

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

UNAPPROVED

Minutes of: Meeting of the Board of Public Utilities
Date of Meeting: March 11, 2019
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
 David Crohn Jeanette Hernandez
 Gil Ocegueda Andrew Walcker

Absent: Elizabeth Sanchez-Monville (absence due to illness).
 Jennifer O'Farrell (absence due to business).

PRESENTATION

- 1 Election of Board of Public Utilities Officers and assign Board of Public Utilities Members to Board of Public Utilities Committees

ELECTION OF PUBLIC UTILITIES BOARD OFFICERS

(1) Chair

Board Vice-Chair Dave Austin nominated Jo Lynne Russo-Pereyra to the position of Chairman of the Board of Public Utilities and Board Member Gil Ocegueda seconded the nomination.

The Board of Public Utilities closed the nominations for the position of Chair of the Board of Public Utilities.

Motion – Ocegueda Second – Walcker.

Ayes: Austin, Crohn, Hernandez, Ocegueda, Russo-Pereyra, and Walcker.

Absent: Sanchez-Monville (absence due to illness).
 Jennifer O'Farrell (absence due to business).

The Board of Public Utilities voted upon the Board Member nominated for the position of Chair of the Board of Public Utilities. Six out of six voted for Jo Lynne Russo-Pereyra.

Jo Lynne Russo-Pereyra was elected Chair.

(2) Vice Chair

Board Member Andrew Walcker nominated Elizabeth Sanchez-Monville to the position as Vice Chair of the Board of Public Utilities and Board Member Gil Ocegüera seconded the nomination.

The Board of Public Utilities closed the nominations for the position of Vice Chair of the Board of Public Utilities.

Motion – Walcker. Second – Austin.

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

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

The Board of Public Utilities voted upon the Board Member nominated for the position of Vice Chair of the Board of Public Utilities. Six out of six voted for Elizabeth Sanchez-Monville.

Elizabeth Sanchez-Monville was elected Vice Chair.

ASSIGN BOARD OF PUBLIC UTILITIES MEMBERS TO BOARD OF PUBLIC UTILITIES COMMITTEES

(3) The newly elected Chair requested to assign Board of Public Utilities Members to each Board of Public Utilities Committee at its next meeting.

PUBLIC HEARING

Chair Russo-Pereyra called the public hearing meeting to order at approximately 6:34 p.m.

Chair Russo-Pereyra stated to the audience that the Board of Public Utilities was holding a public hearing to receive public input on the proposed changes to the time periods used to calculate overcharges and undercharges in accordance with Electric Rule 6 and Water Rule 6. Comments of any individual would be limited to three minutes and would be heard in order of sign up.

Staff Presentation

Prior to receiving public input, the Board requested staff to provide a summary of the process, which was presented by Utility Fiscal Manager Brian Seinturier.

Comments from the Audience

Mr. Jason Hunter, Ward 1, opposed the six month billing period and suggested it should be a four month billing period.

Close Public Hearing

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

Motion – Austin. Second – Walcker.

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

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

- 2 Proposed changes to the time periods used to calculate overcharges and undercharges in accordance with Electric Rule 6 and Water Rule 6

Following discussion, the Board of Public Utilities:

1. Conducted a public hearing to receive public input related to the proposed changes to Electric Rule 6 and Water Rule 6 that include reducing the time periods used to calculate billing of undercharges for non-residential accounts from three (3) years to six (6) monthly billing periods, increasing the time periods used to calculate billing of undercharges for residential accounts from four (4) billing periods to six (6) monthly billing periods, change the terminology of the time period used to calculate overcharges from one (1) year to twelve monthly billing periods, and changing the period used to calculate billing of overcharges for fast meters to be consistent with the monthly billing period for general overcharges;
2. Adopted a resolution establishing the changes to Electric Rule 6 and Water Rule 6;
3. Recommended that the City Council adopt a resolution approving the changes to Electric Rule 6 and Water Rule 6; and
4. Recommended that the City Council apply the changes to Electric Rule 6, if adopted, to the pending appeals filed by Fusion Sign and Design and Microflex Film Corporation.

Motion – Austin. Second – Crohn.

Ayes: Austin, Crohn, Hernandez, Ocegueda, Russo-Pereyra, and Walcker.

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

CITIZENS PARTICIPATION

- 3 None.

