

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Meeting of the Board of Public Utilities
Date of Meeting: February 12, 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:	Dave Austin (Chair)	Jennifer O'Farrell (Vice Chair)
	David Crohn	Kevin Foust
	Jeanette Hernandez	Gil Ocegueda
	Jo Lynne Russo-Pereyra	Elizabeth Sanchez-Monville
	Andrew Walcker	

Absent: None.

OATH OF OFFICE

The City Clerk administered Oath of Office to newly appointed Board Member Jeanette Hernandez.

Board Chair Austin requested that the minutes reflect that this meeting is the first in a few years that the Board of Public Utilities has had a full nine-member attendance.

PRESENTATIONS

1 EMPLOYEE RECOGNITION AWARD TO JENNINE HINKLE, UTILITIES PRINCIPAL RESOURCE ANALYST

The Board of Public Utilities recognized Jennine Hinkle, Utilities Principal Resource Analyst, for her hard work and dedication to Riverside Public Utilities and the City of Riverside.

CITIZENS PARTICIPATION

2 E-comments from Jason Hunter regarding Items 5, 12 and 14 on the agenda.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar, with the exception of Item 5, **STREETLIGHT INSTALLATION FOR THE PUBLIC WORKS NORTE VISTA SIDEWALK IMPROVEMENTS PROJECT – APPROVE WORK ORDER NO. 1722321 FOR \$888,000**, Item 8, **REQUEST FOR PROPOSAL NO. 1745 - SERVICES AGREEMENT FOR PUMP EFFICIENCY AND METER TESTING WITH JON R. LEE AND MARTHA L. LEE DBA PUMP CHECK, OF RIVERSIDE, CALIFORNIA FOR A TERM TO FEBRUARY 1, 2020 WITH AN ADDITIONAL ONE YEAR EXTENSION, FOR AN AMOUNT NOT-TO-EXCEED \$265,000**, and Item 9, **CONSTRUCTION OF THE EMERGENCY REPAIR WORK TO REPLACE AN INOPERABLE 12-INCH VALVE AT LINDEN BOOSTER STATION – RESOLUTION DECLARING THE REPAIR WORK AN URGENT NECESSITY FOR PRESERVATION OF LIFE, HEALTH OR PROPERTY – IN THE AMOUNT OF \$53,695, TO WEKA, INC. OF HIGHLAND, CALIFORNIA – WORK ORDER NO. 1819037 FOR \$105,000**, which were placed on the Discussion Calendar.

Motion – O'Farrell. Second – Crohn.

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

Absent: None.

Minutes

- 3 The minutes from the Board of Public Utilities regular meeting held on January 22, 2018 was approved as submitted with the correction that Board Member David Crohn's absence was due to business and was not unexcused.

Board Attendance

- 4 EXCUSE BOARD VICE-CHAIR JENNIFER O'FARRELL ABSENCE FROM THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES ON JANUARY 8, 2018

The Board of Public Utilities excused Board Vice-Chair Jennifer O'Farrell absence from the Board of Public Utilities meeting of January 8, 2018 because of illness.

Electric Items

- 5 MOVED TO DISCUSSION CALENDAR

- 6 AWARD BID NO. Y181198 FOR FURNISHING AND DELIVERING ONE AUTOMATIC TRANSFER SWITCH TO G&W ELECTRIC COMPANY OF BOLINGBROOK, ILLINOIS, IN THE AMOUNT OF \$61,563.38 – APPROVE WORK ORDER NO. 1814796 FOR THE AUTO TRANSFER SWITCH REPLACEMENT PROJECT FOR \$112,000

The Board of Public Utilities:

1. Awarded Bid No. Y181198 for furnishing and delivering one automatic transfer switch to the lowest responsive and responsible bidder G&W Electric Company of Bolingbrook, Illinois, in the amount of \$61,563.38; and
2. Approved Work Order No. 1814796 for the Automatic Transfer Switch Replacement Project in the amount of \$112,000.

- 7 AWARD RFP SUB-800 FOR FURNISHING AND DELIVERING NINE SUBSTATION BATTERY CHARGERS TO ONESOURCE DISTRIBUTORS, LLC OF OCEANSIDE CALIFORNIA, IN THE AMOUNT OF \$136,289.85 FOR THE SUBSTATION BATTERY CHARGERS UPGRADE PROJECT - APPROVE WORK ORDER NO. 1812830 FOR \$384,000

The Board of Public Utilities:

1. Awarded RFP SUB-800 for furnishing and delivering nine substation battery chargers to the lowest responsive and responsible bidder OneSource Distributors, LLC of Oceanside, California, in the amount of \$136,289.85; and
2. Approved Work Order No. 1812830 in the amount of \$384,000 for the Substation Battery Chargers Upgrade Project.

