

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

DRAFT

Minutes of: Meeting of the Board of Public Utilities

Date of Meeting: June 11, 2018

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:	Jo Lynne Russo-Pereyra (Chair)	Dave Austin (Vice Chair)
	David Crohn	Kevin Foust
	Jeanette Hernandez	Gil Ocegüera
	Elizabeth Sanchez-Monville	Andrew Walcker

Absent: Jennifer O'Farrell (absence due to illness)

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 6:33 p.m. The meeting adjourned at 6:40 p.m.
- 2 TRUJILLO WATER COMPANY DIRECTORS ORGANIZATIONAL MEETING
The Trujillo Water Company Directors Organizational meeting was called to order at 6:40 p.m. and adjourned at 6:54 p.m.

PRESENTATIONS

- 3 EMPLOYEE RECOGNITION AWARD TO TEAM RESPONSIBLE FOR RECRUITMENT AND HUMAN RESOURCE COORDINATION FOR RIVERSIDE PUBLIC UTILITIES EMPLOYEES

The Board of Public Utilities recognized the following team for their hard work and dedication to Riverside Public Utilities and the City of Riverside:

- Staci Sullivan, Interim Fiscal Manager
- Lori Corona, Administrative Analyst
- Katy Stewart, Administrative Analyst
- Maggie Tanner, Senior HR Analyst
- Jennifer Brown, HR Analyst

CITIZENS PARTICIPATION

- 4 Mr. Jason Hunter spoke regarding the Brown Act referring to the Gage Canal Board; SCPPA's appropriations of funds; and the liability of RTRP.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar, with the exception of Item 7, **AWARD BID NO. RPU-7522 TO WESTERN CONSTRUCTION SPECIALISTS, INC., OF YORBA LINDA, CALIFORNIA, TO INSTALL THREE STEEL POLE FOUNDATIONS, ONE STEEL POLE, AND ONE WOOD POLE FOR THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT IN THE AMOUNT OF \$128,100 – APPROVE CAPITAL EXPENDITURE FOR WORK ORDER NO. 642975 FOR \$210,000**; Item 9, **APPROVE A CHANGE ORDER IN THE AMOUNT OF \$12,825, A 27% INCREASE TO THE EXISTING ANNUAL PURCHASE ORDER FOR CINTAS, INC. TO PROVIDE ADDITIONAL WORK SAFETY CLOTHING, FOR A TOTAL CONTRACT AMOUNT OF \$60,000 FOR FISCAL YEAR 2017/18**; Item 10, **APPROVE PURCHASE ORDER FOR HEAVY DUTY VEHICLES AND EQUIPMENT FROM ALTEC INDUSTRIES, INC. OF BIRMINGHAM, ALABAMA, IN THE AMOUNT OF \$482,002**; Item 11, **AWARD REQUEST FOR PROPOSAL NO. 1797 FOR DESIGN-BUILD AGREEMENT FOR THE ARC FLASH MITIGATION PROJECT AT THE POWER GENERATION FACILITIES WITH SIEMENS INDUSTRY, INC., OF CYPRESS, CALIFORNIA, FOR \$388,239 – APPROVE WORK ORDER NO. 1826061 FOR \$497,000**; Item 12, **CANAL PARCEL LICENSE AGREEMENT 7688 INDIANA AVENUE WITH TMCSF REALTY, LLC, ON BEHALF OF RIVERSIDE HARLEY-DAVIDSON FOR USE OF A PORTION OF THE RIVERSIDE WATER CANAL LOCATED AT 7688 INDIANA AVENUE FOR A FORTY-YEAR TERM – IN THE TOTAL REVENUE AMOUNT OF \$315,422**; Item 13, **ANNUAL REPORT ON THE CITY OF RIVERSIDE'S USE OF ALLOWANCE VALUE AND PROCEEDS OF GREENHOUSE GAS ALLOWANCES**; and Item 14, **COMMERCIAL MULTI-TENANT LEASE-TRIPLE NET – MISSION SQUARE WITH THE IG GROUP, LLC DBA SLATERS 50/50 – 3750 UNIVERSITY, SUITE 125, FOR A TEN-YEAR TERM WITH TWO FIVE YEAR OPTIONS TO EXTEND – IN THE TEN YEAR AMOUNT OF APPROXIMATELY \$1,872,402 AND THE GUARANTY OF LEASE WITH ALBERTO GARCIA FOR THE FULL PERFORMANCE OF THE OBLIGATIONS UNDER THE LEASE** which were placed on the Discussion Calendar.

