFFICE BUILDING, 3750 UNIVERSITY AVENUE, SUITE 110 – MONTH TO MONTH TEMPORARY LICENSE AGREEMENT FOR \$3,250 PER MONTH

The Board of Public Utilities recommended that the City Council:

1. Approve the Fourth Amendment to Temporary Revocable License Agreement with Best Best & Krieger LLP; and
2. Authorize the City manager, or his designee, to execute the Fourth Amendment to Temporary Revocable License Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

13 APPROVAL OF RESOLUTIONS AUTHORIZING LETTERS OF CREDIT RENEWAL OF 2008A ELECTRIC REVENUE BONDS OF \$70,540,000 AND 2008C ELECTRIC REVENUE BONDS OF \$41,975,000, REMARKETING OF 2011A ELECTRIC REVENUE BONDS FOR \$41,925,000, AND APPROVAL OF FINANCING COSTS USING PUBLIC FINANCIAL MANAGEMENT, AS THE FINANCIAL ADVISOR FOR \$22,500, STRADLING YOCCA CARLSON & RAUTH AS BOND AND DISCLOSURE COUNSEL FOR \$40,000 FOR THE CITY, MCDERMOTT WILL & EMERY, LLP REPRESENTING BARCLAYS FOR THE LETTER OF CREDIT FACILITIES AND CHAPMAN AND CUTLER, LLP REPRESENTING WELLS FOR THE DIRECT PLACEMENT TRANSACTION FOR A TOTAL OF \$37,000 FOR BOTH FIRMS

The Board of Public Utilities recommended that the City Council:

1. Adopt resolution authorizing the replacement of the 2008C letter of credit and the extension of the 2008A letter of credit under substantially similar terms for a period of four years, authorizing the execution of a remarketing agreement with Barclays for the 2008A Electric Revenue Bonds; and
2. Adopt resolution authorizing a remarketing of the 2011A Electric Revenue Bonds (including amending Resolution No. 22193 and the related Continuing Covenant Agreement); and
3. Authorize the City Manager, or designee, to execute all documents related to these actions and to make non-substantive revisions to those documents as needed; and
4. Approve and authorize expenditures for the use of Public Financial Management, Inc., as the City's Financial Advisor, Stradling Yocca Carlson & Rauth as the City's bond and disclosure counsel, and reimburse Barclays Bank, PLC and Wells Fargo Bank for legal costs associated with their transactions.

DISCUSSION CALENDAR

- 14 ESTABLISH UNIFORM RENTAL FEES FOR USE OF UNDEVELOPABLE RIVERSIDE CANAL AND GAGE CANAL PARCELS AND APPROVE CANAL USE MASTER LICENSE AGREEMENT – NEW REVENUE DEPENDENT UPON FUTURE CANAL PARCEL USE

Deputy General Manager Kevin Milligan gave an overview presentation of the proposed Canal Use Master License Agreement and uniform rental fees for permitted uses of undevelopable Riverside Canal and Gage Canal parcels.

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

1. Approve the establishment of a set rental rate for the use of undevelopable Canal Parcels at \$0.15 per square foot for Open Space and Single Family Residential adjacent zoned properties and \$0.60 per square foot for all other adjacent zoned properties, with a minimum \$300 per license;
2. Approve an annual 2% escalation of the rate for licensed uses;
3. Authorize the City Manager, or his designee, to execute Canal Use License Agreements for undevelopable Canal Parcels under the terms set forth in this staff report; and
4. Direct staff to return every 5 years to update the rental rates and fees.

Motion – Foust. Second – O'Farrell.

Ayes: Austin, O'Farrell, Foust, Ocegura, Russo-Pereyra, and Sanchez-Monville.

Absent: Andrew Walcker
David Crohn

- 15 2017 Q1 STATE AND FEDERAL LEGISLATIVE UPDATE ON ISSUES POTENTIALLY IMPACTING CITY OF RIVERSIDE PUBLIC UTILITIES OPERATIONS

Legislative Affairs Manager Robert Ennis gave a quarterly state and federal legislative update and answered questions from the Board.

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

Motion – Russo-Pereyra. Second – Ocegura.

Ayes: Austin, O'Farrell, Foust, Ocegura, Russo-Pereyra, and Sanchez-Monville.

Absent: Andrew Walcker
David Crohn

BOARD MEMBER/STAFF COMMUNICATIONS

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

None.

- 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 Safety Update
- 19 City Council / Committee Agendas – March 14, 2017, March 21, 2017, and March 28, 2017
- 20 Water Highlights – February 2017
- 21 Monthly Power Supply Report – February 2017
- 22 Financial Statements – January 2017
- 23 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for February 2017
- 24 SPPA Miscellaneous Billings – January 2017
- 25 SPPA Monthly Agenda I Minutes – February 16, 2017
- 26 Electric / Water / Consultant Contract Panel Update as of March 2017
- 27 Upcoming Meetings
- 28 Electric / Water Utility Acronyms

UPCOMING MEETING

Chair Dave Austin adjourned the meeting at approximately 7:12 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, April 24, 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 _____