Water Items

- 8 MOVED TO DISCUSSION CALENDAR

- 9 MOVED TO DISCUSSION CALENDAR

Other Items

- 10 2018 ANNUAL INTEREST RATE OF 0.02% TO BE PAID ON CUSTOMER DEPOSITS

The Board of Public Utilities approved the annual interest rate of 0.02% for customer deposits.

DISCUSSION CALENDAR

- 5 STREETLIGHT INSTALLATION FOR THE PUBLIC WORKS NORTE VISTA SIDEWALK IMPROVEMENTS PROJECT – APPROVE WORK ORDER NO. 1722321 FOR \$888,000

Board Member David Crohn requested this item be placed on the Discussion Calendar to discuss in detail how the funding for the grant worked. Assistant General Manager Hanson gave a presentation stating the project will replace existing aging infrastructure with a new streetlight system that will improve lighting in the area, increase system operations, reliability and safety.

Following discussion, the Board of Public Utilities approved the estimated capital expenditure of \$888,000 for Work Order No. 1722321 for the Electric Utility's share of the City of Riverside Public Works Norte Vista Sidewalk Improvements Project for streetlight installation.

Motion – Crohn. Second – Ocegüera.

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

Absent: None.

- 8 REQUEST FOR PROPOSAL NO. 1745 - SERVICES AGREEMENT FOR PUMP EFFICIENCY AND METER TESTING WITH JON R. LEE AND MARTHA L. LEE DBA PUMP CHECK, OF RIVERSIDE, CALIFORNIA FOR A TERM TO FEBRUARY 1, 2020 WITH AN ADDITIONAL ONE YEAR EXTENSION, FOR AN AMOUNT NOT-TO-EXCEED \$265,000

Board Member Kevin Foust requested this item be placed on the Discussion Calendar for more detail of the services agreement for pump efficiency and meter testing and if there would be any interruption in service. Water Operations Manager David Garcia answered questions from the Board and gave a background of the importance of hiring a consultant with the expertise and specialized equipment needed to test the pumps and meters on an ongoing basis.

Following discussion, the Board of Public Utilities:

1. Approved a Services Agreement for Pump Efficiency and Meter Testing with Jon R. Lee and Martha L. Lee DBA Pump Check, of Riverside, California, for a term to February 1, 2020, with an optional one year extension, for an amount not-to-exceed \$265,000; and
2. Authorized the City Manager, or his designee, to execute the Services Agreement with Jon R. Lee and Martha L. Lee DBA Pump Check, including making minor and non-substantive changes including the optional one year contract extension.

Motion – Foust. Second – Sanchez-Monville.

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

Absent: None.

- 9 CONSTRUCTION OF THE EMERGENCY REPAIR WORK TO REPLACE AN INOPERABLE 12-INCH VALVE AT LINDEN BOOSTER STATION – RESOLUTION DECLARING THE REPAIR WORK AN URGENT NECESSITY FOR PRESERVATION OF LIFE, HEALTH OR PROPERTY – IN THE AMOUNT OF \$53,695, TO WEKA, INC. OF HIGHLAND, CALIFORNIA – WORK ORDER NO. 1819037 FOR \$105,000

Board Member Kevin Foust requested this item be placed on the Discussion Calendar to ask if the repair was still in process or has it been completed. Water Operations Manager David Garcia reported that the repair is completed and answered questions from the Board. The Board stressed the importance of work being on a planned structure to avoid emergency repair work in the future.

Following discussion, the Board of Public Utilities:

1. Recommended that the City Council:
 - a. Adopt, by at least five affirmative votes, the attached Resolution declaring the Emergency Repair Work to Replace an Inoperable 12-inch Valve at Linden Booster Station an urgent necessity for the preservation of life, health or property waiving the formal public bidding requirements in accordance with section 1109 of the City Charter;

- b. Approve a construction contract, in the amount of \$53,695 to Weka, Inc. for the emergency construction repairs;
 - c. Authorize an 18.86% (\$10,000) change order authority for the construction contract with Weka, Inc. for the emergency repairs; and
2. Approved the expenditure of \$105,000 for Work Order No. 1819037 which includes all design, construction, construction management and inspection costs for the Emergency Repair Work to Replace an Inoperable 12-inch Valve at Linden Booster Station.

Motion – Ocegüera. Second – O'Farrell.

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

Absent: None.

- 11 PURCHASE AND SALE AGREEMENT WITH RIYOKO WYLIE, TRUSTEE OF THE RIKA-RIYOKO TRUST, FOR THE ACQUISITION OF 1.38 ACRES OF LAND LOCATED AT 1395 CHICAGO AVENUE, ASSESSOR PARCEL NUMBER 210-060-033, FOR A TOTAL COST OF \$630,000 FOR THE HUNTER SUBSTATION REBUILD PROJECT AND FUTURE WATER FACILITY – APPROVE WORK ORDER NO. 1816795 FOR \$587,000 FOR ELECTRIC DIVISION AND WORK ORDER NO. 1817967 FOR \$43,000 FOR THE WATER DIVISION

Assistant General Manager George Hanson gave a presentation on the background and the need to replace Hunter Substation and the importance of the land acquisition as it is an ideal site to rebuild Hunter Substation while maintaining reliable service to the customers during construction and for the Water Utility to build a well site by the canal.

Following discussion, the Board of Public Utilities:

1. Recommended that the City Council approve a Purchase and Sale Agreement with Riyoko Wylie, Trustee of the Rika-Riyoko Trust, for the acquisition of 1.38 acres of land located at 1395 Chicago Avenue, APN 210-060-033, for the sale price of \$615,000 for the Hunter Substation Rebuild Project and future water facility, and estimated costs for Phase I Environmental Site Assessment Report. title, escrow, and miscellaneous closing costs not to exceed \$15,000, for a total of \$630,000;
2. Recommended that the City Council authorize the City Manager, or his designee, to execute the Purchase and Sale Agreement with Riyoko Wylie, Trustee of the Rika-Riyoko Trust, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction; and
3. Approved Work Order No. 1816795 in the amount of \$587,000 for the Electric Division share of the land and Work Order No. 1817967 in the amount of \$43,000 for the Water Division portion of the property for a well site consisting of 4,000 square feet

Motion – Russo-Pereyra. Second – Crohn.

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

Absent: None.

12 PARTICIPATION IN THE CALIFORNIA AIR RESOURCES BOARD'S ONGOING LOW CARBON FUEL STANDARD PROGRAM, INCLUDING THE SALE OF CREDITS TO GENERATE APPROXIMATELY \$120,000 ANNUALLY TO SUPPORT THE DEVELOPMENT OF PROGRAMS SUPPORTING ELECTRIC VEHICLE ADOPTION

Utilities Integration Manager Tracy Sato gave a presentation regarding the participation in the California Air Resources Board's Low Carbon Fuel Standard Program and answered questions from the Board. The Board requested that staff periodically update the Board regarding this program.

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

1. Approve Riverside Public Utilities to participate in the California Air Resources Board's Low Carbon Fuel Standard Program, including secondary market transactions for the sale of Low Carbon Fuel Standard credits;
2. Authorize the City Manager, or designee, to execute the appropriate paperwork to enable Riverside's participation in the Low Carbon Fuel Standard Program, including secondary market transactions for the sale of Low Carbon Fuel Standard credits and retention of third-party verification services when required;
3. Authorize the City Manager, or his designee, to designate Riverside's primary and secondary account representatives and delegate the authority to these Riverside representatives to designate additional employees to conduct transfers of Low Carbon Fuel Standard credits, sell Low Carbon Fuel Standard credits on behalf of Riverside, and effect associated compliance activities; and
4. Establish a Regulatory Requirement – Low Carbon Fuel Standard legally restricted reserve account within the Electric Fund, as determined by the Finance Department to deposit and segregate monies received from this program.

Motion – Russo-Pereyra. Second – O'Farrell.

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

Absent: None.

BOARD MEMBER/STAFF COMMUNICATIONS

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

Board Member Russo-Pereyra reported that she and Board Chair Austin attended the 2018 CMUA Capitol Day in Sacramento with staff – she also complimented on the excellent job that Legislative Affairs Manager Robert Ennis did in preparing them for the lobbying issues.

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

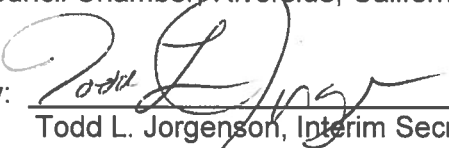
- Include a report of contracts approved by PU each month from \$25,000 to \$50,000 in the GM report
- Update of Gage Canal and RPU agreements showing who is responsible for which assets of the Gage Canal
- E-comment from Jason Hunter to see a comparison between the pro forma cost/revenues of the Corona Clearwater project and the actuals since this deal was approved by the Board and Council

GENERAL MANAGER'S REPORT

- 15 RPU Drought and Conservation Efforts / Groundwater Level Update as of December 2017
- 16 Water Highlights – December 2017
- 17 Monthly Power Supply Report – December 2017
- 18 SCPPA Monthly Agenda I Minutes – December 21, 2017
- 19 Electric / Water Utility Acronyms
- 20 City Council / Committee Agendas – January 23, 2018 and February 6, 2018
- 21 Upcoming Meetings

UPCOMING MEETING

Chair Dave Austin adjourned the meeting at approximately 8:05 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, February 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 February 26, 2018