CONSENT CALENDAR

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

Motion – Austin. Second – Ocegueda.

Ayes: Russo-Pereyra, Austin, Crohn, Hernandez, Ocegueda, and Walcker.

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

Minutes

- 4 The minutes from the Board of Public Utilities regular meeting held on February 11, 2019 was approved as submitted.

Board Attendance

- 5 Excused Board Member Gil Oceguela absence from the Board of Public Utilities regular meeting on January 28, 2019, due to vacation.
- 6 Excused Board Member Jennifer O'Farrell absence from the Board of Public Utilities regular meeting on January 28, 2019, due to business.

Water Items

- 7 Purchase of one Trailer Mounted Vacuum Excavator in lieu of three Arrow Boards, for a revised total amount not to exceed \$2,300,000 as part of the purchase of heavy equipment for use by the Riverside Public Utilities Water Division

The Board of Public Utilities approved the purchase of one trailer mounted vacuum excavator, in the amount of \$77,575.15, in lieu of three arrow boards, remaining within the previously authorized \$2.3 million for new heavy equipment purchases by the Riverside Public Utilities Water Division.

- 8 Accept the resignation of Agricultural Water Rates Task Force member Patricia Lock-Dawson vacating her seat representing Ward 2 and nominate and confirm Gurumantra Khalsa as the replacement for this vacancy and excuse absence of Task Force member Gilberto Esquivel from the meeting of February 21, 2019

The Board of Public Utilities:

1. Accepted the letter of resignation from Task Force member Patricia Lock-Dawson vacating her seat representing Ward 2;
2. Nominated and confirm Gurumantra Khalsa as the replacement to fill the resulting vacancy to represent Ward 2; and
3. Excused absence of Task Force member Gilberto Esquivel from the meeting of February 21, 2019.

Other Items

- 9 Recommend that the City Council receive and file this Southern California Public Power Authority bi-annual expenditure report for the period of July 2018 through December 2018

The Board of Public Utilities recommended that the City Council receive and file this Southern California Public Power Authority bi-annual expenditure report for the period of July 2018 through December 2018.

- 10 Approve an Agreement for Selective Catalytic Reduction Maintenance and Turnkey Installation Services for the Riverside Energy Resource Center Units 1 and 2 in response to Request for Proposal No. 1882 with Cormetech, Inc., of Durham, North Carolina for \$202,865; approve an Agreement for Carbon Monoxide Catalyst Replacement and Turnkey Installation Services for the Riverside Energy Resource Center Units 1 and 2 in response to Request for Proposal No. 1883 with Cormetech, Inc., of Durham, North Carolina for \$561,195; and approve Work Order No. 1917240 for the Riverside Energy Resource Center Catalyst Projects for 835,865

The Board of Public Utilities:

1. Approved an Agreement for Selective Catalytic Reduction Maintenance and Turnkey Installation Services for the Riverside Energy Resource Center Units 1 and 2 in response to Request for Proposal No. 1882 with Cormetech, Inc., of Durham, North Carolina for \$202,865;
2. Approved an Agreement for Carbon Monoxide Catalyst Replacement and Turnkey Installation Services for the Riverside Energy Resource Center Units 1 and 2 in response to Request for Proposal No. 1883 with Cormetech, Inc., of Durham, North Carolina for \$561,195;
3. Approved Work Order No. 1917240 for work associated with the Riverside Energy Resource Center Catalyst Projects in a total amount of \$835,865; and
4. Authorized the City Manager, or designee, to execute all documents pursuant to the Agreements with Cormetech, Inc. and any other documents as necessary to effectuate the Agreements including making minor non-substantive changes.

DISCUSSION CALENDAR

- 11 Update on the Service Level Agreement between the Public Utilities Department and City Manager Office of Communications Department

Marketing Officer Stephanie Harvey gave an update on the progress towards meeting the service level agreement between the Public Utilities Department and City Manager/Communications Department and answered questions from the Board.

Following discussion, the Board of Public Utilities received and filed the update on the Service Level Agreement between the Public Utilities Department and the City Manager's Office of Communications.

Motion – Austin. Second – Ocegüera.

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

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

- 12 Recommend that the City Council approve a capital expenditure not-to-exceed \$1,500,000 to fund up to 17 recycled water customer site conversions

Assistant General Manager/Water Todd Jorgenson gave a presentation of the recycled water customer site conversions and answered questions from the Board.

The Board requested that staff bring this report back at a later date with additional options for funding the conversions.

Following discussion, the Board of Public Utilities recommended that this item be continued and that staff return with further options to fund the recycled water customer site conversions.

Motion – Walcker. Second – Austin.

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

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

- 13 Recommend that the City Council authorize termination of the Renewal Power Sales Contract between the Intermountain Power Agency and the City of Riverside, and exiting from the Intermountain Power Project upon the expiration date of the current Power Sales Contract on June 15, 2027

Assistant General Manager/Resources Daniel E. Garcia gave a presentation regarding the termination of the Renewal Power Sales Contract and answered questions from the Board.

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

1. Authorize termination of the Renewal Power Sales Contract between the Intermountain Power Agency and the City of Riverside effective November 1, 2019;
2. Authorize the City of Riverside's exit from the Intermountain Power Project Repower Project upon the expiration date of the current Power Sales Contract on June 15, 2027; and
3. Authorize the City Manager, or designee, to provide written notice to the Intermountain Power Agency to terminate the Renewal Power Sales Contract between the Intermountain Power Agency and the City of Riverside, and execute any other documents as necessary to effectuate the termination of the contract effective November 1, 2019 and exit from the Intermountain Power Project Repower Project upon the expiration date of the current Power Sales Contract on June 15, 2027.

Motion – Walcker. Second – Austin.

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

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

- 14 Action plan update for the fiscal year 2016 Performance Assessment and Financial Expenditure Audit of Riverside Public Utilities by Baker Tilly and Organizational Assessment by Hometown Connections

PU General Manager Todd Corbin and Interim Assistant General Manager/Finance Aileen Ma gave an update on this item.

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

1. Receive and file an update on the action plans for the Fiscal Year 2016 Performance Assessment and Financial Expenditure Audit of the Public Utilities Department performed by Baker Tilly;
2. Receive and file an update on the action plan for the Fiscal Year 2016 Organizational Assessment of the Public Utilities Department performed by Hometown Connections; and
3. Direct staff to return to the Board of Public Utilities in one year with a status update on the Action Plan in response to the Fiscal Year 2016 Performance Assessment and Financial Expenditure Audit of the Public Utilities Department performed by Baker Tilly.

Motion – Austin. Second – Ocegüera.

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

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

- 15 Riverside Public Utilities Fiscal Year 2018-19 Mid-Year Financial Report

Interim Assistant General Manager/Finance Aileen Ma reported on the Fiscal Year 2018-19 mid-year financials.

Following discussion, the Board of Public Utilities received the Riverside Public Utilities fiscal year 2018-19 mid-year financial report as of December 31, 2018.

Motion – Ocegüera. Second – Austin.

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

Absent: Sanchez-Monville (absence due to illness).
Jennifer O'Farrell (absence due to business).

BOARD COMMUNICATIONS

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

Board Chair Russo-Pereyra and Vice Chair Austin reported that they attended with staff the APPA Legislative Rally in Washington DC.

- 17 Items for future Board of Public Utilities consideration as requested by a member of the Board of Public Utilities
None.
- 18 Agricultural Water Rates Task Force Update
Board Member Crohn reported on the progress that the Task Force is accomplishing.
Mr. Gurumantra Khalsa introduced himself as the replacement of Ward 2 vacancy on the Agricultural Water Rates Task Force.

GENERAL MANAGER'S REPORT

- 19 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for January 2019
- 20 Electric / Water / Consultant Contract Panel Update as of February 1, 2019
- 21 Riverside Public Utilities Financial Results – December 31, 2018
- 22 SHARE Customer Update – February 2019
- 23 Contracts Executed Not Requiring Board Approval – January 2019
- 24 Monthly Power Supply Report – January 2019
- 25 SCPPA Monthly Agenda & Minutes – January 17, 2019
- 26 City Council / Committee Agendas – February 12, 2019, February 19, 2019, February 26, 2019, and March 5, 2019
- 27 Upcoming Meetings
- 28 Electric / Water Utility Acronyms

UPCOMING MEETING

Chair Russo-Pereyra adjourned the meeting at approximately 8:30 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, March 25, 2019 at 6:30 p.m. in the Art Pick Council Chamber, Riverside, California.

By: _____
Todd M. Corbin, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated _____