

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Meeting of the Board of Public Utilities

Date of Meeting: March 14, 2016

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: Dave Austin (Chair) Justin Scott-Coe (Vice Chair)
Ron Cole David Crohn
Kevin Foust Jennifer O'Farrell
Andrew Walcker

Absent: Darrell Ament (unexcused absence)

PRESENTATION

1 INTRODUCTION OF NEW BOARD MEMBERS; ELECTION OF BOARD OFFICERS

The Board of Public Utilities:

1. Introduced the two new Board Members, Kevin Foust (Ward 2) and David Crohn (At-Large); and
2. Conducted elections for the Board offices of Chair and Vice-Chair.

Vice Chair Austin reviewed the rules for the Board elections.

ELECTION OF PUBLIC UTILITIES BOARD OFFICERS

(1) Chair

Board Member Ron Cole nominated Dave Austin to the position of Chairman of the Board of Public Utilities.

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

Motion – Scott-Coe. Second – Cole.

Ayes: Austin, Scott-Coe, Cole, Crohn, Foust, O'Farrell and Walcker.

Absent: Darrell Ament (unexcused absence)

The Board of Public Utilities voted upon the Board Member nominated for the position of Chairman of the Board of Public Utilities. Seven out of seven voted for Dave Austin.

Dave Austin was elected Chairman.

(2) Vice Chair

Board Member Andrew Walcker nominated Justin Scott-Coe to the position as Vice Chairman of the Board of Public Utilities.

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

Motion – Walcker Second – O'Farrell.

Ayes: Austin, Scott-Coe, Cole, Crohn, Foust, O'Farrell and Walcker.

Absent: Darrell Ament (unexcused absence)

The Board of Public Utilities voted upon the Board Member nominated for the position of Vice Chairman of the Board of Public Utilities. Seven out of seven voted for Justin Scott-Coe.

Justin Scott-Coe was elected Vice Chairman.

2 EMPLOYEE RECOGNITION AWARD

General Manager Girish Balachandran verbally recognized the Electric Field crews who worked tirelessly around the clock this past weekend to fix major system damage caused by a storm on Friday, March 11, 2016.

A break was taken at this time for the Board Members to change positions on the dais

MINUTES

- 3 The regular minutes from the Board of Public Utilities meeting held on February 5, 2016 were approved as submitted.

Motion – Walcker. Second – Scott-Coe.

Ayes: Austin, Scott-Coe, Cole, Crohn, Foust, O'Farrell and Walcker.

Abstain: None.

Absent: Darrell Ament (unexcused absence)

- 4 The regular minutes from the Board of Public Utilities meeting held on February 19, 2016 were approved as submitted.

Motion – O'Farrell. Second – Cole.

Ayes: Austin, Scott-Coe, Cole, Crohn, Foust, O'Farrell and Walcker.

Abstain: None.

Absent: Darrell Ament (unexcused absence)

CITIZENS PARTICIPATION

5 Public Comment:

Mr. Jason Hunter spoke regarding the TRR (distributed an email sent to John Russo discussing the TRR).

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar, with the exception of Item 6, **MASTER LICENSE AGREEMENT WITH ON-RAMP WIRELESS FOR COMMUNICATION SERVICES OVER TEN YEARS AND NET COST REDUCTION**, which was deferred to the next Board meeting:

Motion – Scott-Coe. Second – O’Farrell.

Ayes: Austin, Scott-Coe, Cole, Crohn, Foust, O’Farrell, and Walcker.

Absent: Darrell Ament (unexcused absence)

Electric Items

6 MASTER LICENSE AGREEMENT WITH ON-RAMP WIRELESS FOR COMMUNICATION SERVICES OVER TEN YEARS AND NET COST REDUCTION

At the request of staff, this item was pulled from the agenda and deferred to the next Board meeting.

Water Items

7 REIMBURSEMENT UTILITY AGREEMENT NO. 23786 BETWEEN CITY OF RIVERSIDE AND SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION (SANBAG) TO RELOCATE AND PROTECT EXISTING TRANSMISSION MAIN AT NEW BARTON ROAD OFFRAMP FOR \$585,000 PLUS CONTINGENCY

The Board of Public Utilities recommended that the City Council:

1. Approve the reimbursement Utility Agreement No. 23786 between City of Riverside and SANBAG for the relocation of City of Riverside Public Utilities (RPU) facilities pertaining to SANBAG’s Barton Road Bridge Extension project; and
2. Authorize the City Manager, or his designee, to execute any amendments to Utility Agreement No. 23786 to increase either the reimbursable amount or the term of the agreement.

Other Items

8 CANCELLATION OF THE MARCH 28, 2016 AND JUNE 13, 2016 BOARD MEETINGS AND SCHEDULING OF SPECIAL BOARD MEETINGS ON MARCH 29, 2016 AND JUNE 6, 2016

The Board of Public Utilities approved:

1. The cancellation of the regular Board meeting on March 28, 2016 and scheduling of a special Board meeting on Tuesday March 29, 2016 at 6:30 pm; and
2. The cancellation of the regular Board meeting on June 13, 2016 and scheduling of a special Board meeting on Monday June 6, 2016 at 6:30 pm.

DISCUSSION CALENDAR

9 **RESOLUTION EXTENDING STAGE THREE OF RIVERSIDE'S WATER CONSERVATION PROGRAM TO COMPLY WITH THE EXTENSION OF THE STATE WATER RESOURCES CONTROL BOARD MANDATORY EMERGENCY DROUGHT REGULATIONS**

Assistant General Manager/Water Todd Jorgenson gave a brief overview of RPU's drought response stating that by Governor's order, the State Water Resources Control Board has extended the mandatory drought regulations through November 7, 2016

Staff noted that the Resolution had a typo on page 2, line 11 – and should be amended to read "WHEREAS, on February 2, 2016, the SWRCB again adopted emergency rulemaking to enact emergency regulations for urban water suppliers, including a regulation that requires Riverside to reduce its water usages by 28%; (Not 84%)....." - this typo will be revised.

Following discussion, the Board of Public Utilities recommended that the City Council adopt the attached resolution as amended which extends Stage Three of Riverside's Water Conservation Program to November 7, 2016.

Motion – Cole. Second – Austin.

Ayes: Austin, Scott-Coe, Cole, Crohn, Foust, O'Farrell, and Walcker.

Absent: Darrell Ament (unexcused absence)

10 **RIVERSIDE PUBLIC UTILITIES PROPOSED BUDGET FOR FISCAL YEARS 2016/17 AND 2017/18**

General Manager Girish Balachandran provided context for the budget presentation explaining that this two year budget process increases transparency, supports Riverside 2.0 implementation goals, our long term efficiency (staffing and operations) and that this year in particular is a planning and staging year to undertake the Utility 2.0 plan. The Finance Division is in the process of determining costs for support of Utility 2.0 and will provide the Board with a cost of service study, a 10 year pro forma and rate plan in the latter half of 2016.

Assistant General Manager Laura Nomura-Chavez gave an overview of the new two year budget process followed by Assistant General Manager/Energy Delivery Pat Hohli and Assistant General Manager/Water Todd Jorgenson who presented the background information needed to explain the budget components for their respective divisions.

The Board requested a Recommendation No. 8 be added to say the following:

"Direct staff to develop a plan for the second year of the two-year budget (FY 2017-18) to return reserves to at or above minimum levels, with the appropriate adjustments to the CIPs for FY 2017-18."

Following discussion and the addition of the new recommendation, the Board of Public Utilities recommended that City Council:

1. Approve the Electric Funds (including Public Benefits Fund) proposed FY 2016/17 budget totaling \$375.6 million in revenues, \$385.9 million in operating expenditures and \$34.9 million in capital improvements and proposed FY 2017/18 budget totaling \$380.4 million in revenues, \$389.3 million in operating expenditures and \$38.8 million in capital improvements;

2. Authorize the use of the Restricted Electric Fund Regulatory Requirement Reserve for capital projects in the amount of \$12.3 million;
3. Authorize the use of the Designated Electric Fund Capital Repair/Replacement Reserve for facility projects and technology in the amount of \$2.1 million;
4. Approve the Water Funds (including Water Conservation Fund) proposed FY 2016/17 budget totaling \$64.4 million in revenues, \$64.3 million in operating expenditures and \$26.5 million in capital improvements and proposed FY 2017/18 budget totaling \$68.5 million in revenues, \$66.8 million in operating expenditures and \$16 million in capital improvements;
5. Authorize the use of the Designated Recycled Water Reserve for the recycled water project in the amount of \$9.8 million;
6. Authorize the use of the Designated Property Reserve for Water Utility capital projects in the amount of \$21 million; and
7. Authorize the use of the Designated Water Fund Capital Repair/Replacement Reserve for equipment in the amount of \$1.5 million; and
8. Direct staff to develop a plan for the second year of the two-year budget (FY 2017-18) to return reserves to at or above minimum levels, with the appropriate adjustments to the CIPs for FY 2017-18.

Motion – Cole. Second – Austin.

Ayes: Austin, Scott-Coe, Cole, Crohn, Foust, O'Farrell, and Walcker.

Absent: Darrell Ament (unexcused absence)

BOARD MEMBER/STAFF COMMUNICATIONS

11 SYSTEMATIC REPORTING ON CONFERENCES/SEMINARS BY BOARD MEMBERS AND/OR STAFF

Chair Austin reported that he attended the APPA Legislative Rally in Washington DC with staff.

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

- Update on Riverside's lawsuit on Drought Measures
- Code of Ethics Update

GENERAL MANAGER'S REPORT

- 13 Safety Update
- 14 Electric / Water Contract Panel Update – February 2016
- 15 Open and Closed Work Orders – January 2016
- 16 Water Highlights – January 2016
- 17 Monthly Power Supply Report – January 2016
- 18 SCPPA Monthly Agenda / Minutes – January 21, 2016
- 19 SCPPA Miscellaneous Billings – February 2016
- 20 City Council Agendas – February 16, 2016, February 23, 2016, and March 1, 2016
- 21 Upcoming Meetings
- 18 Electric / Water Utility Acronyms

UPCOMING MEETING

Chair Dave Austin adjourned the meeting at approximately 9:00 p.m. The next regular meeting of the Board of Public Utilities on Monday, March 28, 2016 has been cancelled and rescheduled to a special meeting on Tuesday, March 29, 2016 at 6:30 p.m. at the Art Pick Council Chamber, Riverside, California.

By: 

Girish Balachandran, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated March 29, 2016