

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

DRAFT

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: September 24, 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 Oceguela
Jennifer O'Farrell Elizabeth Sanchez-Monville

Absent: Andrew Walcker (absence due to vacation)

PRESENTATIONS

1 EMPLOYEE RECOGNITION AWARD TO JASON TARASI, SENIOR PROGRAMS AND SERVICES REPRESENTATIVE

The Board of Public Utilities recognized Jason Tarasi, Senior Programs and Services Representative, for his hard work and dedication to Riverside Public Utilities and the City of Riverside.

PUBLIC COMMENT

2 None.

COMMUNICATIONS

3 Legislative Update / Riverside Transmission Reliability Project Update / San Onofre Nuclear Generating Station Update

Legislative Affairs Manager Robert Ennis gave an update on the Riverside Transmission Reliability Project and San Onofre Nuclear Generating Station.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar, with the exception of **Item 7, WELL RELOCATION AGREEMENT TWIN BUTTES 6 MONITORING WELL RELOCATION BETWEEN CITY OF RIVERSIDE AND LBA RV-COMPANY XI, LP**, which was placed on the Discussion Calendar.

Motion – Austin. Second – O'Farrell.

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

Abstain: None.

Absent: Andrew Walcker (absence due to vacation)

Minutes

- 4 The minutes from the Board of Public Utilities regular meeting held on September 10, 2018 was approved as submitted.

Board Attendance

- 5 EXCUSE ABSENCE OF BOARD MEMBER ELIZABETH SANCHEZ-MONVILLE FROM THE JOINT CITY COUNCIL / BOARD OF PUBLIC UTILITIES WORKSHOP ON AUGUST 22, 2018 AND THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES ON AUGUST 27, 2018

The Board of Public Utilities excused the absence of Board Member Elizabeth Sanchez-Monville from the Joint City Council / Board of Public Utilities Workshop on August 22, 2018 and the Board of Public Utilities regular meeting of August 27, 2018, due to vacation.

Electric Items

- 6 PURCHASE TWO FORKLIFT TRUCKS MODEL NUMBERS 25L-7A, AND 20BRP-9, FROM SELECT EQUIPMENT SALES, INC., BUENA PARK, CALIFORNIA, IN ACCORDANCE WITH PURCHASING RESOLUTION 23256, SECTION 602 (e) IN AN ESTIMATED AMOUNT OF \$66,860.93

The Board of Public Utilities approved the purchase with Select Equipment Sales, Inc., Buena Park, California, for two forklift trucks for Public Utilities, Central Stores Division in an estimated amount of \$66,860.93.

Water Items

- 7 MOVED TO DISCUSSION CALENDAR

Other Items

- 8 SCHEDULE A SPECIAL MEETING ON NOVEMBER 5, 2018 FOR THE BOARD OF PUBLIC UTILITIES BOARD SINCE THE REGULAR BOARD OF PUBLIC UTILITIES MEETING ON NOVEMBER 12, 2018 WAS CANCELLED DUE TO THE VETERANS' HOLIDAY

The Board of Public Utilities approved, by at least five votes, a special Board of Public Utilities meeting on Monday, November 5, 2018, at 6:30 pm.

- 9 AMERICAN PUBLIC POWER ASSOCIATION ANNUAL MEMBERSHIP DUES THROUGH THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY IN THE AMOUNT OF \$64,652 FOR THE FISCAL YEAR 2018-19

The Board of Public Utilities recommended that City Council approve the payment of annual membership dues for the American Public Power Association through the Southern California Public Power Authority in the amount of \$64,652 for the fiscal year 2018-19.

DISCUSSION CALENDAR

7 WELL RELOCATION AGREEMENT TWIN BUTTES 6 MONITORING WELL RELOCATION BETWEEN CITY OF RIVERSIDE AND LBA RV-COMPANY XI, LP

Board Member Kevin Foust requested this item be placed on the Discussion Calendar to discuss the need for this well and if we need to own this well. Interim Assistant General Manager Michael Plinski confirmed that this well is needed for monitoring purposes and that it is best to own it.

Following discussion, the Board of Public Utilities recommended that City Council approve the Well Relocation Agreement between the City of Riverside and LBA RV-Company XI, LP for the Twin Buttes 6 Monitoring Well.

Motion – Foust. Second – Ocegüera.

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

Absent: Andrew Walcker (absence due vacation)

10 CONSTRUCTION OF THE IOWA AVENUE 12-INCH WATER MAIN EXTENSION PROJECT – ARB / ARB HEADQUARTERS – 1,950 FEET OF NEW POTABLE WATER PIPELINE – APPROVE WORK ORDER NO. 1905091 IN THE AMOUNT OF \$269,000 AND APPROVE WORK ORDER NO. 1726679 IN THE AMOUNT OF \$353,000 – TOTAL PROJECT COST OF \$622,000

Interim Assistant General Manager/Water Michael Plinski gave a presentation of the Iowa Avenue 12-inch Water Main Extension Project, including the background, project description, and project and budget breakdown and answered questions.

The Board suggested that possibly UCR should buy into Phase IIB of the project now to help with the costs.

First motion - FAILED:

"Approve motion as stated in the staff report (see below) EXCEPT for costs associated with Phase IIB of the project."

Motion – Foust. Second – Crohn.

Ayes: 4

Noes: 4

Absent: 1

Second Motion:

Following discussion, the Board of Public Utilities:

1. Approved capital expenditures of \$269,000 for Work Order No. 1905091 and \$353,000 for Work Order No. 1726679 for a total project cost of \$622,000, which includes all design, construction, paving, contract administration, inspection and construction contingency costs to construct the Iowa Avenue 12-inch Water Main Extension Project.; and
2. Authorized the City Manager, or his designee, to increase or decrease the above-noted work order amounts, in collective amounts not to exceed the total project cost of \$622,000.

Motion – Austin. Second – Ocegüera.

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

Noes: Foust

Absent: Andrew Walcker (absence due vacation)

- 11 BID NO. RPU-7596 FOR CONSTRUCTION OF THE FISCAL YEAR 2018/19 GROUNDWATER WELL REHABILITATION PROJECT TO BEST DRILLING AND PUMP, INC., COLTON, CALIFORNIA, IN THE AMOUNT OF \$1,077,070 – APPROVE WORK ORDER NO. 1827140 FOR THE COOLEY J WELL IN THE AMOUNT OF \$811,000, WORK ORDER NO. 1902331 FOR THE STILES WELL IN THE AMOUNT OF \$327,000, WORK ORDER NO. 1902332 FOR THE GARNER 5 WELL IN THE AMOUNT OF \$355,000 – TOTAL PROJECT COST OF \$1,493,000

Interim Assistant General Manager/Water Michael Plinski gave a presentation on the background, project description, scope of work, and the project breakdown and answered questions from the Board.

Following discussion, the Board of Public Utilities:

1. Awarded a contract for the construction of the fiscal year 2018/19 Groundwater Well Rehabilitation Project – Bid No. RPU-7596 to the lowest responsive and responsible bidder, Best Drilling and Pump, Inc. of Colton, California, in the amount of \$1,077,070;
2. Approved the capital expenditures for Work Order No. 1827140 for the Cooley J Well in the amount of \$811,000, Work Order No. 1902331 for the Stiles Well in the amount of \$327,000, and Work Order No. 1902332 for the Garner 5 Well in the amount of \$355,000 for a total project cost of \$1,493,000; and
3. Authorized the City Manager, or his designee, to increase or decrease the above-noted work order amounts, in collective amounts not-to-exceed the total project cost of \$1,493,000.

Motion – O'Farrell. Second – Ocegüera.

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

Absent: Andrew Walcker (absence due vacation)

BOARD MEMBER COMMUNICATIONS

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

Board Member Ocegüera attended the APPA Business & Financial Conference on September 16-19, 2018 with staff and read his report aloud and requested his report be submitted with the minutes as official records (see attached).

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

- None.

GENERAL MANAGER'S REPORT

- 14 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for August 2018
- 15 Contracts Executed Not Requiring Board Approval – August 2018
- 16 Electric / Water / Consultant Contract Panel Update as of September 1, 2018
- 17 City Council / Committee Agendas – September 11, 2018 and September 18, 2018
- 18 Upcoming Meetings
- 19 Electric / Water Utility Acronyms

UPCOMING MEETING

Board Chair Jo Lynne Russo-Pereyra adjourned the meeting at approximately 7:23 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, October 22, 2018 at 6:30 p.m. in the Art Pick Council Chamber, Riverside, California; noted the regular meeting on October 8, 2018 was cancelled due to the Columbus Day holiday.

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

Approved by: City of Riverside Board of Public Utilities

Dated: _____

September 24, 2018

**Attendance at APPA 2018 Business And Financial Conference
September 16 – 19, 2018**

Strategic Rate Design.....

The importance of the development of rate plans, rate strategies and rate transition for a well planned utilities future financial stability and customer's satisfaction.

- a. Understanding the utilities cost: fixed and variable cost components**
- b. Defining the utilities rate making and identify gaps between current rates and objectives**
- c. Identification of technology needed to achieve the rate making objectives**
- d. Educating Utility Staff and Customers**
- e. Development of a transition plan**

How to Assess Your Cyber Health and Build Resilience

- a. According to a study, US Grid in Imminent Danger from Cyber Attack**
- b. Local Utilities also in danger of Cyber Attack**
- c. Cyber attacks are increasing in sophistication, magnitude and frequency**
- d. Rapidly evolving threats and vulnerabilities juxtaposed against the slower moving defense measures**
- e. Ransomware attacks, Phishing = the number one Hacking approach.**
- f. It is believed that it is easier to manipulate people rather than technology. Therefore, the people that use, administer, operate and account for computer systems that contain protected information are a weakest link. Data/Privacy Breaches**

Threats and Vulnerability Management:

A framework was provided for improving critical infrastructure Cybersecurity. Areas of focus are--- Risk assessment, management environment and strategies, awareness and training on data security, policies and procedures, monitoring and protective technology.

AMI = Advanced metering infrastructure.....

Immediate data to use in house and for providing residential and commercial customers data they can easily use to better manage their use.....

Identify problems before they happen and remotely determine/pin point the spot with the problem.

Maximizes and streamlines personnel/staff effectiveness and saves time and money.

Data synchs

Data integrity

Alarms --- notify personnel of repairs needed

Remote Billing

Reduction in customer phone calls

Building a culture of success, knowledge and awareness, trust, pride, credibility and teamwork, while utilizing all team members' curiosity.

Heard from Fred Haise astronaut of Apollo 13.

Gil Ocegura