Motion – Austin. Second – Crohn.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

Minutes

- 5 The minutes from the Board of Public Utilities regular meeting held on May 14, 2018 was approved as presented.

Board Attendance

- 6 EXCUSE BOARD MEMBER ELIZABETH SANCHEZ-MONVILLE ABSENCE FROM THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES ON APRIL 23, 2018

The Board of Public Utilities excused Board Member Elizabeth Sanchez-Monville absence from the Board of Public Utilities regular meeting of April 23, 2018, due to illness.

Electric Items

- 7 MOVED TO DISCUSSION CALENDAR

- 8 AWARD REQUEST FOR PROPOSAL NO. 1789 FOR PROFESSIONAL CONSULTANT SERVICES AGREEMENT FOR PROFESSIONAL ARCHITECTURAL, ENGINEERING SERVICES, INSPECTION AND CONSTRUCTION SUPPORT SERVICES FOR THE SUBSTATION UTILITY STORAGE FACILITY WITH IDS GROUP, INC., OF IRVINE, CALIFORNIA, IN THE AMOUNT OF \$310,350 – APPROVE WORK ORDER NO. 1808341 FOR \$407,385

The Board of Public Utilities:

1. Awarded Request for Proposal No. 1789 for Professional Consultant Services Agreement for Professional Architectural, Engineering Services, Inspection and Construction Services for the Substation Utility Storage Facility with IDS Group, Inc., of Irvine, California, in the amount of \$310,350;
2. Authorized the City Manager, or his designee, to execute the Professional Services Agreement with IDS Group, Inc.; and
3. Approved Work Order No. 1808341 for \$407,385.

- 9 MOVED TO DISCUSSION CALENDAR

- 10 MOVED TO DISCUSSION CALENDAR

- 11 MOVED TO DISCUSSION CALENDAR

- 12 MOVED TO DISCUSSION CALENDAR

- 13 MOVED TO DISCUSSION CALENDAR

- 14 MOVED TO DISCUSSION CALENDAR

15 APPROVAL OF ANNUAL PURCHASE ORDERS AND EXISTING CONTRACT PURCHASE ORDERS FOR FISCAL YEAR 2018-19 TOTALING \$15,859,548

The Board of Public Utilities:

1. Approved 13 annual Electric and Water purchase orders for fiscal year 2018-19 with an estimated total amount of \$4,147,607, and authorize the City Manager, or his designee, to award the purchase orders for such procurements for the items designated;
2. Approved 11 annual Central Stores purchase orders for fiscal year 2018-19 with an estimated total amount of \$4,805,030, and authorize the City Manager, or his designee, to award the purchase orders for such procurements for the items designated; and
3. Approved 20 purchase orders for existing contracts for fiscal year 2018-19 with an estimated total amount of \$6,906,911.

DISCUSSION CALENDAR

- 7 AWARD BID NO. RPU-7522 TO WESTERN CONSTRUCTION SPECIALISTS, INC., OF YORBA LINDA, CALIFORNIA, TO INSTALL THREE STEEL POLE FOUNDATIONS, ONE STEEL POLE, AND ONE WOOD POLE FOR THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT IN THE AMOUNT OF \$128,100 – APPROVE CAPITAL EXPENDITURE FOR WORK ORDER NO. 642975 FOR \$210,000

Vice Chair Austin requested this item be placed on the Discussion Calendar to note there was a clerical error on Recommendation No. 1 which should read \$128,100 instead of \$128,000 and also to discuss why the contingency percentage is so high on this project.

Following discussion and correction, the Board of Public Utilities:

1. Awarded Bid No. RPU-7522 to install three steel pole foundations, one steel pole, and one wood pole to the lowest responsive and responsible bidder, Western Construction Specialists, Inc., of Yorba Linda, California, in the amount of \$128,100;
2. Approved a contract contingency of 20% for an amount of \$25,620; and
3. Approved the estimated capital expenditure of \$210,000 for Work Order No. 642975 for the Riverside Transmission Reliability Project.

