

2016 Board of Public Utilities Update and 2017 Goals

Board of Public Utilities
June 12, 2017

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BOARD HIGHLIGHTS

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REGIONAL WATER PARTNERSHIP

Approved by Board:

1. 20-year term: 5,408 acre-ft wheeled annually
2. Economic benefit
 - a. RPU Revenue - \$83M
 - b. Western Savings - \$42M
3. 10-year Term: 2,000 acre-ft sold annually
4. Economic benefit
 - a. RPU Revenue - \$17M
 - b. Western Savings - \$4.6M



\$100 million partnership agreement with WMWD in total



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NEW LEASE REVENUE

Approved by Board:

1. Long term lease and development of Waterman Golf Course - **\$45M new revenue**
2. Drive Time Lease - **\$800,000 new revenue**
3. Varner & Brandt Mission Square Lease - **\$2.3M new revenue**
4. Wells Fargo Mission Square Lease - **\$1.3M new revenue**



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AIR RESOURCES BOARD

Approved by Board:

1. Two new 12kv circuits out of the University Substation are being planned for to serve the future Air Resources Board.
2. Negotiated Right of Way Agreement with UCR
3. Obtain Right of Entry Agreement
4. Planning the Iowa undergrounding infrastructure improvements
5. Fiber discussion with Department of General Services



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BOARD AND COUNCIL WORKSHOPS

UCR Value Study Conclusions

In aggregate, UCR concludes an annual economic benefit of nearly \$480 million from RPU's rates and activities.



Table 3: Economic Impact Summary

Impact Type	Employment	Labor Income (\$ Millions)	Output (\$ Millions)
Direct Effect	2,081	96.0	289.0
Indirect Effect	790	33.5	107.6
Induced Effect	663	26.3	83.1
Total	3,533	155.7	479.7
Per \$1 Million	12	0.5	1.7

Source: IMPLAN, Calculations by Beacon Economics
Figures have been rounded.

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BOARD AND COUNCIL WORKSHOPS

Overview of Utility Financial Operations for Boards and Councils

Presentation by Utility Financial Solutions, LLC

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Vice-President
Utility Financial Solutions
dlund@ufsweb.com



Dawn Lund
Vice President

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FINANCE/ADMINISTRATION

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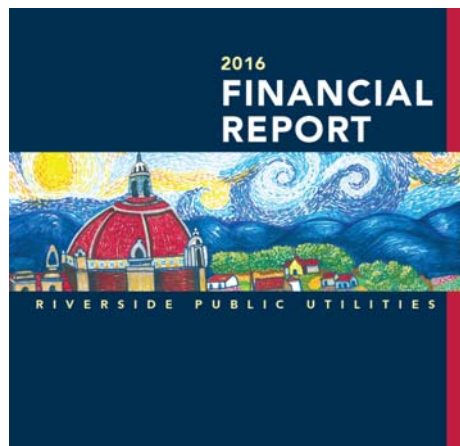


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FINANCE/ADMINISTRATION

As building blocks for Utility 2.0:

1. Electric & Water Cost of Service Studies
2. AAA Water credit rating
3. Financial & Reserve Policies
4. Baker – Tilly Audit – 52 recommendations
 - a. 11 recommendations - complete
 - b. 17 recommendations – in progress
 - c. 24 recommendations - planning/research phase
5. Hometown Connections Audit – 64 recommendations
 - a. 16 recommendations – complete
 - b. 38 recommendations – in progress
 - c. 10 recommendations - planning/research phase

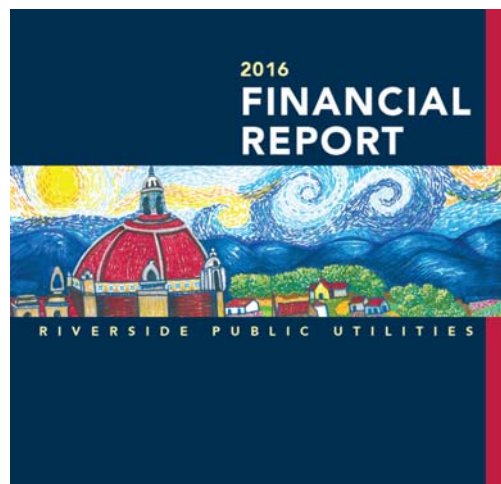


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FINANCE/ADMINISTRATION – UPCOMING

1. Northside Development
2. 5 year Strategic Plan and KPIs
3. Dark Fiber



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WORKFORCE DEVELOPMENT

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FINANCE/ADMINISTRATION – UPCOMING

Beginning to align staff with Utility 2.0

1. Strategically sourcing Utility 2.0 talent
2. Training Plan
3. Dennis Snow Training
4. Onboarding 2.0
5. Started Utility-wide Class and Compensation study



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WATER DELIVERY

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WATER DELIVERY

Approved by Board:

1. Recycled Water - Jackson
2. Water Dashboards – ODMS
3. Arroyo Drive Main Replacement Project
4. 10th & 11th Street Main Replacement Project



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WATER DELIVERY ACCOMPLISHMENTS

Improving infrastructure for Utility 2.0 readiness:

1. Pumps replaced – 6
2. Pumps rebuilt – 5
3. Wells refurbished – 2
4. Meters replaced – 2,092
5. Miles of pipeline replacement – 5.83
6. SCADA Installations - 1



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WATER DELIVERY – ONGOING

Improving infrastructure for Utility 2.0 readiness:

1. Continued Pipeline Replacements
 - a. 10th & 11th Street Main Replacement Project - (*Ward 1*)
 - b. Canyon Crest Booster Station Replacement Project – (*Ward 2*)
 - c. Arroyo Drive Main Replacement Project – (*Ward 3*)
 - d. Indiana & Mary Main Replacement Project – (*Ward 4*)
 - e. Colorado & Toyon Main Replacement Project – (*Ward 5*)
 - f. Larry Way Main Replacement Project – (*Ward 6*)
 - g. Arlington & Western Main Replacement Project – (*Ward 7*)

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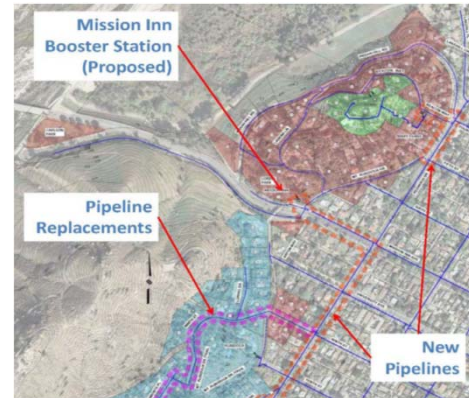
WATER DELIVERY - UPCOMING

Mission Inn Booster Station Installation Project

Approved by Board:

Construction of groundwater well-
\$1,386,622

1. The Raub 6 and 7 wells
 - a. Tippecanoe Well
 - b. Gage 92-3 Well
 - c. Flume 3 Well



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ENERGY DELIVERY



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ENERGY DELIVERY HIGHLIGHTS

Approved by Board:

1. Plaza Substation Expansion/Power Transformer Addition
2. Magnolia/Plaza Area 4-12kV Conversion - \$1,349,000
3. Electronic security project involving electric and communications facilities -\$589,000
4. SCADA system upgrade to add additional software support and patch management (Cyber Security) -\$700,000



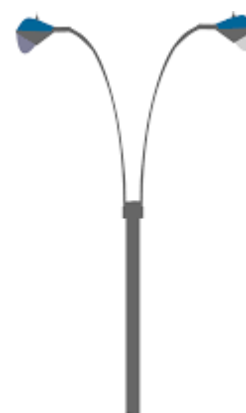
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LED STREET LIGHT CONVERSION PROGRAM

Approved by Board:

1. Wood Streets Streetlight Replacement Project Phase 2 - \$2,300,000
2. Developing Dark Skies Policy
3. Meetings with Historic Preservation staff
4. Two pilot conversion projects have been completed in Ward 1
5. LED Street Light Product evaluations are in progress at three locations: Ward 1, Ward 2, and Ward 4



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ENERGY DELIVERY ACCOMPLISHMENTS

1. **Miles of cable replaced** – 3.52 miles replaced
2. **4kV Circuits converted to 12kV** - 2
3. **4kV circuits converted to the 12kV system** (2 more circuits currently in progress and converted to 12kV in next 6 months)
4. **Poles replaced** - 174 poles replaced
5. **Substation breakers replaced** – 8 Substation 69kV circuit breaker replaced with SF6 circuit breakers
6. **Substation power transformer Load Tap Changers replaced** – 9 load tap changers replaced
7. **Miles of new fiber installed** - 2.1 miles installed

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OPERATIONAL TECHNOLOGY

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OPERATIONAL TECHNOLOGY

Approved by Board – in flight projects:

1. Operational Data Management System
2. Land Mobile Radio Project
3. Mass Notification Project
4. Cyber & Physical Security
5. Advanced Meter Infrastructure
 - a. Smart Meters to support Utility 2.0



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CUSTOMER RELATIONS

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CUSTOMER RELATIONS

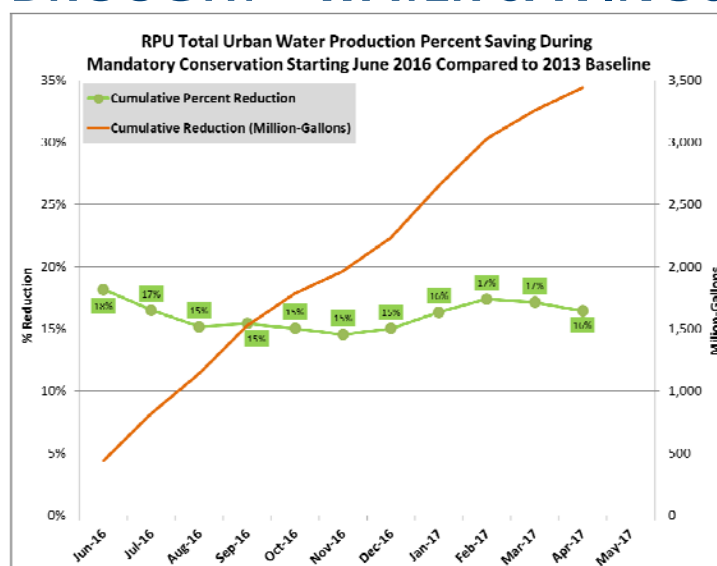
1. Major Customer Rebates
 - a. RUSD Tyler Mall
 - b. Riverside County
 - c. BMW of Riverside
 - d. Canyon Crest Towne Centre
2. 11,200 Business Customer Contacts
3. New website
4. Emergency Response Plan
5. Utility 2.0 Communications Plan
6. 99.95% Meter reading accuracy
7. 61,871 service orders
8. 400,000 annual calls handled through Call Center



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DROUGHT - WATER SAVINGS

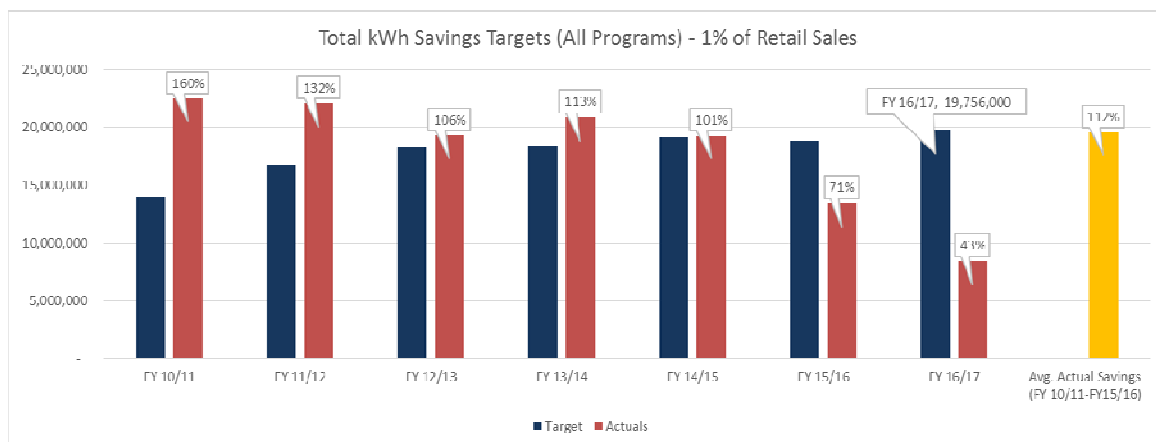


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CUSTOMER RELATIONS

Public Benefit Surcharge YTD Goal



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POWER RESOURCES

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POWER RESOURCES

1. 3 Solar contracts – 34MW
2. Increased Transmission Revenue Rights by 8.8% or \$3,129,000
3. Generated \$4.7 million in Cap & Trade sales
4. 9 gas turbines removed from AQMD shave list saving \$6.4 in emissions credits.



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RENEWABLE PORTFOLIO STANDARDS

ENERGY RESOURCES	Power Mix
Eligible Renewable	27%
Biomass & biowaste	0%
Geothermal	17%
Eligible hydroelectric	0%
Solar	7%
Wind	4%
Coal	25%
Large Hydroelectric	1%
Natural Gas	4%
Nuclear	4%
Other	0%
Unspecified sources of power*	38%
TOTAL	100%

Approved by Board:

27% of the energy used by RPU customers is renewable

* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.



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NEW EXECUTIVE MANAGEMENT

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NEW EXECUTIVE MANAGEMENT



Daniel Garcia
Power Resources

Mujib Lodhi
Operational Technology

George Hanson
Energy Delivery

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NEW BOARD MEMBERS

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NEW BOARD MEMBERS



Jo Lynne Russo-Pereyra
Ward 4/Citywide

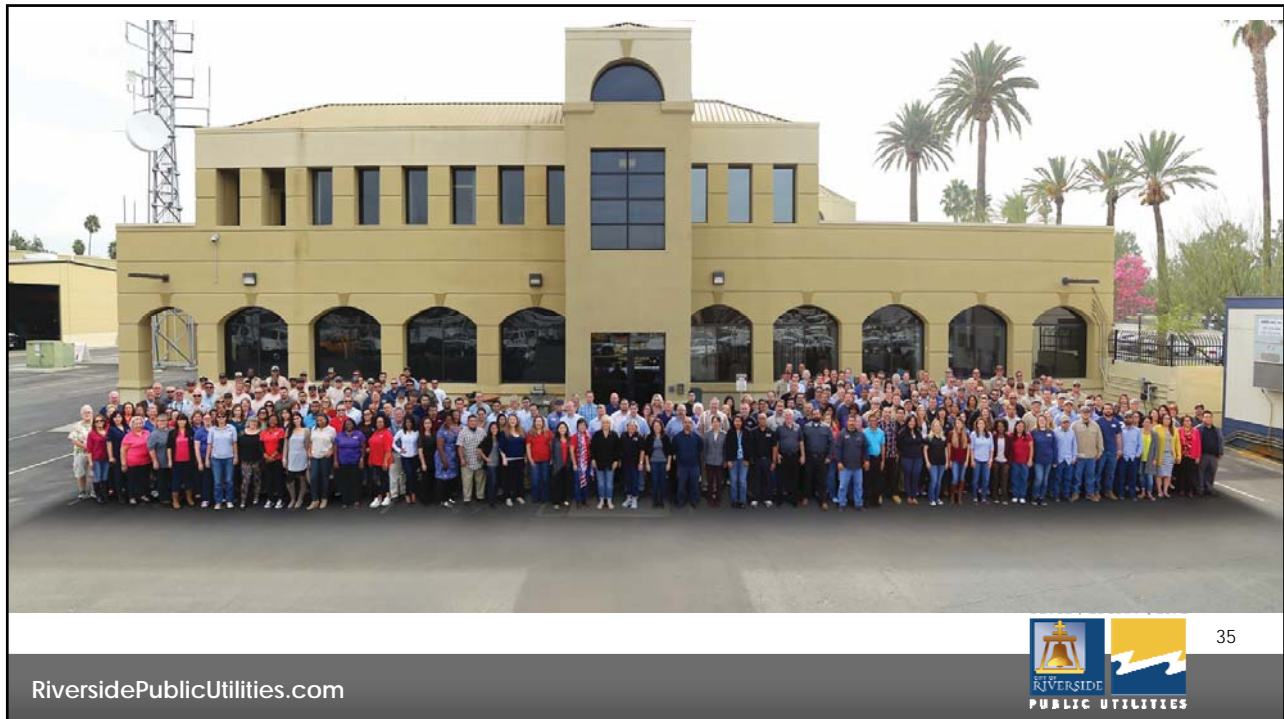
Elizabeth Sanchez-Monville
Ward 3

Gil Ocegueda
Ward 7

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RECOMMENDATIONS

That the Board of Public Utilities:

1. Provide input for the Public Utilities Board Chair annual report to the City Council; and,
2. Receive and file this report.