

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: June 25, 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

DRAFT

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present: Jo Lynne Russo-Pereyra (Chair) Dave Austin (Vice Chair)
David Crohn Jeanette Hernandez
Jennifer O'Farrell Elizabeth Sanchez-Monville
Andrew Walcker

Absent: Gil Oceguela (absence due to vacation)
Kevin Foust (absence due to vacation)

CITIZENS PARTICIPATION

1 EMPLOYEE RECOGNITION AWARD TO LEO FERRANDO, UTILITIES SENIOR ENGINEER

The Board of Public Utilities recognized Leo Ferrando, Utilities Senior Engineer, for his exceptional 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 – Austin. Second – O'Farrell.

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

Absent: Gil Oceguela (absence due to vacation)
Kevin Foust (absence due to vacation)

Minutes

- 3 The minutes from the Board of Public Utilities regular meeting held on June 11, 2018 was approved as submitted.

Electric Items

- 4 APPROVE INCREASE OF PURCHASE ORDER 181188 FOR NESCO LLC, INC. TO A TOTAL OF \$64,720.39 FOR EQUIPMENT RENTAL COST FOR FISCAL YEAR 2017-18

The Board of Public Utilities approved an increase of Purchase Order 181188 to Nesco LLC, Inc. to a total of \$64,720.39 for equipment rental costs for fiscal year 2017-18.

- 5 AWARD BID NO. 7557 TO OLDCASTLE PRECAST OF FONTANA, CALIFORNIA, IN THE ANNUAL AMOUNT OF \$284,155 FOR PRECAST CONCRETE STRUCTURES FROM JULY 1, 2018 TO JUNE 30, 2020

The Board of Public Utilities awarded Bid No. 7557 for the purchase of precast concrete structures to Oldcastle Precast, of Fontana, California, in the annual amount of \$284,155 for three years through June 30, 2020 totaling \$852,465.

Water Items

- 6 AWARD BID NO. RPU-7571 TO FURNISH SODIUM HYPOCHLORITE FROM JULY 1, 2018 THROUGH JUNE 30, 2021 TO PACIFIC STAR CHEMICAL DBA NORTHSTAR CHEMICAL INC FROM SHERWOOD, OREGON, IN THE AMOUNT OF \$348,300

The Board of Public Utilities:

1. Rejected the bid submitted by Allen Industries, LLC, as non-responsive; and
2. Awarded Bid No. RPU-7571 to Pacific Star Chemical dba Northstar Chemical Inc., of Sherwood, Oregon, for furnishing sodium hypochlorite solution including two 1,700 gallon National Sanitation Foundation approved storage tanks, and one 2,000 gallon National Sanitation Foundation approved tank, for a term of July 1, 2018 through June 30, 2021, in the amount of \$348,300.

Other Items

- 7 AWARD REQUEST FOR PROPOSAL NO. 1788 FOR PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH LAS COLINAS ENGINEERING DBA LAS COLINAS ELECTRICAL OF RIALTO, CALIFORNIA, FOR FURNISHING, DELIVERING AND INSTALLING 144 STATIONARY BATTERIES AT THE SPRINGS GENERATION FACILITY FOR \$122,967.20

The Board of Public Utilities:

1. Awarded Request for Proposal No. 1788 for a Professional Consultant Services Agreement with Las Colinas Engineering DBA Los Colinas Electrical, of Rialto, California, for furnishing, delivering and installing 144 stationary batteries at the Springs Generation Facility for \$122,967.20; and
2. Authorized the City Manager, or his designee, to execute the Services Agreement with Las Colinas Engineering.

- 8 CANAL PARCEL LICENSE AGREEMENT WITH MASJED OF RIVERSIDE (ISLAMIC CENTER) FOR USE OF 1045 LINDEN AVENUE AND A PORTION OF THE GAGE CANAL, 37,724 SQUARE FEET OF LAND, FOR A FIVE-YEAR TERM – IN THE MINIMUM AMOUNT OF \$96,367.38

The Board of Public Utilities recommended that the City Council:

1. Approve the five-year Canal Parcel License Agreement with Masjed of Riverside (Islamic Center), a non-profit corporation, for 1045 Linden Avenue and a portion of the Gage Canal; and
2. Authorize the City Manager, or his designee, to execute the Canal Parcel License Agreement with Masjed of Riverside (Islamic Center), including making minor non-substantive changes, and to sign all documents necessary to complete the transaction.

