

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

DRAFT

Minutes of: Special Meeting of the Board of Public Utilities

Date of Meeting: November 5, 2018

Time of Meeting: 6:30 p.m. (began at 6:32 pm)

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
	Jennifer O'Farrell (left early)	Elizabeth Sanchez-Monville
	Andrew Walcker (left early)	

Absent: None.

COMMUNICATIONS

- 1 LEGISLATIVE UPDATE / RIVERSIDE TRANSMISSION RELIABILITY PROJECT UPDATE / SAN ONOFRE NUCLEAR GENERATING STATION UPDATE

There were no questions regarding legislation by the Board Members.

PUBLIC COMMENT

- 2 Mr. Tom Evans, Ward 5 and also a member of the Agricultural Rates Task Force (AG Task Force), spoke on the resignation of Andrew Walcker (Item 9) and said that Mr. Walcker did a great job as Chair of the AG Task Force and that the Board should consider Seth Wilson as the new Chair of the AG Task Force.

CONSENT CALENDAR

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

Motion – Sanchez-Monville. Second – Austin.

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

Absent: None.

Minutes

- 3 The minutes from the Board of Public Utilities regular meeting held on October 22, 2018 was approved as submitted.

Board Member Jennifer O'Farrell abstained regarding Items 4 and 5 and left the dais.

DISCUSSION CALENDAR

4 Customer Appeal of Billing of Undercharges for Electric Service – Fusion Sign and Design

Chair Russo-Pereyra explained the appeal procedure order of discussion stated in Board Standing Rule Section 7.A.3.:

Appeal Order of Discussion:

- 1) Staff presentation, information and reports
- 2) Appellant presentation, comments and information
- 3) Public comments
- 4) Closing statements by appellant
- 5) Closure of public testimony
- 6) RPU Board members, including questions, discussion, motion, and action

Once the agenda item is placed before the RPU Board for questions, discussion, motion and action, no member of the public shall be allowed to address the RPU Board without the consent of the RPU Board

Staff Presentation

Utilities Fiscal Manager Brian Seinturier provided a presentation explaining a billing issue of the electric service account due to an inaccurate setting in the billing system which resulted in the understatement of energy consumed and the under-calculation of the charges for electric service.

Appellant Presentation

Mr. Loren Hanson, owner/manager of Fusion Sign and Design spoke and said that they are a small business in Riverside with many other stores in other cities but pay their electric bills on an auto-pay system that caused them not to notice the undercharge – they agree they used the energy but because of the large amount of monies due, are asking RPU to consider possibly letting them pay under Electric Rule 6 (b) which reads *"Undercharges shall not be recomputed and billed to residential accounts for a length of time exceeding four billing periods prior to the discovery of an error"* instead of Electric Rule 6 (c) which reads *"Undercharges shall not be recomputed and billed to non-residential accounts for a period in excess of 3 years prior to the discovery of an error"* – or at least consider not paying all of the monies due.

Comments from the Audience

There were no public comments from the audience.

Closing Statements by the Appellant

There were none.

Close Appeal Hearing

There were no other comments regarding this matter, so the Board of Public Utilities closed the appeal hearing.

Motion – Austin. Second – Walcker.

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

Abstained: Jennifer O'Farrell

Absent: None.

Board Discussion

The Board of Public discussed this issue at length and asked questions of both staff and appellant.

Following discussion, the Board of Public Utilities:

1. Denied the appeal of Fusion Sign and Design and directed staff to engage in discussions with Fusion Sign and Design for a repayment plan with the first payment commencing on the next fiscal year for the amount due of \$67,838.42 for energy consumed pursuant to Electric Rule 6 – Meter Investigations and Adjustment of Bills; and
2. Requested staff to return to the Board with a review of Electric and Water Rule 6 as to why undercharges are computed differently for residential accounts and commercial accounts.

Motion – Walcker. Second – Sanchez-Monville.

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

Abstained: Jennifer O'Farrell

Absent: None.

- 5 Customer Appeal of Billing for Undercharges for Electric Service - Microflex Film Corporation
Chair Russo-Pereyra explained the same appeal procedure order of discussion would be followed as with the preceding appeal.

Staff Presentation

Utilities Fiscal Manager Brian Seinturier provided a presentation explaining a billing issue of the electric service account due to an inaccurate setting in the billing system which resulted in the understatement of energy consumed and the under-calculation of the charges for electric service.

Appellant Presentation

Ms. Santana, owner/manager of Microflex Film Corporation spoke that they are a small business and that they did not have previous history on the meter so when they were billed they did not know that it was undercharged plus the first couple of months that they moved into the facility their machines were not there so those months would be low as they did not use that much electricity – they feel the company should not have to pay all of the \$33,486.38, since it wasn't their error but RPU's error.

Comments from the Audience

There were no public comments from the audience.

Closing Statements by the Appellant

There were none.

Close Appeal Hearing

There were no other comments regarding this matter, so the Board of Public Utilities closed the appeal hearing.

Motion – Austin. Second – Ocegüera.

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

Abstained: Jennifer O'Farrell

Absent: None.

Board Discussion

The Board of Public Utilities discussed this issue at length and asked questions of both staff and appellant.

The Board requested staff to review/compare what other agencies do in this type of situation and report back to the Board.

The first motion failed due to lack of votes, which was the following:

That the Board of Public Utilities continue the appeal for six months and bring back a review of Electric Rule 6 as to why undercharges are computed differently for residential accounts and commercial accounts to the PU Finance Committee and to the Board.

Motion – Walcker. Second – Sanchez-Monville.

Ayes: Austin, Ocegüera, Sanchez-Monville, and Walcker.

Noes: Crohn, Foust, Hernandez, and Russo-Pereyra.

Abstained: Jennifer O'Farrell

Absent: None.

The second motion passed, which was the following:

The Board of Public Utilities approved continuing the appeal of Microflex Film Corporation for a repayment of the amount due of \$33,486.38 for energy consumed pursuant to Electric Rule 6 – Meter Investigations and Adjustment of Bills until after the review of Electric Rule 6 by the Board of Public Utilities and the City Council.

Motion – Walcker. Second – Austin.

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

Abstained: Jennifer O'Farrell

Absent: None.

Board Member Jennifer O'Farrell returned to the dais at this time.

CLOSED SESSIONS

- 5a Pursuant to Government Code §54957(a) for consultation with Chief of Police Sergio Diaz and General Services Director Carl Carey regarding threat to public services or facilities
- 5b Pursuant to Government Code §54957(b) regarding public employee appointment - Public Utilities General Manager

(The Closed Sessions began at 8:10 pm and ended at approximately 9:34 pm)

DISCUSSION CALENDAR – CONT'D

- 6 Approve Work Order No. 1524839 for the demolition of Magnolia substation for \$110,000

Electrical Engineering Manager Sean Wilder reported on the demolition of Magnolia Substation and answered questions from the Board Members.

Following discussion, the Board of Public Utilities approved Work Order No. 1524839 for the demolition of the Magnolia Substation in the amount of \$110,000.

Motion – O'Farrell. Second – Crohn.

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

Absent: None.

- 7 Bid No. SUB-806 for furnishing and delivering a Combined Metal-Cad Switchgear Enclosure to Crown Technical Systems in the amount of \$1,343,878.13; Award Bid No. SUB-793 for furnishing and delivering protective relay panels to Keystone Manufacturing Company in the amount of \$53,576.17 – Approve Work Order No. 1810532 for Freeman Switchgear and Transformer Upgrade Project for \$5,463,000

Electrical Principal Engineer Fady Megala reported on the background, scope of work, and project breakdown of the Freeman Switchgear and Transformer Upgrade Project and answered questions from the Board Members.

Following discussion, the Board of Public Utilities:

1. Awarded Bid No. SUB-806 for furnishing and delivery of a combined metal-clad switchgear enclosure to Crown Technical Systems of Fontana, California, in the amount of \$1,343,878.13;
2. Awarded Bid No. SUB-793 for furnishing and delivery of protective relay panels to Keystone Manufacturing Co. of Des Moines, Iowa, in the amount of \$53,576.17; and
3. Approved Work Order No. 1810532 in the total amount of \$5,463,000.

Motion – Austin. Second – O'Farrell.

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

Absent: None.

Board Member O'Farrell left the meeting at this time.

- 8 Discuss and provide input for the Riverside Public Utilities Annual Report to be presented to City Council by Board Chair Russo-Pereyra on December 18, 2018

Board Chair Russo-Pereyra gave a summarized presentation of the annual report that she will be presenting to the City Council on December 18, 2018 and noted that there will be some revised additions and structuring and she invited all the Board Members to attend if they can so she can introduce them and they can support her.

Following discussion, the Board of Public Utilities:

1. Discussed and provided input on the Board of Public Utilities annual report to the City Council on December 18, 2018 by Board Chair Jo Lynne Russo-Pereyra; and
2. Received and filed this report.

Motion – Austin. Second – Walcker.

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

Absent: O'Farrell (left the meeting early).

Board Member Walcker recused himself from the dais regarding Item 9 due to conflict of interest and left the meeting early.

- 9 Accept resignation of Andrew Walcker from the Agricultural Water Rate Task Force and appoint a new chair of the Agricultural Water Rates Task Force

Interim Assistant General Manager/Water Michael Plinski reported on the resignation and the great job that Andrew Walcker did as chair of the Agricultural Water Rate Task Force.

Board Member Elizabeth Sanchez-Monville motioned to nominate Seth Wilson to the position of Chair of the Agricultural Water Rate Task Force and Board Member David Crohn to the position of Vice Chair of the Agricultural Water Rate Task Force and since there were no other nominees suggested the Board voted.

Following discussion, the Board of Public Utilities accepted the resignation of Andrew Walcker and appointed Seth Wilson as the new Chair of the Agricultural Water Rates Task Force and Board Member David Crohn as the Vice Chair.

Motion – Sanchez-Monville. Second – Ocegüera.

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

Abstained: Andrew Walcker (due to conflict of interest and left the meeting early)

Absent: Jennifer O'Farrell (left the meeting early)

BOARD MEMBER/STAFF COMMUNICATIONS

- 9a City Attorney report on Closed Session discussion

Assistant City Attorney Susan Wilson reported that there was no reportable action on Item 5a.

- 9b City Manager report on Closed Session discussion

City Manager Al Zelinka reported that there was no reportable action on Item 5b because the Board's consideration of the appointment of the RPU General Manager has not resulted in the actual appointment of a candidate to that position, but that the Board has approved the candidate that he presented to them, and that he will disclose the name of that candidate when the appointment occurs..

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

Board Member Ocegüera visited Board Member Jennifer O'Farrell's business and commended her on the great work she does as the executive director of Big Brothers Big Sisters of the Inland Empire.

Board Members Crohn and Russo-Pereyra reported that they attended the Gage Canal Tour with Rick Small and that he did a great job.

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

None.

- 12 Agricultural Water Rates Task Force Update

Interim Assistant General Manager Michael Plinski reported that the next meeting is scheduled for Wednesday, November 14, 2018 @ 5:30 pm.

GENERAL MANAGER'S REPORT

- 13 Announcement of the following awards presented at the Keep Riverside Clean & Beautiful luncheon on October 18, 2018:

- 311 for City Services selected as recipient of the *2018 Good Steward for Graffiti Award* in recognition of the team's commitment to provide access to local business owners and residents to take action against graffiti vandalism in the City of Riverside
- The Janet Goeske Foundation & Senior Center selected as recipient of the *2018 Environmental Steward Award* in recognition of an outstanding example of environmental stewardship with the Streeter Park Turf Conversion and Demonstration Garden, expected to save 1.5 million gallons of water on an annual basis.

- 14 SHARE Customer Update

Board Members requested that staff check their math on this update and in the future use a graphic format for this update with a year-by-year comparison, if possible.

- 15 Water Highlights – September 2018

- 16 Monthly Power Supply Report – September 2018

- 17 RPU Water Drought and Conservation Efforts Update as of September 2018

- 18 City Council / Committee Agendas – October 23, 2018

- 19 Upcoming Meetings

- 20 Electric / Water Utility Acronyms

- 21 SCPPA Monthly Agenda & Minutes – September 20, 2018

- 22 Legislative Scorecard

UPCOMING MEETING

Chair Russo-Pereyra adjourned the meeting at approximately 10:07 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, November 26, 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 _____