

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: November 9, 2020

Time of Meeting: 6:30 p.m.

Place of Meeting: Virtual Meeting – Microsoft Teams

CHAIR CALLED MEETING TO ORDER

ROLL CALL

Present: Board Chair David Crohn
Board Vice Chair Elizabeth Sanchez-Monville
David Austin
Jeanette Hernandez
Ana Miramontes
Gil Ocegüera
Jo Lynne Russo-Pereyra
Andrew Walcker
Peter Wohlgemuth

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

PRESENTATION

1. Robert Ennis, Legislative Affairs Manager, updated the Board on legislative activity during COVID-19. Fewer new energy related bills were passed and one of the few water bills, AB 2560, passed establishing a transparency process for the State Water Board's development of advanced notification levels and response levels for water contaminants PFOA and PFAS. Bill AB 2421 was signed expediting the permitting of emergency standby generator for macro cell towers in the event of a Public Safety Power Shutoff. Governor Newsome released a draft Water Resilience Portfolio the Legislature will address in 2021.

2. Assistant General Manager Carlie Myers introduced Utilities Fiscal Manager Staci Sullivan who presented Priority Based Budget Process. The overview explained how Priority Based Budget will identify Citywide strategic priorities of short and long term City programs. She outlined the process and timelines for implementation and what the final product communicates to constituents. Board members requested an update before the process is finalized. General Manager Todd Corbin highlighted that this process will provide insight into how Utility operations fits into Citywide priorities in the selection and approval process of City projects.

PUBLIC COMMENT/E-COMMENT

3. Jason Hunter, Ward 1, called to comment on Parada lawsuit.

CONSENT CALENDAR

Item #6 was pulled from the Consent Calendar.

Board Attendance

4. Excuse the absence of Board Member Andrew Walcker from the Board of Public Utilities regular meeting on October 26, 2020 due to a business commitment.

Electric Items

5. Item removed from the agenda.

Other Items

7. Authorize Work Order No. 2002620 in the amount of \$65,000 for improvement to the Mission Square Building – Fifth Floor American with Disabilities Act Restroom.

A motion to approve Consent Items 4 and 7 was made:

Motion - Walcker Second – Russo-Pereyra

Ayes: Crohn, Austin, Hernandez, Miramontes, Ocegüera, Sanchez-Monville,
Wohlgemuth

DISCUSSION CALENDAR

6. Consider approval of a Professional Consultant Services Agreement in response to Request for Proposal No. 2029 for the Long-Term Approach for Perfluorinated Compounds Treatment with HDR Engineering, Inc. in an amount not to exceed of \$234,600.

Board Members acknowledged the importance of clean drinking water distribution to the public. The vendor selection for this agreement was discussed in depth with Michael Plinski, Water Engineering Manager. He explained which wells will be affected by the study, why the study is being conducted and examining the most cost effective ways to remedy treatment. Proactive study can provide cost savings and the highest safety levels of drinking water. His discussion helped Board members understand the State testing parameters currently mandated. Board Chair Crohn requested written explanation within Board reports detailing why low bidder is not given award. Water Engineering Michael Plinski detailed two methods already in use by RPU in the treatment of PFAS/PFOA and other contaminants.

PUBLIC COMMENT/E-COMMENT

Jason Hunter, Ward 1, called in to comment on Board approval of Professional Service Contracts and which wells are testing for PFAS/PFOA.

A motion to approve Consent Item 6 was made:

Motion - Russo-Pereyra Second – Sanchez-Monville

Ayes: Crohn, Austin, Hernandez, Miramontes, Oceguela, Walcker, Wohlgemuth

8. Receive information on the Riverside Public Utilities Cash Reserve Policy

Assistant General Manager Carlie Myers introduced Utilities Fiscal Manager, Brian Seinturier, who gave a presentation on Riverside Public Utilities cash reserve policy. He gave an overview on the following: Cash reserve policy history, purpose and importance of cash reserve policy, types of reserves, reserve level calculations, line of credit and withdrawal and replenishment/reporting and oversight. The presentation covered RPU's outstanding credit rating.

PUBLIC COMMENT/E-COMMENT

Jason Hunter, Ward 1, commented on Riverside Public Utilities undesignated and unrestricted cash reserve levels.

Tom Evans, Ward 5, called to express concerns about Riverside Public Utilities listing line of credit as an asset and included in total cash reserve levels.

Board Members discussed line of credit as an asset and its access to capital as a sign of strength and stability. They requested an update showing the effect of COVID on reserves specifically how ERAP and benefits programs have been affected. Utilities Fiscal Manager, Brian Seinturier, answered detailed questions from the Board regarding the line of credit as a component of RPU's outstanding rating and lower interest costs. General Manager Todd Corbin explained to the Board the ability to mitigate financial risk is conducive to higher credit ratings. Cash reserves gives assurance of stability as one part of its market strength.

A motion was made to approve Item 8:

Motion – Sanchez-Monville Second – Miramontes

Ayes: Austin, Crohn, Hernandez, Ocegüera, Russo-Pereyra, Walcker, Wohlgemuth

9. Approve the Power Sales Agreement with Southern California Public Power Authority (“SCPPA”) for the Coso Geothermal Energy Project for a term of twenty years for an estimated average annual cost of \$6,000,000 for contract years one through five and \$18,000,000 for contract years six through twenty. (Presented by Roy Xu)

Power Resources Manager, Contracts Roy Xu gave a presentation beginning with legislative history, Riverside Public Utilities renewable power mix (44% by 2020), background, project location, contract terms, price and other characteristics. He presented impacts to Renewable Portfolio Standard forecasts through 2030. Board Members asked about transmission capabilities and costs. Many commented on the outstanding contract details that will provide benefits to Riverside Public Utilities rate payers for many years. Power Resources Planning Manager Scott Lesch informed the Board that we are ahead of other utilities with 44% renewable portfolio. Board Members requested community outreach highlighting this milestone. Power Resources Planning Manager Scott Lesch explained transmission system congestion costs for the Board. Board requested a presentation of RPU contracts portfolio demonstrating the overlay of contracts and the stability provided.

PUBLIC COMMENT/E-COMMENT

Tom Evans, Ward 5, called to speak about a full study of a solar array and batteries at Pellissier Ranch.

A motion was made to approve Item 9:

Motion – Ocegüera Second – Russo-Pereyra

Ayes: Austin, Crohn, Hernandez, Miramontes, Sanchez-Monville, Walcker, Wohlgemuth

10. Receive information on the Agreement for Operation of Gage Canal Facilities between the City of Riverside and the Gage Canal Company.

Rick Small gave a presentation on the Gage Operating Agreement. He provided historical background on the Gage Canal Company, its’ operating agreement components. He read Section 3: Purpose of Operating Agreement and Section 15: Operating Agreement and Capital Improvements. Five Amendments to the Agreement provide for City rights and duties. He presented to the Board Gage’s 2020/21 Capital Budget, Gage Well rehabilitation history and well

needs related to production rights and obligations. Board Members discussed condemnation issues with of the Gage Canal Company with Susan Wilson giving clarification. Water Committee meeting details were discussed. Water Committee should define set of procedures, analysis and review of fixed and variable costs and assure all ratepayers are treated fairly.

A motion was made to receive and file Item 10 with the following added verbiage:

Motion to receive and file and refer the issue to the with Water Committee to discuss issues of cost allocation.

Motion – Walcker Second – Russo-Pereyra

Ayes: Austin, Crohn, Hernandez, Miramontes, Ocegüera, Sanchez-Monville, Wohlgenuth

General Manager Todd Corbin reminded Board Members that Gage Canal Company has a Board of Directors that set rates and allocations who should be part of the process

BOARD MEMBER/STAFF COMMUNICATIONS

11. Systematic reporting on meetings, conferences, and seminars by Board Members and/or staff: None
12. Items for future Board of Public Utilities consideration as requested by a Member of the Board of Public Utilities:
 - Update on October 9 Ruling on General Fund Transfer to Electric Department

GENERAL MANAGER'S REPORT

13. Update on Impact of COVID-19 Pandemic and Emergency Orders
14. WA-12 Agricultural Service Water Rate Report – September 30, 2020
15. Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for September 2020
16. SCPPA Monthly Agendas - September 17, 2020 and October 22, 2020 and Minutes - July 16, 2020 and August 20, 2020
17. City Council / Committee Agendas
18. Upcoming Meetings
19. Electric / Water Utility Acronyms

General Manager Todd Corbin stated that to date 3,000 ERAP applications have been processed representing \$1.2 million in customer relief due to COVID hardship. Riverside Public Utilities Ad Hoc committee for representation of City on Mutual Water Companies is tentatively scheduled for November 23 with Board Members Sanchez-Monville and Austin and Council Members Plascencia and Fierro. COVID-19 testing centers are expanding throughout the City. Check the City for website locations.

Board Chair David Crohn adjourned the meeting at 10:00 p.m.

The next regular meeting of the Board of Public Utilities will be held on Monday, December 14, 2020 at 6:30.

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

Approved by: City of Riverside Board of Public Utilities

Dated _____