- 9 THIRD AMENDMENT TO THE PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH SECURICON, LLC FOR A VULNERABILITY ASSESSMENT EXTENDING THE TERM OF THE AGREEMENT TO JUNE 30, 2019, WITH NO CHANGE IN COMPENSATION

The Board of Public Utilities approved the Third Amendment to the Professional Consultant Service Agreement with Securicon, LLC for the Vulnerability Assessment to extend the term through June 30, 2019, with no change in compensation.

DISCUSSION CALENDAR

10 UPDATE ON THE CITY OF RIVERSIDE'S PARTICIPATION IN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SCPPA Executive Director Michael Webster and Assistant General Manager/Power Resources Daniel Garcia gave an update on RPU's participation in SCPPA, also clarified the procurement process, and answered questions from the Board.

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

Motion – O'Farrell. Second – Oceguela.

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

Absent: Gil Oceguela (absence due to vacation)
Kevin Foust (absence due to vacation)

11 APPROVAL OF UPDATED RIVERSIDE PUBLIC UTILITIES FISCAL POLICIES AND THE CASH RESERVE POLICY

Utilities Fiscal Manager Aileen Ma gave a presentation and reported the changes of the updated RPU Fiscal Policies and the Cash Reserve Policy.

Following discussion, the Board of Public Utilities recommended that the City Council Finance Committee approve and forward the recommendation to City Council to approve the updated Riverside Public Utilities Fiscal Policies and the Cash Reserve Policy.

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

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

Absent: Gil Oceguela (absence due to vacation)
Kevin Foust (absence due to vacation)

12 AWARD BID NO. RPU-7533 FOR MULTI-SUBSTATION TRANSFORMER UPGRADE AND RECONDITIONING PROJECT TO REINHAUSEN MANUFACTURING OF HUMBOLDT, TENNESSEE, IN THE AMOUNT OF \$1,873,580, AUTHORIZE A 15% CHANGE ORDER AUTHORITY IN THE AMOUNT OF \$281,037 FOR THE PROJECT; APPROVE WORK ORDER NO. 1822318 FOR \$3,082,617

Assistant General Manager/Energy Delivery George Hanson reported on the importance for the multi-substation transformer upgrade and reconditioning project; Mr. Hanson and Utilities Senior Electrical Engineer Fady Megala answered questions from the Board and explained the 15% change order contingency.

Staff requested to add the following recommendation:

"Reject the bids submitted by Isberg & Association/SPX and Delta Star, Inc, as non-responsive."

Following discussion and the additional recommendation, the Board of Public Utilities:

1. Awarded Bid No. RPU-7533 for the Multi Substation Transformer Upgrade and Reconditioning Project to Reinhausen Manufacturing of Humboldt, Tennessee, in the amount of \$1,873,580;
2. Authorized staff to issue change orders in an amount not to exceed 15% or \$281,037 of the Reinhausen Manufacturing contract; and
3. Approved Work Order No. 1822318 in the amount of \$ \$3,082,617.
4. Rejected the bids submitted by Isberg & Association/SPX and Delta Star, Inc, as non-responsive.

Motion – Austin. Second – Sanchez-Monville.

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

Absent: Gil Ocegüera (absence due to vacation)

Kevin Foust (absence due to vacation)

- 13 SECOND AMENDMENT TO LEASE AGREEMENT WITH AMERICAN YOUTH SOCCER ORGANIZATION – REGION 47 FOR USE OF AB BROWN COMPLEX THROUGH JUNE 30, 2019 WITH TWO ADDITIONAL ONE-YEAR EXTENSIONS, ANNUAL REVENUE AMOUNT OF \$12,000 IN GROUND LEASE REVENUE PLUS IN KIND SERVICES IN THE FORM OF MAINTENANCE; SECOND AMENDMENT TO WATER SALE AGREEMENT AB BROWN SPORTS COMPLEX AMERICAN YOUTH SOCCER ORGANIZATION – REGION 47 THROUGH JUNE 30, 2019 FOR TWO ADDITIONAL ONE-YEAR PERIODS FOR THE CONTINUED DELIVERY OF NON-POTABLE WATER FOR IRRIGATION TO THE FIELDS AT THE COST OF SERVICE ESTIMATED AT \$28,000 ANNUAL REVENUE FOR WATER SALES

Community & Economic Development, Interim Director David Welch reported on the AYSO agreements and answered questions from the Board.

The Board expressed they are unhappy with the lease agreements as it is too little money and would like AYSO to provide an accounting of all other use of the Property by non-AYSO entities and also provide account of all funds collected from non-AYSO entities for use of the Property.