Motion – Austin. Second – Ocegüera.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

- 9 APPROVE A CHANGE ORDER IN THE AMOUNT OF \$12,825, A 27% INCREASE TO THE EXISTING ANNUAL PURCHASE ORDER FOR CINTAS, INC. TO PROVIDE ADDITIONAL WORK SAFETY CLOTHING, FOR A TOTAL CONTRACT AMOUNT OF \$60,000 FOR FISCAL YEAR 2017/18

Board Member Ocegüera requested this item be placed on the Discussion Calendar to discuss if a 27% increase for work safety clothing was normal? Assistant General Manager Hanson replied the reason for the increase was because of such large staff turnover at this time.

Following discussion, the Board of Public Utilities, in accordance with Article XII, Section 1202 of the City of Riverside Charter, approved an increase in the purchase order to Cintas, Inc. to \$60,000 in fiscal year 2017/18 for essential safety clothing and uniforms.

Motion – Ocegüera. Second – Austin.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

- 10 APPROVE PURCHASE ORDER FOR HEAVY DUTY VEHICLES AND EQUIPMENT FROM ALTEC INDUSTRIES, INC. OF BIRMINGHAM, ALABAMA, IN THE AMOUNT OF \$482,002

Board Member Ocegüera requested this item be placed on the Discussion Calendar for more detail on the types of vehicles requested on this purchase order.

Following discussion, the Board of Public Utilities approved the issuance of a Purchase Order for heavy duty vehicles and equipment from Altec Industries, Inc. of Birmingham, Alabama, in the amount of \$482,002.

Motion – Ocegüera. Second – Austin.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

- 11 AWARD REQUEST FOR PROPOSAL NO. 1797 FOR DESIGN-BUILD AGREEMENT FOR THE ARC FLASH MITIGATION PROJECT AT THE POWER GENERATION FACILITIES WITH SIEMENS INDUSTRY, INC., OF CYPRESS, CALIFORNIA, FOR \$388,239 – APPROVE WORK ORDER NO. 1826061 FOR \$497,000

Board Member Sanchez-Monville requested this item be placed on the Discussion Calendar for clarification that Clearwater generation was included in this project.

Following discussion, the Board of Public Utilities:

1. Awarded Request for Proposal No. 1797 for Design-Build Agreement in the amount of \$388,239 with Siemens Industry, Inc. for the Arc Flash Mitigation Project;
2. Authorized the City Manager, or his designee, to execute the Design-Build Agreement with Siemens Industry, Inc.; and

3. Approved Work Order No. 1826061 for \$497,000.

Motion – Sanchez-Monville. Second – Austin.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

12 CANAL PARCEL LICENSE AGREEMENT 7688 INDIANA AVENUE WITH TMCSF REALTY, LLC, ON BEHALF OF RIVERSIDE HARLEY-DAVIDSON FOR USE OF A PORTION OF THE RIVERSIDE WATER CANAL LOCATED AT 7688 INDIANA AVENUE FOR A FORTY-YEAR TERM – IN THE TOTAL REVENUE AMOUNT OF \$315,422

Board Member Walcker requested this item be placed on the Discussion Calendar to discuss in detail the easement concerns with the expansion of a new larger showroom. Water Operations Manager David Garcia replied that the proposed Canal License Agreement will allow for grading and paving the land area for vehicular ingress and egress, traffic circulation, and parking and answered other questions from the Board.

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

1. Approve the Canal Parcel License Agreement with TMCSF Realty, LLC for a forty-year term for approximately 12,870 square feet of Riverside Water Canal land for an initial annual rental amount of \$5,220 plus two percent (2%) annual rental increases thereafter; and
2. Authorize the City Manager, or his designee, to execute the attached Canal Parcel License Agreement for a forty-year term with TMCSF Realty, LLC, including making minor non-substantive changes, and to sign all documents necessary to complete the transaction.

