

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

DRAFT

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: October 22, 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 Gil Oceguela
Jennifer O'Farrell Elizabeth Sanchez-Monville
Andrew Walcker

Absent: Jeanette Hernandez (absence due to illness)
Kevin Foust (absence due to business)

CHAIR CALLS MEETING TO ORDER

PLEDGE OF ALLEGIANCE TO THE FLAG

PRESENTATIONS

- 1 The Board of Public Utilities recognized the Riverside Public Utilities' 2018 "SPLASH into Cash – Bottled Water label art contest" winners and their teachers:
 - Jasmine Zamora, junior, Norte Vista High School
 - Jazlyn Sanchez, junior, Norte Vista High School
 - Madeleine Chaffin, junior, Woodcrest Christian High School
 - Audrey Alexander, senior, Woodcrest Christian High School
 - Ms. Carole Coffman, teacher, Norte Vista High School
 - Ms. Rhonda Thomale, teacher, Woodcrest Christian High School

COMMUNICATIONS

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

There was no update at this meeting.

PUBLIC COMMENT

- 3 Ms. Barbara Croonquist spoke against the Riverside Transmission Reliability Project running through the Hidden Valley Wildlife Preserve and surrounding area.

Ms. Mary Humboldt also spoke against the Riverside Transmission Reliability Project running through the Hidden Valley Wildlife Preserve and distributed a SCE RTRP A.15-04-013 response dated 8/20/2018 (See Attached)

Mr. Jason Hunter spoke regarding a Boardmember's conflict of interest in voting on Item 10 of the September 24, 2018 RPU Board meeting (*Construction of 1,950 feet of new potable water pipeline of the Iowa Avenue 12-Inch Water Main Extension Project – ARB / ARB Headquarters for a total project cost of \$775,000 – Work Order No. 1905091 in the amount of \$256,00 and Work Order No. 1726679 in the amount of \$519,000*) – Mr. Hunter submitted emails (see attached) that he requested be included in the record.

CONSENT CALENDAR

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

Motion – Ocegüera. Second – Austin.

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

Absent: Jeanette Hernandez (absence due to illness)
Kevin Foust (absence due to business)

Minutes

- 4 The minutes from the Board of Public Utilities regular meeting held on September 24, 2018 was approved as submitted.

Board Attendance

- 5 The Board of Public Utilities excused Board Member Jennifer O'Farrell's absence from the Board of Public Utilities regular meeting of September 10, 2018, due to a conflict.
- 6 The Board of Public Utilities excused Board Member Andrew Walcker's absence from the Board of Public Utilities regular meeting on September 24, 2018, due to vacation.

Other Items

- 7 Riverside Public Utilities Electric 2019 Annual Resource Adequacy Plan compliance filing with the California Independent Systems

The Board of Public Utilities:

1. Approved the 2019 Annual Resource Adequacy Plan; and
2. Authorized filing of the 2019 Annual Resource Adequacy Plan with the California Independent System Operator in compliance with Section 40 of its tariff.

- 8 First Amendment to Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc., of Gilbert, Arizona, for power plant control system engineering and consulting services at the Riverside Energy Resource Center and Springs Power Plan for a term ending July 1, 2019 in the amount of \$90,000

The Board of Public Utilities:

1. Approved the First Amendment to Professional Consultant Services Agreement in the amount of \$90,000 with Wunderlich-Malec Engineering, Inc. of Gilbert, Arizona for power plant control system engineering and consulting services at the Riverside Energy Resource Center and Springs Power Plant for a term ending July 1, 2019; and
2. Authorized the City Manager, or his designee, to execute the Professional Consultant Services Agreement with Wunderlich-Malec Engineering, Inc.

DISCUSSION CALENDAR

- 9 Update on the Riverside Public Utilities School Education Program and approval for new engineering essay contest for \$1,200

Utilities Senior Programs/Services Rep Sharon Gutierrez gave a presentation about the RPU School Education Program, consisting of the background, classroom visits and expansion, program participation, community events, future program development, and the importance of a high school students engineering essay contest and answered questions from the Board.

Additionally, Utility Information Assistant Demaris Velez was introduced to the Board as the assistant who assists Ms. Gutierrez with the school education program.

Since the City Council needs to approve the creation of a new, annual engineering essay contest with cash awards staff added to the recommendation the following:

"The Board of Public Utilities recommend that the City Council:....."

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

1. Receive and file the update on the Riverside Public Utilities' School Education Program; and
2. Approve the creation of a new, annual engineering essay contest with cash awards totaling \$1,200.

Motion – O'Farrell. Second – Austin.