The Board requested the following additional language to Recommendation No. 1:

.....with the following revision to Section 1 of that amendment: "The term of the Lease is hereby extended by one year, until June 30, 2019. Lessee shall have an option to extend the term of the Lease for two (2) additional one-year periods. Lessee may exercise such options by (i) sending a written request to the City at least one hundred twenty (120) days prior to the expiration of the then-current term of the Lease; (ii) providing an accounting of all other use of the Property by non-AYSO entities during the preceding year of the Lease; and (iii) providing an accounting of all funds collected by AYSO from by non-AYSO entities for use of the Property during the preceding year of the Lease";

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

1. Approve the Second Amendment to Lease Agreement with American Youth Soccer Organization - Region 47 for the use of AB Brown Complex through June 30, 2019, with two additional one-year extensions, in the annual revenue amount of \$12,000, with the following revision to Section 1 of that amendment: "The term of the Lease is hereby extended by one year, until June 30, 2019. Lessee shall have an option to extend the term of the Lease for two (2) additional one-year periods. Lessee may exercise such options by (i) sending a written request to the City at least one hundred twenty (120) days prior to the expiration of the then-current term of the Lease; (ii) providing an accounting of all other use of the Property by non-AYSO entities during the preceding year of the Lease; and (iii) providing an accounting of all funds collected by AYSO from by non-AYSO entities for use of the Property during the preceding year of the Lease";
2. Approve the Second Amendment to Water Sale Agreement AB Brown Sports Complex with American Youth Soccer Organization – Region 47 through June 30, 2019, with two additional one-year periods, for the continued delivery of non-potable water for irrigation to the fields at the cost of service estimated at \$28,000 annual revenue for water sales; and
3. Authorize the City Manager, or his designee, to execute the Second Amendment to Lease Agreement and the Second Amendment to Water Sales Agreement with American Youth Soccer Organization – Region 47, including making minor, non-substantive changes, to sign all documents and instruments necessary to complete the transaction, and to execute amendments for the optional extensions.

Motion – Austin. Second – O'Farrell.

Ayes: Russo-Pereyra, Austin, Crohn, Hernandez, O'Farrell, and Sanchez-Monville.

Noes: Walcker

Absent: Gil Ocegüera (absence due to vacation)
Kevin Foust (absence due to vacation)

14 PLANNED ROUTINE CAPITAL PROJECTS OVER \$500,000 FOR ELECTRIC FOR FISCAL YEAR 2018-19 – \$19,300,000

Principal Electrical Engineer Efren Mejia gave a report highlighting the planned Electric capital improvement projects over \$500,000 and answered questions from the Board. The Board was pleased to see staff utilizing the Utility 2.0 procedure for these projects.

Following discussion, the Board of Public Utilities received this report highlighting planned Electric capital improvement projects over \$500,000 for a total of \$19,300,000 for fiscal year 2018-19.

Motion – Walcker. Second – Sanchez-Monville.

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

Absent: Gil Ocegüera (absence due to vacation)
Kevin Foust (absence due to vacation)

15 SUMMER 2018 OUTLOOK REPORT FOR WATER AND ELECTRIC RESOURCES AND RELIABILITY

The following staff presented a report on the utility operations outlook for the summer of 2018 and answered questions from the Board:

Utilities Power Resources Manager Jesus Martinez; Electric Field Manager Russ Johnson; Utilities Senior Programs & Services Rep Ryan Gleason; and Assistant General Manager/Water Michael Plinski.

Following discussion, the Board of Public Utilities received this presentation on utility operations outlook for the summer of 2018.

Motion – Austin. Second – Crohn.

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

Absent: Gil Ocegüera (absence due to vacation)
Kevin Foust (absence due to vacation)

BOARD MEMBER/STAFF COMMUNICATIONS

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

Board Member O'Farrell reported that she and Chair Russo-Pereyra attended the 2018 APPA National Conference with staff in June.

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

- Quarterly Update from SCPPA regarding SCPPA's Budget
- Review of Code of Ethics
- Update on Northside Project prior to the July 25, 2018 workshop
- Bring back to Board in 6 months an agreement with Park & Recs to manage the AB Brown Complex
- Recap this Fall the 2018 Summer Outlook – what happened / lessons learned, etc.

GENERAL MANAGER'S REPORT

18 Monthly Legislative Summary

19 Riverside Public Utilities Financial Results – April 30, 2018

20 City Council / Committee Agendas – June 12, 2018 and June 19, 2018

21 Upcoming Meetings

22 Electric / Water Utility Acronyms

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

- 24 Contracts Executed Not Requiring Board Approval – May 2018
- 25 Electric / Water / Consultant Contract Panel Update as of June 1, 2018

UPCOMING MEETING

Board Chair Jo Lynne Russo-Pereyra adjourned the meeting at approximately 9:22 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, July 9, 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: _____