Motion – Walcker. Second – Ocegüera.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

13 ANNUAL REPORT ON THE CITY OF RIVERSIDE'S USE OF ALLOWANCE VALUE AND PROCEEDS OF GREENHOUSE GAS ALLOWANCES

Both Board Members Sanchez-Monville and Crohn requested this item be placed on the Discussion Calendar so the presentation could be presented and also that the Ice Bear project could be explained in detail. Assistant General Manager Daniel Garcia gave the presentation and Utility Principal Resource Analyst Roy Xu answered questions from the Board.

Following discussion, the Board of Public Utilities received update on the City's use of allowance value and proceeds of Greenhouse Gas Allowances.

Motion – Sanchez-Monville. Second – Crohn.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

- 14 COMMERCIAL MULTI-TENANT LEASE-TRIPLE NET – MISSION SQUARE WITH THE IG GROUP, LLC DBA SLATERS 50/50 – 3750 UNIVERSITY, SUITE 125, FOR A TEN-YEAR TERM WITH TWO FIVE YEAR OPTIONS TO EXTEND – IN THE TEN YEAR AMOUNT OF APPROXIMATELY \$1,872,402 AND THE GUARANTY OF LEASE WITH ALBERTO GARCIA FOR THE FULL PERFORMANCE OF THE OBLIGATIONS UNDER THE LEASE

Board Member Crohn requested this item be placed on the Discussion Calendar to show in the minutes that he does not support the types of food this vendor supplies.

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

1. Approve the Commercial Multi-Tenant Lease-Triple Net Agreement to lease Mission Square to IG Group, LLC dba Slaters 50/50, for a ten-year term with two options for five-year extensions, for approximately 5,700 square feet of rentable space located at 3750 University Avenue, Suite 125;
2. Approve the Guaranty of Lease with Alberto Garcia for the full performance of the obligations under the Lease, for approximately 5,700 square feet of rentable space located at 3750 University Avenue, Suite 125; and
3. Authorize the City Manager, or his designee, to execute the Commercial Multi-Tenant Lease-Triple Net Agreement and the two optional five-year extensions, with IG Group, LLC dba Slaters 50/50, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

Motion – Walcker. Second – Austin.

Ayes: Russo-Pereyra, Austin, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Noes: Crohn

Absent: Jennifer O'Farrell (absence due to illness)

- 16 RESULTS OF THE WATERSMART EXPERIMENT IN RIVERSIDE PUBLIC UTILITIES: WATER AND ELECTRICITY SAVINGS

UC Davis representatives, Dr. Katrina Jessoe and Kendra Olmos gave a presentation on the results of the WaterSmart experiment in Riverside Public Utilities and answered questions from the Board.

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

Motion – Austin. Second – Crohn.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

17 APPROVAL OF ELECTRIC RATES FOR FISCAL YEARS 2018/19 THROUGH 2022/23, EFFECTIVE JANUARY 1, 2019

Interim General Manager Todd Jorgenson gave a presentation of the benefits and the fiscal impact of the Electric Rates delay to January 1, 2019 and answered questions from the Board.

The Board asked staff not to delay any electric projects at this time and to take monies from reserves to maintain reliability. The Board requested that the following addition to the recommendation be added:

"The Board of Public Utilities recommend that the City Council restore \$3.2 million to the Riverside Public Utilities 2018/19 and 2019/20 Capital Budget using monies from reserves".

Following discussion and the new addition to recommendation, the Board of Public Utilities:

1. Adopted a resolution approving and establishing the 2018-2022 Electric Rates with an effective date of January 1, 2019, and January 1 of every year thereafter; and
2. Recommended that the City Council restore \$3.2 million to the Riverside Public Utilities 2018/19 and 2019/20 Capital Budget using monies from reserves.

Motion – Austin. Second – Foust.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

18 SECOND AMENDMENT TO AGREEMENT NO. C06-207 FY 2015-2025 WESTERN MUNICIPAL WATER DISTRICT WATER CONSERVATION FUNDING AGREEMENT BETWEEN WESTERN MUNICIPAL WATER DISTRICT AND RIVERSIDE PUBLIC UTILITIES FOR THE PURPOSE OF PROVIDING WATER CONSERVATION FUNDING INCLUDING RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL PROGRAMS FROM METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FOR A TERM THROUGH JUNE 30, 2025

Utilities Senior Programs & Services Representative Ryan McManus reported on the water conservation funding agreement between Western Municipal Water District and Riverside Public Utilities and answered questions from the Board members.

The Board once again reminded staff to please do not have reports from the Board go to City Council the next day after the Board meeting.

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

1. Approve the Second Amendment to Agreement No. C06-207 FY 2015-2025 Western Municipal Water District Water Conservation Funding Agreement between Western Municipal Water District and Riverside Public Utilities for a term through June 30, 2025;

2. Authorize Riverside Public Utilities to participate and receive water conservation funding from Metropolitan Water District of Southern California, including the use of the SoCal WaterSmart automated rebate application and rebate processing tool; and
3. Authorize the City Manager, or his designee, to execute the Second Amendment to Agreement No. C06-207 FY 2015-2025 Western Municipal Water District Water Conservation Funding Agreement between Western Municipal Water District and Riverside Public Utilities, including making minor and non-substantive changes.

Motion – Sanchez-Monville. Second – Austin.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

- 19 AWARD REQUEST FOR PROPOSAL NO. 1794 PROFESSIONAL CONSULTANT SERVICES FOR WATER QUALITY LABORATORY TESTING AND ANALYTICAL SERVICES WITH BABCOCK LABORATORIES, INC., OF RIVERSIDE, CALIFORNIA FOR THE DURATION OF THREE-YEARS, WITH THE OPTION OF TWO ONE-YEAR EXTENSIONS, IN THE ANNUAL AMOUNT OF \$596,591

Water Operations Manager David Garcia reported on the water quality laboratory testing and analytical services that the consultant services do for RPU and answered questions from the Board members.

Following discussion, the Board of Public Utilities:

1. Awarded Request for Proposal No. 1794 for Professional Consultant Services Agreement with Babcock Laboratories, Inc. of Riverside, California, for Water Quality Laboratory Testing and Analytical Services, for a three-year term, in the annual amount of \$596,591; and
2. Authorized the City Manager, or his designee, to execute the Professional Consultant Services Agreement with Babcock Laboratories, Inc. including making minor non-substantive changes and to execute the extensions under the same price, terms, and conditions.

Motion – Crohn. Second – Walcker.

Ayes: Russo-Pereyra, Austin, Crohn, Foust, Hernandez, Ocegüera, Sanchez-Monville, and Walcker.

Absent: Jennifer O'Farrell (absence due to illness)

BOARD MEMBER/STAFF COMMUNICATIONS

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

Board Member Ocegüera reported that he attended the RPU solar tour on June 4, 2018.

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

- Evaluate Fair Market Value of Water Stock for the Trujillo Water Company – bring report back to the Board of Public Utilities within 6 months

22 AG TASK FORCE COMMITTEE UPDATE

Board Member Andrew Walcker reported on the May 24, 2018 AG Task Force Committee and stated that there is still a vacancy in Ward 6 on the Committee and that the next meeting would be on Thursday, June 28, 2018 at 5:30 pm.

23 LEGISLATIVE / RTRP / SONGS UPDATE

Legislative Affairs Manager Robert Ennis gave the Board a state & federal legislative update.

GENERAL MANAGER'S REPORT

24 Monthly Legislative Summary

25 Safety Update

26 Electric / Water Utility Acronyms

27 Riverside Public Utilities Financial Results – March 30, 2018

28 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for April 2018

29 Contracts Executed Not Requiring Board Approval – PU Department Approves – April 2018

30 Electric / Water / Consultant Contract Panel Update as of May 1, 2018

31 Water Highlights – April 2018

32 Monthly Power Supply Report – April 2018

33 SCPPA Monthly Agenda / Minutes – April 19, 2018

34 RPU Water Drought and Conservation Efforts Update as of April 2018

35 City Council / Committee Agendas – May 8, 2018, May 15, 2018, May 22, 2018 and June 5, 2018

36 Upcoming Meetings

UPCOMING MEETING

Chair Russo-Pereyra adjourned the meeting at approximately 8:56 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, June 25, 2018 at 6:30 p.m.in the Art Pick Council Chamber, Riverside, California.

By: _____
Todd L. Jorgenson, Interim Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated _____