

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Meeting of the Board of Public Utilities
Date of Meeting: June 12, 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)
	David Crohn	Kevin Foust
	Gil Ocegura	Jo Lynne Russo-Pereyra
	Andrew Walcker	Elizabeth Sanchez-Monville (left the meeting early)

Absent: None.

TRUJILLO WATER COMPANY ANNUAL MEETING

- 1 TRUJILLO WATER COMPANY SHAREHOLDERS ANNUAL MEETING
Mr. Dave Austin, president of the Trujillo Water Company, called the annual meeting of the Trujillo Water Company Shareholders to order at 6:30 p.m. The meeting adjourned at 6:42 p.m.
- 2 TRUJILLO WATER COMPANY DIRECTORS ORGANIZATIONAL MEETING
The Trujillo Water Company Directors Organizational meeting was called to order at 6:42 p.m. and adjourned at 7:02 p.m.

The Board of Public Utilities took a five-minute break at this time.

CITIZENS PARTICIPATION

- 3 Public Comment:
Ben O'Neil, Poly High School senior, spoke on the EV charger at City Hall.

CONSENT CALENDAR

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

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

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

Absent: None.

Minutes

- 4 The minutes from the Board of Public Utilities regular meeting held on May 22, 2017 were approved as submitted.

Electric Items

- 5 AWARD OF A PURCHASE ORDER TO CROWN TECHNICAL SYSTEMS OF FONTANA, CALIFORNIA FOR THE MOUNTAIN VIEW SUBSTATION AUTOMATION SYSTEM PROJECT IN THE AMOUNT OF \$71,259 - APPROVE WORK ORDER NO. 1709828 FOR \$180,000

The Board of Public Utilities:

1. Approved the award of purchase order for \$71,259 to Crown Technical Systems Fontana, California, for substation automation equipment and additional miscellaneous material for the Substation Automation System (SAS) Upgrade Project at Mountain View Substation; and
2. Approved Work Order No. 1709828 in the amount of \$180,000.

Other Items

- 6 ANNUAL REPORT ON THE CITY OF RIVERSIDE'S USE OF ALLOWANCE VALUE AND PROCEEDS OF GREENHOUSE GAS (GHG) ALLOWANCES

The Board of Public Utilities received, reviewed and filed this update on the City of Riverside's use of allowance value and proceeds of Greenhouse Gas (GHG) Allowances.

- 7 APPROVAL OF ANNUAL PURCHASE ORDERS AND EXISTING CONTRACT PURCHASE ORDERS FOR FISCAL YEAR 2017-18 TOTALING \$9,160,996

The Board of Public Utilities:

1. Approved ten (10) annual purchase orders for Fiscal Year 2017-18 with an estimated total amount of \$2,889,862; and
2. Approved seventeen (17) purchase orders for existing contracts for Fiscal Year 2017-18 with an estimated total amount of \$6,271,134.

- 8 COMMERCIAL MULTI-TENANT LEASE - TRIPLE NET MISSION SQUARE AGREEMENT WITH MIKE KIM, LAURA KIM AND PARAMOUNT CELLULAR WORLD, LLC, FOR A FIVE-YEAR TERM AT 3750 UNIVERSITY AVENUE, SUITE 110, IN THE AMOUNT OF \$169,505.77

The Board of Public Utilities recommended that the City Council:

1. Approve the Commercial Multi-Tenant Lease – Triple Net Mission Square Agreement with Mike Kim, Laura Kim and Paramount Cellular World, LLC, of Cerritos, California, for a five-year term with an option for a five-year extension, for approximately 1,185 square feet of rentable space located at 3750 University Avenue, Suite 110; and
2. Authorize the City manager, or his designee, to execute the Commercial Multi-Tenant Lease – Triple Net Mission Square Agreement, and the optional five-year extension, with Mike Kim, Laura Kim and Paramount Cellular World, LLC, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

- 9 APPROVAL FOR THE ANNUAL PURCHASE OF MUNICIPAL SERVICES STATEMENT PAPER STOCK FROM AMERICAN SOLUTIONS FOR BUSINESS FOR \$57,900

The Board of Public Utilities approved the annual purchase of municipal services statement paper stock from American Solutions for Business as a follow on from Bid No. 6418 in the amount of \$57,900

- 10 SECOND 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, 2018, IN THE AMOUNT OF \$96,000 FOR A TOTAL CONTRACT AMOUNT OF \$472,200

The Board of Public Utilities approved the Second Amendment to the Professional Service Agreement with Securicon, LLC for the Security Assessment to extend the term through June 30, 2018, with an increase of \$96,000 for a total contract amount of \$472,200, including 10% contingency applied to original contract amount.

DISCUSSION CALENDAR

- 11 FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH INDUSTRIAL EVOLUTION, INC. TO EXTEND THE TERM FOR ADDITIONAL YEAR AND ADD \$724,000 FOR THE ADDITIONAL SERVICES NEEDED FOR PHASE II OF THE OPERATIONAL DATA MANAGEMENT SYSTEM, TOTAL CONTRACT AMOUNT OF \$1,422,000; INCREASE WORK ORDER NO. 1619634 IN THE AMOUNT OF \$1,350,000 FOR A TOTAL OF \$4,907,000

Assistant General Manager Mujib Lodhi gave an update on the Operational Data Management System (ODMS) and answered questions from the Board.

Following discussion, the Board of Public Utilities:

1. Approved the amendment to the Professional Services Agreement with Industrial Evolution, Inc. for one additional year and authorize the City Manager or his designee to execute the agreement with an increase of \$724,000 for a total amount of \$1,422,000; and
2. Approved the increase to Work Order No. 1619634 in the amount of \$1,350,000 for Phase II of the Operational Data Management System Project, bringing the overall project and work order total to \$4,907,000.

Motion – Walcker. Second – Ocegüera.

Ayes: Austin, O'Farrell, Crohn, Foust, Ocegüera, Russo-Pereyra, Sanchez-Monville, and Walcker.

Absent: None.

- 12 APPROVAL OF WORK ORDER NO. 1707248 IN THE AMOUNT OF \$3,000,000 AND PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH UTILIWORKS LLC FOR ADVANCED METERING INFRASTRUCTURE UPGRADE, FOR A TERM OF FIVE YEARS - IN THE AMOUNT OF \$ 2,756,360

Assistant General Manager Mujib Lodhi gave an update on the Advanced Metering Infrastructure (AMI) project and explained the importance of an experienced consultant to assist in this project.

The Board requested that staff bring customer engagement updates to the Board periodically.

Following discussion, the Board of Public Utilities:

1. Approved Work Order No. 1707248 in the amount of \$3,000,000 for the Management Services and Expertise for the Advanced Metering Infrastructure Upgrade;
2. Approved a Professional Consultant Services Agreement with Utiliworks Consulting for the Advanced Metering Infrastructure upgrade project in the amount of \$2,756,360 for a term of five years; and

3. Authorized the City Manager, or his designee, to execute the Professional Consultant Services Agreement with Utiliworks Consulting, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transactions.

Motion – Crohn. Second – O'Farrell.

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

Absent: None.

- 13 CONSTRUCTION OF THE JACKSON STREET RECYCLED WATER PIPELINE PROJECT (PHASE I) – 18,600 FEET OF NEW RECYCLED WATER PIPELINE – REJECTION OF THE BID SUBMITTED BY MNR CONSTRUCTION, INC. OF BALDWIN PARK, CALIFORNIA – AWARD OF BID NO. RPU-7465 TO TRAUTWEIN CONSTRUCTION, INC. OF RIVERSIDE, CALIFORNIA, IN THE AMOUNT OF \$7,162,460 – APPROVE THE INCREASED EXPENDITURE FOR WORK ORDER NO. 1521905 OF \$8,109,000 FOR A REVISED WORK ORDER TOTAL OF \$8,609,000

Assistant General Manager/Water Todd Jorgenson reported on the construction of the Jackson Street Recycled Water Pipeline Project and answered questions from the Board.

The Board requested that staff supply them with a list of locations where RPU anticipates the delivery of recycled water.