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

Absent: Jeanette Hernandez (absence due to illness)
Kevin Foust (absence due to business)

- 10 Award Bid No. RPU-7597 to Trautwein Construction, Inc., of Riverside, California, for the construction of the Iowa Avenue Transmission Main Replacement Project – 1,240 feet of new potable water pipeline in the amount of \$1,639,242 including a 10% or \$163,924 change order authority; approve the capital expenditure for Work Order No. 1903811 in the amount of \$2,140,000

Interim Assistant General Manager/Water Michael Plinski reported on the Iowa Avenue Transmission Main Replacement project and answered questions.

Following discussion, the Board of Public Utilities:

1. Awarded Bid No. RPU-7597 to Trautwein Construction, Inc., of Riverside, California, in the amount of \$1,639,242 for the construction of the Iowa Avenue Transmission Main Replacement Project;
2. Authorized change order authority for the Trautwein Construction, Inc. Construction Contract in the amount of 10% or \$163,924 for Bid No. RPU-7597; and
3. Approved the capital expenditure for Work Order No. 1903811 in the amount of \$2,140,000 which includes all design, construction, paving, contract administration, inspection and construction change order authority costs for the Iowa Avenue Transmission Main Replacement Project.

Motion – Austin. Second – O’Farrell.

Ayes: Russo-Pereyra, Austin, Crohn, Ocegueda, O’Farrell, Sanchez-Monville, and Walcker.

Absent: Jeanette Hernandez (absence due to illness)
Kevin Foust (absence due to business)

- 11 Award Bid No. 7565 award of contract to James McMinn, Inc., of Grand Terrace, California, for Harvey Lynn Substation site expansion project for \$1,074,986 – Approve Work Order No. 1822052 for \$2,100,000

Assistant General Manager/Energy Delivery George Hanson reported on the Harvey Lynn Substation Site Expansion Project and answered questions.

Following discussion, the Board of Public Utilities:

1. Awarded Bid No. RPU-7565 to James McMinn, Inc., of Grand Terrace, California, for the Harvey Lynn Substation Site Expansion Project in the amount of \$1,074,986; and
2. Approved Work Order No. 1822052 in the amount of \$2,100,000 which includes, but is not limited to, all design, construction, and contract administration, for the Harvey Lynn Substation Site Expansion Project.

Motion – Sanchez-Monville. Second – Walcker.

Ayes: Russo-Pereyra, Austin, Crohn, Ocegueda, O’Farrell, Sanchez-Monville, and Walcker.

Absent: Jeanette Hernandez (absence due to illness)
Kevin Foust (absence due to business)

- 12 Freeman Substation to Orangecrest Substation fiber optic cable upgrade, Work Order No. 1423748, in the amount of \$1,300,000

Assistant General Manager/Energy Delivery George Hanson reported on the Freeman Substation to Orangecrest Substation Fiber Optic Cable Upgrade and stressed the importance of this project upgrade which will replace the aged 12-strand fiber optic cable with the 144-strand standard fiber optic cable to improve the capacity, reliability and redundancy of the fiber optic network system between these two substations and answered questions from the Board.

Following discussion, the Board of Public Utilities approved Work Order No. 1423748 in the amount of \$1,265,000 to upgrade the fiber optic cable between Freeman and Orangecrest Substations to improve capacity and reliability.

Motion – Walcker. Second – O'Farrell.

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

Absent: Jeanette Hernandez (absence due to illness)
Kevin Foust (absence due to business)

BOARD MEMBERS COMMUNICATIONS

- 13 Systematic reporting on meetings, conferences, and seminars by Board members and/or staff

Chair Russo-Pereyra and Vice Chair Austin reported on the CAISO Symposium that they attended with staff on October 17-18, 2018 in Sacramento.

Chair Russo-Pereyra also reported that she attended her first meeting of the Joint WMWD/City of Riverside meeting on October 10, 2018 and will be attending their quarterly meetings in the future.

- 14 Items for future Board of Public Utilities consideration as requested by a member of the Board of Public Utilities

- Review Conflict of Interest – possibly agendaize Item 10 of September 24, 2018 meeting again

- 15 Agricultural Water Rates Task Force Update

Interim Assistant General Manager/Water Michael Plinski reported that the next regular Agricultural Water Rates Task Force meeting is on Thursday, October 25, 2018 @ 5:30 pm.

Mr. Plinski also noted that Andrew Walcker has given his resignation letter as the Chair of the AG Task Force and that a new chair will need to be appointed by the Board of Public Utilities at its next meeting on November 5, 2018.

GENERAL MANAGER'S REPORT

- 16 SHARE Customer Update

- 17 Riverside Public Utilities Financial Results – June 30, 2018

- 18 Water Highlights – August 2018

- 19 Monthly Power Supply Report – August 2018
- 20 RPU Water Drought and Conservation Efforts Update as of August 2018
- 21 SCPPA Monthly Agenda & Minutes – August 16, 2018
- 22 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for September 2018
- 23 Contracts Executed Not Requiring Board Approval – September 2018
- 24 Electric / Water / Consultant Contract Panel Update as of October 1, 2018
- 25 City Council / Committee Agendas – September 25, 2018, October 2, 2018, October 9, 2018, and October 16, 2018
- 26 Upcoming Meetings

UPCOMING MEETING

Board Chair Jo Lynne Russo-Pereyra adjourned the meeting at approximately 8:00 p.m. The next regular meeting of the Board of Public Utilities will be a special meeting on Monday, November 5, 2018 at 6:30 p.m. in the Art Pick Council Chamber, Riverside, California; noted the regular meeting on November 12, 2018 was cancelled due to the Veterans Day holiday.

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

Approved by: City of Riverside Board of Public Utilities

Dated: _____

Southern California Edison
RTRP A.15-04-013

DATA REQUEST SET A1504013 ED-SCE-12

To: ENERGY DIVISION
Prepared by: Kenneth Spear
Title: Project Manager
Dated: 08/20/2018

Question 01:

We've received several comments related to the Land and Water Conservation Fund land conversion that is occurring within the Hidden Valley Wildlife Preserve. Can you, or someone involved in the process, provide an update on the status of the land conversion, including NEPA review? Please also indicate a schedule for the NEPA decision, if known.

Response to Question 01:

Riverside Public Utilities (RPU) and Southern California Edison (SCE) have proposed to construct the Riverside Transmission Reliability Project (RTRP), which will consist of both 69 kV and 230 kV electrical facilities, some of which would be located within and crossing over lands within the Hidden Valley Wildlife Area (HVWA). Because the affected HVWA lands were federally funded, in part, under Section 6(f)(3) of the Land and Water Conservation Fund Act (LWCF), conversion of these lands to non-recreation uses (*e.g.* electrical transmission line utility infrastructure) and the acquisition of "replacement" lands to offset these LWCF conversion impacts requires review and approval by the National Park Service (NPS). The LWCF State Assistance Program Manual (*available here* : https://www.nps.gov/subjects/lwcf/upload/lwcf_manual.pdf) and the NPS require the submittal of a Project Description-Environmental Screening Form (PD-ESF) by the sponsoring agency (which is the Riverside County Regional Open Space District (District)), as well as appropriate National Environmental Policy Act (NEPA) environmental review. As sponsoring agency, the District has been consulting with the California Department of Fish and Wildlife-Wildlife Conservation Board (CDFW) because land within the District managed HVWA is *also* owned by CDFW. The California Department of Park and Recreation - Office of Grants and Locals Services (OGALS) which administers LWCF program within California, participated in the identification of replacement lands, and serves as liaison to the NPS for processing of the PD-ESF, as is described by the LWCF State Assistance Program Manual.

As stated in the PD-ESF and the LWCF State Assistance Program Manual, the LWCF conversion proposal environmental review properly focuses on the impacts from the loss of public outdoor recreation parkland and the replacement parkland proposed for same, and *not* the action precipitating the conversion or benefits thereof (in this case, the construction of an overhead electrical transmission line) beyond the boundary of the Section 6(f) boundary. The environmental review must 1) focus on "resource impacts" as indicated on the PD-ESF, and 2) the impacts of creating new replacement parkland and replacement recreation opportunities. The NPS ultimately approves or denies the conversion and replacement of LWCF lands after the Sponsoring Agency completes and submits the PD-ESF and NEPA related documentation that analyzes the effects of recreation land loss and replacement.

With respect to the land conversion currently being undertaken, SCE understands that POWER Engineers, Inc., on behalf of the District, has submitted two versions of the draft PD-ESF to OGALS for

review: on or about December 11, 2017 and on or about June 6, 2018. The PD-ESF details the proposed LWCF conversion and the replacement property's current conditions and potential impacts of the Section 6(f) land conversion. The PD-ESF has been reviewed by OGALS and approved for submission to the State. The PD-ESF is currently undergoing final review by CDFW.

Once CDFW approves the contents of the PD-ESF, the District intends to provide an opportunity to review and receive comments on the PD-ESF from the Riverside County Attorney, the Riverside Park District Advisory Commission, and the Riverside County Board of Supervisors. Following this final review, the District would submit the application (PD-ESF and supporting materials) to OGALS and NPS. The NPS would then review the draft PD-ESF for deficiencies and make a determination on the level of NEPA analysis (anticipated to be an Environmental Assessment (EA)) required for making a decision on the proposed Section 6(f) conversion and replacement lands. The NEPA analysis document would then be completed and attached to the final PD-ESF. Appropriate public review would be conducted by the NPS, and the NPS would then issue their decision (anticipated to be a Finding of No Significant Impact (FONSI)).

SCE currently anticipates the PD-ESF to be submitted to OGALS and NPS in or around November/December 2018. It is estimated that the NEPA analysis, review by the NPS, and public review will take approximately 9-12 months from the time of submittal of the final PD-ESF and EA to the NPS.

Conflict-of-interest/Gift of Public Funds

J Hunter

Wed 9/26/2018, 2:19 PM

To: tjorgenson@riversideca.gov <tjorgenson@riversideca.gov>; swilson@riversideca.gov <swilson@riversideca.gov>; davidcrohn@gmail.com <davidcrohn@gmail.com>

Cc: Zelinka, Al <azelinka@riversideca.gov>; Gardner, Mike <MGardner@riversideca.gov>

 1 attachments (117 KB)

BPU Agenda 092418.pdf;

Hi all,

At Monday's Board of Public Utilities meeting, Board Member David Crohn voted twice on separate motions regarding Item #10 (Construction of 1,950 feet of new potable water pipeline of the Iowa Avenue 12-Inch Water Main Extension Project - ARB / ARB Headquarters for a total project cost of \$775,000 - Work Order No. 1905091 in the amount of \$256,000 and Work Order No. 1726679 in the amount of \$519,000), which makes infrastructure improvements at the expense of Riverside Public Utilities (RPU) general ratepayers to an area abutted by Mr. Crohn's employer, UCR. I confirmed with RPU General Manager Todd Jorgenson after the meeting that Phase IIB of this project (which would potentially service UCR's property) is completely discretionary at this time and in no way will impact the Air Resource Board's (ARB) service.

The staff report accompanying the item says, "University of California, Riverside's (UCR) Physical Master Plan identifies potential future expansion in this area." Mr. Crohn states at the meeting that, "it's going to be a very active and in-demand corridor once it's improved, and it's an area that has been targeted for development not just on the UCR side," and, "if future development happens and I think it will". In other words, UCR will financially benefit, in the form of increased property value, from these improvements. Further, I confirmed with GM Jorgenson after the meeting that any future development fees RPU would collect from UCR will not fully cover the cost of Phase IIB of this project.

I spoke over the phone with Board Member Crohn yesterday about his vote. He informed me that the City Attorney's Office (CAO) told him that there are special exemptions for State university professors from California's conflict-of-interest laws. **As I am unaware of such, I ask that the CAO produce the foundation of this guidance now. I would also like to know why Phase IIB isn't considered a gift of public funds to UCR.** It certainly smells like some of the games I see being played over in Moreno Valley with the World Logistics Center.

I would appreciate your help. However, if I don't get satisfactory and timely answers to my request, I will simply turn over whatever I have to the FPPC and the DA ,and let them sort it all out.

Sincerely,

-Jason Hunter

Re: Political Reform Act

David Crohn <david.crohn@gmail.com>

Tue 10/16/2018, 1:55 PM

To: Jason Hunter <jehunter51@msn.com>

Cc: Wilson, Susan <swilson@riversideca.gov>; Jorgenson, Todd <tjorgenson@riversideca.gov>

Hi Jason:

I would welcome a discussion of this with the rest of the Board. If you decide to bring it up, I will do my part to see that it is fairly considered. I don't know what else I can do at this point.

David

On Tue, Oct 16, 2018 at 12:50 PM J Hunter <jehunter51@msn.com> wrote:

David,

Having researched the subject a bit further, I think the Government Code Section of importance here is 1091.

1091. (a) An officer shall not be deemed to be interested in a contract entered into by a body or board of which the officer is a member within the meaning of this article if the officer has only a remote interest in the contract and if the fact of that interest is disclosed to the body or board of which the officer is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer or member with the remote interest.

(b) As used in this article, "remote interest" means any of the following:

(13) That of a person receiving salary, per diem, or reimbursement for expenses from a government entity.

As I chronicled in my previous email to you, you were the deciding vote on Mr. Foust's motion that failed, which would have protected Riverside's ratepayers. It was clear in both staff's report and your own oral comments at the meeting September 24th that UCR - your employer - would financially benefit from Phase IIB of this project. However, you did not disclose your interest openly. It is my interpretation of the code that any contract emanating from the decision to go forward with Phase IIB is voidable.

My suggestion to RPU is that a new vote needs to be taken on Mr. Foust's motion at the next Board meeting. If that were to happen, I would consider the situation remedied and pursue it no further.

Sincerely,
Jason Hunter

From: David Crohn <david.crohn@gmail.com>

Sent: Tuesday, October 16, 2018 10:25 AM

To: Jason Hunter

Subject: Re: Political Reform Act