Following discussion, the Board of Public Utilities:

1. Rejected as non-responsive the bid submitted by MNR Construction, Inc. of Baldwin Park, California, in the amount of \$6,983,700 (Schedule A: \$6,676,400 + Schedule B: \$307,300);
2. Awarded a contract for the construction of the Jackson Street Recycled Water Pipeline Project (Phase I) – Bid No. RPU-7465 to the lowest responsive and responsible bidder, Trautwein Construction, Inc. of Riverside, California, in the amount of \$7,162,460 (Schedule A: \$6,976,859 + Schedule B: \$185,601); and
3. Approved the increased expenditure for Work Order No. 1521905 of \$8,109,000 for a revised total of \$8,609,000, which includes all design, construction, paving, contract administration, inspection, and construction contingency costs for the Jackson Street Recycled Water Pipeline Project (Phase I).

Motion – Russo-Pereyra. Second – Oceguela.

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

Absent: None.

Board Member Sanchez-Monville left the meeting early due to illness.

14 UPDATE ON THE DECOMMISSIONING STATUS OF SAN ONOFRE NUCLEAR GENERATION STATION, USE OF SETTLEMENTS AND COST RECOVERIES OF \$11,244,000 TO PARTIALLY DEFEASE EXISTING DEBT, RETENTION OF FINANCE TEAM FOR DEBT DEFEASANCE TRANSACTION, AND TRANSFER OF \$11,244,000 FROM UNDESIGNATED RESERVES TO A BOND DEFEASANCE DESIGNATED RESERVE

Assistant General Manager Danny Garcia gave an update on the decommissioning status of San Onofre Nuclear Generation Station (SONGS) and Assistant General Manager Laura Chavez-Nomura followed with a financial overview of using settlement and cost recovery monies received to pay down existing SONGS debt and answered questions from the Board.

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

1. Receive and file the update on the status of the decommissioning of San Onofre Nuclear Generation Station;
2. Authorize the use of settlements and cost recoveries received of \$11,244,000 to partially defease existing debt;
3. Retain the various financing team members for the debt defeasance transaction, as outlined in the report below;
4. Authorize the City Manager, or his delegate, to execute individual agreements with each financing team member that will be negotiated closer to the actual defeasance of the bonds, for not to exceed \$65,000; and
5. Establish a bond defeasance designated reserve account within the Electric Fund, as determined by the Finance Department, and authorize the transfer of settlements and cost recoveries received of \$11,244,000 to the designated reserve for bond defeasance.

Motion – Crohn. Second – Oceguela.

Ayes: Austin, O'Farrell, Crohn, Foust, Oceguela, Russo-Pereyra, and Walcker.

Absent: Sanchez-Monville (left the meeting early)

15 BOARD OF PUBLIC UTILITIES ANNUAL REPORT TO THE CITY COUNCIL ON JUNE 27, 2017 BY THE BOARD CHAIR

General Manager Balachandran gave the annual report presentation of what Board Chair Austin will be presenting at the City Council meeting on June 27, 2017.

The Board requested that the Chair add verbally to the update at City Council meeting the following:

- Status of RTRP
- Express the value of the Dennis Snow ultimate customer service training

Following discussion, the Board of Public Utilities:

1. Discussed and provided input for the Public Utilities annual report to the City Council on June 27, 2017 by Board Chair Dave Austin; and

2. Received and filed this report.

Motion – Ocegüera. Second – Walcker.

Ayes: Austin, O'Farrell, Crohn, Foust, Ocegüera, Russo-Pereyra, and Walcker.

Absent: Sanchez-Monville (left the meeting early)

BOARD MEMBER/STAFF COMMUNICATIONS

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

Chair Austin reported on the terrific job that Assistant General Manager/Power Resources Danny Garcia did reporting to his Kiwanis Club on power resources.

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 Aliso Canyon Update

20 Electric / Water Utility Acronyms

21 City Council / Committee Agendas – May 23, 2017 and June 6, 2017

22 RPU Drought and Conservation Efforts / Groundwater Level Update as of April 2017

23 Water Highlights – April 2017

24 Monthly Power Supply Report – April 2017

25 SCPPA Monthly Agenda / Minutes – April 20, 2017

26 Upcoming Meetings

UPCOMING MEETING

Chair Dave Austin adjourned the meeting at approximately 8:42 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, June 26, 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 _____